

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

**APPLICATION OF MRC DELAWARE
RESOURCES, LLC FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

MRC Delaware Resources, LLC (“Applicant” or “MRC”), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 310.82-acre, more or less, horizontal well spacing unit comprised of the N/2 NE/4, NE/4 NW/4 and Lot 1 of irregular Section 18 (N/2 N/2 equivalent), Township 18 South, Range 29 East, and the N/2 N/2 of Section 13, Township 18 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 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 **Stephanie 0712 Fed Com 131H** well, to be horizontally drilled from a surface hole location in the SE/4 SE/4 (Unit P) of irregular Section 7, T18S-R29E, with a first take point in the NE/4 NE/4 (Unit A) of irregular Section 18, T18S-R29E, and a last take point in the NW/4 NW/4 (Unit D) of Section 13, T18S-R28E.
4. 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.

5. Approval of this application 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 February 1, 2024, and, after notice and hearing as required by law, the Division enter an order:

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

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**ATTORNEYS FOR MRC DELAWARE RESOURCES,
LLC**

CASE _____: **Application of MRC Delaware Resources, LLC for Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 310.82-acre, more or less, horizontal well spacing unit comprised of the N/2 NE/4, NE/4 NW/4 and Lot 1 of irregular Section 18 (N/2 N/2 equivalent), Township 18 South, Range 29 East, and the N/2 N/2 of Section 13, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico. Said unit will be initially dedicated to the proposed **Stephanie 0712 Fed Com 131H** well, to be horizontally drilled from a surface hole location in the SE/4 SE/4 (Unit P) of irregular Section 7, T18S-R29E, with a first take point in the NE/4 NE/4 (Unit A) of Section irregular 18, T18S-R29E, and a last take point in the NW/4 NW/4 (Unit D) of Section 13, T18S-R28E. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of Matador Production Company as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 17 miles southeast of Artesia, New Mexico.