BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING DECEMBER 7, 2023

CASE NO. 23994

PAUL FLOWERS STATE COM #112H, #132H & #152H Wells

Lea County, New Mexico



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

APPLICATION OF MRC HAT MESA, LLC FOR APPROVAL OF AN OVERLAPPING HORIZONTAL WELL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 23994

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COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 23994	APPLICANT'S RESPONSE
Date	December 7, 2023
Applicant	MRC Hat Mesa, LLC
Designated Operator & OGRID (affiliation if applicable)	Matador Production Company (OGRID No. 228937)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF MRC HAT MESA, LLC FOR APPROVAL OF AN OVERLAPPING HORIZONTAL WELL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	N/A
Well Family	Paul Flowers
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:	WC-025 G-07 S213330F; BONE SPRING [97927] for the acreage in Sections 30 & 31 and LEGG; BONE SPRING [37870] for the acreage in Section 6
Well Location Setback Rules:	Statewide oil rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	400
Building Blocks:	40 acres
Orientation:	North-South
Description: TRS/County	E/2 W/2 of Section 6, Township 22 South, Range 33 East, and the E/2 W/2 of Section 31 and the E/2 SW/4 of Section 30, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and</u> is approval of non-standard unit requested in this application?	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico
Proximity Tracts: If yes, description	No Exhibit No. A Submitted by: MRC Hat Mesa, LLC
Proximity Defining Well: if yes, description	N/A Hearing Date: December 7, 2023
Applicant's Ownership in Each Tract	Exhibit C-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

	Paul Flowers State Com 112H well SHL: 442' FSL, 909' FWL (Lot 7) of Section 6, T22S-R33E BHL: 2,690' FNL, 1,649' FWL (Unit K) of Section 30, T21S-R33E Target: Bone Spring Orientation: North-South Completion: Standard Location	Page 4
Well #2	Paul Flowers State Com 132H well SHL: 442' FSL, 2,038' FEL (Unit O) of Section 6, T22S-R33E BHL: 2,690' FNL, 2,177' FWL (Unit K) of Section 30, T21S-R33E Target: Bone Spring Orientation: North-South Completion: Standard Location	_
	Paul Flowers State Com 152H well SHL: 472' FSL, 2,068' FEL (Unit O) of Section 6, T22S-R33E BHL: 2,690' FNL, 2,177' FWL (Unit K) of Section 30, T21S-R33E Target: Bone Spring Orientation: North-South Completion: Standard Location	
Horizontal Well First and Last Take Points	Exhibit C-2	
Completion Target (Formation, TVD and MD)	Exhibit C-5	
AFE Capex and Operating Costs		
	\$8,000	\square
Production Supervision/Month \$	\$800	
Justification for Supervision Costs	Exhibit C	
Requested Risk Charge	200%	
Notice of Hearing		
Proposed Notice of Hearing	Exhibit B	
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-4	
Tract List (including lease numbers and owners)	Exhibit C-3	
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice	N/A	
Pooled Parties (including ownership type)	Exhibit C-4	
	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-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	
•	Exhibit C-5	

Released to Imaging: 12/6/2023 7:58:59 AM

costeseined by of Point 2615/1923 initias 12 PM	Exhibit C-5 Page 5
Geology	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-1
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit D
Target Formation	Exhibit D, D-3
HSU Cross Section	Exhibit D-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit C-2
Tracts	Exhibit C-4
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-4
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-3
Cross Section (including Landing Zone)	Exhibit D-3
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information pro	wided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Paula M. Vance
Signed Name (Attorney or Party Representative):	Dh hall
Date:	

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

APPLICATION OF MRC HAT MESA, LLC FOR APPROVAL OF AN OVERLAPPING HORIZONTAL WELL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 23994

APPLICATION

MRC Hat Mesa, LLC ("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 (a) approving a standard 400-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying the E2W2 of Section 6, Township 22 South, Range 33 East, and the E2W2 of Section 31 and the E2SW4 of Section 30, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico, and (b) pooling this proposed horizontal well spacing unit. 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 spacing unit.

3. Applicant seeks to initially dedicate the above-referenced horizontal well spacing unit to the proposed **Paul Flowers State Com 112H**, **Paul Flowers State Com 132H** and **Paul Flowers State Com 152H** wells to be horizontally drilled from a surface hole location in the SW4 of Section 6, with a first take point in the SE4SW4 (Unit N) of section 6 and a last take point in the NE4SW4 (Unit K) of Section 30.

> 69: CF9`H<9`C=@7 CBG9FJ5 H+CB`8=J=G+CB` GUbHJ: YžBYk `A YI]Wc 9I\]V]hBC"6 GiVa]HHYX`Vm`AF7`<UhAYgUž@@7 <YUF]b[`8UHY.`8YWYaVYf`+ž&\$& 7UqYBc"&'--(

4. This proposed horizontal well spacing unit will overlap the following existing Bone

Spring spacing units:

- A 156.33-acre horizontal well spacing unit comprised of the S2S2 of Section 6 dedicated to Matador's AO6 502H (API 30-025-45012) and Matador's AO 6 State Com 501H (API 30-025-45026)
- A 156.35-acre horizontal well spacing unit comprised of the N2S2 of Section 6 dedicated to Matador's AO 6 State Com 001H (API 30-025-40519)
- A 156.38-acre horizontal well spacing unit comprised of the S2N2 of Section 6 dedicated to Matador's COOP 6 State 002H (API 30-025-41981)
- A 156.55-acre horizontal well spacing unit comprised of the N2N2 of Section 6 dedicated to Matador's COOP 6 State 001H (API 30-025-41177)
- A 156.34-acre horizontal well spacing unit comprised of the S2N2 of Section 31 dedicated to Matador's Dagger State Unit 002H (API 30-025-41178)

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. Approval of this overlapping horizontal well spacing unit and 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. Approving the overlapping horizontal well spacing unit and pooling all uncommitted interests therein;
- B. Designating Matador Production Company as operator of this horizontal well spacing unit and the wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping the wells;

- 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 wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

HOLLAND & HART LLP

Bv:

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 agrankin@hollandhart.com

ATTORNEYS FOR MRC HAT MESA, LLC

CASE :

Application of MRC Hat Mesa, LLC 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 400-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying the E2W2 of Section 6, Township 22 South, Range 33 East, and the E2W2 of Section 31 and the E2SW4 of Section 30, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico, and (b) pooling this proposed horizontal well spacing unit. Said unit will be initially dedicated to the proposed Paul Flowers State Com 112H, Paul Flowers State Com 132H and Paul Flowers State Com 152H wells to be horizontally drilled from a surface hole location in the SW4 of Section 6, with a first take point in the SE4SW4 (Unit N) of section 6 and a last take point in the NE4SW4 (Unit K) of Section 30. This proposed horizontal well spacing unit will overlap the following existing Bone Spring spacing units:

- A 156.33-acre horizontal well spacing unit comprised of the S2S2 of Section 6 dedicated to Matador's AO6 502H (API 30-025-45012) and Matador's AO 6 State Com 501H (API 30-025-45026)
- A 156.35-acre horizontal well spacing unit comprised of the N2S2 of Section 6 dedicated to Matador's AO 6 State Com 001H (API 30-025-40519)
- A 156.38-acre horizontal well spacing unit comprised of the S2N2 of Section 6 dedicated to Matador's COOP 6 State 002H (API 30-025-41981)
- A 156.55-acre horizontal well spacing unit comprised of the N2N2 of Section 6 dedicated to Matador's COOP 6 State 001H (API 30-025-41177)
- A 156.34-acre horizontal well spacing unit comprised of the S2N2 of Section 31 dedicated to Matador's Dagger State Unit 002H (API 30-025-41178)

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 26 miles west of Eunice, New Mexico.

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

APPLICATION OF MRC HAT MESA, LLC FOR APPROVAL OF AN OVERLAPPING SPACING UNIT AND FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 23994

SELF-AFFIRMED STATEMENT OF DAVID JOHNS

David Johns, of lawful age and being first duly sworn, declares as follows:

My name is David Johns. 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 case, and I am familiar with the status of the lands in the subject area.

4. In this case, Matador is seeking an order pooling all uncommitted interests in the Bone Spring formation in the standard 400-acre, more or less, horizontal well spacing unit comprised of the E/2 W/2 of Section 6, Township 22 South, Range 33 East, and the E/2 W/2 of Section 31 and the E/2 SW/4 of Section 30, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico, and initially dedicate this Bone Spring spacing unit to the proposed Paul Flowers State Com 112H, Paul Flowers State Com 132H and Paul Flowers State Com 152H wells to be horizontally drilled from a surface hole

> BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. C Submitted by: MRC Hat Mesa, LLC Hearing Date: December 7, 2023 Case No. 23994

location in the SW/4 of Section 6, with a first take point in the SE/4 SW/4 (Unit N) of section 6 and a last take point in the NE/4 SW/4 (Unit K) of Section 30.

5. Matador understands this well will be placed in the WC-025 G-07 S213330F;BONE SPRING [97927] (for Sections 30 and 31) and the LEGG;BONE SPRING [37870] (for Section 6) pools.

6. This 400-acre horizontal well spacing unit will overlap the following existing spacing units covering portions of the subject acreage:

- a. A 156.33-acre horizontal well spacing unit comprised of the S/2 S/2 of Section 6 dedicated to Matador's AO6 502H (API 30-025-45012) and Matador's AO 6 State Com 501H (API 30-025-45026);
- b. A 156.35-acre horizontal well spacing unit comprised of the N/2 S/2 of Section 6 dedicated to Matador's AO 6 State Com 001H (API 30-025-40519);
- c. A 156.38-acre horizontal well spacing unit comprised of the S/2 N/2 of Section 6 dedicated to Matador's COOP 6 State 002H (API 30-025-41981);
- d. A 156.55-acre horizontal well spacing unit comprised of the N/2N/2 of Section 6 dedicated to Matador's COOP 6 State 001H (API 30-025-41177); and
- e. A 156.34-acre horizontal well spacing unit comprised of the S/2 N/2 of Section 31 dedicated to Matador's Dagger State Unit 002H (API 30-025-41178).

7. Matador Exhibit C-1 contains a copy of the notice that Matador sent to the working interest owners in the existing spacing units referenced above, the working

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interest owners in the proposed spacing unit in Matador's current application, as well as the New Mexico State Land Office. Matador has not received written notice of any objection to the notice of overlapping spacing unit.

8. Matador Exhibit C-2 contains the Form C-102 for the proposed well.

9. The completed intervals for the proposed well will remain within the standard setbacks required by the statewide rules set forth in 19.15.16.15 NMAC.

10. Matador Exhibit C-3 identifies the tracts of land comprising the proposed horizontal spacing units. The land in the proposed spacing unit is comprised of state lands.

11. Matador Exhibit C-4 identifies for the working interest owners that Matador is seeking to pool along with their respective ownership interest in the proposed horizontal spacing unit. Matador Exhibit C-4 also identifies the overriding royalty interest owners that Matador seeks to pool in this case.

12. There are no depth severances within the Bone Spring formation for this acreage.

13. While Matador was working to put this unit together, Matador proposed the above well to each of the working interest parties it seeks to pool. Matador Exhibit C-5 contains a sample well proposal letter that was sent to those parties, along with the AFE sent to working interest owners for each well. The costs reflected in the AFE are consistent with what other operators have incurred for drilling similar horizontal wells in the area.

14. In addition to sending well proposal letters and AFEs, I have called or emailed each of the working interest owners Matador seeks to pool. As indicated in **Matador Exhibit C-6**, we have been able to contact and have discussions with all of the working interest owners we seek to pool.

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15. **Matador Exhibit C-6** contains a summary chronology of Matador's contacts and attempted contacts with the uncommitted working interest owners. In my opinion, Matador has undertaken good faith efforts to reach an agreement with the uncommitted mineral owners that Matador seeks to pool in this case.

16. Matador has made an estimate of overhead and administrative costs for drilling and producing the proposed well. It is \$8,000/month while drilling, and \$800/month while producing. These costs are consistent with what other operators are charging in this area for these types of wells. Matador respectfully requests that these administrative and overhead costs be incorporated into any order entered by the Division in this case.

17. I provided Matador's outside counsel, Holland & Hart, a list of names and addresses for the parties that Matador is seeking to pool. In compiling this notice list, Matador conducted a diligent search of all public records in the county where the proposed wells are located and of phone directories, including computer searches.

18. **Matador Exhibits C-1 through C-6** were either prepared by me or compiled under my direction and supervision.

19. 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.

T.W.D.

David Johns

Date

Exhibit C-1

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

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

November 13, 2023

Re: Notice of Overlapping Spacing Unit Matador's Paul Flowers State Com #112H, #132H, and #152H

To Whom It May Concern:

Matador Production Company has proposed the above-referenced wells for the development of the Bone Spring formation under the E/2 W/2 of Section 6, Township 22 South, Range 33 East, and the E/2 W/2 of Section 31 and the E/2 SW/4 of Section 30, Township 21 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 400 acre, more or less, spacing unit comprised of the E/2 W/2 of Section 6, Township 22 South, Range 33 East, and the E/2 W/2 of Section 31 and the E/2 SW/4 of Section 30, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico, which will initially be dedicated to:

- Matador's Paul Flowers State Com 112H well to be horizontally drilled from a surface hole location in the SW/4 of Section 6, with a first take point in the SE/4 SW/4 (Unit N) of section 6 and a last take point in the NE/4 SW/4 (Unit K) of Section 30. This well is targeting the First Bone Spring of the Bone Spring formation, with an approximate TVD of 9,900';
- (ii) Matador's Paul Flowers State Com 132H well to be horizontally drilled from a surface hole location in the SW/4 of Section 6, with a first take point in the SE/4 SW/4 (Unit N) of section 6 and a last take point in the NE/4 SW/4 (Unit K) of Section 30. This well is targeting the Third Bone Spring of the Bone Spring formation, with an approximate TVD of 11,940';
- (iii) Matador's Paul Flowers State Com 152H well to be horizontally drilled from a surface hole location in the SW/4 of Section 6, with a first take point in the SE/4 SW/4 (Unit N) of section 6 and a last take point in the NE/4 SW/4 (Unit K) of Section 30. This well is targeting the Third Bone Spring of the Bone Spring formation, with an approximate TVD of 11,280';

Matador's proposed 400-acre horizontal well spacing unit will overlap the following existing spacing unit:

- A 156.33-acre horizontal well spacing unit comprised of the S/2 S/2 of Section 6, Township 22 South, Range 33 East, Lea County, New Mexico, dedicated to Matador's AO6 502H (API 30-025-45012) and Matador's AO 6 State Com 501H (API 30-025-45026). Matador's AO6 502H (API 30-025-45012) is targeting the Second Bone Spring of the Bone Spring formation, with an approximate TVD of 10,771'. Matador's AO 6 State Com 501H (API 30-025-45026) is targeting the Second Bone Spring of the Bone Spring formation, with an approximate TVD of 10,637';
- (ii) A 156.35-acre horizontal well spacing unit comprised of the N/2 S/2 of Section 6, Township 22 South, Range 33 East, Lea County, New Mexico, dedicated to Matador's AO 6 State Com 001H (API 30-025-40519), which is targeting the Second Bone Spring of the Bone Spring formation, with an approximate TVD of 10,922';
- (iii) A 156.38-acre horizontal well spacing unit comprised of the S/2 N/2 of Section 6, Township 22 South, Range 33 East, Lea County, New Mexico, dedicated to Matador's COOP 6 State 002H (API 30-025-41981), which is targeting the Second Bone Spring of the Bone Spring formation, with an approximate TVD of 10,833';
- (iv) A 156.55-acre horizontal well spacing unit comprised of the N/2 N/2 of Section 6, Township 22 South, Range 33 East, Lea County, New Mexico, dedicated to Matador's COOP 6 State 001H (API 30-025-41177), which is targeting the Second Bone Spring of the Bone Spring formation, with an approximate TVD of 10,884';
- (v) A 156.34-acre horizontal well spacing unit comprised of the S/2 S/2 of Section 31, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico, dedicated to Matador's Dagger State Unit 002H (API 30-025-41178), which is targeting the Second Bone Spring of the Bone Spring formation, with an approximate TVD of 10,944'.

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,

DW

David Johns Senior Staff Landman for Matador Production Company 972-619-1259 djohns@matadorresources.com

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Exhibit C-2

Received by OC	C D: 12/5 /.	2023 6:05:	12 PM			B	Santa Fe, N	ISERVATION DIVISION lew Mexico No. C-2	Page 18 of 4		
District I 1625 N. French Dr., Hobbs, NM 88240					State of Ne	C Hat Mesa, LLC ecember 7, 2023	FORM C-102				
Phone: (575) 393-616 District II	1 Fax: (575) 3	93-0720		Energy,	Minerals &	Natural Resou	irces	. 20004	Revised August 1, 2011		
811 S. First St., Artesi Phone: (575) 748-128		48-9720			Depart	tment		Submit o	ne copy to appropriate		
District III				OIL C	ONSERVA	TION DIVISIO	DN		District Office		
Phone: (505) 334-617 District IV 1220 S. St. Francis Dr	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			12	220 South St Santa Fe, N	. Francis Dr. M 87505			AMENDED REPORT		
	¹ API Numbe		ELL LO	DCATIO ² Pool Code	N AND ACR	EAGE DEDIC	ATION PLA ³ Pool N				
⁴ Property C	Code				⁵ Property N		⁶ Well Number				
					PAUL FLO	OWERS			112H		
⁷ OGRID	No.				⁸ Operator N		⁹ Elevation 3614'				
			-	MATADU		TION COMPAN	N I		3014		
					¹⁰ Surface L						
UL or lot no. 7	Section 6	Township 22–S	Range 33–E	Lot Idn —	Feet from the 442 '	North/South line SOUTH	Feet from the 909'	East/West li WEST	ne County LEA		
			11	Bottom Ho	le Location If D	Different From Sur	face				
UL or lot no. K	Section 30	Township 21–S	Range 33–E	Lot Idn —		North/South line NORTH	Feet from the 1649'	East/West li WEST	ne County LEA		
¹² Dedicated Acres 440.01	¹³ Joint or	Infill ¹⁴ Co	onsolidation Co	de ¹⁵ Ord	er No.				-		

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.

¹⁶ 24	19		<i>50</i> -	19 20	NEW MEXICO EAST	¹⁷ OPERATOR CERTIFICATION
25	30	TIT	mmmmm	771 29		I hereby certify that the information contained herein is true and complete
		: (+	441'	BHL	SURFACE LOCATION (SHL)	to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including
			<u>AZ = 359.60°</u> 50.0'	LPP	442' FSL - SEC. 6 909' FWL - SEC. 6	the proposed bottom hole location or has a right to drill this well at this
	LOT 1		▲ —		X=762427 Y=515392	location pursuant to a contract with an owner of such a mineral or
	LOT 2 SE	F.(1,1)		_/_	LAT.: N 32.4148434	working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.
	DET	AII 8	DETAIL VIEW		LONG.: W 103.6168759	
NAD27	NAD83	540	SCALE: 1" = 400'	1		
	18 X=762638.17 57 Y=528147.71				KICK OFF POINT (KOP)	
1-520000.5	<i>1649'</i>	977794247778	▶		50' FSL - SEC. 6	
			X=722793.26		1650' FWL - SEC. 6	Signature Date
			Y=528092.93	i	X=763171 Y=515005	
			i i		LAT.: N 32.4137643 LONG.: W 103.6144744	Printed Name
	LOT 3 LOT 4	<u> </u>	$+ \cdots - \cdots + \cdots - \cdots$	· · —		
				i	FIRST PERFORATION POINT (FPP)	
	NAD27		NAD27 NAD83	I.	100' FSL - SEC. 6	E-mail Address
25	X=721459.51		X=722783.34 X=763965.40 Y=525457.55 Y=525518.61	30 29	1650' FWL - SEC. 6	¹⁸ SURVEYOR CERTIFICATION
	Y=525450.30 NAD83	≸ <u></u> <u>-</u> /₂			X=763171 Y=515055	I hereby certify that the well location shown on this
36	X=762641.56			31 32	LAT.: N 32.4139017	plat was plotted from field notes of actual surveys
R-32-E	Y=525511.36		i	I.	LONG.: W 103.6144744	made by me or under my supervision, and that the
R-3		95.5		I		same is true to the best of my belief.
T-21-S,	LOT 1	$4^{2},$	$-\cdots - \cdots + \cdots -$	··	LAST PERFORATION POINT (LPP)	
1-2	LOT 2	00			2740' FNL - SEC. 30	11 /07 /0000
	NAD27	336	NAD27 NAD83	I I	1649' FWL - SEC. 30 X=763079 Y=528050	11/27/2023
	X=721481.33		X=722803.74 X=763985.87		LAT.: N 32.4496220	Date of Survey Signature and Seal of Professional Surveyor
	Y=522810.67	k	Y=522817.43 Y=522878.42		LONG.: W 103.6144882	
	NAD83 X=762663.45					WE AL
	Y=522871.66		1	1	BOTTOM HOLE LOCATION (BHL)	ALE ME
				i i	2690' FNL - SEC. 30	T AN MILLAND
	LOT 3	↓	4		1649' FWL - SEC. 30	
	LOT 4				X=763079 Y=528100 LAT.: N 32.4497595	12 4291 10 2001
			NAD27 NAD83 X=722824.11 X=764006.30		LONG.: W 103.6144882	B. A. S.
	NAD27 X=721503.06		Y=520180.80 Y=520241.72	i.		TE SY
36	Y=520172.39	<u>k</u>	T-21-S, R-33-E			POWAL SUF
1	NAD83 X=762685.25		T-22-S, R-33-E	6 5		
L 1	Y=520233.30					Certificate Number
R-32-E				I.	T-21-S, R-33-E	NEW MEXICO EAST
2-S,	LOT 4	LOT 3			SECTION 30 LOT 1 - 36.14 ACRES	NAD 1927
T-2	LOT 5				LOT 2 - 36.14 ACRES	SURFACE LOCATION (SHL) KICK OFF POINT (KOP)
	1		i	i	LOT 3 - 36.14 ACRES LOT 4 - 36.14 ACRES	X=721245 Y=515332 X=721989 Y=514944
	NAD27 X=721520.52		NAD27 NAD83 X=722840.88 X=764023.14	I.	SECTION 31	LAT.: N 32.4147203 LAT.: N 32.4136412 LONG.: W 103.6163894 LONG.: W 103.6139880
	Y=517531.55		Y=517538.56 Y=517599.39		LOT 1 - 36.17 ACRES LOT 2 - 36.24 ACRES	FIRST PERFORATION POINT (FPP) LAST PERFORATION POINT (LPP)
	NAD83		γ		LOT 3 - 36.30 ACRES LOT 4 - 36.37 ACRES	X=721989 Y=514994 X=721897 Y=527989 LAT.: N 32.4137786 LAT.: N 32.4494990
NAD27	X=762702.77 Y=517592.39		i	I I	T-22-S, R-33-E	LONG.: W 103.6139880 LONG.: W 103.6140005
X=721537.73				!	SECTION 6 LOT 1 - 40.03 ACRES	BOTTOM HOLE LOCATION (BHL) X=721897 Y=528039
Y=514891.43 NAD83	LOT 6	7' 7' 59°	í í		LOT 2 - 40.03 ACRES	LAT:: N 32.4496365 LONG: W 103.6140006
X=762720.05		838, <u>11</u>		·· –	LOT 3 - 40.01 ACRES LOT 4 - 36.39 ACRES	
Y=514952.19	SUL 74	ZY = 7	I	I.	LOT 5 - 36.37 ACRES LOT 6 - 36.35 ACRES	
	290' +	- 451' [▼] .	NAD27 NAD83	<u> </u>	LOT 7 - 36.33 ACRES	
1	1 f	K	X=722857.64 X=764039.96 Y=514898.64 Y=514959.41	6 5		
	451'		'ݠ <u>╷</u> └ OP	7 8		
	1650'				·	

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 District I

 1625 N. French Dr., Hobbs, NM 88240

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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

		V	VELL LO	DCATIO	N AND ACR	REAGE DEDIC	CATION PLA	T			
¹ API Number ² Pool C							³ Pool Na	ıme			
⁴ Property C	Code				⁵ Property I	Name			6V	Well Number	
					PAUL FL	OWERS				132H	
⁷ OGRID N	No.				⁸ Operator 1	Name				⁹ Elevation	
				MATADO	R PRODUC	TION COMPA	NY			3617'	
	¹⁰ Surface Location										
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	Eas	t/West line	County	
0	6	22–S	33-E	-	442'	SOUTH	2038'	EAS	ST	LEA	
			11	Bottom Ho	le Location If I	Different From Su	rface				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	Eas	t/West line	County	
K	30	21-S	33-E	-	2690'	NORTH	2177'	WES	ST	LEA	
¹² Dedicated Acres	¹³ Joint or	Infill ¹⁴ C	onsolidation Co	de ¹⁵ Ord	er No.	•					
440.01											

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.

¹⁶ 24	19		50	19	20	NEW MEXICO EAST	¹⁷ OPERATOR CERTIFICATION
25	30 7	TT			29	NAD 1983	I hereby certify that the information contained herein is true and complete
		200	368'-)	_	SURFACE LOCATION (SHL)	to the best of my knowledge and belief, and that this organization either
			-368'	l.		442' FSL - SEC. 6	owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this
	LOT 1		$AZ = 359.60^{\circ}$			2038' FEL - SEC. 6 X=764639 Y=515404	location pursuant to a contract with an owner of such a mineral or
	LOT 2	-+++\		1		LAT.: N 32.4148356	working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.
		0'		_		LONG.: W 103.6097084	pooring order nerecojore endered og ine doisant.
NAD27	NAD83	07/2 					
X=721456.18	X=762638.17					KICK OFF POINT (KOP)	
Y=528086.57	Y=528147.71	TINIA	}			50' FSL - SEC. 6	
	2177	‴/₽. ′/	NAD27 NAD83 X=722793.26 X=763975.25			2178' FWL - SEC. 6	Signature Date
		BHL-/////	Y=528092.93 Y=528154.07		.	X=763699 Y=515008	
			:		i	LAT.: N 32.4137624	Printed Name
	LOT 3 LOT 4	/_ · · _ · · /	$\vdash \cdots \frown \cdots \dashv \cdots \frown$	· · <u> </u>		LONG.: W 103.6127634	
	LOT 4		:				
	NAD27		NAD27 NAD83		i	FIRST PERFORATION POINT (FPP)	E-mail Address
	NAD27 X=721459.51		X=722783.34 X=763965.40	~~		100' FSL - SEC. 6 2178' FWL - SEC. 6	¹⁸ SURVEYOR CERTIFICATION
	Y=525450.30	<u> </u>	Y=525457.55 Y=525518.61	30	29	X=763699 Y=515058	I hereby certify that the well location shown on this
36	NAD83 X=762641.56	17		31	32	LAT.: N 32.4138999	plat was plotted from field notes of actual surveys
ų	Y=525511.36					LONG.: W 103.6127635	made by me or under my supervision, and that the
R-32-E					ı		same is true to the best of my belief.
, Š	LOT 1		_		1	LAST PERFORATION POINT (LPP)	
T-21-S,	LOT 2	359.60° 12994,8				2740' FNL - SEC. 30	
		1.0	NAD27 NAD22		i	2177' FWL - SEC. 30	11/27/2023
	NAD27 X=721481.33	28.6	NAD27 NAD83 X=722803.74 X=763985.87		1	X=763607 Y=528052 LAT.: N 32.4496191	Date of Survey
	Y=522810.67		Y=522817.43 Y=522878.42			LONG.: W 103.6127765	Signature and Seal of Professional Surveyor
	NAD83	¥₹%					AL M. RA
	X=762663.45 Y=522871.66		i		I I	BOTTOM HOLE LOCATION (BHL)	NGEL M. BAR
					1	2690' FNL - SEC. 30	NE XIXA
	LOT 3		i i			2177' FWL - SEC. 30	
	LOT 4				1	X=763607 Y=528102	25116 20
			NAD27 NAD83		1	LAT.: N 32.4497565	A A A A
	NAD27		X=722824.11 X=764006.30 Y=520180.80 Y=520241.72		-	LONG.: W 103.6127766	
36	X=721503.06 Y=520172.39		T-21-S, R-33-E	31	32		PUPONAL SUP
1	NAD83		T-22-S, R-33-E	⁼ 6	5		XZ UNAL ST
ш	X=762685.25 Y=520233.30		i i	5	! [Certificate Number
R-32-I	1 020200.00				¦	T-21-S. R-33-E	NEW MEXICO EAST
မို	LOT 4	LOT 3	LOT 2 LOT 1		i I	SECTION 30	NAD 1927
Γ-22-	LOT 5	₩ · · — ŀ · /	┟᠃─᠃┼᠃─	•••-	1	LOT 1 - 36.14 ACRES LOT 2 - 36.14 ACRES	
			÷		¦	LOT 3 - 36.14 ACRES	SURFACE LOCATION (SHL) KICK OFF POINT (KOP) X=723457 Y=515344 X=722517 Y=514947
	NAD27		NAD27 NAD83		i	LOT 4 - 36.14 ACRES SECTION 31	LAT.: N 32.4147124 LAT.: N 32.4136393 LONG.: W 103.6092221 LONG.: W 103.6122771
	X=721520.52 Y=517531.55		X=722840.88 X=764023.14 Y=517538.56 Y=517599.39		1	LOT 1 - 36.17 ACRES LOT 2 - 36.24 ACRES	FIRST PERFORATION POINT (FPP) LAST PERFORATION POINT (LPP)
NAD27 X=721537.73		Ŷ			1	LOT 3 - 36.30 ACRES	FIRST PERFORMITION POINT (FPP) LAST PERFORMITION POINT (FPP) X=722516 Y=514997 X=722425 Y=527991 LAT. N 32.4137768 LAT. N 32.4494960
Y=514891.43	X=762702.77				;	LOT 4 - 36.37 ACRES T-22-S, R-33-E	LONG.: W 103.6122772 LONG.: W 103.6122890
NAD83 X=762720.05	Y=517592.39		NAD27 NAD83		1	SECTION 6 LOT 1 - 40.03 ACRES	BOTTOM HOLE LOCATION (BHL)
Y=514952.19	LOT 6		X=722857.64 X=764039.96 Y=514898.64 Y=514959.41			LOT 2 - 40.03 ACRES	X=722425 Y=528041 LAT.: N 32.4496335
	LOT 7	K 26	<u>Az = 247.12°</u>	- · · –		LOT 3 - 40.01 ACRES LOT 4 - 36.39 ACRES	LONG.: W 103.6122890
		50.1	1020.4'		i	LOT 5 - 36.37 ACRES	
lí		\mathbf{A}	SHL		ı	LOT 6 - 36.35 ACRES LOT 7 - 36.33 ACRES	
1	- 2178'	FPP J 8	2038'-	6	5		
	┣──				-		
12	- 2178' ——	66	070	7	8		

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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 LO)CATIO	N AND ACR	EAGE DEDIC	CATION PLA	T			
¹ API Number ² Pool C							³ Pool Na	ime			
⁴ Property C	ode				⁵ Property N	lame			⁶ Well Number		
					PAUL FL	OWERS			152H		
⁷ OGRID N	No.				⁸ Operator N	Name			9	Elevation	
			•	MATADO	OR PRODUC	TION COMPA	NY			3617'	
	¹⁰ Surface Location										
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/V	Vest line	County	
0	6	22-S	33-E	-	472'	SOUTH	2068'	EAST		LEA	
			11	Bottom Ho	ole Location If E	Different From Su	rface		I.		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/V	West line	County	
K	30	21-S	33-E	-	2690'	NORTH	2177'	WEST	[]	LEA	
¹² Dedicated Acres	¹³ Joint or 1	Infill ¹⁴	Consolidation Co	Consolidation Code ¹⁵ Order No.							
440.01											

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.

¹⁶ 24	19		50	19	20	NEW MEXICO EAST	¹⁷ OPERATOR CERTIFICATION
25	30	11.7			29	NAD 1983	I hereby certify that the information contained herein is true and complete
		200	368'-	<u>)</u>		SURFACE LOCATION (SHL)	to the best of my knowledge and belief, and that this organization either
		, , , , , , , , , , , , , , , , , , ,		<u> </u>		472' FSL - SEC. 6	owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this
	LOT 1		<u>AZ = 359.60°</u> PP 50.0'			2068' FEL - SEC. 6 X=764609 Y=515434	location pursuant to a contract with an owner of such a mineral or
	LOT 2	- · + /		1		LAT.: N 32.4149182	working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.
	-	0'		_		LONG.: W 103.6098054	pooring order nerecojore endered og ine doisant.
NAD27	NAD83	072 SEI					
	18 X=762638.17					KICK OFF POINT (KOP)	
Y=528086.5	Ç	TINITOT)			50' FSL - SEC. 6	
	2177 2177	" '/	NAD27 NAD83 X=722793.26 X=763975.25			2178' FWL - SEC. 6	Signature Date
			Y=528092.93 Y=528154.07			X=763699 Y=515008	
			:		il	LAT.: N 32.4137624	Printed Name
	LOT 3	/	<u>↓</u> <u> </u>	· · _		LONG.: W 103.6127634	
	LUT4		:				
	NAD27		NAD27 NAD83			FIRST PERFORATION POINT (FPP)	E-mail Address
	X=721459.51		X=722783.34 X=763965.40			100' FSL - SEC. 6 2178' FWL - SEC. 6	¹⁸ SURVEYOR CERTIFICATION
	Y=525450.30	<u> </u>	Y=525457.55 Y=525518.61	30	29	X=763699 Y=515058	I hereby certify that the well location shown on this
36	NAD83 X=762641.56	/ 17		31	32	LAT.: N 32.4138999	plat was plotted from field notes of actual surveys
ų	Y=525511.36					LONG.: W 103.6127635	made by me or under my supervision, and that the
R-32-E					ı		same is true to the best of my belief.
, Š	LOT 1	L	L		1 1	LAST PERFORATION POINT (LPP)	
T-21-S,	LOT 2	12625				2740' FNL - SEC. 30	
		50° 1			i l	2177' FWL - SEC. 30	11/27/2023
	NAD27 X=721481.33	= 359.60°	NAD27 NAD83 X=722803.74 X=763985.87		1	X=763607 Y=528052 LAT.: N 32.4496191	Date of Survey
	Y=522810.67		Y=522817.43 Y=522878.42			LONG.: W 103.6127765	Signature and Seal of Professional Surveyor
	NAD83		·				M D
	X=762663.45 Y=522871.66		i		I I	BOTTOM HOLE LOCATION (BHL)	SCEL M. BAD
					1	2690' FNL - SEC. 30	MEXI
	LOT 3		i			2177' FWL - SEC. 30	
	LOT 4				1	X=763607 Y=528102	25118
			NAD27 NAD83		1	LAT.: N 32.4497565	3 AVAT 10
	NAD27		X=722824.11 X=764006.30 Y=520180.80 Y=520241.72			LONG.: W 103.6127766	
36	X=721503.06 Y=520172.39		T-21-S, R-33-E	31	32		EN ONAL SIF
1	NAD83		T-22-S, R-33-E	6	5		A ONAL SU
ш	X=762685.25 Y=520233.30			5	!		Certificate Number
R-32-I	020200.00				¦	T-21-S, R-33-E	NEW MEXICO EAST
νγ	LOT 4	LOT 3	LOT 2 LOT 1			SECTION 30	NAD 1927
T-22	LOT 5		<u>↓</u> …─…+…─	· · · <u> </u>	1	LOT 1 - 36.14 ACRES LOT 2 - 36.14 ACRES	
					¦	LOT 3 - 36.14 ACRES	SURFACE LOCATION (SHL) KICK OFF POINT (KOP) X=723427 Y=515373 X=722517 Y=514947
	NAD27		NAD27 NAD83		i	LOT 4 - 36.14 ACRES SECTION 31	LAT.: N 32.4147951 LAT.: N 32.4136393 LONG.: W 103.6093192 LONG.: W 103.6122771
NAD 97	X=721520.52 Y=517531.55	V 17	X=722840.88 X=764023.14 Y=517538.56 Y=517599.39			LOT 1 - 36.17 ACRES LOT 2 - 36.24 ACRES	FIRST PERFORATION POINT (FPP) LAST PERFORATION POINT (LPP)
NAD27 X=721537.73		₽ <u></u>			1	LOT 3 - 36.30 ACRES	KAST PERFORMION POINT (PPP) LAST PERFORMION POINT (PPP) X=722516 Y=514997 X=722425 Y=527991 LAT.: N 32.4137768 LAT.: N 32.4494960
Y=514891.43	X=762702.77 Y=517592.39				¦	LOT 4 - 36.37 ACRES T-22-S, R-33-E	LONG.: W 103.6122772 LONG.: W 103.6122890
NAD83 X=762720.05	1-01/092.39		NAD27 NAD83		ı I	SECTION 6 LOT 1 - 40.03 ACRES	BOTTOM HOLE LOCATION (BHL)
Y=514952.19	LOT 6		X=722857.64 X=764039.96 Y=514898.64 Y=514959.41			LOT 2 - 40.03 ACRES	X=722425 Y=528041 LAT.: N 32.4496335
	LOT 7	<u> </u>	<u>AŻ = 244.88°</u> .	· · · –	1	LOT 3 - 40.01 ACRES LOT 4 - 36.39 ACRES	LONG.: W 103.6122890
	-017	50.	1005.0'		i	LOT 5 - 36.37 ACRES	
		F L	SHL 2068' —			LOT 6 - 36.35 ACRES LOT 7 - 36.33 ACRES	
1	- 2178'			6	5		
	- 2178'		∮ ↓ [▼]				
12	2110	à à []	(0)		0		

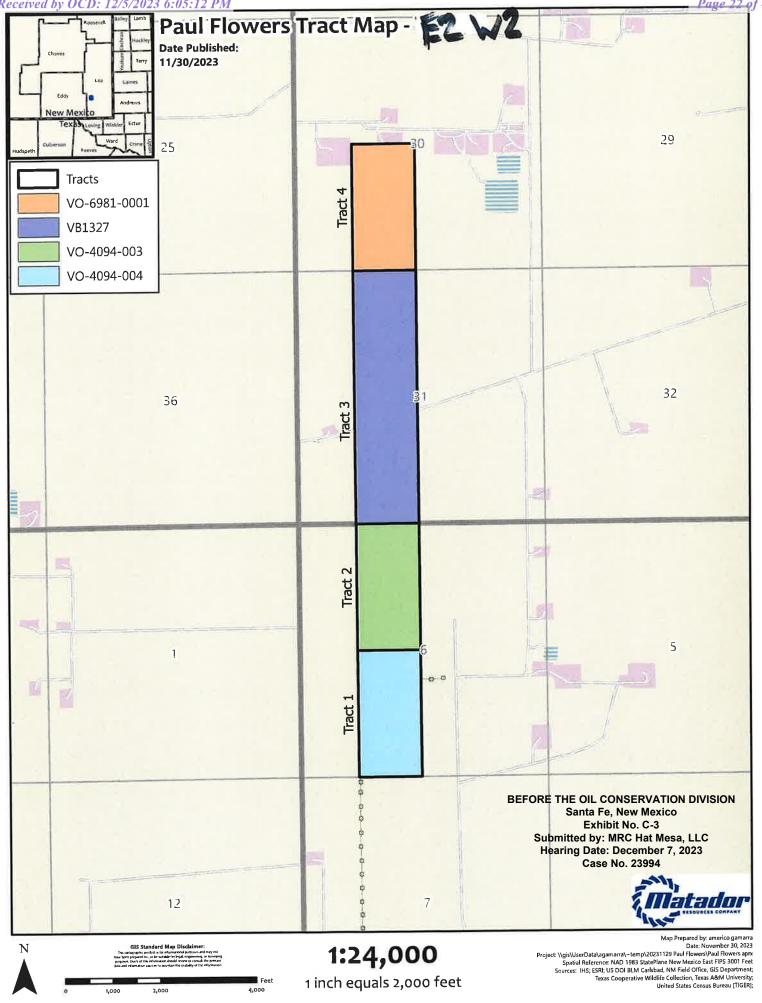
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Exhibit C-3





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Exhibit C-4

Summary of Interests			
Matador Working Interest		81.3309%	
Compulsory Pool Interest		18.6691%	
Interest Owners:	Description:	Tract:	Interest:
Oxy USA, Inc.*	Uncommitted Working Interest	2	11.6172%
Oxy Y-1 Company*	Uncommitted Working Interest	2	0.7843%
EOG Y Resources, Inc.*	Uncommitted Working Interest	2	6.2676%
Aep Encap Holdco, LLC*	ORRI	1, 2, & 3	-
AEPXCON Management LLC*	ORRI	1, 2, & 3	
Charis Royalty F LP*	ORRI	1, 2, & 3	1
DG ROYALTY LLC*	ORRI	1, 2, & 3	
O'Neill Properties*	ORRI	1&2	
Texas Redhand LLC*	ORRI	1&2	-

*Matador is seeking to pool the interests of each party denoted with an *.

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Exhibit C-5

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Matador Production Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240 Voice 972.619.1259 • Fax 214.866.4946 <u>djohns@matadorresources.com</u>

David Johns Senior Staff Landman

September 25, 2023

VIA CERTIFIED RETURN RECEIPT MAIL

Oxy USA, Inc. 5 Greenway Plaza, Suite 110 Houston, TX 77227

Re: Paul Flowers State Com #111H, #112H, #113H, #114H, #131H, #132H, #134H, #151H, #152H, #153H, #154H, #155H, #158H, #203H, #205H & #208H (the "Wells")
 Participation Proposal
 Sections 31 & 30, Township 21 South, Range 33 East, Section 6, Township 22 South, Range 33 East
 Lea County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Paul Flowers State Com #111H, Paul Flowers State Com #112H, Paul Flowers State Com #113H, Paul Flowers State Com #114H, Paul Flowers State Com #131H, Paul Flowers State Com #132H, Paul Flowers State Com #134H, Paul Flowers State Com #151H, Paul Flowers State Com #152H, Paul Flowers State Com #153H, Paul Flowers State Com #154H, Paul Flowers State Com #155H, Paul Flowers State Com #158H, Paul Flowers State Com #203H, Paul Flowers State Com #208H wells, located in Sections 31 & 30, Township 21 South, Range 33 East, Section 6, Township 22 South, Range 33 East, Lea County, New Mexico.

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 sixteen (16) enclosed Authority for Expenditures ("AFE") dated June 21, 2023.

- **Paul Flowers State Com #111H:** to be drilled from a legal location with a proposed surface hole location in the S/2SW/4 of Section 6-22S-33E, a proposed first take point located at 330' FWL and 100' FSL of Section 6-22S-33E, and a proposed last take point located at 330' FWL and 2,740' FNL of Section 30-21S-33E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~9,900' TVD) to a Measured Depth of approximately 22,770'.
- **Paul Flowers State Com #112H:** to be drilled from a legal location with a proposed surface hole location in the S/2SW/4 of Section 6-22S-33E, a proposed first take point located at 1,650' FWL and 100' FSL of Section 6-22S-33E, and a proposed last take point located at 1,650' FWL and 2,740' FNL of Section 30-21S-33E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~9,900' TVD) to a Measured Depth of approximately 22,770'.

- Paul Flowers State Com #113H: to be drilled from a legal location with a proposed surface hole location in the S/2SE/4 of Section 6-22S-33E, a proposed first take point located at 2,310' FEL and 100' FSL of Section 6-22S-33E, and a proposed last take point located at 2,310' FEL and 2,740' FNL of Section 30-21S-33E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~9,900' TVD) to a Measured Depth of approximately 22,770'.
- Paul Flowers State Com #114H: to be drilled from a legal location with a proposed surface hole location in the S/2SE/4 of Section 6-22S-33E, a proposed first take point located at 990' FEL and 100' FSL of Section 6-22S-33E, and a proposed last take point located at 990' FEL and 2,740' FNL of Section 30-21S-33E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~9,900' TVD) to a Measured Depth of approximately 22,770'.
- Paul Flowers State Com #131H: to be drilled from a legal location with a proposed surface hole location in the S/2SW/4 of Section 6-22S-33E, a proposed first take point located at 330' FWL and 100' FSL of Section 6-22S-33E, and a proposed last take point located at 330' FWL and 2,740' FNL of Section 30-21S-33E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~11,900' TVD) to a Measured Depth of approximately 24,770'.
- Paul Flowers State Com #132H: to be drilled from a legal location with a proposed surface hole location in the S/2SW/4 of Section 6-22S-33E, a proposed first take point located at 2,178' FWL and 100' FSL of Section 6-22S-33E, and a proposed last take point located at 2,178' FWL and 2,740' FNL of Section 30-21S-33E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~11,900' TVD) to a Measured Depth of approximately 24,770'.
- Paul Flowers State Com #134H: to be drilled from a legal location with a proposed surface hole location in the S/2SE/4 of Section 6-22S-33E, a proposed first take point located at 1,254' FEL and 100' FSL of Section 6-22S-33E, and a proposed last take point located at 1,254' FEL and 2,740' FNL of Section 30-21S-33E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~11,900' TVD) to a Measured Depth of approximately 24,770'.
- Paul Flowers State Com #151H: to be drilled from a legal location with a proposed surface hole location in the S/2SW/4 of Section 6-22S-33E, a proposed first take point located at 330' FWL and 100' FSL of Section 6-22S-33E, and a proposed last take point located at 330' FWL and 2,740' FNL of Section 30-21S-33E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~11,300' TVD) to a Measured Depth of approximately 24,170'.
- Paul Flowers State Com #152H: to be drilled from a legal location with a proposed surface hole location in the S/2SW/4 of Section 6-22S-33E, a proposed first take point located at 2,178' FWL and 100' FSL of Section 6-22S-33E, and a proposed last take point located at 2,178' FWL and 2,740' FNL of Section 30-21S-33E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~11,300' TVD) to a Measured Depth of approximately 24,170'.
- Paul Flowers State Com #153H: to be drilled from a legal location with a proposed surface hole location in the S/2SE/4 of Section 6-22S-33E, a proposed first take point located at 2,178' FEL and 100' FNL of Section 6-22S-33E, and a proposed last take point located at 2,178' FEL and 2,740' FNL of Section 30-21S-33E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~11,675' TVD) to a Measured Depth of approximately 24,545'.

- **Paul Flowers State Com #154H:** to be drilled from a legal location with a proposed surface hole location in the S/2SE/4 of Section 6-22S-33E, a proposed first take point located at 1,254' FEL and 100' FSL of Section 6-22S-33E, and a proposed last take point located at 1,254' FEL and 2,740' FNL of Section 30-21S-33E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~11,300' TVD) to a Measured Depth of approximately 24,170'.
- Paul Flowers State Com #155H: to be drilled from a legal location with a proposed surface hole location in the S/2SW/4 of Section 6-22S-33E, a proposed first take point located at 1,254' FWL and 100' FSL of Section 6-22S-33E, and a proposed last take point located at 1,254' FWL and 2,740' FNL of Section 30-21S-33E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~11,675' TVD) to a Measured Depth of approximately 24,545'.
- Paul Flowers State Com #158H: to be drilled from a legal location with a proposed surface hole location in the S/2SE/4 of Section 6-22S-33E, a proposed first take point located at 660' FEL and 100' FSL of Section 6-22S-33E, and a proposed last take point located at 660' FEL and 2,740' FNL of Section 30-21S-33E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~11,675' TVD) to a Measured Depth of approximately 24,545'.
- Paul Flowers State Com #203H: to be drilled from a legal location with a proposed surface hole location in the S/2SE/4 of Section 6-22S-33E, a proposed first take point located at 2,178' FEL and 100' FNL of Section 6-22S-33E, and a proposed last take point located at 2,178' FEL and 2,740' FNL of Section 30-21S-33E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~12,100' TVD) to a Measured Depth of approximately 24,970'.
- **Paul Flowers State Com #205H:** to be drilled from a legal location with a proposed surface hole location in the S/2SW/4 of Section 6-22S-33E, a proposed first take point located at 1,254' FWL and 100' FSL of Section 6-22S-33E, and a proposed last take point located at 1,254' FWL and 2,740' FNL of Section 30-21S-33E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~12,100' TVD) to a Measured Depth of approximately 24,970'.
- Paul Flowers State Com #208H: to be drilled from a legal location with a proposed surface hole location in the S/2SE/4 of Section 6-22S-33E, a proposed first take point located at 330' FEL and 100' FSL of Section 6-22S-33E, and a proposed last take point located at 330' FEL and 2,740' FNL of Section 30-21S-33E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~12,100' TVD) to a Measured Depth of approximately 24,970'.

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.

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, which will be provided at a later date, covering the Sections 31 & 30, Township 21 South, Range 33 East, Section 6, Township 22 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 AFEs within thirty (30) days of receipt of this notice. Please be aware that the enclosed AFEs 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

SWI

David Johns

Oxy USA, Inc. hereby elects to:

Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Paul Flowers State Com #111H well. Not to participate in the Paul Flowers State Com #111H .
Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Paul Flowers State Com #112H well. Not to participate in the Paul Flowers State Com #112H .
Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Paul Flowers State Com #113H well. Not to participate in the Paul Flowers State Com #113H .
Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Paul Flowers State Com #114H well. Not to participate in the Paul Flowers State Com #114H .
Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Paul Flowers State Com #131H well. Not to participate in the Paul Flowers State Com #131H.
Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Paul Flowers State Com #132H well. Not to participate in the Paul Flowers State Com #132H.
Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Paul Flowers State Com #134H well. Not to participate in the Paul Flowers State Com #134H.
Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Paul Flowers State Com #151H well. Not to participate in the Paul Flowers State Com #151H .
Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Paul Flowers State Com #152H well. Not to participate in the Paul Flowers State Com #152H.

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Production Com	s proportionate share of the costs d pany's Paul Flowers State Com # e in the Paul Flowers State Com #	#153H well.	sociated with Matador
Production Com	s proportionate share of the costs d pany's Paul Flowers State Com # e in the Paul Flowers State Com #	#154H well.	sociated with Matador
Production Com	s proportionate share of the costs d pany's Paul Flowers State Com # e in the Paul Flowers State Com #	#155H well.	sociated with Matador
Production Com	s proportionate share of the costs d pany's Paul Flowers State Com # e in the Paul Flowers State Com #	#158H well.	sociated with Matador
Production Com	s proportionate share of the costs d pany's Paul Flowers State Com # e in the Paul Flowers State Com #	#203H well.	sociated with Matador
Production Com	s proportionate share of the costs d pany's Paul Flowers State Com # e in the Paul Flowers State Com	#205H well.	sociated with Matador
Production Com	s proportionate share of the costs d pany's Paul Flowers State Com # e in the Paul Flowers State Com	#208H well.	sociated with Matador

Oxy USA, Inc.

By: _____

Title: _____

Date: _____

Contact Number: _____

MATADOR PRODUCTION COMPANY

ONE LINCOLN CENTRE - 5400 LBJ FREEWAY - SUITE 1500 - DALLAS, TEXAS 75240

Phone (972) 371-5200 + Fax (972) 371-5201

DATE:	June 21, 2023	AFE NO.	
WELL NAME:	Paul Flowers State Com #112H	FIELD:	
LOCATION: COUNTY/STATE:	6-22S-33E, 31830-21S-33E	MEDITVD	22,770/9,900
	Loa, NM	LATERAL LENGTH:	12,300
IRC WE			
GEOLOGIC TARGET:	First Bone Spring		

Drill, complete and ecurp a 2.5 mile horizontal First Bone Spring well with approximately 53 stages REMARKS: TOTAL DRILLING COMPLETION RODUCTION COSTS FACILITY COSTS COSTS COSTS COSTS INTANGIBLE COSTS 75,000 10,00 10,000 55.00 12,500 185,500 15,000 145,000 13,000 Location, Surveys & Damages 1,145,622 Dritting 270,000 270,000 Comenting & Plast Equip 6,760 Logging / Formation Evaluation 3,780 3,000 121 250 121,250 Flowback - Surface Rentals 10,000 10,000 wheek - Rental Living Quarters Flo 37,500 37,500 58,588 Rud Logging Med Circulation System 58 595 483,350 21,500 60,000 Med & Chemicals 401,850 1,000 Hud / Wastewater Disposal Freight / Transportation Rig Supervision / Engineerin Drill Bits 228.000 2,000 225,000 61,700 260,700 60.000 3,000 1,800 102,600 10,000 ring 145 300 110.200 110,200 2,000 886,006 1,181,525 2 000 Drill Bit Purchase Fuel & Power 2,000 211,750 672.255 1.000 65,000 16,750 1,115,625 Water 16,750 Water Drig & Completion Overhead Plugging & Abandonment Directional Drilling, Surveys Completion Unit, Swak, CTU Perforating, Wireline, Slickline High Pressure Pump Trock Stratetion 279.470 9,000 270,470 192,000 185,000 5,000 251,062 246,052 70,000 _ 70.000 ÷ 221,000 3,969,468 3,745,468 Stimulation Stimulation Flowback & Disp 15,500 15,500 44,155 289,500 10,000 34,155 Insurance Labor Rental - Surface Equipment 5,000 10,000 67,000 197 500 313,395 103,000 45,455 432 933 109,593 273,750 Rental - Downhole Equipm Rantal - Living Quarters 5,000 4,630 49,171 63,705 501,443 189,445 307,358 Contingency MaxCom 32,361 11,699,668 50,930 TOTAL INTANGIBLES > 3,978,338 7,129,520 COMPLETION 540,881 COSTS TOTAL DRILLING FACILITY COSTS COSTS COSTS COSTS 137,744 599,764 TANGIBLE COSTS 137,744 Surface Casing 359,784 Internediate Casing Drilling Liner Production Casing Production Liner 841,635 841 638 336.000 256,000 Tubing 60,000 45,000 45,000 73,383

Packers, Liner Hangers			67,303		79,200	79,200
Tanks					133,318	133,318
Production Vessels					120,000	120,000
Flow Lines	2	•			120,000	
Rod string	12			30,000		30,000
Artificial Lift Equipment		*			33,750	33,750
Compression		•			130,000	130,000
Installation Costs		*		10,000	18,977	28,977
Surface Pumps				10,000	2,000 -	2,000
Non-controllable Surface	1				2,000	
Non-controllable Downhole						
Downhole Pumps	· · · · · · · · · · · · · · · · · · ·				34,182	45,182
Measurement & Meter Installation	\$	•		11,000		
Gas Conditioning / Dehydration					72,727	72,721
Interconnecting Facility Piping					72,(2)	
Gethering / Bulk Lines				5,000		5,000
Valves, Dumps, Controllers				5,000	15,000	16.000
Tank / Facility Containment					30,625	30,625
Flare Stack				2,000	61,300	63,300
Electrical / Grounding					10,000	20,000
Communications / SCADA				10,000	34,500	34,500
Instrumentation / Salety						2,838,129
TOTAL TA	NGIBLES >	1,619,166	\$7,383	375,000	776,580	
TOTA	L COSTS>	5,597,504	7,196,903	915,881	827,510	14,537,797

Drilling Engineer:	Blake Hermes	Team Lead - WTX/NM			
Completions Engineer.	Trace Saha	CSC			
Production Engineer:	Jan Mosnes				
OR RESOURCES COM	PANY APPROVAL:				
Exec. VP & CFO				Exec. VP & COO - Land & Legal	CNA
	DEL				CINA
President		Senior VP - Geoscience	_	Exec. VP & CDD - Operations	BEG
//////////////////////////////////////	MVH	ELF			BEG
PERATING PARTNER A	PPROVAL-				
Company Name:		Working Interest (%):		Tax ID:	
Signed by:		Date			
Title:		Approval:	Yes	No	

AFE - Version 4

MATADOR PRODUCTION COMPANY

	ONE LIN	COLN CENTRE - 5400 LBJ	FREEWAY - SLITE 1500 171-5200 - Fax (972) 371-5	• DALLAS, TEXAS 75240		
		Phone (972) 3 ESTIMATE OF COSTS AN				
ATE:	June 21, 2023				AFE ND.:	
	Paul Flowers State Con	n#132H			FIELD:	
	6-225-33E 31830-21S				MD/TVD:	24,770/11,900
	Lea, NM			LATE	RAL LENGTH:	12,300
ARC WI:						
TARCET	Third Bone Spring Sam	d				
ENARKS:	Drill, complete and equ	to a 2.5 mile horizontal T	hird Bone Spring Sand	well with approximately !	51 stages	
		DRILLING	COMPLETION	PRODUCTION		COSTS
INTANGIBLE CO		COSTS	COSTS	COSTS	FACILITY COSTS	5 78,000
Land / Legal / Regulatory	\$	58,000	13,000	\$ 10,000 1	12.500	185.500
Location, Surveys & Damages		1,145,522	10,000			1,145,622
Orilling Comenting & Float Equip		270,000				270,000
ogging / Formation Evaluation	00		3,780	3,000		6,760
Rowback - Labor	on -			19,960		121,250
Nowback - Sorface Rentals				10,000		10,000
Nowback - Rental Living Que	riars	37,500				37,500
Word Logging Word Circulation System		58,588				58.688 483.350
Nud & Chemicals		401,850	50,000	21,500	1,000	228,000
aud / Westewater Disposal		225,000	60,000	3,000	1.000	81,700
Freight / Transportation	_	18,700	102.600	10,000	1,800	260,700
Rig Supervision / Engineering	9	110,200	102,000			110,200
Drill Bits Drill Bit Purchase		•		2,000		2,000
Fuel & Power		211,750	672,256	2,000	1,000	1,181,625
Water		65,000	1,115,525			16,750
Drig & Completion Overhead Plugging & Abandonment		10,150				191
Directional Drilling, Surveys		292,470		9,000		301.470
Completion Unit, Swab, CTU			165,000	7,000		251,062
Perforating, Wireline, Slicklin			245,002	5,000		70,000
High Pressure Pump Truck			3.836.502	221,000		4,037,502
Stimutation Stimutation Flowback & Disp	1		15,500			15,500
insurance		37,155		10,000	5.000	47,155
Labor		197,509	67,000	20,000	10,000	432,988
Rental - Surface Equipment		109,593	103.000		· ·	273,750
Rantal - Downhole Equipmen Rontal - Living Quarters	র	63,735	45,465	49,171	5,000	164,341
Contingency		190,695	307.365		4,630	502,693
MaxCom		32.361		Decision of the second	(3.635)	11,813,95
	TOTAL INTANGIBLES>		7,217,553	540,851 PRODUCTION	50,530	TOTAL
2000 00 00 00 00 00 00 00 00 00 00 00 00	22.2.5	DRILLING COSTS	COMPLETION	COSTS	FACILITY COSTS	COSTS
TANGIBLE CO Surface Casing	2515	197,744	5	\$	3	\$ 137,744
Intermediate Casing		672,733				672,730
Drilling Liner						910,87
Production Casing		210 877				
Production Liner		80,000		256,000		336,00
Tubing Wellhead				45,000		45,00
Packers, Liner Hangers			67,383	6,000	79,200	73,38
Tanks		<u> </u>				
					133 316	افردوا
Production Vessels					133,318 120,000	
Flow Lines						120,00
Flow Lines Rod string				30,000	120,000	120,00
Flow Lines				30,000	120,000	120,00 30,00 33,75
Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs					120,000 33,750 130,000	120,00 30,00 33,75 130,00
Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps				30,000	120,000	120,00 30,00 33,75 130,00 28,97
Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controltable Surface					120,000 33,750 130,000 18,977	120,00 30,00 33,75 130,00 28,97
Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole				10.000	120,000 33,750 130,000 18,577 2,000	120,00 30,00 33,77 130,00 28,97 2,00
Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controltable Surface	liztion				120,000 33,750 130,000 18,977	120,00 30,00 33,77 130,00 28,97 2,00
Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Surface Downhole Pumps Messurement & Mater Instal Gas Conditioning / Dehydra	noit			10.000	120,000 33,750 130,000 18,577 2,000 34,182	120,00 30,00 33,75 130,00 28,97 2,00
Flow Lines Rod string Artificial LR Equipment Compressor Installation Corts Surface Pumps Non-controllable Dawnhole Downhole Pumps Measurement & Mater Instal Gas Conditioning / Dehydra Interconnecting Facility Pip	noit			10.000	120,000 33,750 130,000 18,577 2,000	120,00
Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Neter Insta Gas Conditioning / Dehydra Interconnecting Facility Pip Gatheing / Buik Lines	tion Ing			10.000	120,000 33,750 130,000 18,677 2,000 34,182 	120,00 30,00 33,75 130,00 28,97 2,00
Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Surface Downhole Pumps Measurement & Mater Instal Gas Conditioning / Dehydra Inforconnecting Facility Pip Gathering / Bulk Lines Valves, Dumps, Controllers	tion ing			10.000	120,000 33,750 130,000 18,577 2,000 	120,00 33,75 130,00 28,97 2,00 45,18 72,72 5,00 15,00
Flow Lines Rod string Artificial Lift Equipment Compressor Installition Costs Surface Pumps Non-controllable Surface Non-controllable Surface Non-controllable Controlle Downhole Pumps Measurement & Mear (Instal Gas Conditioning / Dehydra Interconnecting Facility Fip Gathoring / Pulk Lines Valves, Dumps, Controllers Tank / Facility Containment Fare Stack	tion ing			10.000	120,000 133,750 130,000 18,577 2,000 	120,00 33,77 130,00 28,97 2,00 45,15 72,77 72,77 5,00 15,00
Flow Lines Rod string Artificial LR Equipment Compressor Instaliation Costs Surface Pumps Non-controllable Surface Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Nater Instal Gas Conditioning / Dehydra Interconnecting Facility Pip Gattoring / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment Fare Stock Electrical / Gounding	tion ing			10.000 11,000 5,000 2,000	120,000 33,750 130,000 18,577 2,000 	120,00 33,77 130,00 28,97 2,00
Flow Linese Rod string Artificial LR Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Pumps Measurement & Nater Instal Gas Conditioning / Dehydra Interconnecting Facility Pip Gathering / Builk Lines Valves, Dumps, Controllers Tenk / Facility Containment Flave Stack Electrical / Grounding Communications / SCADA	tion ing			10.000	120,000 133,750 130,000 18,577 2,000 24,182 	120,00 33,75 130,00 28,97 2,00
Flow Lines Rod string Artificial Lift Equipment Compressor Installation Corts Surface Pumps Non-controllable Surface Non-controllable Surface Non-controllable Surface Non-controllable Downhole Downhole Pumps Messurement & Meter Insta Gas Conditioning / Dehydra Interconnecting Facility Pip Gattering / Builk Lines Valves, Dungo, Controllers Tank / Facility Containment Fare Stack Electrical / Grounding	tion Ing			10.000 11,000 5,000 2,000	120,000 33,750 130,000 18,677 2,000 34,182 	120,00 33,75 130,00 28,97 2,00
Flow Linese Rod string Artificial LR Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Pumps Measurement & Nater Instal Gas Conditioning / Dehydra Interconnecting Facility Pip Gathering / Builk Lines Valves, Dumps, Controllers Tenk / Facility Containment Flave Stack Electrical / Grounding Communications / SCADA	TOTAL TANGIBLES			10.000 11,000 5,000 2,000 10,000	120,000 133,750 130,000 18,577 2,000 24,182 	120,00 33,77 130,00 28,97 2,00
Flow Lines Rod string Artificial LR Equipment Compressor Installation Costs : Surface Pumps Non-controllable Dawnhole Downhole Pumps Measurement & Nater Instal Gas Conditioning / Dehydra Interconneding Facility Pip Gattoring / Builk Lines Valves, Dumps, Controllers Tank / Facility Containment Flare Stack Electrical / Grounding	tion Ing			10.000 11.000 5.000 2.000 10.000 375,000	120,000 33,750 130,000 18,677 2,000 34,182 	120,00 33,77 130,00 28,97 2,00
Flow Lines Rod string Artificial LRE Equipment Compressor Installation Corts Surface Pumps Non-controllable Surface Non-controllable Surface Non-controllable Convinded Downhole Pumps Measurement & Meter Instal Ges Conditioning / Dehyter Measurement & Meter Instal Ges Conditioning / Dehyter Surface (State) Suffering Pacific Controllers Tank / Facility Controllers Tank / Facility Controllers Tank / Facility Controllers Tank / Facility Controllers Electrical / Grounding Communications / Suffey	TOTAL TANGIBLES TOTAL COSTS			10.000 11.000 5.000 2.000 10.000 375,000	120,000 33,750 130,000 18,677 2,000 34,182 	120,00 33,75 130,00 28,97 2,00
Flow Lines Rod string Antificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Surface Non-controllable Surface Non-controllable Surface Measurement & Mater Instal Ges Conditioning / Dehydra Interconnecting Facility Pip Gathering / Builk Lines Valves, Dunps, Controllers Tank / Facility Containment Fare Stack Electrical / Grounding Communications / SCADA Instrumentation / Safety	TOTAL TANGIBLES TOTAL COSTS TOTAL COSTS PRODUCTION COMPA	> 1,801,359 > 5,805,947	7.224.535	10.000 11.000 5.000 2.000 10.000 375,000	120,000 33,750 130,000 18,677 2,000 34,182 	133.31 120,00 30,00 33,75 130,00 28,97 2,00
Flow Lines Rod string Antificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Downhole Downhole Pumps Measurement & Meter Instal Gas Conditioning / Dehydra Interconnecting Facility Pip Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containsemt Flare Stack Electrical / Grounding Communications / SCADA Lestrumentation / Safety Letter State State / Scada Letter State / Scada Communications / Scada Letter State / Scada Letter State / Scada Communication / Safety	TOTAL TANGIBLES TOTAL COSTS PRODUCTION COMPA T. Blake Harmes		7.224.535	10.000 11.000 5.000 2.000 10.000 375,000	120,000 33,750 130,000 18,677 2,000 34,182 	120,00 30,00 33,75 130,00 28,97 2,00
Flow Lines Rod string Artificial LRE Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Downhole Pumps Measurement & Mater Instal Gas Conditioning / Dehydra Instanconnecting Facility Pip Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containerent Flams Stack Electrical / Grounding Communications / Safary EPARED BY MATADOR I Dolling Enginee Completions Enginee	TOTAL TANGIBLES TOTAL COSTS PRODUCTION COMPA r. Blake Harmes r. Trace Saha	> 1,801,359 > 5,805,947	7.224.535	10.000 11.000 5.000 2.000 10.000 575,000	120,000 33,750 130,000 18,677 2,000 34,182 	120,00 30,00 33,75 130,00 28,97 2,00
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Exec. VP & COO - Land & Legal Exec. VF & CFO CN DEL Exec. VP & COD - Operations Senior VP - Geoscience President 853 ELF NVH. NON OPERATING PARTNER APPROVAL: Tax ID: Warking Interest (%): Company Name: _ Date: Signed by:

Approval: Yes Title: and and man with Constrant property on an standard and a first star of the second minimum provides and the second star starting and starting starting and the second starting start of the second

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No (mark one)

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TOTAL

MATADOR PRODUCTION COMPANY ONE LINCOLN CENTRE - \$400 LBJ FREEWAY - SUITE 1500 - DALLAS, TEXAS 75240

Phone (972) 371-5200 · Fax (972) 371-5201

DATE:	June 21, 2023	AFE NO.:	
WELL NAME:	Paul Flowers State Com #152H	FIELD:	
LOCATION:	6-22S-33E. 31&30-21S-33E	MD/TVD:	24,170/11,300
COUNTY/STATE:	Lea, NM	LATERAL LENGTH:	12,300
IRC WI:			
EOLOGIC TARGET:	Third Bone Spring Carbonale		
REMARKS:	Drill, complete and equip a 2.5 mile horizontal Third Bone Sp	aring Carbonate well with approximately 51 stages	

ORILLING

COMPLETION

PRODUCTION

COSTS 10,000 COSTS COSTS FACILITY COSTS COSTS INTANGIBLE COSTS Land / Legal / Regulatory Location, Surveys & Dam 10,000 58,000 75.000 145,000 13.000 15.000 185,500 :2.500 Drilling Cementing & Float Equip 1 145 622 270,000 270,000 3,780 3 000 6 780 Logging / Formation Eval Rowback - Labor 19,960 121,250 19,960 Flowback - Surface Rentals 10,000 10 000 Flowback - Rental Living Outriers 37,500 37,500 58,558 401,850 Mud Logging Mud Circulation System 58,638 21,500 2,000 3,000 10,000 60,000 483 350 Mud & Chemicals 1,000 228.000 Mud / Wastewater Disposal 225,000 60,000 81,700 Freight / Transportation 1,800 260,700 Rig Supervision / Engineering Drill Bits Drill Bit Purchase 146,300 102.600 110,200 110,200 2,000 2.000 865,006 211.750 672.256 1,115,625 Fuel & Power 1,000 65,000 16,750 Nator Water Drig & Completion Overhead Plugging & Abandonment Directional Drilling, Surveys Completion Unit, Swab, CTU 15,750 294,870 285,670 9.000 7,000 165,000 162.000 251.082 Perforating, Wirelina, Slickfir High Pressum Pump Truck 246,062 70,000 ÷) 4,057,502 221,000 Stimulation Stimulation Flowback & Disp 15 500 35.255 197.500 10.000 46.255 Insurance Labor Rental - Surface Equipment Rental - Downhole Equipment Rental - Living Quarters 57,000 20,000 5,000 229 500 432,988 109.553 313,395 103,000 170,750 49,171 5,000 154,341 502,318 53,705 Costingency MaxCom 190 320 307.368 4,630 32,361 32.361 7,217,553 540 881 50,930 11,806,077 TOTAL INTANGIBLES > 1,996,713 TOTAL PRODUCTION DRILLING COMPLETION FACILITY COSTS COSTS COSTS COSTS COSTS TANGIBLE COSTS TANG Surface Casing Intermodiate Casing Drilling Liner 137,744 137.744 635,652 820,105 890,106 Production Casing Production Liner 336,000 256.000 80,000 Tubing 45,000 73.383 45,000 Wellb hard 67,385 6 000 Pactors, Liner Hangers 79,200 133,318 70,200 Tanks 133 318 Production Ve Flow Lines 120,000 120,00C Rod string 30,000 30.500 Artificial Lift Equipment 33,750 130,000 33,750 Compressor Installation Costs 130,000 10.000 Surface Pumps Non-controllable Surface 16,977 2.000 2,000 Non-controllable Downhole Non-controllable Downhole Downhole Pumps Measurement & Mater Installation Gas Conditioning / Dehydration Interconnecting Facility Piping Gethering / Belk Lines 34 152 45,182 11,000 72,727 72.727 5,000 Valves, Dorape, Controllern Tank / Facility Containmen 5,000 16,000 16 000 30,625 30,625 Flam Stack 2,000 Electrical / Grounding Communications / SCADA 10,000 10.000 20 000 34,500 Instrumentation / Safety 2,965,664 1,745,701 67,383 375,000 776.550 TOTAL TANGIBLES 7,284,936 915,851 827,510 14.771.741 5,743,414 TOTAL COSTS >

Drilling Engineer:	Blake Hermes	Team Lead - WTX/NM	
Completions Engineer:	Trate Salut	CSC	
Production Engineer.	Jan Mosnes		
OR RESOURCES COM	PANY APPROVAL:		
Exec. VP & CFO	DEL		Exec: VP & COO - Land & Legal
President	DEL	Serior VP - Geoscience	Exec. VP & COO - Operations
Fiesdern -	MVH	ELF	BEG
PERATING PARTNER A	PPROVAL:		
Company Name:		Worfung Interest (%):	Tax ID:
Signed by:		Dale	
		Approval: Yes	No (mank or

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Exhibit C-6

395

Summary of Communications Paul Flowers State Com #112H, #132H, and #152H (Slot 2- BSP)

Uncommitted Working Interest Owner

1. Oxy USA, Inc.

In addition to sending well proposals, Matador has had discussions with **Oxy USA, Inc.** regarding their interest and we are continuing to discuss voluntary joinder.

2. Oxy Y-1 Company

In addition to sending well proposals, Matador has had discussions with **Oxy Y-1 Company** regarding their interest and we are continuing to discuss voluntary joinder.

3. EOG Y Resources, Inc.

In addition to sending well proposals, Matador has had discussions with **EOG Y Resources, Inc.** regarding their interest and we are continuing to discuss voluntary joinder.

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

APPLICATION OF MRC HAT MESA, LLC FOR APPROVAL OF AN OVERLAPPING SPACING UNIT AND FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NOS. 23993

APPLICATION OF MRC HAT MESA, LLC FOR APPROVAL OF AN OVERLAPPING SPACING UNIT AND FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NOS. 23994

AFFIDAVIT OF BLAKE HERBER

Blake Herber, of lawful age and being first duly sworn, declares as follows:

1. My name is Blake Herber. I work for MRC Energy Company, an affiliate of both

MRC Hat Mesa, LLC and Matador Production Company ("Matador"), as a Senior Geologist.

2. I have previously testified before the New Mexico Oil Conservation Division as an

expert witness in petroleum geology. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.

3. I am familiar with the applications filed by MRC Hat Mesa, LLC in these cases,

and I have conducted a geologic study of the lands in the subject area.

4. **Matador Exhibit D-1** is a locator map outlining the horizontal spacing units with a black box shaded in yellow, with the larger area identified in a red box.

5. In these cases, Matador intends to develop the First Bone Spring and multiple zones within the Third Bone Spring of the Bone Spring formation, respectively.

6. **Matador Exhibit D-2** is a subsea structure map prepared off the top of the Bone Spring formation. The contour interval is 50 feet. The structure map shows the Bone Spring formation gently dipping to the southeast. The structure appears consistent across the proposed wellbore paths. I do not observe any faulting, pinchouts, or other geologic impediments to horizontal drilling.

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

8. **Matador Exhibit D-3** is a structural cross-section 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: gamma ray, caliper, resistivity, and porosity, where available. The proposed target intervals for the proposed wells are labeled and marked with a yellow shaded area. The logs in the cross-section demonstrate that the targeted intervals, within the Bone Spring formation, are consistent in thickness, across the entirety of the proposed spacing units.

9. In my opinion, the standup orientation is the preferred orientation for development in this area for Bone Spring wells because the maximum horizontal stress is east-west in this area.

10. Based on my geologic study of the area, I have not identified any geologic impediments to drilling horizontal wells within the Bone Spring formation in the area of the spacing units proposed in these cases.

11. In my opinion, each quarter-quarter section will be productive and contribute moreor-less equally to production from each horizontal spacing unit.

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.

2

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

14. **Matador Exhibits D-1 through D-3** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

BLAKE HERBER

DEMAL HEADE

STATE OF TEXAS

COUNTY OF DALLAS

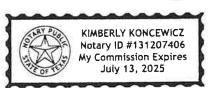
SUBSCRIBED and SWORN to before me this <u>3</u>du day of November 2023 by Blake Herber.

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KIMBERLY KONCEWICZ

My Commission Expires:



BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. D-1 Submitted by: MRC Hat Mesa, LLC Hearing Date: December 7, 2023 Case Nos. 23993 & 23994

Locator Map

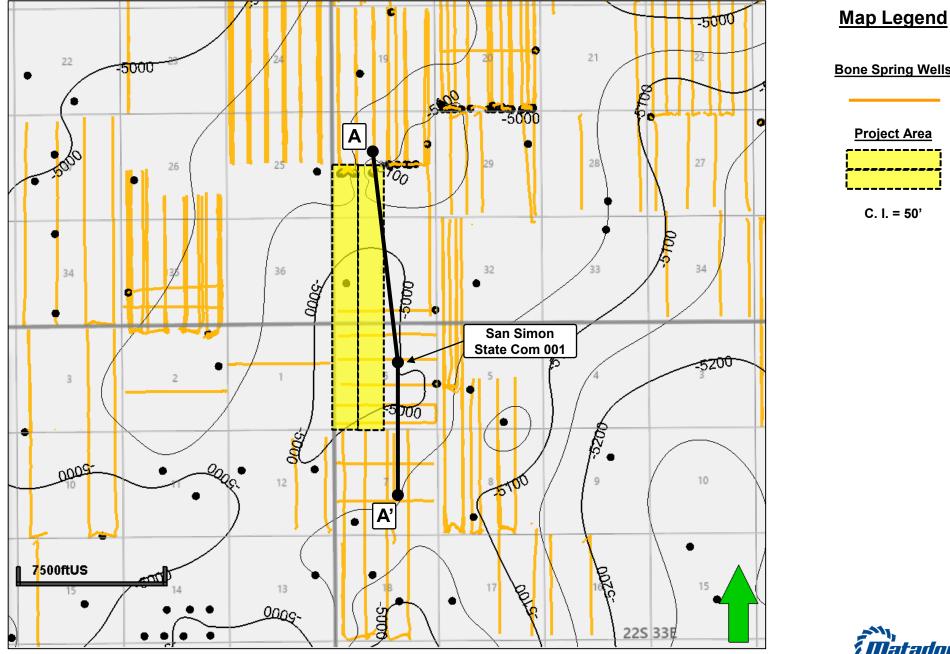
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195215	195 235	195 Z-4E	195.258	195.265	195276	195-288	195 29E	195 JOK	ungest	Goat S	eep	195348	195.35E	18.54	19537E	195 3 RE	195) 396-	BUKA10
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45.21E	245 221	245 231	245.24E	245.252	245.246	245 275	245.285	245.29E	245 30E	245315	-245.328	246 33E	245 J4E	245 251	245 JAE	245 17E	2-6 3 IE	BLK A51 BLK A52
55 21E	255.72	274211	255.24E	235 255	255.266	245 270	255.281	255 291	255 305	255 315	255.125	2% DE	255.346	255-35E	235 366	255 175	255 316	BLK A55
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D-1 Matador

Paul Flowers State Com #111H #112H, #131H, #132H, #151H, and #152H Released to Imaging: 12/6/2023 7:58:59 AM

Received by OCD: 12/5/2023 6:05:12 PM

WC-025 G-07 S213330F;BONE SPRING (Pool Code 97927) LEGG; BONE SPRING (Pool Code 37870) Structure Map (Top Bone Spring Subsea) A – A' Reference Line



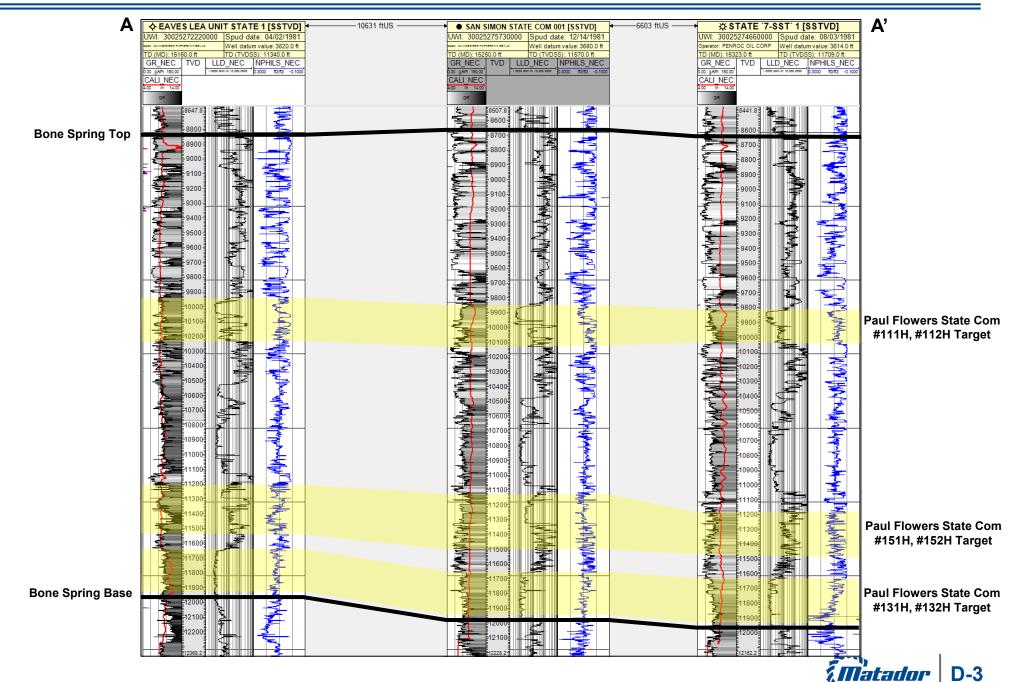




C. I. = 50'



Received by OCD: 12/5/2023 6:05:12 PM WC-025 G-07 S213330F;BONE SPRING (Pool Code 97927) LEGG;BONE SPRING (Pool Code 37870) Structural Cross-Section A – A'



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

APPLICATION OF MRC HAT MESA, LLC FOR APPROVAL OF AN OVERLAPPING HORIZONTAL WELL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 23994

<u>SELF-AFFIRMED STATEMENT OF</u> <u>PAULA M. VANCE</u>

1. I am attorney in fact and authorized representative of MRC Permian Company ("Matador"), the Applicant herein. I have personal knowledge of the matter 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 locatable 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 December 4, 2023.

5. I caused a notice to be published to all parties subject to this compulsory pooling proceeding. An affidavit of publication from the publication's legal clerk with a copy of the notice publication is attached herein.

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. E Submitted by: MRC Hat Mesa, LLC Hearing Date: December 7, 2023 Case No. 23994

Pathur

Paula M. Vance

<u>12/5/2023</u> Date

Holland & Hart

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

November 17, 2023

<u>VIA CERTIFIED MAIL</u> <u>CERTIFIED RECEIPT REQUESTED</u>

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of MRC Hat Mesa, LLC for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico: Paul Flowers State Com 112H, 132H and 152H wells

Ladies & Gentlemen:

This letter is to advise you that MRC Hat Mesa, LLC has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on December 7, 2023, and the status of the hearing can be monitored through the Division's website at <u>https://www.emnrd.nm.gov/ocd/</u>.

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: <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 David Johns at (972) 619-1259 or at djohns@matadorresources.com.

Sincerely,

Tuhal + + Meners

Michael H. Feldewert ATTORNEY FOR MRC HAT MESA, LLC

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 - Paul Flowers 111H, 112H, 131H, 132H, 151H 152H and 204H wells, Case nos. 23993-23994 and 24010 Postal Delivery Report

						Your item has been delivered
						to an agent for final delivery
						in HOUSTON, TX 77046 on
9414811898765498387408	Oxy USA, Inc.	5 Greenway Plz Ste 110	Houston	ΤХ	77046-0521	November 27, 2023 at 12:43
						Your item has been delivered
						to an agent for final delivery
						in HOUSTON, TX 77046 on
9414811898765498387446	Oxy Y-1 Company	5 Greenway Plz Ste 110	Houston	ΤХ	77046-0521	November 25, 2023 at 1:42
						Your item was picked up at a
						postal facility at 8:38 am on
						November 27, 2023 in
9414811898765498387477	EOG Y Resources, Inc.	5509 Champions Dr	Midland	ТΧ	79706-2843	MIDLAND, TX 79702.
						Your item has been delivered
						to an agent for final delivery
						in HOUSTON, TX 77024 on
9414811898765498387552	Aep Encap Holdco, LLC	9651 Katy Fwy Ste 600	Houston	ТΧ	77024-1590	November 24, 2023 at 10:24
						Your item was delivered to
						an individual at the address
						at 12:20 pm on November
9414811898765498387590	AEPXCON Management LLC	2619 Robinhood St	Houston	ТΧ	77005-2431	24, 2023 in HOUSTON, TX
						Your item has been delivered
						and is available at a PO Box
						at 11:06 am on November
9414811898765498387583	Charis Royalty F LP	PO Box 470158	Fort Worth	ТΧ	76147-0158	21, 2023 in FORT WORTH, TX
						Your item was delivered to
						an individual at the address
	DG ROYALTY LLC C/O					at 4:12 pm on November 22,
9414811898765498387576	Endeavor Energy Resources Lp	110 N Marienfeld St Ste 200	Midland	ТΧ	79701-4412	2023 in MIDLAND, TX 79701.
						Your item was delivered to
						the front desk, reception
						area, or mail room at 11:04
						am on November 27, 2023 in
9414811898765498386258	ONeill Properties	410 W Ohio Ave	Midland	ТΧ	79701-4331	MIDLAND, TX 79701.

Releasea		MRC - Paul Flowers 111H	, 112H, 131H, 132H, 151H 152H Postal Delivery Report	wells, Case r	ios. 239	93-23994	
l to Imaging: 12/6/	9414811898765498386227	Texas Redhand LLC	410 W Ohio Ave	Midland	ТХ		Your item was delivered to the front desk, reception area, or mail room at 11:04 am on November 27, 2023 in MIDLAND, TX 79701.

Received by OCD: 12/5/2023 6:05:12 PM

Affidavit of Publicatio

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear the the clipping attached hereto was publish in the regular and entire issue of said newspaper, and not a supplement therea for a period of 1 issue(s).

> Beginning with the issue dated November 21, 2023 and ending with the issue dated November 21, 2023.

huse Publisher

21st day of November 2023.

Business Manager

My commission expires January 29, 2027

(Seal)

STATE OF NEW MEXICO NOTARY PUBLIC GUSSIE RUTH BLACK COMMISSION # 1087526 COMMISSION # 1087526 This newspaper is duly qualified to 200121

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.

LEGAL NOTICE November 21, 2023

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 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, December 7, 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 Shella Apodaca, at Shella.Apodaca@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 Shella Apodaca at Sheila.Apodaca@emnrd.nm.gov, or the New Mexico Relay Network at 1-800-659-1779, no later than November 27, 2023.

Persons may view and participate in the hearings through the following link: https://nmemnrd.webex.com/nmemnrd/j.php?MTID=m8e2efa70128b8314f91bf0542ac8df6c

Webinar number: 2497 742 0771

Join by video system: 24977420771@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: 2497 742 0771 Panelist password: b2WcDzPFe47 (22923973 from phones and video systems)

> 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: Oxy USA, Inc.; Oxy Y-1 Company; EOG Y Resources, Inc.; Aep Encap Holdco, LLC; AEPXCON Management LLC; Charls Royalty F LP; DG ROYALTY LLC; O'Neill Properties, and Texas Redhand LLC.

Case No. 23994: Application of MRC Hat Mesa, LLC 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 400-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying the E2W2 of Section 6, Township 22 South, Range 33 East, and the E2W2 of Section 31 and the E2SW4 of Section 30, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico, and (b) pooling this proposed horizontal well spacing unit. Said unit will be initially dedicated to the proposed Paul Flowers State Com 112H, Paul Flowers State Com 132H and Paul Flowers State Com 152H wells to be horizontally drilled from a surface hole location in the SW4 (Unit K) of Section 30. This proposed horizontal well spacing unit will overlap the following existing Bone Spring spacing units: This proposed horizontal well spacing unit will overlap the following existing Bone Spring spacing units:

- A 156.33-acre horizontal well spacing unit comprised of the S2S2 of Section 6 dedicated to Matador's AO6 Sworn and subscribed to before me this 502H (API 30-025-45012) and Matador's AO 6 State Com 501H (API 30-025-45026);

A 15è.35-acre horizontal well spacing unit comprised of the N2S2 of Section 6 dedicated to Matador's AO 6 State Com 001H (API 30-025-40519);

A 156.38-acre horizontal well spacing unit comprised of the S2N2 of Section 6 dedicated to Matador's COOP 6 State 002H (API 30-025-41981);

A 156.55-acre horizontal well spacing unit comprised of the N2N2 of Section 6 dedicated to Matador's COOP 6 State 001H (API 30-025-41177); and
 A 156.34-acre horizontal well spacing unit comprised of the S2N2 of Section 31 dedicated to Matador's Dagger State Unit 002H (API 30-025-41178).

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 26 miles west of Eunice, New Mexico. #00285047

67100754

00285047

HOLLAND & HART LLC PO BOX 2208 SANTA FE, NM 87504-2208

> 69: CF9'H<9'C=@7CBG9FJ5H+CB'8=J=G+CB' GUbHU: YZBYk AYI WC 91 \]V]hBc": Gi Va]HYX'Vm'A F7 '< UhA YgUz @@7 < YUF]b['8 UHY.'8 YWYa VYf '+ z & & & 7 UqYBc "&'--(

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