

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

**APPLICATIONS OF FRANKLIN MOUNTAIN ENERGY 3, LLC FOR  
COMPULSORY POOLING AND NOTICE OF OVERLAPPING SPACING UNIT,  
LEA COUNTY, NEW MEXICO**

**Case Nos. 23833, 23835,  
23838, and 23839.**

**Case Nos. 24110, 24111,  
24112, and 24115  
(Replacing Cases 23834,  
23836, 23837 and 23840)**

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

**Case Nos. 23961- 23964**

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

**Case Nos. 24142-24145  
(Replacing Cases 23885-  
23888)**

**MRC’S PRE-HEARING STATEMENT**

MRC Permian Company (“MRC”) (OGRID No. 4323) submits this pre-hearing statement,  
as required by the Prehearing Order in these consolidated matters.

**APPEARANCES**

**APPLICANTS**

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**STATEMENT OF THE CASE**

MRC and Franklin Mountain have filed competing applications to pool four standup 320-acre, more or less, horizontal well spacing units in the Bone Spring and Wolfcamp formations underlying Section 36, Township 18 South, Range 34 East, and irregular Section 1, Township 19 South, Range 34 East, and NMPM, Lea County, New Mexico. While it appears that the competing Bone Spring applications seeking to approve overlapping spacing units and pool those spacing units can move forward, it is now clear that the competing Wolfcamp applications cannot.

### The Competing Bone Spring Applications

The applications filed by MRC under cases 23961-64 seek approval and pooling of four overlapping standup horizontal well spacing units in the Bone Spring formation as follows:

- Under **Case 23961**, MRC seeks approval and pooling of an overlapping horizontal well spacing unit in the Bone Spring\_formation underlying the Lot 4, SWNW, W2SW (W2W2 equivalent) of irregular Section 1 and the W2W2 of Section 36 for the proposed **Mongoose State 121H** well;
- Under **Case 23962**, MRC seeks approval and pooling of an overlapping horizontal well spacing unit in the Bone Spring\_formation underlying Lot 3, SENW, and E2SW (E2W2 equivalent) of irregular Section 1 and the E2W2 of Section 36 for the proposed **Mongoose State 122H** well;
- Under **Case 23963**, MRC seeks approval and pooling of an overlapping horizontal well spacing unit in the Bone Spring\_formation underlying Lot 2, SWNE, and W2SE (W2E2 equivalent) of irregular Section 1 and the W2E2 of Section 36 for the proposed **Mongoose State 123H** well; and
- Under **Case 23964**, MRC seeks approval and pooling of an overlapping horizontal well spacing unit in the Bone Spring\_formation underlying Lot 1, the SE4NE4, and E2SE4 (E2E2 equivalent) of irregular Section 1 and the E2E2 of Section 36 for the proposed **Mongoose State 124H** well. .

MRC initially seeks to target the Second Bone Spring interval and plans to subsequently develop the First Bone Spring interval. Franklin Mountain Cases 24110, 24111, 24112 & 24115 seek to create the same spacing units in the Bone Spring formation and appear to target similar intervals for development.

### The Competing Wolfcamp Applications must be dismissed.

The applications filed by Franklin Mountain under Cases 23833, 23835, 23838 and 23839 for the proposed “Cross State” wells, and the applications filed by MRC under Cases 24142-24145 for the proposed Mongoose State wells, seek to pool the same standup horizontal well spacing units in the Wolfcamp formation underlying Sections 36 and 1. However, MRC has recently learned that in December of 2023, Franklin Mountain obtained from the Division pooling orders and approved applications to drill the “Satellite State” wells. *See* Division Orders R-22963, 22964,

22067 & 22968 (issued in Cases 23829-23832) and Division well files for 30-025-52317 (Satellite State Com #701H), 30-025-52318 (Satellite State Com #702H), 30-025-52319 (Satellite State Com #703H), 30-025-52322 (Satellite State Com #704H), 30-025-52392 (Satellite State Com #801H), 30-025-52393 (Satellite State Com #802H), 30-025-52394 (Satellite State Com #803H), and 30-025-52395 (Satellite State Com #804H). The four standup 360-acre horizontal spacing units approved for the Satellite State wells include the N2N2 of Section 36 and all of Sections 25 and 24, Township 18 South, Range 34 East. Nowhere in Franklin Mountain's filed drilling permits, the filed pooling applications, or the exhibits submitted in the Satellite force pooling cases does Franklin Mountain identify the first and last take points for its Satellite wells. *Id.* The record from the pooling cases for the Satellite spacing units further reflect that MRC and the other working interest owners in the proposed Cross State spacing units did not received notice of the applications or the hearing on the Satellite State wells. *See* Cases 23829-23832, comparing Exhibit B (land affidavit) at para. 10 with Exhibit B-10 (notice list). Knowledge of the Satellite spacing units and drilling permits was not available to the MRC and the affected working interest owners in the proposed Cross State spacing units until after the Division approved the Satellite State drilling permits on December 14, 2023.

Since the N2N2 of Section 36 is now dedicated to the four 360-acre spacing units approved for the Franklin Mountain Satellite State Wolfcamp wells, inclusion of N2N2 of Section 36 into overlapping spacing units that seek to develop the same Wolfcamp intervals will negatively impact the correlative rights of the affected working interest owners in the existing Satellite State units and the proposed Wolfcamp spacing units. MRC therefore intends to dismiss Cases 24142-24145 in favor of applications that seek to create Wolfcamp spacing units that do not include the N2N2 of Section 36. MRC asserts that Franklin Mountain must do the same.

MRCs believes the following facts are undisputed and material to the issues presented in these consolidated cases:

1. The proposed horizontal well spacing units proposed in the Bone Spring formation will overlap the following existing Bone Spring spacing units in Sections 36 and 1:

- A 174-acre horizontal well spacing unit comprised of the N2N2 of Section 1 dedicated to COG's Wild Cobra 1 State 1H (API 30-025-41110)
- A 160-acre horizontal well spacing unit comprised of the S2N2 of Section 1 COG's Wild Cobra 1 State 2H (API 30-025-40404)
- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 1 dedicated to Matador's Mongoose Fee 1H (API 30-025-40727)
- A 160-acre horizontal well spacing unit comprised of the S2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 1H (API 30-025- 40640)
- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 2H (API 30-025- 40641)
- A 160-acre horizontal well spacing unit comprised of the S2N2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 3H (API 30-025- 42367)
- A 200-acre horizontal well spacing unit comprised of the S2N2 of Section 35 and the SW4NW4 (Unit E) of Section 36 dedicated to Franklin Mountain's Tin Cup 36 State Com 2H (API 30-025-40422)

2. The existing Bone Spring wells in irregular Section 1 have been assigned to the Scharb; Bone Spring Pool (55610) while the existing wells in Section 36 have been assigned to the Airstrip; Bone Spring Pool (960).

3. There are no faults, pinch outs, or other geologic impediments to efficiently and effectively developing the Bone Spring and Wolfcamp formations with the proposed 2-mile horizontal wells.

4. The N2N2 of Section 36 is now dedicated to the Satellite State wells recently permitted by the Division that seek to develop the same Wolfcamp intervals as those targeted by Franklin Mountain's proposed Cross State wells.

5. Franklin Mountain has failed to disclose the location of the first take points and the last take points for the approved Satellite State wells, and has yet to identify the first take points and the last take points for the proposed Cross State wells.

### **FILED EVIDENCE**

Pursuant to the Amended Prehearing Order entered for these consolidated matters, MRC has filed the following with this prehearing statement:

The Applications filed in MRC Cases 23961-23964

The Compulsory Pooling Checklists for MRC Cases 23961-23964

MRC Exhibit A: Self-affirmed Statement of Chris Carleton, Petroleum Landman

MRC Exhibit B: Self-affirmed Statement of Blake Herber, Petroleum Geologist

MRC Exhibit C: Self-affirmed Statement of Tanner Shulz, Petroleum Engineer

MRC Exhibit D: Notice Affidavit for Cases 23961-23964.

MRC Exhibit E: Affidavit of Publication for Cases 23961-23964

The qualifications for each witness and the narrative of their direct testimony are contained in the self-affirmed statements filed with this prehearing statement. Since it is unclear where Franklin Mountain intends to place the first take points and the last take points for the proposed Cross State wells, MRC reserves the right to call these or other witnesses to address issues that arise with the filing of additional information.

### **PROCEDURAL MATTERS**

As noted above, MRC intends to dismiss Cases 24142-24145 seeking to pool the Wolfcamp formation under Sections 36 and 1 for the reasons set forth in the Self-affirmed statement of Tanner Shulz. MRC contends that the applications filed by Franklin Mountain under Cases 23833, 23835, 23838 and 23839, seeking to pool the Wolfcamp formation for the proposed “Cross State” wells, must likewise be dismissed.

Respectfully submitted,

HOLLAND & HART LLP

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**ATTORNEYS FOR MRC PERMIAN COMPANY**

**CERTIFICATE OF SERVICE**

I hereby certify that on February 1, 2024, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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

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

CASE NO. 23961

**APPLICATION**

MRC Permian Company (“MRC” or “Applicant”), through undersigned attorneys, files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order (a) approving a standard 320-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying the W2W2 of Section 1, Township 19 South, Range 34 East, and the W2W2 of Section 36, Township 18 South, Range 34 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 **Mongoose State 121H** well to be horizontally drilled from a surface hole location in the SW4 of Section 1, with a first take point in the SW4SW4 (Unit M) of section 1 and a last take point in the NW4NW4 (Unit D) of Section 36.
4. This proposed horizontal well spacing unit will overlap the following existing Bone Spring spacing units:

- A 174-acre horizontal well spacing unit comprised of the N2N2 of Section 1 dedicated to COG's Wild Cobra 1 State 1H (API 30-025-41110)
- A 160-acre horizontal well spacing unit comprised of the S2N2 of Section 1 COG's Wild Cobra 1 State 2H (API 30-025-40404)
- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 1 dedicated to Matador's Mongoose Fee 1H (API 30-025-40727)
- A 160-acre horizontal well spacing unit comprised of the S2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 1H (API 30-025-40640)
- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 2H (API 30-025-40641)
- A 160-acre horizontal well spacing unit comprised of the S2N2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 3H (API 30-025-42367)
- A 200-acre horizontal well spacing unit comprised of the S2N2 of Section 35 and the SW4NW4 (Unit E) of Section 36 dedicated to Franklin Mountain's Tin Cup 36 State Com 1H (API 30-025-40422)

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 well;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

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**ATTORNEYS FOR MRC PERMIAN COMPANY**

**CASE \_\_\_\_\_: Application of MRC Permian Company for 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 320-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying the W2W2 of Section 1, Township 19 South, Range 34 East, and the W2W2 of Section 36, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico, and (b) pooling this proposed horizontal well spacing unit. Said unit will be initially dedicated to the proposed **Mongoose State 121H** well to be horizontally drilled from a surface hole location in the SW4 of Section 1, with a first take point in the SW4SW4 (Unit M) of section 1 and a last take point in the NW4NW4 (Unit D) of Section 36. This proposed horizontal well spacing unit will overlap the following existing Bone Spring spacing units:

- A 174-acre horizontal well spacing unit comprised of the N2N2 of Section 1 dedicated to COG's Wild Cobra 1 State 1H (API 30-025-41110)
- A 160-acre horizontal well spacing unit comprised of the S2N2 of Section 1 COG's Wild Cobra 1 State 2H (API 30-025-40404)
- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 1 dedicated to Matador's Mongoose Fee 1H (API 30-025-40727)
- A 160-acre horizontal well spacing unit comprised of the S2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 1H (API 30-025-40640)
- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 2H (API 30-025-40641)
- A 160-acre horizontal well spacing unit comprised of the S2N2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 3H (API 30-025-42367)
- A 200-acre horizontal well spacing unit comprised of the S2N2 of Section 35 and the SW4NW4 (Unit E) of Section 36 dedicated to Franklin Mountain's Tin Cup 36 State Com 1H (API 30-025-40422)

Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling the well. The subject area is located approximately 24 miles west of Hobbs, New Mexico.

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

**CASE NO. 23962**

**APPLICATION**

MRC Permian Company (“MRC” or “Applicant”), through undersigned attorneys, files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order (a) approving a standard 320-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying the E2W2 of Section 1, Township 19 South, Range 34 East, and the E2W2 of Section 36, Township 18 South, Range 34 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 **Mongoose State 122H** well to be horizontally drilled from a surface hole location in the SW4 of Section 1, with a first take point in the SE4SW4 (Unit N) of section 1 and a last take point in the NE4NW4 (Unit C) of Section 36.
4. This proposed horizontal well spacing unit will overlap the following existing Bone Spring spacing units:

- A 174-acre horizontal well spacing unit comprised of the N2N2 of Section 1 dedicated to COG's Wild Cobra 1 State 1H (API 30-025-41110)
- A 160-acre horizontal well spacing unit comprised of the S2N2 of Section 1 COG's Wild Cobra 1 State 2H (API 30-025-40404)
- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 1 dedicated to Matador's Mongoose Fee 1H (API 30-025-40727)
- A 160-acre horizontal well spacing unit comprised of the S2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 1H (API 30-025-40640)
- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 2H (API 30-025-40641)
- A 160-acre horizontal well spacing unit comprised of the S2N2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 3H (API 30-025-42367)

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 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 PERMIAN COMPANY**

CASE \_\_\_\_\_: **Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (a) approving a standard 320-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying the E2W2 of Section 1, Township 19 South, Range 34 East, and the E2W2 of Section 36, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico, and (b) pooling this proposed horizontal well spacing unit. Said unit will be initially dedicated to the proposed **Mongoose State 122H** well to be horizontally drilled from a surface hole location in the SW4 of Section 1, with a first take point in the SE4SW4 (Unit N) of section 1 and a last take point in the NE4NW4 (Unit C) of Section 36. This proposed horizontal well spacing unit will overlap the following existing Bone Spring spacing units:

- A 174-acre horizontal well spacing unit comprised of the N2N2 of Section 1 dedicated to COG's Wild Cobra 1 State 1H (API 30-025-41110)
- A 160-acre horizontal well spacing unit comprised of the S2N2 of Section 1 COG's Wild Cobra 1 State 2H (API 30-025-40404)
- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 1 dedicated to Matador's Mongoose Fee 1H (API 30-025-40727)
- A 160-acre horizontal well spacing unit comprised of the S2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 1H (API 30-025-40640)
- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 2H (API 30-025-40641)
- A 160-acre horizontal well spacing unit comprised of the S2N2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 3H (API 30-025-42367)

Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling the well. The subject area is located approximately 24 miles west of Hobbs, New Mexico.



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WELL SPACING UNIT AND COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

CASE NO. 23963

**APPLICATION**

MRC Permian Company (“MRC” or “Applicant”), through undersigned attorneys, files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order (a) approving a standard 320-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying the W2E2 of Section 1, Township 19 South, Range 34 East, and the W2E2 of Section 36, Township 18 South, Range 34 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 **Mongoose State 123H** well to be horizontally drilled from a surface hole location in the SE4 of Section 1, with a first take point in the SW4SE4 (Unit O) of section 1 and a last take point in the NW4NE4 (Unit B) of Section 36.
4. This proposed horizontal well spacing unit will overlap the following existing Bone Spring spacing units:

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- A 160-acre horizontal well spacing unit comprised of the S2N2 of Section 1 COG's Wild Cobra 1 State 2H (API 30-025-40404)
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- A 160-acre horizontal well spacing unit comprised of the S2N2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 3H (API 30-025-42367)

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 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 PERMIAN COMPANY**

CASE \_\_\_\_\_ :

**Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (a) approving a standard 320-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying the W2E2 of Section 1, Township 19 South, Range 34 East, and the W2E2 of Section 36, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico, and (b) pooling this proposed horizontal well spacing unit. Said unit will be initially dedicated to the proposed **Mongoose State 123H** well to be horizontally drilled from a surface hole location in the SE4 of Section 1, with a first take point in the SW4SE4 (Unit O) of section 1 and a last take point in the NW4NE4 (Unit B) of Section 36. This proposed horizontal well spacing unit will overlap the following existing Bone Spring spacing units:

- A 174-acre horizontal well spacing unit comprised of the N2N2 of Section 1 dedicated to COG’s Wild Cobra 1 State 1H (API 30-025-41110)
- A 160-acre horizontal well spacing unit comprised of the S2N2 of Section 1 COG’s Wild Cobra 1 State 2H (API 30-025-40404)
- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 1 dedicated to Matador’s Mongoose Fee 1H (API 30-025-40727)
- A 160-acre horizontal well spacing unit comprised of the S2S2 of Section 36 dedicated to Franklin Mountain’s Butter Cup 36 State Com 1H (API 30-025-40640)
- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 36 dedicated to Franklin Mountain’s Butter Cup 36 State Com 2H (API 30-025-40641)
- A 160-acre horizontal well spacing unit comprised of the S2N2 of Section 36 dedicated to Franklin Mountain’s Butter Cup 36 State Com 3H (API 30-025-42367)

Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling the well. The subject area is located approximately 24 miles west of Hobbs, New Mexico.

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

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

CASE NO. 23964

**APPLICATION**

MRC Permian Company (“MRC” or “Applicant”), through undersigned attorneys, files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order (a) approving a standard 320-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying the E2E2 of Section 1, Township 19 South, Range 34 East, and the E2E2 of Section 36, Township 18 South, Range 34 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 **Mongoose State 124H** well to be horizontally drilled from a surface hole location in the SE4 of Section 1, with a first take point in the SE4SE4 (Unit P) of section 1 and a last take point in the NE4NE4 (Unit A) of Section 36.
4. This proposed horizontal well spacing unit will overlap the following existing Bone Spring spacing units:

- A 174-acre horizontal well spacing unit comprised of the N2N2 of Section 1 dedicated to COG's Wild Cobra 1 State 1H (API 30-025-41110)
- A 160-acre horizontal well spacing unit comprised of the S2N2 of Section 1 COG's Wild Cobra 1 State 2H (API 30-025-40404)
- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 1 dedicated to Matador's Mongoose Fee 1H (API 30-025-40727)
- A 160-acre horizontal well spacing unit comprised of the S2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 1H (API 30-025-40640)
- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 2H (API 30-025-40641)
- A 160-acre horizontal well spacing unit comprised of the S2N2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 3H (API 30-025-42367)

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 well;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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**ATTORNEYS FOR MRC PERMIAN COMPANY**

CASE \_\_\_\_\_: **Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (a) approving a standard 320-acre overlapping horizontal well spacing unit in the Bone Spring formation underlying the E2E2 of Section 1, Township 19 South, Range 34 East, and the E2E2 of Section 36, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico, and (b) pooling this proposed horizontal well spacing unit. Said unit will be initially dedicated to the proposed **Mongoose State 124H** well to be horizontally drilled from a surface hole location in the SE4 of Section 1, with a first take point in the SE4SE4 (Unit P) of section 1 and a last take point in the NE4NE4 (Unit A) of Section 36. This proposed horizontal well spacing unit will overlap the following existing Bone Spring spacing units:

- A 174-acre horizontal well spacing unit comprised of the N2N2 of Section 1 dedicated to COG's Wild Cobra 1 State 1H (API 30-025-41110)
- A 160-acre horizontal well spacing unit comprised of the S2N2 of Section 1 COG's Wild Cobra 1 State 2H (API 30-025-40404)
- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 1 dedicated to Matador's Mongoose Fee 1H (API 30-025-40727)
- A 160-acre horizontal well spacing unit comprised of the S2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 1H (API 30-025-40640)
- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 2H (API 30-025-40641)
- A 160-acre horizontal well spacing unit comprised of the S2N2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 3H (API 30-025-42367)

Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling the well. The subject area is located approximately 24 miles west of Hobbs, New Mexico.




# REVISED COMPULSORY POOLING APPLICATION CHECKLIST

**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

<b>Case: 23961</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b>	<b>February 8, 2024</b>
Applicant	MRC Permian Company
Designated Operator & OGRID (affiliation if applicable)	Matador Production Company (OGRID No. 228937)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF MRC PERMIAN COMPANY FOR APPROVAL OF AN OVERLAPPING HORIZONTAL WELL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	Franklin Mountain Energy 3, LLC; COG Operating LLC; Armstrong Energy Corporation; Slash Exploration LP
Well Family	Mongoose
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Airstrip; Bone Spring Pool (960); Scharb; Bone Spring Pool (55610)
Well Location Setback Rules:	Statewide oil rules
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	323.51-acres
Building Blocks:	40 acres
Orientation:	South-North
Description: TRS/County	Lot 4, SWNW, W2SW (W2W2 equivalent) of irregular Section 1, Township 19 South, Range 34 East, and the W2W2 of Section 36, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit A-4
<b>Well(s)</b>	

Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	<b>Mongoose State 121H (API pending)</b> SHL: 321' FNL & 132' FWL (Unit D) of Section 36 BHL: 110' FSL & 660' FWL (Unit M) of Section 1 Target: Bone Spring Orientation: North-South Completion: Standard Location
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-5
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	See Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit E
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-4
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-4
Chronology of Contact with Non-Joined Working Interests	Exhibit A-7
Overhead Rates In Proposal Letter	Exhibit A-5
Cost Estimate to Drill and Complete	Exhibit A-6
Cost Estimate to Equip Well	Exhibit A-6
Cost Estimate for Production Facilities	Exhibit A-6
<b>Geology</b>	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	N/A


Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B, B-3
HSU Cross Section	Exhibit B-2
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-4
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit A-2
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-3
<b>Additional Information</b>	
Special Provisions/Stipulations	Applicant seeks approval of overlapping horizontal well spacing units
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Michael H. Feldewert
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	2/1/2024

# REVISED COMPULSORY POOLING APPLICATION CHECKLIST

**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

<b>Case: 23962</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b>	<b>February 8, 2024</b>
Applicant	MRC Permian Company
Designated Operator & OGRID (affiliation if applicable)	Matador Production Company (OGRID No. 228937)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF MRC PERMIAN COMPANY FOR APPROVAL OF AN OVERLAPPING HORIZONTAL WELL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	Franklin Mountain Energy 3, LLC; COG Operating LLC; Armstrong Energy Corporation; Slash Exploration LP
Well Family	Mongoose
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Airstrip; Bone Spring Pool (960); Scharb; Bone Spring Pool (55610)
Well Location Setback Rules:	Statewide oil rules
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	323.59-acres
Building Blocks:	40 acres
Orientation:	South-North
Description: TRS/County	Lot 3, SENW, and E2SW (E2W2 equivalent) of irregular Section 1, Township 19 South, Range 34 East, and the E2W2 of Section 36, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit A-4
<b>Well(s)</b>	

Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	<b>Mongoose State 122H (API pending)</b> SHL: 321' FNL & 162' FWL (Unit D) of Section 36 BHL: 110' FNL & 1980' FWL (Unit N) of Section 1 Target: Bone Spring Orientation: North-South Completion: Standard Location
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-5
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	See Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit E
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-4
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-4
Chronology of Contact with Non-Joined Working Interests	Exhibit A-7
Overhead Rates In Proposal Letter	Exhibit A-5
Cost Estimate to Drill and Complete	Exhibit A-6
Cost Estimate to Equip Well	Exhibit A-6
Cost Estimate for Production Facilities	Exhibit A-6
<b>Geology</b>	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	N/A

Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B, B-3
HSU Cross Section	Exhibit B-2
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-4
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit A-2
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-3
<b>Additional Information</b>	
Special Provisions/Stipulations	Applicant seeks approval of overlapping horizontal well spacing units
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Michael H. Feldewert
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	2/1/2024


# REVISED COMPULSORY POOLING APPLICATION CHECKLIST

**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

<b>Case: 23963</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b>	<b>February 8, 2024</b>
Applicant	MRC Permian Company
Designated Operator & OGRID (affiliation if applicable)	Matador Production Company (OGRID No. 228937)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF MRC PERMIAN COMPANY FOR APPROVAL OF AN OVERLAPPING HORIZONTAL WELL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	Franklin Mountain Energy 3, LLC; COG Operating LLC; Armstrong Energy Corporation; Slash Exploration LP
Well Family	Mongoose
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Airstrip; Bone Spring Pool (960); Scharb; Bone Spring Pool (55610)
Well Location Setback Rules:	Statewide oil rules
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	323.65-acres
Building Blocks:	40 acres
Orientation:	South-North
Description: TRS/County	Lot 2, SWNE, and W2SE (W2E2 equivalent) of irregular Section 1, Township 19 South, Range 34 East, and the W2E2 of Section 36, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit A-4
<b>Well(s)</b>	

Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	<b>Mongoose State 123H (API pending)</b> SHL: 326' FNL & 2238' FEL (Unit B) of Section 36 BHL: 110' FNL & 1980' FEL (Unit O) of Section 1 Target: Bone Spring Orientation: North-South Completion: Standard Location
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-5
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	See Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit E
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-4
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-4
Chronology of Contact with Non-Joined Working Interests	Exhibit A-7
Overhead Rates In Proposal Letter	Exhibit A-5
Cost Estimate to Drill and Complete	Exhibit A-6
Cost Estimate to Equip Well	Exhibit A-6
Cost Estimate for Production Facilities	Exhibit A-6
<b>Geology</b>	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	N/A




Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B, B-3
HSU Cross Section	Exhibit B-2
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-4
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit A-2
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-3
<b>Additional Information</b>	
Special Provisions/Stipulations	Applicant seeks approval of an overlapping horizontal well spacing unit
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Michael H. Feldewert
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	2/1/2024

# REVISED COMPULSORY POOLING APPLICATION CHECKLIST

**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

<b>Case: 23964</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b>	<b>February 8, 2024</b>
Applicant	MRC Permian Company
Designated Operator & OGRID (affiliation if applicable)	Matador Production Company (OGRID No. 228937)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF MRC PERMIAN COMPANY FOR APPROVAL OF AN OVERLAPPING HORIZONTAL WELL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	Franklin Mountain Energy 3, LLC; COG Operating LLC; Armstrong Energy Corporation; Slash Exploration LP
Well Family	Mongoose
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Airstrip; Bone Spring Pool (960); Scharb; Bone Spring Pool (55610)
Well Location Setback Rules:	Statewide oil rules
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	323.73-acres
Building Blocks:	40 acres
Orientation:	South-North
Description: TRS/County	Lot 1, SE4NE4, and E2SE4 (E2E2 equivalent) of irregular Section 1, Township 19 South, Range 34 East, and the E2E2 of Section 36, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit A-4
<b>Well(s)</b>	

Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	<b>Mongoose State 124H (API pending)</b> SHL: 326' FNL & 2208' FEL (Unit B) of Section 36 BHL: 110' FSL & 660' FEL (Unit P) of Section 1 Target: Bone Spring Orientation: North-South Completion: Standard Location
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-5
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	See Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit E
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-4
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-4
Chronology of Contact with Non-Joined Working Interests	Exhibit A-7
Overhead Rates In Proposal Letter	Exhibit A-5
Cost Estimate to Drill and Complete	Exhibit A-6
Cost Estimate to Equip Well	Exhibit A-6
Cost Estimate for Production Facilities	Exhibit A-6
<b>Geology</b>	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	N/A

Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B, B-3
HSU Cross Section	Exhibit B-2
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-4
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit A-2
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-3
<b>Additional Information</b>	
Special Provisions/Stipulations	Applicant seeks approval overlapping horizontal wells spacing units
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Michael H. Feldewert
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	2/1/2024

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

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

**Case Nos. 23961- 23964**

**SELF-AFFIRMED STATEMENT OF CHRIS CARLETON, LANDMAN**

1. My name is Chris Carleton and I work for MRC Energy Company, an affiliate of MRC Permian Company (“MRC”), as a Vice President – Land Operations.

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 applications filed by MRC in these consolidated cases and I am familiar with the status of the lands in the subject area.

4. In these consolidated cases, MRC seeks to pool standard horizontal well spacing units for two-mile laterals in the Bone Spring formation underlying Section 1, Township 19 South, Range 34 East, and Section 36, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico, as follows:

- Under **Case 23961**, MRC seeks approval of an overlapping spacing unit in the Bone Spring formation underlying the Lot 4, SWNW, W2SW (W2W2 equivalent) of irregular Section 1 and the W2W2 of Section 36, and the pooling of this proposed horizontal well spacing unit, for the proposed **Mongoose State 121H** well;
- Under **Case 23962**, MRC seeks approval of an overlapping spacing unit in the Bone Spring formation underlying Lot 3, SENW, and E2SW (E2W2 equivalent) of irregular Section 1 and the E2W2 of Section 36, and the pooling of this proposed horizontal well spacing unit, for the proposed **Mongoose State 122H** well;

- Under **Case 23963**, MRC seeks approval of an overlapping spacing unit in the Bone Spring formation underlying Lot 2, SWNE, and W2SE (W2E2 equivalent) of irregular Section 1 and the W2E2 of Section 36, and the pooling of this proposed horizontal well spacing unit, for the proposed **Mongoose State 123H** well;
- Under **Case 23964**, MRC seeks approval of an overlapping spacing unit in the Bone Spring formation underlying Lot 1, the SE4NE4, and E2SE4 (E2E2 equivalent) of irregular Section 1 and the E2E2 of Section 36, and the pooling of this proposed horizontal well spacing unit, for the proposed **Mongoose State 124H** well;

Franklin Mountain Cases 24110, 24111, 24112 & 24115 seek to create the same spacing units in the Bone Spring formation for its proposed “Cross State Com” wells.

5. There are no ownership depth severances in the Bone Spring formation underlying the subject acreage based on the title information MRC has.

6. There are existing “laydown” Bone Spring horizontal well spacing units in Sections 1 and 36 as follows:

- A 174-acre horizontal well spacing unit comprised of Lots 1-4 (N2N2 equivalent of Section 1 dedicated to COG’s Wild Cobra 1 State 1H (API 30-025-41110)
- A 160-acre horizontal well spacing unit comprised of the S2N2 of Section 1 COG’s Wild Cobra 1 State 2H (API 30-025-40404)
- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 1 dedicated to Matador’s Mongoose Fee 1H (API 30-025-40727)
- A 160-acre horizontal well spacing unit comprised of the S2N2 of Section 36 dedicated to Franklin Mountain’s Butter Cup 36 State Com 3H (API 30-025- 42367)
- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 36 dedicated to Franklin Mountain’s Butter Cup 36 State Com 2H (API 30-025- 40641)
- A 160-acre horizontal well spacing unit comprised of the S2S2 of Section 36 dedicated to Franklin Mountain’s Butter Cup 36 State Com 1H (API 30-025- 40640)

- A 200-acre horizontal well spacing unit comprised of the S2N2 of Section 35 and the SW4NW4 (Unit E) of Section 36 dedicated to Franklin Mountain's Tin Cup 36 State Com 2H (API 30-025-40422)

7. **MRC Exhibit A-1** is a plat of Sections 1 and 36 showing the existing Bone Spring horizontal wells.

8. The existing Bone Spring wells in irregular Section 1 have been assigned to the Scharb; Bone Spring Pool (55610) while the existing wells in Section 36 have been assigned to the Airstrip; Bone Spring Pool (960).

9. **MRC Exhibit A-2** contains draft Form C-102s for MRC's initial Bone Spring wells in the subject acreage. Each of the proposed Bone Spring wells has two Form C-102s to allocate the acreage to the two Bone Spring pools underlying the subject acreage.

10. **MRC Exhibit A-3** identifies the tracts of land comprising the subject acreage, which is comprised of state and fee tracts.

11. **MRC Exhibit A-4** identifies the working interest owners MRC seeks to pool, the tracts in which they hold an interest, and the respective ownership interest in each of the proposed horizontal spacing units. MRC has identified the working interest owned by COG Operating, LLC has "Voluntary Joinder" on each exhibit within **Exhibit A-4**. MRC is under a signed purchase and sale agreement with COG Operating, LLC that is set to close on February 15, 2024, subject to customary closing conditions. Upon closing of the transaction, MRC would own that working interest. Exhibit A-4 also contains a list of the overriding royalty interest owners that MRC seeks to pool.

12. **MRC Exhibit A-5** contains a sample of the original well proposal letters for the proposed initial wells in the Bone Spring formation that was sent to the working interest owners. MRC Exhibit A-5 also contains a sample of the well proposal letters that MRC subsequently sent

to additional working interest parties that MRC learned about after conducting additional title work. As reflected in the attached C-102s, MRC has changed its plan and plans to drill the wells from pads in the N/2 N/2 of Section 36, rather than from the south. The change in surface pad locations will not have an impact on the AFE costs of the well.

13. In preparation for these cases, Matador's technical team reviewed the AFEs for our proposed Bone Spring wells in light of pricing changes and our current development plan. Attached as **MRC Exhibit A-6** are Matador's updated AFEs for these proposed wells. The costs reflected in the AFEs are consistent with what MRC and other operators have incurred for drilling similar horizontal wells in the area in the subject formation.

14. MRC requests that the overhead and administrative costs for drilling and producing the proposed well be set at \$8,000 per month while drilling and \$800 per month while producing. These proposed costs are lower than the \$9,000 per month and the \$900 per month costs proposed by Franklin Mountain.

15. **MRC Exhibit A-7** contains a general summary of the communications with each of the remaining uncommitted working interest owners. In addition to sending the well proposal letters, as reflected on Exhibit A-7, MRC has contacted many of the working interest owners it seeks to pool. There are also some parties we seek to pool that we have not yet been able to reach despite attempting to contact them at the last known contact information we have been able to locate. In my opinion, MRC has undertaken good faith efforts to reach a voluntary agreement.

16. MRC has provided the law firm of Holland & Hart LLP with the names and addresses of the parties that MRC seeks to pool and instructed that they be notified of this hearing. While preparing for this hearing and reviewing additional title information, MRC learned that certain mineral owners we believed to be leased were no longer leased in the Bone Spring



formation, and therefore were not included in the notice list for the Bone Spring cases. However, MRC did provide notice of its Wolfcamp application to these same unleased mineral owners, who therefore would have received notice of the hearing of these consolidated cases. MRC has conducted a diligent search of all public records in the county where the property is located, reviewed telephone directories, and conducted computer searches to locate contact information for each interest owner.

17. **MRC Exhibits A-1 through A-7** were either prepared by me or compiled under my direction and supervision.

18. 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.

  
Chris Carleton

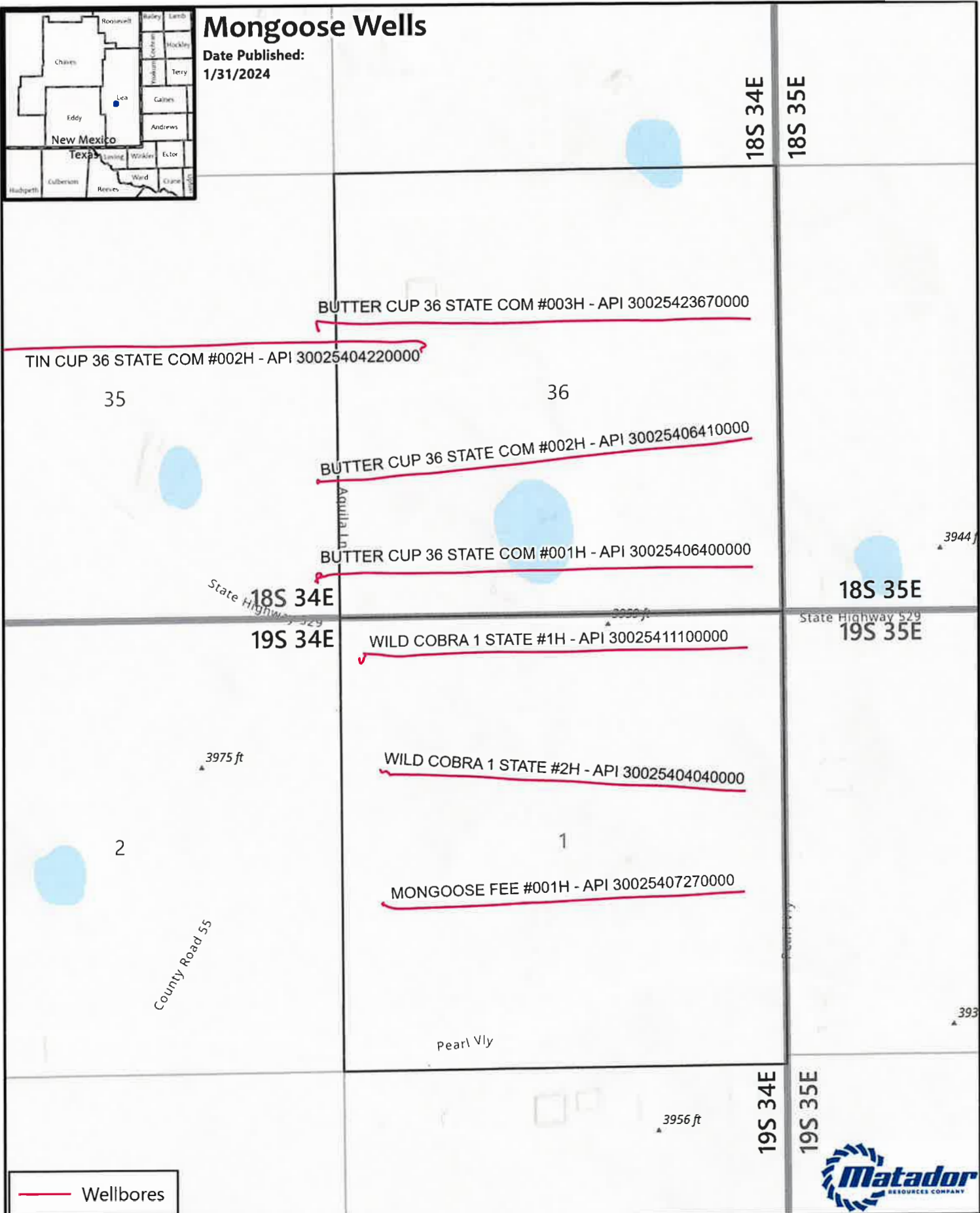
2/1/2024  
Date

# **EXHIBIT A-1**



# Mongoose Wells

Date Published:  
1/31/2024



Wellbores



## 1:18,000

1 inch equals 1,500 feet

Map Prepared by: amercio.gamarral  
 Date: January 31, 2024  
 Project: \\gis\UserData\agamarra\temp\20240130 Mongoose Tract Map\Mongoose Tract Map.aprx  
 Spatial Reference: NAD 1983 StatePlane New Mexico East FIPS 3001 Feet  
 Sources: IHS; ESR; US DOI BLM Carlsbad, NM Field Office, GIS Department;  
 Texas Cooperative Wildlife Collection, Texas A&M University;  
 United States Census Bureau (TIGER);

# **EXHIBIT A-2**

**BEFORE THE OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico  
Exhibit No. A-2  
Submitted by: Matador Production Company  
Hearing Date: February 8, 2024  
Case Nos. 23961 - 23964

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

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number	<sup>2</sup> Pool Code 960	<sup>3</sup> Pool Name Airstrip; Bone Spring
<sup>4</sup> Property Code	<sup>5</sup> Property Name MONGOOSE STATE	
<sup>7</sup> OGRID No. 22B937	<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY	<sup>6</sup> Well Number 121H
		<sup>9</sup> Elevation 3974'

<sup>10</sup>Surface Location

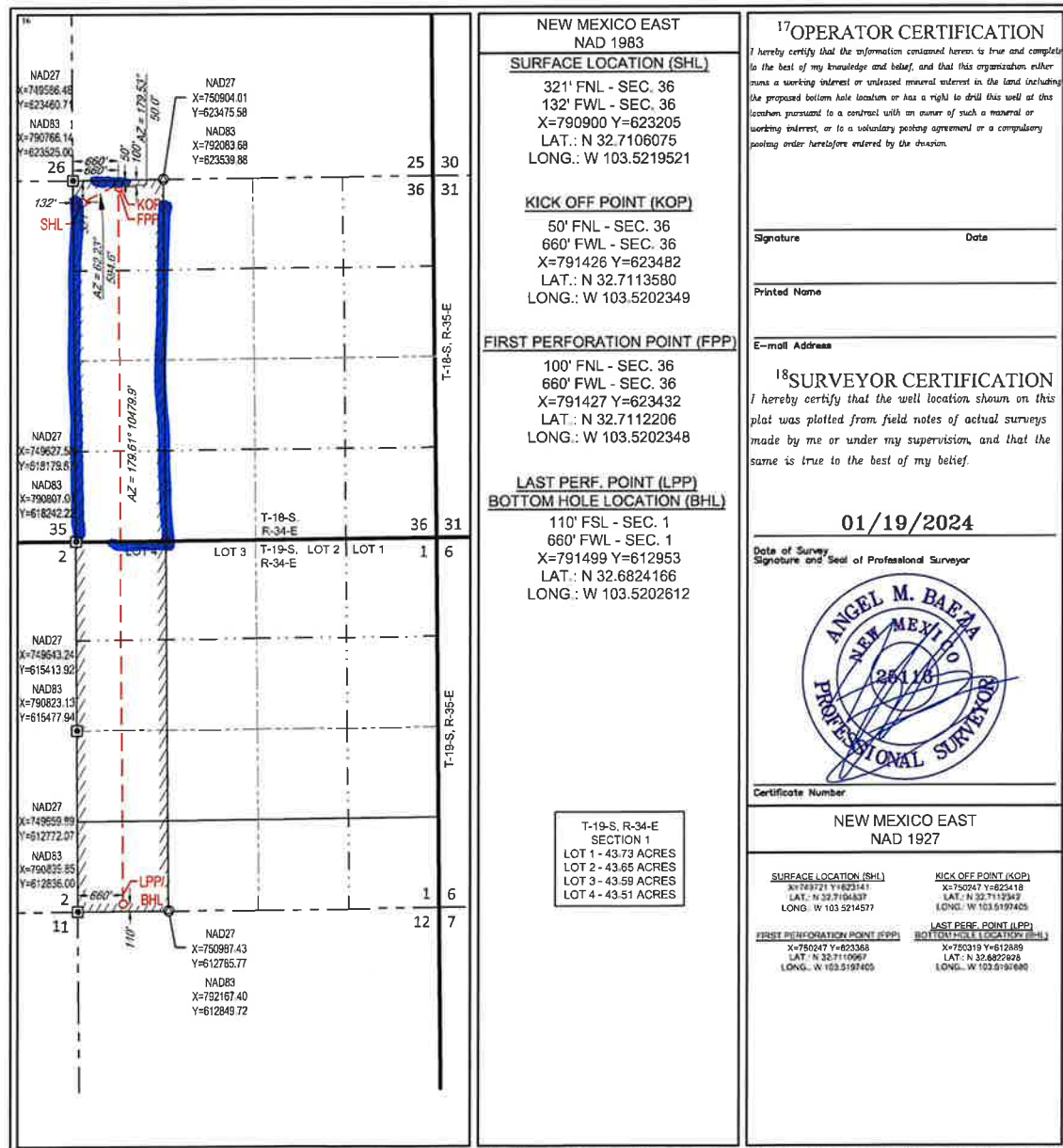
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	36	18-S	34-E	-	321'	NORTH	132'	WEST	LEA

<sup>11</sup>Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	1	19-S	34-E	-	110'	SOUTH	660'	WEST	LEA

<sup>12</sup> Dedicated Acres 160 823.51	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order 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.



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WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code 55610		<sup>3</sup> Pool Name Scherb; Bone Spring					
<sup>4</sup> Property Code		<sup>5</sup> Property Name MONGOOSE STATE			<sup>6</sup> Well Number 121H				
<sup>7</sup> OGRJD No. 228937		<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY			<sup>9</sup> Elevation 3974'				
<sup>10</sup> Surface Location									
UL or lot no. D	Section 36	Township 18-S	Range 34-E	Lot Idn -	Feet from the 321'	North/South line NORTH	Feet from the 132'	East/West line WEST	County LEA
<sup>11</sup> Bottom Hole Location If Different From Surface									
UL or lot no. M	Section 1	Township 19-S	Range 34-E	Lot Idn -	Feet from the 110'	North/South line SOUTH	Feet from the 660'	East/West line WEST	County LEA
<sup>12</sup> Dedicated Acres 163.51 323.51		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.			

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NEW MEXICO EAST  
NAD 1983

**SURFACE LOCATION (SHL)**  
321' FNL - SEC. 36  
132' FWL - SEC. 36  
X=790900 Y=623205  
LAT.: N 32.7106075  
LONG.: W 103.5219521

**KICK OFF POINT (KOP)**  
50' FNL - SEC. 36  
660' FWL - SEC. 36  
X=791426 Y=623482  
LAT.: N 32.7113580  
LONG.: W 103.5202349

**FIRST PERFORATION POINT (FPP)**  
100' FNL - SEC. 36  
660' FWL - SEC. 36  
X=791427 Y=623432  
LAT.: N 32.7112206  
LONG.: W 103.5202348

**LAST PERF. POINT (LPP)**  
**BOTTOM HOLE LOCATION (BHL)**  
110' FSL - SEC. 1  
660' FWL - SEC. 1  
X=791499 Y=612953  
LAT.: N 32.6824166  
LONG.: W 103.5202612

T-19-S, R-34-E  
SECTION 1  
LOT 1 - 43.73 ACRES  
LOT 2 - 43.65 ACRES  
LOT 3 - 43.59 ACRES  
LOT 4 - 43.51 ACRES

**<sup>17</sup>OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete 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 the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_

E-mail Address \_\_\_\_\_

**<sup>18</sup>SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.

01/19/2024

Date of Survey  
Signature and Seal of Professional Surveyor

Certificate Number \_\_\_\_\_

NEW MEXICO EAST  
NAD 1927

<b>SURFACE LOCATION (SHL)</b> X=745721 Y=622141 LAT. N 32.7104837 LONG. W 103.5214577	<b>KICK OFF POINT (KOP)</b> X=750247 Y=622418 LAT. N 32.7112342 LONG. W 103.5197405
<b>FIRST PERFORATION POINT (FPP)</b> X=750247 Y=623388 LAT. N 32.7110067 LONG. W 103.5197405	<b>LAST PERF. POINT (LPP)</b> X=750219 Y=612949 LAT. N 32.6822998 LONG. W 103.5197690

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FORM C-102  
Revised August 1, 2011  
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 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code 960		<sup>3</sup> Pool Name Airstrip; Bone Spring					
<sup>4</sup> Property Code		<sup>5</sup> Property Name MONGOOSE STATE		<sup>6</sup> Well Number 122H					
<sup>7</sup> GRID No. 228937		<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY		<sup>9</sup> Elevation 3974'					
<sup>10</sup> Surface Location									
UL or lot no. D	Section 36	Township 18-S	Range 34-E	Lot Idn -	Feet from the 321'	North/South line NORTH	Feet from the 162'	East/West line WEST	County LEA
<sup>11</sup> Bottom Hole Location If Different From Surface									
UL or lot no. N	Section 1	Township 19-S	Range 34-E	Lot Idn -	Feet from the 110'	North/South line SOUTH	Feet from the 1980'	East/West line WEST	County LEA
<sup>12</sup> Dedicated Acres 160 - 323.59		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.			

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NEW MEXICO EAST  
NAD 1983

SURFACE LOCATION (SHL)

321' FNL - SEC. 36  
162' FWL - SEC. 36  
X=790930 Y=623206  
LAT.: N 32.7106078  
LONG.: W 103.5218545

KICK OFF POINT (KOP)

50' FNL - SEC. 36  
1980' FWL - SEC. 36  
X=792746 Y=623497  
LAT.: N 32.7113711  
LONG.: W 103.5159435

FIRST PERFORATION POINT (FPP)

100' FNL - SEC. 36  
1980' FWL - SEC. 36  
X=792747 Y=623447  
LAT.: N 32.7112337  
LONG.: W 103.5159436

LAST PERF. POINT (LPP)  
BOTTOM HOLE LOCATION (BHL)

110' FSL - SEC. 1  
1980' FWL - SEC. 1  
X=792819 Y=612966  
LAT.: N 32.6824262  
LONG.: W 103.5159712

T-19-S, R-34-E  
SECTION 1  
LOT 1 - 43.73 ACRES  
LOT 2 - 43.65 ACRES  
LOT 3 - 43.59 ACRES  
LOT 4 - 43.51 ACRES

<sup>17</sup>OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete 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 the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or is a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_

E-mail Address \_\_\_\_\_

<sup>18</sup>SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.

01/19/2024

Date of Survey \_\_\_\_\_  
Signature and Seal of Professional Surveyor

Certificate Number \_\_\_\_\_

NEW MEXICO EAST  
NAD 1927

<u>SURFACE LOCATION (SHL)</u> X=790930 Y=623206 LAT: N 32.7106078 LONG: W 103.5218545	<u>KICK OFF POINT (KOP)</u> X=792746 Y=623497 LAT: N 32.7113711 LONG: W 103.5159435
<u>FIRST PERFORATION POINT (FPP)</u> X=792747 Y=623447 LAT: N 32.7112337 LONG: W 103.5159436	<u>LAST PERF. POINT (LPP)</u> <u>BOTTOM HOLE LOCATION (BHL)</u> X=792819 Y=612966 LAT: N 32.6824262 LONG: W 103.5159712

S:\SURVEY\MATADOR\_RESOURCES\MONGOOSE\_STATE\FINAL\_PROD\_GTS\LO\_MONGOOSE\_STATE\_122H\_C102.DWG 2/1/2024 1:27:56 PM\Jana.Franzen

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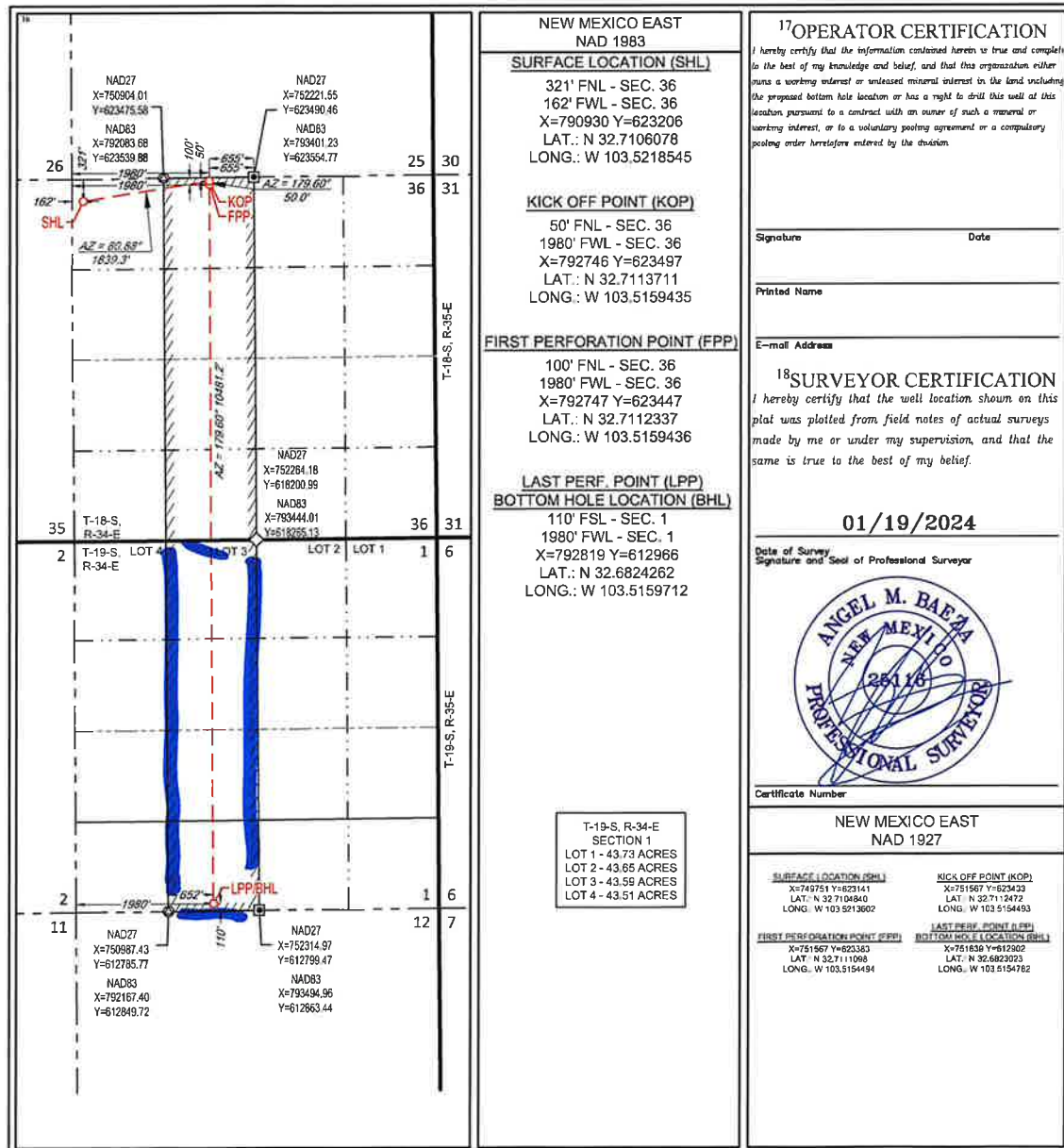
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FORM C-102  
Revised August 1, 2011  
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 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code 55610		<sup>3</sup> Pool Name Scherbj Bone Springs					
<sup>4</sup> Property Code		<sup>5</sup> Property Name MONGOOSE STATE			<sup>6</sup> Well Number 122H				
<sup>7</sup> OGRID No. 228937		<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY			<sup>9</sup> Elevation 3974'				
<sup>10</sup> Surface Location									
UL or lot no. D	Section 36	Township 18-S	Range 34-E	Lot Idn -	Feet from the 321'	North/South line NORTH	Feet from the 162'	East/West line WEST	County LEA
<sup>11</sup> Bottom Hole Location If Different From Surface									
UL or lot no. N	Section 1	Township 19-S	Range 34-E	Lot Idn -	Feet from the 110'	North/South line SOUTH	Feet from the 1980'	East/West line WEST	County LEA
<sup>12</sup> Dedicated Acres 163.59 <del>323.59</del>		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.			

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code 960		<sup>3</sup> Pool Name Airstrip; Bone Spring	
<sup>4</sup> Property Code		<sup>5</sup> Property Name MONGOOSE STATE			<sup>6</sup> Well Number 123H
<sup>7</sup> OGRID No. 228937		<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY			<sup>9</sup> Elevation 3964'

<sup>10</sup>Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	36	18-S	34-E	-	326'	NORTH	2238'	EAST	LEA

<sup>11</sup>Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	1	19-S	34-E	-	110'	SOUTH	1980'	EAST	LEA

<sup>12</sup> Dedicated Acres 323.65	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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160

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.

The map shows a well location (KOP) and bottom hole location (BHL) within a grid of sections 25, 26, 30, 31, 35, and 36. The well is oriented North-South. Key points include the Kick Off Point (KOP) at 50' FNL - SEC. 36, 1980' FEL - SEC. 36, and the Bottom Hole Location (BHL) at 110' FSL - SEC. 1, 1980' FEL - SEC. 1. The map also shows the Surface Location (SHL) and First Perforation Point (FPP).

**NEW MEXICO EAST  
NAD 1983**

**SURFACE LOCATION (SHL)**  
326' FNL - SEC. 36  
2238' FEL - SEC. 36  
X=793799 Y=623233  
LAT.: N 32.7106231  
LONG.: W 103.5125267

**KICK OFF POINT (KOP)**  
50' FNL - SEC. 36  
1980' FEL - SEC. 36  
X=794055 Y=623512  
LAT.: N 32.7113830  
LONG.: W 103.5116901

**FIRST PERFORATION POINT (FPP)**  
100' FNL - SEC. 36  
1980' FEL - SEC. 36  
X=794055 Y=623462  
LAT.: N 32.7112456  
LONG.: W 103.5116899

**LAST PERF. POINT (LPP)  
BOTTOM HOLE LOCATION (BHL)**  
110' FSL - SEC. 1  
1980' FEL - SEC. 1  
X=794148 Y=612980  
LAT.: N 32.6824359  
LONG.: W 103.5116525

**<sup>17</sup>OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete 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 the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature \_\_\_\_\_ Date \_\_\_\_\_  
Printed Name \_\_\_\_\_  
E-mail Address \_\_\_\_\_

**<sup>18</sup>SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.

**01/19/2024**

Date of Survey  
Signature and Seal of Professional Surveyor

Certificate Number \_\_\_\_\_

**NEW MEXICO EAST  
NAD 1927**

<b>SURFACE LOCATION (SHL)</b> X=752820 Y=623189 LAT N 32.7104982 LONG. W 103.5120327	<b>KICK OFF POINT (KOP)</b> X=752875 Y=623447 LAT.: N 32.7112590 LONG. W 103.5119560
<b>FIRST PERFORATION POINT (FPP)</b> X=752875 Y=623397 LAT N 32.7111216 LONG. W 103.5119560	<b>LAST PERF. POINT (LPP) BOTTOM HOLE LOCATION (BHL)</b> X=752868 Y=612918 LAT N 32.6823120 LONG. W 103.5119550

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

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number	<sup>2</sup> Pool Code 55610	<sup>3</sup> Pool Name Scherb; Bone Springs
<sup>4</sup> Property Code	<sup>5</sup> Property Name MONGOOSE STATE	
<sup>6</sup> OGRLD No. 220937	<sup>7</sup> Operator Name MATADOR PRODUCTION COMPANY	<sup>8</sup> Well Number 123H
		<sup>9</sup> Elevation 3964'

<sup>10</sup>Surface Location

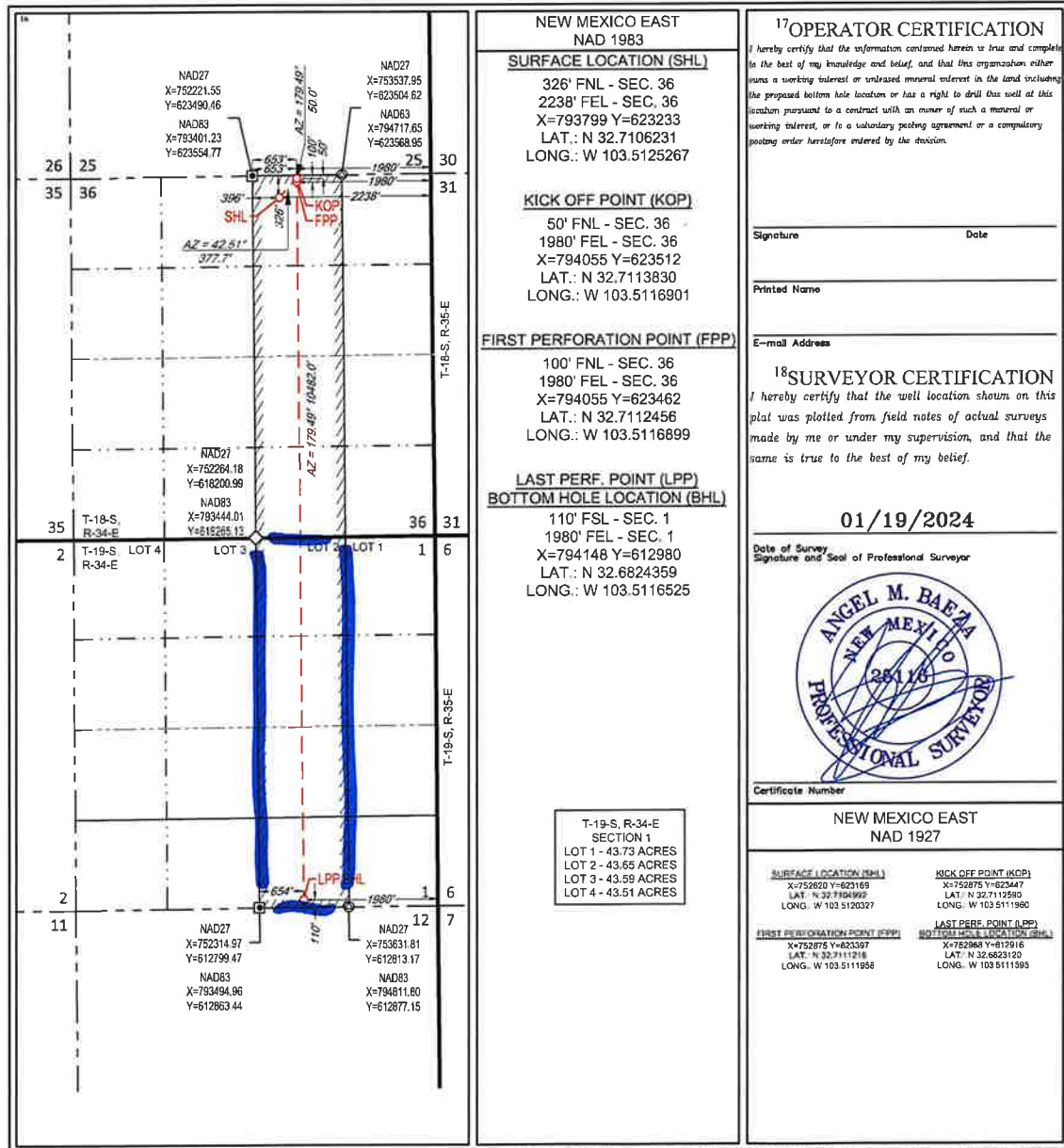
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	36	18-S	34-E	-	326'	NORTH	2238'	EAST	LEA

<sup>11</sup>Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	1	19-S	34-E	-	110'	SOUTH	1980'	EAST	LEA

<sup>12</sup> Dedicated Acres 163.65 323.65	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code 960		<sup>3</sup> Pool Name Airstrip; Bone Springs	
<sup>4</sup> Property Code		<sup>5</sup> Property Name MONGOOSE STATE			<sup>6</sup> Well Number 124H
<sup>7</sup> GRID No. 228937		<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY			<sup>9</sup> Elevation 3963'

<sup>10</sup>Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	36	18-S	34-E	-	326'	NORTH	2208'	EAST	LEA

<sup>11</sup>Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	1	19-S	34-E	-	110'	SOUTH	660'	EAST	LEA

<sup>12</sup> Dedicated Acres 160 <del>323.73</del>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order 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.

**NEW MEXICO EAST NAD 1983**

**SURFACE LOCATION (SHL)**  
326' FNL - SEC. 36  
2208' FEL - SEC. 36  
X=793829 Y=623234  
LAT.: N 32.7106234  
LONG.: W 103.5124292

**KICK OFF POINT (KOP)**  
50' FNL - SEC. 36  
660' FEL - SEC. 36  
X=795375 Y=623526  
LAT.: N 32.7113939  
LONG.: W 103.5073987

**FIRST PERFORATION POINT (FPP)**  
100' FNL - SEC. 36  
660' FEL - SEC. 36  
X=795375 Y=623476  
LAT.: N 32.7112564  
LONG.: W 103.5073985

**LAST PERF. POINT (LPP)  
BOTTOM HOLE LOCATION (BHL)**  
110' FSL - SEC. 1  
660' FEL - SEC. 1  
X=795468 Y=612994  
LAT.: N 32.6824455  
LONG.: W 103.5073625

T-19-S, R-34-E  
SECTION 1  
LOT 1 - 43.73 ACRES  
LOT 2 - 43.65 ACRES  
LOT 3 - 43.59 ACRES  
LOT 4 - 43.51 ACRES

**<sup>17</sup>OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or released mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_

E-mail Address \_\_\_\_\_

**<sup>18</sup>SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.

**01/19/2024**

Date of Survey  
Signature and Seal of Professional Surveyor

Certificate Number \_\_\_\_\_

**NEW MEXICO EAST  
NAD 1927**

<b>SURFACE LOCATION (SHL)</b> X=752650 Y=623189 LAT.: N 32.7104995 LONG.: W 103.5119351	<b>KICK OFF POINT (KOP)</b> X=754195 Y=623482 LAT.: N 32.7113198 LONG.: W 103.5069048
<b>FIRST PERFORATION POINT (FPP)</b> X=754195 Y=623412 LAT.: N 32.7111324 LONG.: W 103.5069046	<b>LAST PERF. POINT (LPP) BOTTOM HOLE LOCATION (BHL)</b> X=754288 Y=612930 LAT.: N 32.6823215 LONG.: W 103.5068697

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1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

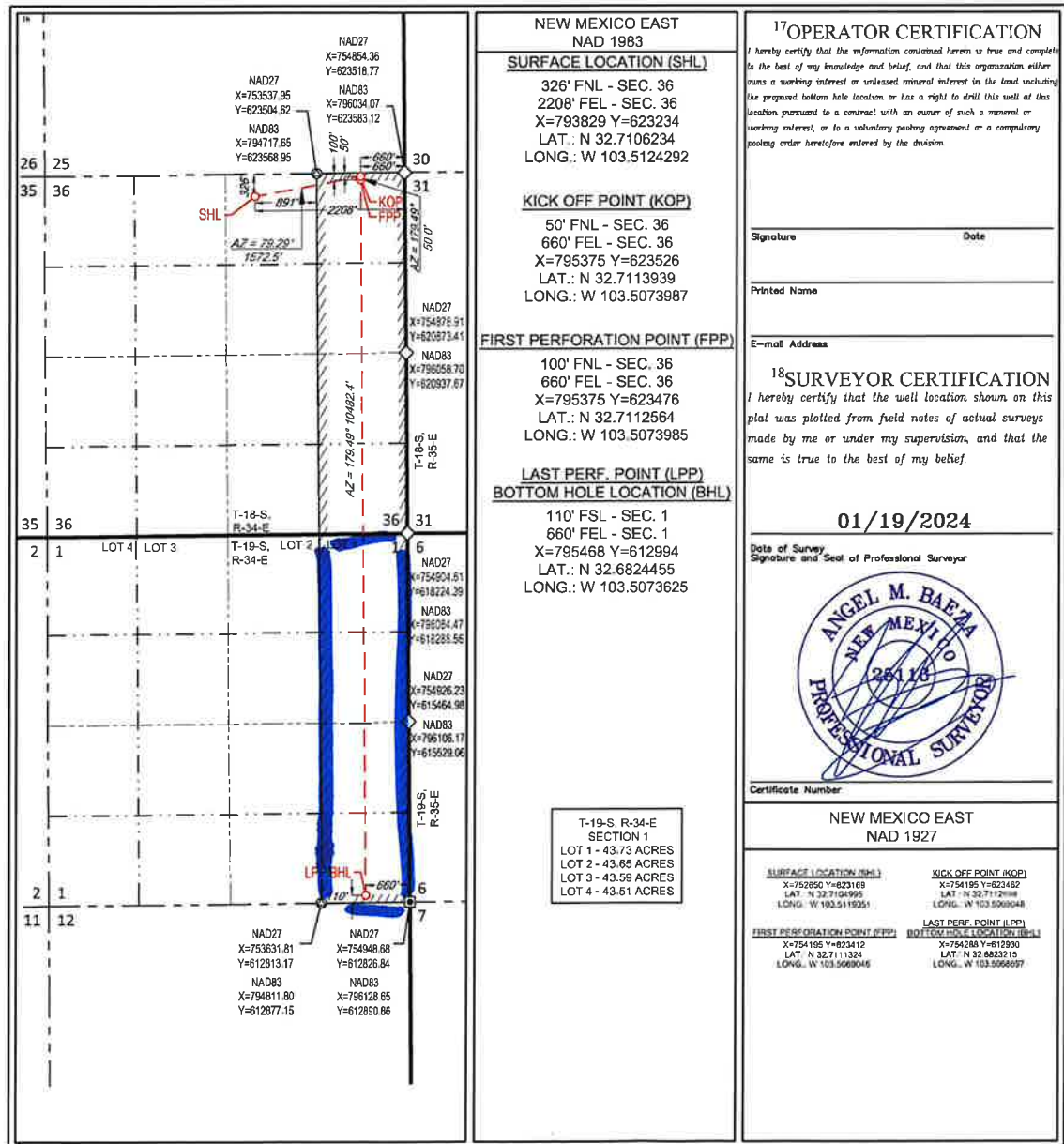
State of New Mexico  
Energy, Minerals & Natural Resources  
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1220 South St. Francis Dr.  
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FORM C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office  
 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code 55610		3 Pool Name Scharb; Bone Spring					
4 Property Code		5 Property Name MONGOOSE STATE		6 Well Number 124H					
7 OGRID No. 228937		8 Operator Name MATADOR PRODUCTION COMPANY		9 Elevation 3963'					
10 Surface Location									
UL or lot no. B	Section 36	Township 18-S	Range 34-E	Lot Idn -	Feet from the 326'	North/South line NORTH	Feet from the 2208'	East/West line EAST	County LEA
11 Bottom Hole Location If Different From Surface									
UL or lot no. P	Section 1	Township 19-S	Range 34-E	Lot Idn -	Feet from the 110'	North/South line SOUTH	Feet from the 660'	East/West line EAST	County LEA
12 Dedicated Acres 163.73 323.73		13 Joint or Infill		14 Consolidation Code		15 Order 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.

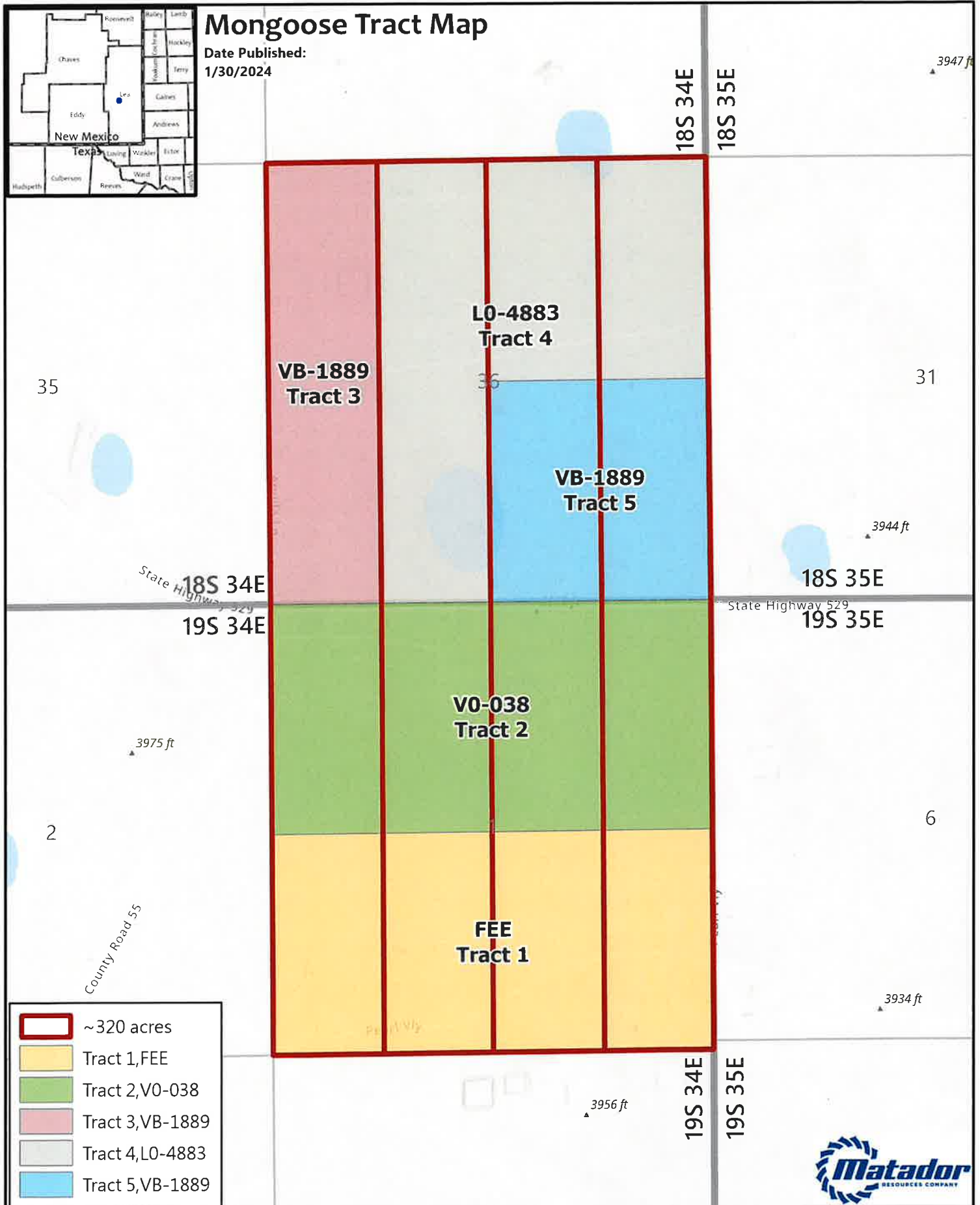


# **EXHIBIT A-3**

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A-3  
Submitted by: Matador Production Company  
Hearing Date: February 8, 2024  
Case Nos. 23961 - 23964**

# Mongoose Tract Map

Date Published:  
1/30/2024



	~320 acres
	Tract 1, FEE
	Tract 2, V0-038
	Tract 3, VB-1889
	Tract 4, L0-4883
	Tract 5, VB-1889



**GIS Standard Map Disclaimer:**  
This map was prepared for the purpose of providing a visual representation of the information contained herein. It is not intended to be used as a legal document. The user of this map assumes all liability for any errors or omissions. The information is provided as is and without warranty of any kind, express or implied. The user of this map assumes all liability for any errors or omissions.

**N**

0 500 1,000 2,000 Feet

**1:18,000**  
 1 inch equals 1,500 feet

Map Prepared by: americo.gamarral  
 Date: January 30, 2024  
 Project: \\gis\User\Dalalagamarral\temp\20240130 Mongoose Tract Map\Mongoose Tract Map.aprx  
 Spatial Reference: NAD 1983 StatePlane New Mexico East FIPS 3001 Feet  
 Sources: IHS; ESRI; US DOI BLM Carlsbad, NM Field Office, GIS Department;  
 Texas Cooperative Wildlife Collection, Texas A&M University;  
 United States Census Bureau (TIGER).

# **EXHIBIT A-4**

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A-4  
Submitted by: Matador Production Company  
Hearing Date: February 8, 2024  
Case Nos. 23961 - 23964**

Mongoose State Com W/2W/2 Bone Spring (Case 23961)			
Summary of Interests			
Matador Working Interest: 0.127957978		Tract 1	
Voluntary Joinder: 0.111375		Tract 2	
PARTIES TO BE FORCE POOLED			
Interest Owner	Description	Tract #	Interest
Milestone Oil, LLC	Uncommitted Working Interest	1	0.00460069486111
Peregrine Production, LLC	Uncommitted Working Interest	1	0.00488281250000
DAVIS PARTNERS LTD	Uncommitted Working Interest	1	0.01041662500000
Cavalry Energy Partners	Uncommitted Working Interest	1	0.01191406111111
DSD Energy Resources LLC	Uncommitted Working Interest	1	0.01191406111111
Milestone Resources, LLC	Uncommitted Working Interest	1	0.01289062222222
REG XI Assets LLC	Uncommitted Working Interest	1	0.03442382777778
Tarpon Industries Corporation	Uncommitted Working Interest	2	0.00018518500000
SMAA Family, LP	Uncommitted Working Interest	2	0.00037500000000
Stillwater Investments	Uncommitted Working Interest	2	0.00055555500000
Heirs of Mary Hampton Elliot	Uncommitted Working Interest	2	0.00260416250000
Charles D. Ray and wife, Lynne Ray	Uncommitted Working Interest	2	0.00375000000000
Sharktooth Resources, Ltd	Uncommitted Working Interest	2	0.00416666750000
Marathon Oil Permian LLC	Uncommitted Working Interest	2	0.11362500000000
T.H. McElvain Oil & Gas, LLP	Uncommitted Working Interest	3	0.12500000000000
Franklin Mountain Energy 3, LLC	Uncommitted Working Interest	1, 2 & 3	0.37937946428571
SDH 2009 Investments, Ltd.	Unleased Mineral Owner	1	0.00007812500000
The Allar Company	Unleased Mineral Owner	1	0.00007812500000
Hair Royalty Group, LLC	Unleased Mineral Owner	1	0.00008680555556
Pecos Bend Royalties, LLLP	Unleased Mineral Owner	1	0.00008680555556
White Star Royalty Company	Unleased Mineral Owner	1	0.00008680555556
John Brickey	Unleased Mineral Owner	1	0.00009259250000
Randolph D. McCall	Unleased Mineral Owner	1	0.00015625000000
Rebecca McCall Landis Baird	Unleased Mineral Owner	1	0.00015625000000
William S. Deniger, Jr. David B. Deniger, Elizabeth Reymond and Fredrick D. Brownell heirs of Mary Helen Brownell	Unleased Mineral Owner	1	0.00015625000000
Wadi Petroleum, Inc.	Unleased Mineral Owner	1	0.00019531250000
Patricia Wallace	Unleased Mineral Owner	1	0.00031250000000
Mid Lavaca Energy Co	Unleased Mineral Owner	1	0.00039062500000
Wells Fargo Bank, N.A. Agent of Southard Properties, LTD Agency	Unleased Mineral Owner	1	0.00081380250000
Derrill G. Elmore Trust	Unleased Mineral Owner	1	0.00093750000000
AHCJL, LLC	Unleased Mineral Owner	1	0.00102538888889
VPD New Mexico, LLC C/O Titanium Exploration Partners, LLC	Unleased Mineral Owner	1	0.00123265000000
Bruner, Estate of Fred, Deceased			
Robert B. Bruner, Ex'r	Unleased Mineral Owner	1	0.00133928571429
Baloney Feathers, Ltd.	Unleased Mineral Owner	1	0.00158691500000
Jont E. Tyson	Unleased Mineral Owner	1	0.00173611111111
OGX Royalty Fund IV LP	Unleased Mineral Owner	1	0.00173611111111
Richard D. Jones Jr.	Unleased Mineral Owner	1	0.00240071750000
MJP Partners, Ltd.	Unleased Mineral Owner	1	0.00347218750000
AHCCI, LLC	Unleased Mineral Owner	1	0.00429687222222
AHCFL, LLC	Unleased Mineral Owner	1	0.00502929444444
Buckhorn Energy, LLC	Unleased Mineral Owner	1	0.01250000000000
Crown Oil Partners, LP	ORRI Owner	2	
Charles D. Ray and wife, Lynne Ray, CD Ray, LLC	ORRI Owner	2	



COG Operating, LLCAttention: Joint Ventures	ORRI Owner	2	
Collin and Jones Investments, LLC	ORRI Owner	2	
Crump Energy Partners, II, LLC	ORRI Owner	2	
David Cromwell	ORRI Owner	2	
Deane Durham	ORRI Owner	2	
Good News Minerals, LLC	ORRI Owner	2	
H. Jason Wacker	ORRI Owner	2	
JA Gill Family Limited Partnership	ORRI Owner	2	
John D. Savage	ORRI Owner	2	
Jon Brickey	ORRI Owner	2	
JS&AL Family Limited Partnership	ORRI Owner	2	
Kaleb Smith	ORRI Owner	2	
LMC Energy, LLC	ORRI Owner	2	
Louellen T. Mays	ORRI Owner	2	
Mike Moylett	ORRI Owner	2	
Mongoose Minerals, LLCAttention: Joint Ventures	ORRI Owner	2	
Oak Valley Mineral and Land, LP	ORRI Owner	2	
Oak Valley Mineral and Land, LP	ORRI Owner	2	
Post Oak Crown IV, LLC	ORRI Owner	2	
Post Oak Crown IV-B, LLC	ORRI Owner	2	
Post Oak Mavros II, LLC	ORRI Owner	2	
Ross Duncan Properties, LLC	ORRI Owner	2	
Sortida Resources, LLC	ORRI Owner	2	
Stillwater Investments	ORRI Owner	2	
Tarpon Industries Corporation	ORRI Owner	2	
Williamson Oil and Gas, LLC	ORRI Owner	2	
Thomaston, LLC	ORRI Owner	3 & 5	

Mongoose State Com E/2W/2 Bone Spring (Case 23962)			
Summary of Interests			
Matador Working Interest: 0.127957978		Tract 1	
Voluntary Joinder: 0.111375		Tract 2	
Parties to be Force Pool			
Interest Owner	Description	Tract #	Interest
REG XI Assets LLC	Uncommitted Working Interest	1	0.03442382778
Milestone Resources, LLC	Uncommitted Working Interest	1	0.01289062222
Cavalry Energy Partners	Uncommitted Working Interest	1	0.01191406111
DSD Energy Resources LLC	Uncommitted Working Interest	1	0.01191406111
DAVIS PARTNERS LTD	Uncommitted Working Interest	1	0.01041662500
Peregrine Production, LLC	Uncommitted Working Interest	1	0.00488281250
Milestone Oil, LLC	Uncommitted Working Interest	1	0.00460069486
Marathon Oil Permian LLC	Uncommitted Working Interest	2	0.11362500000
Buckhorn Energy, LLC	Uncommitted Working Interest	2	0.01250000000
Sharktooth Resources, Ltd	Uncommitted Working Interest	2	0.00416666750
Charles D. Ray and wife, Lynne Ray	Uncommitted Working Interest	2	0.00375000000
Stillwater Investments	Uncommitted Working Interest	2	0.00055555500
SMAA Family, LP	Uncommitted Working Interest	2	0.00037500000
Tarpon Industries Corporation	Uncommitted Working Interest	2	0.00018518500
John Brickey	Uncommitted Working Interest	2	0.00009259250
EOG Resources, Inc.	Uncommitted Working Interest	4	0.10365850000
T.H. McElvain Oil & Gas, LLP	Uncommitted Working Interest	4	0.08673787500
Slash Exploration Limited Partnership	Uncommitted Working Interest	4	0.02500000000
Marathon Oil Company	Uncommitted Working Interest	4	0.01219500000
Otter Creek	Uncommitted Working Interest	4	0.00813000000
Gregory J. Nibert and Carolyn S. Nibert, Co-Trustees of the DJS Trust dated September 23, 2005	Uncommitted Working Interest	4	0.00203250000
Williamson Enterprises	Uncommitted Working Interest	4	0.00203250000
Franklin Mountain Energy 3, LLC	Uncommitted Working Interest	1, 2 4	0.26459308929
AHCFL, LLC	Unleased Mineral Owner	1	0.00502929444
AHCCI, LLC	Unleased Mineral Owner	1	0.00429687222
MJP Partners, Ltd.	Unleased Mineral Owner	1	0.00347218750
Heirs of Mary Hampton Elliot	Unleased Mineral Owner	1	0.00260416250
Richard D. Jones Jr.	Unleased Mineral Owner	1	0.00240071750
Jont E. Tyson	Unleased Mineral Owner	1	0.00173611111
OGX Royalty Fund IV LP	Unleased Mineral Owner	1	0.00173611111
Baloney Feathers, Ltd.	Unleased Mineral Owner	1	0.00158691500
Bruner, Estate of Fred, Deceased Robert B. Bruner, Ex'r	Unleased Mineral Owner	1	0.00133928571
VPD New Mexico, LLC C/O Titanium Exploration Partners, LLC	Unleased Mineral Owner	1	0.00123265000
AHCJL, LLC	Unleased Mineral Owner	1	0.00102538889
Derrill G. Elmore Trust	Unleased Mineral Owner	1	0.00093750000
Wells Fargo Bank, N.A. Agent of Southard Properties, LTD Agency	Unleased Mineral Owner	1	0.00081380250
Mid Lavaca Energy Co	Unleased Mineral Owner	1	0.00039062500
Patricia Wallace	Unleased Mineral Owner	1	0.00031250000
Wadi Petroleum, Inc.	Unleased Mineral Owner	1	0.00019531250
Randolph D. McCall	Unleased Mineral Owner	1	0.00015625000
Rebecca McCall Landis Baird	Unleased Mineral Owner	1	0.00015625000
William S. Deniger, Jr. David B. Deniger, Elizabeth Reymond and Fredrick D. Brownell heirs of Mary Helen Brownell	Unleased Mineral Owner	1	0.00015625000
Hair Royalty Group, LLC	Unleased Mineral Owner	1	0.00008680556
Pecos Bend Royalties, LLLP	Unleased Mineral Owner	1	0.00008680556

White Star Royalty Company	Unleased Mineral Owner	1	0.00008680556
SDH 2009 Investments, Ltd.	Unleased Mineral Owner	1	0.00007812500
The Allar Company	Unleased Mineral Owner	1	0.00007812500
Crown Oil Partners, LP	ORRI Owner	2	
Charles D. Ray and wife, Lynne Ray, CD Ray, LLC	ORRI Owner	2	
COG Operating, LLCAttention: Joint Ventures	ORRI Owner	2	
Collin and Jones Investments, LLC	ORRI Owner	2	
Crump Energy Partners, II, LLC	ORRI Owner	2	
David Cromwell	ORRI Owner	2	
Deane Durham	ORRI Owner	2	
Good News Minerals, LLC	ORRI Owner	2	
H. Jason Wacker	ORRI Owner	2	
JA Gill Family Limited Partnership	ORRI Owner	2	
John D. Savage	ORRI Owner	2	
Jon Brickey	ORRI Owner	2	
JS&AL Family Limited Partnership	ORRI Owner	2	
Kaleb Smith	ORRI Owner	2	
LMC Energy, LLC	ORRI Owner	2	
Louellen T. Mays	ORRI Owner	2	
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Oak Valley Mineral and Land, LP	ORRI Owner	2	
Post Oak Crown IV, LLC	ORRI Owner	2	
Post Oak Crown IV-B, LLC	ORRI Owner	2	
Post Oak Mavros II, LLC	ORRI Owner	2	
Ross Duncan Properties, LLC	ORRI Owner	2	
Sortida Resources, LLC	ORRI Owner	2	
Stillwater Investments	ORRI Owner	2	
Tarpon Industries Corporation	ORRI Owner	2	
Williamson Oil and Gas, LLC	ORRI Owner	2	
The Taurus Corporationc/o Robert Benson Payne, Jr.	ORRI Owner	4	
Armstrong Energy Corporation	ORRI Owner	4	
Chimney Rock Oil & Gas, LLC	ORRI Owner	4	
Penroc Oil Corporation	ORRI Owner	4	
Blue Ridge Royalties, LLC	ORRI Owner	4	
JKV Corporation	ORRI Owner	4	
Ridgeback Energy, Inc.	ORRI Owner	4	
Thomaston, LLC	ORRI Owner	3, 4 & 5	

Mongoose State Com W/2E/2 Bone Spring (Case 23963)			
Summary of Interests			
Matador Working Interest: 0.127957978		Tract 1	
Voluntary Joinder: 0.111375		Tract 2	
Parties to be Force Pooled			
Interest Owner	Description	Tract #	Interest
Milestone Oil, LLC	Uncommitted Working Interest	1	0.0046006948611
Peregrine Production, LLC	Uncommitted Working Interest	1	0.0048828125000
DAVIS PARTNERS LTD	Uncommitted Working Interest	1	0.0104166250000
Cavalry Energy Partners	Uncommitted Working Interest	1	0.0119140611111
DSD Energy Resources LLC	Uncommitted Working Interest	1	0.0119140611111
Milestone Resources, LLC	Uncommitted Working Interest	1	0.0128906222222
REG XI Assets LLC	Uncommitted Working Interest	1	0.0344238277778
John Brickey	Uncommitted Working Interest	2	0.0000925925000
Tarpon Industries Corporation	Uncommitted Working Interest	2	0.0001851850000
SMAA Family, LP	Uncommitted Working Interest	2	0.0003750000000
Stillwater Investments	Uncommitted Working Interest	2	0.0005555550000
Charles D. Ray and wife, Lynne Ray	Uncommitted Working Interest	2	0.0037500000000
Sharktooth Resources, Ltd	Uncommitted Working Interest	2	0.0041666675000
Buckhorn Energy, LLC	Uncommitted Working Interest	2	0.0125000000000
Marathon Oil Permian LLC	Uncommitted Working Interest	2	0.1136250000000
Gregory J. Nibert and Carolyn S. Nibert, Co-Trustees of the DJS Trust dated September 23, 2005	Uncommitted Working Interest	4	0.0010162500000
Williamson Enterprises	Uncommitted Working Interest	4	0.0010162500000
Otter Creek	Uncommitted Working Interest	4	0.0040650000000
Marathon Oil Company	Uncommitted Working Interest	4	0.0060975000000
Slash Exploration Limited Partnership	Uncommitted Working Interest	4	0.0125000000000
EOG Resources, Inc.	Uncommitted Working Interest	4	0.0518292500000
Franklin Mountain Energy 3, LLC	Uncommitted Working Interest	1, 2, 4 & 5	0.3219862767857
T.H. McElvain Oil & Gas, LLP	Uncommitted Working Interest	4 & 5	0.1058689375000
SDH 2009 Investments, Ltd.	Unleased Mineral Owner	1	0.0000781250000
The Allar Company	Unleased Mineral Owner	1	0.0000781250000
Hair Royalty Group, LLC	Unleased Mineral Owner	1	0.0000868055556
Pecos Bend Royalties, LLLP	Unleased Mineral Owner	1	0.0000868055556
White Star Royalty Company	Unleased Mineral Owner	1	0.0000868055556
Randolph D. McCall	Unleased Mineral Owner	1	0.0001562500000
Rebecca McCall Landis Baird	Unleased Mineral Owner	1	0.0001562500000
William S. Deniger, Jr. David B. Deniger, Elizabeth Reymond and Fredrick D. Brownell heirs of Mary Helen Brownell	Unleased Mineral Owner	1	0.0001562500000
Wadi Petroleum, Inc.	Unleased Mineral Owner	1	0.0001953125000
Patricia Wallace	Unleased Mineral Owner	1	0.0003125000000
Mid Lavaca Energy Co	Unleased Mineral Owner	1	0.0003906250000
Wells Fargo Bank, N.A. Agent of Southard Properties, LTD Agency	Unleased Mineral Owner	1	0.0008138025000
Derrill G. Elmore Trust	Unleased Mineral Owner	1	0.0009375000000
AHCJL, LLC	Unleased Mineral Owner	1	0.0010253888889
VPD New Mexico, LLC C/O Titanium Exploration Partners, LLC	Unleased Mineral Owner	1	0.0012326500000
Bruner, Estate of Fred, Deceased Robert B. Bruner, Ex'r	Unleased Mineral Owner	1	0.0013392857143

Baloney Feathers, Ltd.	Unleased Mineral Owner	1	0.0015869150000
Jont E. Tyson	Unleased Mineral Owner	1	0.0017361111111
OGX Royalty Fund IV LP	Unleased Mineral Owner	1	0.0017361111111
Richard D. Jones Jr.	Unleased Mineral Owner	1	0.0024007175000
Heirs of Mary Hampton Elliot	Unleased Mineral Owner	1	0.0026041625000
MJP Partners, Ltd.	Unleased Mineral Owner	1	0.0034721875000
AHCCI, LLC	Unleased Mineral Owner	1	0.0042968722222
AHCFL, LLC	Unleased Mineral Owner	1	0.0050292944444
Crown Oil Partners, LP	ORRI Owner	2	
Charles D. Ray and wife, Lynne Ray, CD Ray, LLC	ORRI Owner	2	
COG Operating, LLCAttention: Joint Ventures	ORRI Owner	2	
Collin and Jones Investments, LLC	ORRI Owner	2	
Crump Energy Partners, II, LLC	ORRI Owner	2	
David Cromwell	ORRI Owner	2	
Deane Durham	ORRI Owner	2	
Good News Minerals, LLC	ORRI Owner	2	
H. Jason Wacker	ORRI Owner	2	
JA Gill Family Limited Partnership	ORRI Owner	2	
John D. Savage	ORRI Owner	2	
Jon Brickley	ORRI Owner	2	
JS&AL Family Limited Partnership	ORRI Owner	2	
Kaleb Smith	ORRI Owner	2	
LMC Energy, LLC	ORRI Owner	2	
Louellen T. Mays	ORRI Owner	2	
Mike Moylett	ORRI Owner	2	
Mongoose Minerals, LLCAttention: Joint Ventures	ORRI Owner	2	
Oak Valley Mineral and Land, LP	ORRI Owner	2	
Oak Valley Mineral and Land, LP	ORRI Owner	2	
Post Oak Crown IV, LLC	ORRI Owner	2	
Post Oak Crown IV-B, LLC	ORRI Owner	2	
Post Oak Mavros II, LLC	ORRI Owner	2	
Ross Duncan Properties, LLC	ORRI Owner	2	
Sortida Resources, LLC	ORRI Owner	2	
Stillwater Investments	ORRI Owner	2	
Tarpon Industries Corporation	ORRI Owner	2	
Thomaston, LLC	ORRI Owner	3, 4 & 5	
Williamson Oil and Gas, LLC	ORRI Owner	2	
The Taurus Corporationc/o Robert Benson Payne, Jr.	ORRI Owner	4	
Armstrong Energy Corporation	ORRI Owner	4	
Chimney Rock Oil & Gas, LLC	ORRI Owner	4	
Penroc Oil Corporation	ORRI Owner	4	
Blue Ridge Royalties, LLC	ORRI Owner	4	
JKV Corporation	ORRI Owner	4	
Ridgeback Energy, Inc.	ORRI Owner	4	

Mongoose State Com E/2E/2 Bone Spring (Case 23964)				
Summary of Interests				
Matador Working Interest: 0.127957978			Tract 1	
Voluntary Joinder: 0.111375			Tract 2	
Parties to be force pooled				
Interest Owner	Description	Tract #	Interest	
Milestone Oil, LLC	Uncommitted Working Interest	1	0.0046006948611	
Peregrine Production, LLC	Uncommitted Working Interest	1	0.0048828125000	
DAVIS PARTNERS LTD	Uncommitted Working Interest	1	0.0104166250000	
Cavalry Energy Partners	Uncommitted Working Interest	1	0.0119140611111	
DSD Energy Resources LLC	Uncommitted Working Interest	1	0.0119140611111	
Milestone Resources, LLC	Uncommitted Working Interest	1	0.0128906222222	
REG XI Assets LLC	Uncommitted Working Interest	1	0.0344238277778	
John Brickey	Uncommitted Working Interest	2	0.0000925925000	
Tarpon Industries Corporation	Uncommitted Working Interest	2	0.0001851850000	
SMAA Family, LP	Uncommitted Working Interest	2	0.0003750000000	
Stillwater Investments	Uncommitted Working Interest	2	0.0005555550000	
Charles D. Ray and wife, Lynne Ray	Uncommitted Working Interest	2	0.0037500000000	
Sharktooth Resources, Ltd	Uncommitted Working Interest	2	0.0041666675000	
Buckhorn Energy, LLC	Uncommitted Working Interest	2	0.0125000000000	
Marathon Oil Permian LLC	Uncommitted Working Interest	2	0.1136250000000	
Gregory J. Nibert and Carolyn S. Nibert, Co-Trustees	Uncommitted Working Interest	4	0.0010162500000	
Williamson Enterprises	Uncommitted Working Interest	4	0.0010162500000	
Otter Creek	Uncommitted Working Interest	4	0.0040650000000	
Marathon Oil Company	Uncommitted Working Interest	4	0.0060975000000	
Slash Exploration Limited Partnership	Uncommitted Working Interest	4	0.0125000000000	
EOG Resources, Inc.	Uncommitted Working Interest	4	0.0518292500000	
Franklin Mountain Energy 3, LLC	Uncommitted Working Interest	1, 2, 4 & 5	0.3219862767857	
T.H. McElvain Oil & Gas, LLP	Uncommitted Working Interest	4 & 5	0.1058689375000	
SDH 2009 Investments, Ltd.	Unleased Mineral Owner	1	0.0000781250000	
The Allar Company	Unleased Mineral Owner	1	0.0000781250000	
Hair Royalty Group, LLC	Unleased Mineral Owner	1	0.0000868055556	
Pecos Bend Royalties, LLLP	Unleased Mineral Owner	1	0.0000868055556	
White Star Royalty Company	Unleased Mineral Owner	1	0.0000868055556	
Randolph D. McCall	Unleased Mineral Owner	1	0.0001562500000	
Rebecca McCall Landis Baird	Unleased Mineral Owner	1	0.0001562500000	
William S. Deniger, Jr. David B. Deniger, Elizabeth	Unleased Mineral Owner	1	0.0001562500000	
Wadi Petroleum, Inc.	Unleased Mineral Owner	1	0.0001953125000	
Patricia Wallace	Unleased Mineral Owner	1	0.0003125000000	
Mid Lavaca Energy Co	Unleased Mineral Owner	1	0.0003906250000	
Wells Fargo Bank, N.A. Agent of Southard Property	Unleased Mineral Owner	1	0.0008138025000	
Derrill G. Elmore Trust	Unleased Mineral Owner	1	0.0009375000000	
AHCJL, LLC	Unleased Mineral Owner	1	0.0010253888889	
VPD New Mexico, LLC C/O Titanium Exploration Partners	Unleased Mineral Owner	1	0.0012326500000	
Bruner, Estate of Fred, Deceased Robert B. Bruner,	Unleased Mineral Owner	1	0.0013392857143	
Baloney Feathers, Ltd.	Unleased Mineral Owner	1	0.0015869150000	
Jont E. Tyson	Unleased Mineral Owner	1	0.0017361111111	
OGX Royalty Fund IV LP	Unleased Mineral Owner	1	0.0017361111111	
Richard D. Jones Jr.	Unleased Mineral Owner	1	0.0024007175000	
Heirs of Mary Hampton Elliot	Unleased Mineral Owner	1	0.0026041625000	

MJP Partners, Ltd.	Unleased Mineral Owner	1	0.0034721875000
AHCCI, LLC	Unleased Mineral Owner	1	0.0042968722222
AHCFL, LLC	Unleased Mineral Owner	1	0.0050292944444
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JA Gill Family Limited Partnership	ORRI Owner	2	
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Jon Brickey	ORRI Owner	2	
JS&AL Family Limited Partnership	ORRI Owner	2	
Kaleb Smith	ORRI Owner	2	
LMC Energy, LLC	ORRI Owner	2	
Louellen T. Mays	ORRI Owner	2	
Mike Moylett	ORRI Owner	2	
Mongoose Minerals, LLCAttention: Joint Ventures	ORRI Owner	2	
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Oak Valley Mineral and Land, LP	ORRI Owner	2	
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Post Oak Crown IV-B, LLC	ORRI Owner	2	
Post Oak Mavros II, LLC	ORRI Owner	2	
Ross Duncan Properties, LLC	ORRI Owner	2	
Sortida Resources, LLC	ORRI Owner	2	
Stillwater Investments	ORRI Owner	2	
Tarpon Industries Corporation	ORRI Owner	2	
Thomaston, LLC	ORRI Owner	3, 4 & 5	
Williamson Oil and Gas, LLC	ORRI Owner	2	
The Taurus Corporationc/o Robert Benson Payne,	ORRI Owner	4	
Armstrong Energy Corporation	ORRI Owner	4	
Chimney Rock Oil & Gas, LLC	ORRI Owner	4	
Penroc Oil Corporation	ORRI Owner	4	
Blue Ridge Royalties, LLC	ORRI Owner	4	
JKV Corporation	ORRI Owner	4	
Ridgeback Energy, Inc.	ORRI Owner	4	

# **EXHIBIT A-5**

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A-5  
Submitted by: Matador Production Company  
Hearing Date: February 8, 2024  
Case Nos. 23961 - 23964**



# Matador Production Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240

Voice 972.619.1259 • Fax 214.866.4946

[djohns@matadorresources.com](mailto:djohns@matadorresources.com)

David Johns  
Senior Staff Landman

September 29, 2023

VIA CERTIFIED RETURN RECEIPT MAIL

Franklin Mountain Energy 3, LLC  
44 Cook Street, Suite 1000  
Denver, CO 80206

Re: Mongoose State #121H, #122H, #123H, & #124H (the "Wells")  
Participation Proposal  
Section 1, Township 19 South, Range 34 East; Section 36, Township 18 South, Range 34 East  
Lea County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Mongoose State #121H, Mongoose State #122H, Mongoose State #123H & Mongoose State #124H wells, located in Section 1, Township 19 South, Range 34 East; Section 36, Township 18 South, Range 34 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 four (4) enclosed Authority for Expenditures ("AFE") dated September 25, 2023.

- **Mongoose State #121H:** to be drilled from a legal location with a proposed surface hole location in the S/2SW/4 of Section 1-19S-34E, a proposed first take point located at 660' FWL and 100' FSL of Section 1-19S-34E, and a proposed last take point located at 660' FWL and 100' FNL of Section 36-18S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,050' TVD) to a Measured Depth of approximately 20,314'.
- **Mongoose State #122H:** to be drilled from a legal location with a proposed surface hole location in the S/2SW/4 of Section 1-19S-34E, a proposed first take point located at 1,980' FWL and 100' FSL of Section 1-19S-34E, and a proposed last take point located at 1,980' FWL and 100' FNL of Section 36-18S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,050' TVD) to a Measured Depth of approximately 20,314'.
- **Mongoose State #123H:** to be drilled from a legal location with a proposed surface hole location in the S/2SE/4 of Section 1-19S-34E, a proposed first take point located at 1,980' FEL and 100' FSL of Section 1-19S-34E, and a proposed last take point located at 1,980' FEL and 100' FNL of Section 36-18S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,050' TVD) to a Measured Depth of approximately 20,314'.

- **Mongoose State #124H:** to be drilled from a legal location with a proposed surface hole location in the S/2SE/4 of Section 1-19S-34E, a proposed first take point located at 660' FEL and 100' FSL of Section 1-19S-34E, and a proposed last take point located at 660' FEL and 100' FNL of Section 36-18S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,050' TVD) to a Measured Depth of approximately 20,314'.

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 Section 1, Township 19 South, Range 34 East; Section 36, Township 18 South, Range 34 East, Lea County, New Mexico, and has the following general provisions:

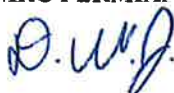
- 100%/300%/300% Non-consenting penalty
- \$8,000/\$800 Drilling and Producing rate
- Matador Production Company named as Operator

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**



David Johns

**Franklin Mountain Energy 3, LLC hereby elects to:**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Mongoose State #121H** well.

\_\_\_\_\_ Not to participate in the **Mongoose State #121H**.

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Mongoose State #122H** well.

\_\_\_\_\_ Not to participate in the **Mongoose State #122H**.

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Mongoose State #123H** well.

\_\_\_\_\_ Not to participate in the **Mongoose State #123H**.

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Mongoose State #124H** well.

\_\_\_\_\_ Not to participate in the **Mongoose State #124H**.

**Franklin Mountain Energy 3, LLC**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Contact Number: \_\_\_\_\_

# MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240

Voice 972.371.5430 • Fax 214.866.4930

[ccarleton@matadorresources.com](mailto:ccarleton@matadorresources.com)

**Chris Carleton**  
**Vice President of Land Operations**

January 16, 2024

VIA CERTIFIED RETURN RECEIPT MAIL

AHCCI, LLC  
6844 Rio Grande Blvd NW  
Albuquerque, NM 87107

Re: Mongoose State #111H, #112H, #113H, #114H, #121H, #122H, #123H, #124H, #221H, #222H, #223H, #224H, #241H, #242H, #243H, & #244H (the "Wells")  
Participation Proposal  
Section 1, Township 19 South, Range 34 East; Section 36, Township 18 South, Range 34 East  
Lea County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Mongoose State #111H, Mongoose State #112H, Mongoose State #113H, Mongoose State #114H, Mongoose State #121H, Mongoose State #122H, Mongoose State #123H, Mongoose State #124H, Mongoose State #221H, Mongoose State #222H, Mongoose State #223H, Mongoose State #224H, Mongoose State #241H, Mongoose State #242H, Mongoose State #243H & Mongoose State #244H wells, located in Section 1, Township 19 South, Range 34 East; Section 36, Township 18 South, Range 34 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").

- **Mongoose State #111H:** to be drilled from a legal location with a proposed surface hole in Section 1-19S-34E, a proposed first take point located at 660' FWL and 100' FSL of Section 1-19S-34E, and a proposed last take point located at 660' FWL and 100' FNL of Section 36-18S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~9,500' TVD) to a Measured Depth of approximately 19,554'.
- **Mongoose State #112H:** to be drilled from a legal location with a proposed surface hole location in Section 1-19S-34E, a proposed first take point located at 1,980' FWL and 100' FSL of Section 1-19S-34E, and a proposed last take point located at 1,980' FWL and 100' FNL of Section 36-18S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~9,500' TVD) to a Measured Depth of approximately 19,554'.
- **Mongoose State #113H:** to be drilled from a legal location with a proposed surface hole location in Section 1-19S-34E, a proposed first take point located at 1,980' FEL and 100' FSL of Section 1-19S-34E, and a proposed last take point located at 1,980' FEL and 100' FNL of Section 36-18S-34E. The Well will

have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~9,500' TVD) to a Measured Depth of approximately 19,554'.

- **Mongoose State #114H:** to be drilled from a legal location with a proposed surface hole location in Section 1-19S-34E, a proposed first take point located at 660' FEL and 100' FSL of Section 1-19S-34E, and a proposed last take point located at 660' FEL and 100' FNL of Section 36-18S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~9,500' TVD) to a Measured Depth of approximately 19,554'.
- **Mongoose State #121H:** to be drilled from a legal location with a proposed surface hole location in the S/2SW/4 of Section 1-19S-34E, a proposed first take point located at 660' FWL and 100' FSL of Section 1-19S-34E, and a proposed last take point located at 660' FWL and 100' FNL of Section 36-18S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,050' TVD) to a Measured Depth of approximately 20,314'.
- **Mongoose State #122H:** to be drilled from a legal location with a proposed surface hole location in the S/2SW/4 of Section 1-19S-34E, a proposed first take point located at 1,980' FWL and 100' FSL of Section 1-19S-34E, and a proposed last take point located at 1,980' FWL and 100' FNL of Section 36-18S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,050' TVD) to a Measured Depth of approximately 20,314'.
- **Mongoose State #123H:** to be drilled from a legal location with a proposed surface hole location in the S/2SE/4 of Section 1-19S-34E, a proposed first take point located at 1,980' FEL and 100' FSL of Section 1-19S-34E, and a proposed last take point located at 1,980' FEL and 100' FNL of Section 36-18S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,050' TVD) to a Measured Depth of approximately 20,314'.
- **Mongoose State #124H:** to be drilled from a legal location with a proposed surface hole location in the S/2SE/4 of Section 1-19S-34E, a proposed first take point located at 660' FEL and 100' FSL of Section 1-19S-34E, and a proposed last take point located at 660' FEL and 100' FNL of Section 36-18S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,050' TVD) to a Measured Depth of approximately 20,314'.
- **Mongoose State #221H:** to be drilled from a legal location with a proposed surface hole location in the S/2SW/4 of Section 1-19S-34E, a proposed first take point located at 660' FWL and 100' FSL of Section 1-19S-34E, and a proposed last take point located at 660' FWL and 100' FNL of Section 36-18S-34E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~10,950' TVD) to a Measured Depth of approximately 21,214'.
- **Mongoose State #222H:** to be drilled from a legal location with a proposed surface hole location in the S/2SW/4 of Section 1-19S-34E, a proposed first take point located at 1,980' FWL and 100' FSL of Section 1-19S-34E, and a proposed last take point located at 1,980' FWL and 100' FNL of Section 36-18S-34E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~10,950' TVD) to a Measured Depth of approximately 21,214'.
- **Mongoose State #223H:** to be drilled from a legal location with a proposed surface hole location in the S/2SE/4 of Section 1-19S-34E, a proposed first take point located at 1,980' FEL and 100' FSL of Section 1-19S-34E, and a proposed last take point located at 1,980' FEL and 100' FNL of Section 36-18S-34E. The

Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~10,950' TVD) to a Measured Depth of approximately 21,214'.

- **Mongoose State #224H:** to be drilled from a legal location with a proposed surface hole location in the S/2SE/4 of Section 1-19S-34E, a proposed first take point located at 660' FEL and 100' FSL of Section 1-19S-34E, and a proposed last take point located at 660' FEL and 100' FNL of Section 36-18S-34E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~10,950' TVD) to a Measured Depth of approximately 21,214'.
- **Mongoose State #241H:** to be drilled from a legal location with a proposed surface hole location in the S/2SW/4 of Section 1-19S-34E, a proposed first take point located at 660' FWL and 100' FSL of Section 1-19S-34E, and a proposed last take point located at 660' FWL and 100' FNL of Section 36-18S-34E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~11,500' TVD) to a Measured Depth of approximately 21,687'.
- **Mongoose State #242H:** to be drilled from a legal location with a proposed surface hole location in the S/2SW/4 of Section 1-19S-34E, a proposed first take point located at 1,980' FWL and 100' FSL of Section 1-19S-34E, and a proposed last take point located at 1,980' FWL and 100' FNL of Section 36-18S-34E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~11,500' TVD) to a Measured Depth of approximately 21,687'.
- **Mongoose State #243H:** to be drilled from a legal location with a proposed surface hole location in the S/2SE/4 of Section 1-19S-34E, a proposed first take point located at 1,980' FEL and 100' FSL of Section 1-19S-34E, and a proposed last take point located at 1,980' FEL and 100' FNL of Section 36-18S-34E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~11,500' TVD) to a Measured Depth of approximately 21,687'.
- **Mongoose State #244H:** to be drilled from a legal location with a proposed surface hole location in the S/2SE/4 of Section 1-19S-34E, a proposed first take point located at 660' FEL and 100' FSL of Section 1-19S-34E, and a proposed last take point located at 660' FEL and 100' FNL of Section 36-18S-34E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~11,500' TVD) to a Measured Depth of approximately 21,687'.

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 Section 1, Township 19 South, Range 34 East; Section 36, Township 18 South, Range 34 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**



Chris Carleton

**AHCCI, LLC hereby elects to:**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Mongoose State #111H** well.  
\_\_\_\_\_ Not to participate in the **Mongoose State #111H**.

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Mongoose State #112H** well.  
\_\_\_\_\_ Not to participate in the **Mongoose State #112H**.

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Mongoose State #113H** well.  
\_\_\_\_\_ Not to participate in the **Mongoose State #113H**.

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Mongoose State #114H** well.  
\_\_\_\_\_ Not to participate in the **Mongoose State #114H**.

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Mongoose State #121H** well.  
\_\_\_\_\_ Not to participate in the **Mongoose State #121H**.

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Mongoose State #122H** well.  
\_\_\_\_\_ Not to participate in the **Mongoose State #122H**.

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Mongoose State #123H** well.  
\_\_\_\_\_ Not to participate in the **Mongoose State #123H**.

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Mongoose State #124H** well.  
\_\_\_\_\_ Not to participate in the **Mongoose State #124H**.

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Mongoose State #221H** well.  
\_\_\_\_\_ Not to participate in the **Mongoose State #221H**.

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Mongoose State #222H** well.  
\_\_\_\_\_ Not to participate in the **Mongoose State #222H**.

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
 Production Company's **Mongoose State #223H** well.  
 \_\_\_\_\_ Not to participate in the **Mongoose State #223H**.

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
 Production Company's **Mongoose State #224H** well.  
 \_\_\_\_\_ Not to participate in the **Mongoose State #224H**.

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
 Production Company's **Mongoose State #241H** well.  
 \_\_\_\_\_ Not to participate in the **Mongoose State #241H**.

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
 Production Company's **Mongoose State #242H** well.  
 \_\_\_\_\_ Not to participate in the **Mongoose State #242H**.

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
 Production Company's **Mongoose State #243H** well.  
 \_\_\_\_\_ Not to participate in the **Mongoose State #243H**.

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
 Production Company's **Mongoose State #244H** well.  
 \_\_\_\_\_ Not to participate in the **Mongoose State #244H**.

**AHCCI, LLC**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Contact Number: \_\_\_\_\_



# **EXHIBIT A-6**

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A-6  
Submitted by: Matador Production Company  
Hearing Date: February 8, 2024  
Case Nos. 23961 - 23964**

**MATADOR PRODUCTION COMPANY**

ONE LINCOLN CENTRE • 5400 LBJ FREEWAY • SUITE 1500 • DALLAS, TEXAS 75240  
 Phone (972) 371-5200 • Fax (972) 371-5201

**ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE**

DATE:	01/25/2024	AFE NO.:	0
WELL NAME:	Mongoose State #121H	FIELD:	0
LOCATION:	Sections 1-19S-34E & 36-18S-34E	MD/TVD:	20314'/10050'
COUNTY/STATE:	Lea	LATERAL LENGTH:	about 10,000'
MRC WI:			
GEOLOGIC TARGET:	2nd Bone Spring		
REMARKS:	Drill and complete a horizontal 2 mile long Second Bone Spring target with about 45 frac stages.		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
<b>INTANGIBLE COSTS</b>					
Land / Legal / Regulatory	\$ 17,600	\$ -	\$ -	\$ 10,000	\$ 27,600
Location, Surveys & Damages	97,000	13,000	15,000	20,000	145,000
Drilling	778,400	-	-	-	778,400
Cementing & Float Equip	341,000	-	-	-	341,000
Logging / Formation Evaluation	-	3,750	-	-	3,750
Mud Logging	24,750	-	-	-	24,750
Mud Circulation System	138,420	-	-	-	138,420
Mud & Chemicals	336,295	67,100	-	-	403,395
Mud / Wastewater Disposal	235,000	-	-	1,000	236,000
Freight / Transportation	22,500	41,800	-	-	64,300
Rig Supervision / Engineering	139,200	80,080	7,500	7,200	233,980
Drill Bits	130,000	-	-	-	130,000
Fuel & Power	168,000	439,237	-	-	607,237
Water	76,250	563,500	-	1,000	640,750
Drig & Completion Overhead	12,000	-	-	-	12,000
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	329,739	-	-	-	329,739
Completion Unit, Swab, CTU	-	178,200	25,000	-	203,200
Perforating, Wireline, Slickline	-	174,645	5,000	-	179,645
High Pressure Pump Truck	-	98,230	-	-	98,230
Stimulation	-	2,331,296	-	-	2,331,296
Stimulation Flowback & Disp	-	17,050	112,500	-	129,550
Insurance	12,798	-	-	-	12,798
Labor	203,000	62,975	110,000	5,000	380,975
Rental - Surface Equipment	117,059	271,293	70,000	5,000	463,352
Rental - Downhole Equipment	172,450	94,600	-	-	267,050
Rental - Living Quarters	44,634	31,933	-	5,000	81,567
Contingency	170,865	219,542	34,500	5,420	430,327
Operations Center	21,312	-	-	-	21,312
<b>TOTAL INTANGIBLES &gt;</b>	<b>3,588,172</b>	<b>4,688,231</b>	<b>379,500</b>	<b>59,620</b>	<b>8,715,523</b>
<b>TANGIBLE COSTS</b>					
Surface Casing	\$ 81,651	\$ -	\$ -	\$ -	\$ 81,651
Intermediate Casing	384,719	-	-	-	384,719
Drilling Liner	-	-	-	-	-
Production Casing	614,526	-	-	-	614,526
Production Liner	-	-	-	-	-
Tubing	-	-	190,750	-	190,750
Wellhead	83,500	-	45,000	-	128,500
Packers, Liner Hangers	-	62,815	5,000	-	67,815
Tanks	-	-	-	40,925	40,925
Production Vessels	-	-	-	156,388	156,388
Flow Lines	-	-	40,000	120,000	160,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	35,000	-	35,000
Compressor	-	-	-	21,375	21,375
Installation Costs	-	-	-	80,000	80,000
Surface Pumps	-	-	-	3,750	3,750
Non-controllable Surface	400	-	5,000	2,000	7,400
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	16,000	46,560	62,560
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	20,000	92,000	112,000
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	5,000	-	5,000
Tank / Facility Containment	-	-	-	4,375	4,375
Flare Stack	-	-	-	10,938	10,938
Electrical / Grounding	-	-	10,000	53,550	63,550
Communications / SCADA	-	-	2,500	8,125	10,625
Instrumentation / Safety	-	-	12,500	30,600	43,100
<b>TOTAL TANGIBLES &gt;</b>	<b>1,164,796</b>	<b>62,815</b>	<b>386,750</b>	<b>670,585</b>	<b>2,284,946</b>
<b>TOTAL COSTS &gt;</b>	<b>4,752,968</b>	<b>4,751,046</b>	<b>766,250</b>	<b>730,205</b>	<b>11,000,469</b>

**PREPARED BY MATADOR PRODUCTION COMPANY:**

Drilling Engineer:	Julio Mayol	Team Lead - WTX/NM	
Completions Engineer:	Will Statton	APW	
Production Engineer:	Josh Bryant		

**MATADOR RESOURCES COMPANY APPROVAL:**

President	BEG	Chief Geologist	NLF
EVP, Co-COO	CA	Co-COO, SVP Operations	CC
EVP, Reservoir	WTE		

**NON OPERATING PARTNER APPROVAL:**

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

This table on the AFE was estimated only and may not constitute an estimate on any aspect of the project. Tubing installation occurred under the AFE, the Participant agrees to pay its pro-rata share of actual costs incurred, including legal, insurance, regulatory, brokerage and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well. Participants shall be covered by and third party liability for Operator's well control and general liability insurance unless participant provides Operator with a certificate of insurance to the Operator by the date of AFE.

**MATADOR PRODUCTION COMPANY**

ONE LINCOLN CENTRE • 5400 LBJ FREEWAY • SUITE 1500 • DALLAS, TEXAS 75240  
Phone (972) 371-5200 • Fax (972) 371-5201

**ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE**

DATE:	01/25/2024	AFE NO.:	0
WELL NAME:	Mongoose Slate #122H	FIELD:	0
LOCATION:	Sections 1-19S-34E & 36-18S-34E	MD/TVD:	20314'/10050'
COUNTY/STATE:	Lea	LATERAL LENGTH:	about 10,000'
MRC WI:			
GEOLOGIC TARGET:	2nd Bone Spring		
REMARKS:	Drill and complete a horizontal 2 mile long Second Bone Spring target with about 45 frac stages.		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
<b>INTANGIBLE COSTS</b>					
Land / Legal / Regulatory	\$ 17,500	\$ -	\$ -	\$ 10,000	\$ 27,500
Location, Surveys & Damages	97,000	13,000	15,000	20,000	145,000
Drilling	778,400	-	-	-	778,400
Cementing & Float Equip	341,000	-	-	-	341,000
Logging / Formation Evaluation	-	3,750	-	-	3,750
Mud Logging	24,750	-	-	-	24,750
Mud Circulation System	138,420	-	-	-	138,420
Mud & Chemicals	336,295	67,100	-	-	403,395
Mud / Wastewater Disposal	235,000	-	-	1,000	236,000
Freight / Transportation	22,500	41,800	-	-	64,300
Rig Supervision / Engineering	139,200	80,080	7,500	7,200	233,980
Drill Bits	130,000	-	-	-	130,000
Fuel & Power	168,000	439,237	-	-	607,237
Water	76,250	563,500	-	1,000	640,750
Drig & Completion Overhead	12,000	-	-	-	12,000
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	329,739	-	-	-	329,739
Completion Unit, Swab, CTU	-	178,200	25,000	-	203,200
Perforating, Wireline, Slickline	-	174,645	5,000	-	179,645
High Pressure Pump Truck	-	98,230	-	-	98,230
Stimulation	-	2,331,298	-	-	2,331,298
Stimulation Flowback & Disp	-	17,060	112,500	-	129,560
Insurance	12,798	-	-	-	12,798
Labor	203,000	62,975	110,000	5,000	380,975
Rental - Surface Equipment	117,059	271,293	70,000	5,000	463,352
Rental - Downhole Equipment	172,450	94,600	-	-	267,050
Rental - Living Quarters	44,634	31,933	-	5,000	81,567
Contingency	170,865	219,542	34,500	5,420	430,327
Operations Center	21,312	-	-	-	21,312
<b>TOTAL INTANGIBLES &gt;</b>	<b>3,588,172</b>	<b>4,688,231</b>	<b>379,500</b>	<b>59,620</b>	<b>8,715,523</b>
<b>TANGIBLE COSTS</b>					
Surface Casing	\$ 81,651	\$ -	\$ -	\$ -	\$ 81,651
Intermediate Casing	384,719	-	-	-	384,719
Drilling Liner	-	-	-	-	-
Production Casing	614,526	-	-	-	614,526
Production Liner	-	-	-	-	-
Tubing	-	-	190,750	-	190,750
Wellhead	83,500	-	45,000	-	128,500
Packers, Liner Hangers	-	62,815	5,000	-	67,815
Tanks	-	-	-	40,925	40,925
Production Vessels	-	-	-	156,368	156,368
Flow Lines	-	-	40,000	120,000	160,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	35,000	-	35,000
Compressor	-	-	-	21,375	21,375
Installation Costs	-	-	-	80,000	80,000
Surface Pumps	-	-	-	3,750	3,750
Non-controllable Surface	400	-	5,000	2,000	7,400
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	16,000	46,560	62,560
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	20,000	92,000	112,000
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	5,000	-	5,000
Tank / Facility Containment	-	-	-	4,375	4,375
Flare Stack	-	-	-	10,938	10,938
Electrical / Grounding	-	-	10,000	53,550	63,550
Communications / SCADA	-	-	2,500	8,125	10,625
Instrumentation / Safety	-	-	12,500	30,600	43,100
<b>TOTAL TANGIBLES &gt;</b>	<b>1,164,796</b>	<b>62,815</b>	<b>386,750</b>	<b>670,585</b>	<b>2,284,946</b>
<b>TOTAL COSTS &gt;</b>	<b>4,752,968</b>	<b>4,751,046</b>	<b>766,250</b>	<b>730,205</b>	<b>11,000,469</b>

**PREPARED BY MATADOR PRODUCTION COMPANY:**

Drilling Engineer:	Julio Mayol	Team Lead - WTX/NM	_____
Completions Engineer:	Will Statton	APW	_____
Production Engineer:	Josh Bryant		

**MATADOR RESOURCES COMPANY APPROVAL:**

President	_____	Chief Geologist	_____
EVP, Co-COO	BEG	Co-COO, SVP Operations	NLF
EVP, Reservoir	CA		CC
	WTE		

**NON OPERATING PARTNER APPROVAL:**

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

The costs on this AFE are estimates only and may not be achieved as savings on any specific item for the total cost of the project. Funding obligation approval under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including legal, regulatory, brokerage and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well. Participants shall be covered by and billed proportionately for Operator's well control and general liability insurance unless participant provides Operator a satisfactory evidence of its own insurance in an amount acceptable to the Operator by the date of bill.

**MATADOR PRODUCTION COMPANY**

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

**ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE**

DATE:	01/25/2024	AFE NO.:	0
WELL NAME:	Mongoose Slate #123H	FIELD:	0
LOCATION:	Sections 1-19S-34E & 36-18S-34E	MD/TVD:	20314/10050'
COUNTY/STATE:	Lea	LATERAL LENGTH:	about 10,000'
MRC WI:			
GEOLOGIC TARGET:	2nd Bone Spring		
REMARKS:	Drill and complete a horizontal 2 mile long Second Bone Spring target with about 45 frac stages.		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
<b>INTANGIBLE COSTS</b>					
Land / Legal / Regulatory	\$ 17,500	\$ -	\$ -	\$ 10,000	\$ 27,500
Location, Surveys & Damages	97,000	13,000	15,000	20,000	145,000
Drilling	778,400	-	-	-	778,400
Cementing & Float Equip	341,000	-	-	-	341,000
Logging / Formation Evaluation	-	3,750	-	-	3,750
Mud Logging	24,750	-	-	-	24,750
Mud Circulation System	138,420	-	-	-	138,420
Mud & Chemicals	336,295	67,100	-	-	403,395
Mud / Wastewater Disposal	235,000	-	-	1,000	236,000
Freight / Transportation	22,500	41,800	-	-	64,300
Rig Supervision / Engineering	139,200	80,080	7,500	7,200	233,980
Drill Bits	130,000	-	-	-	130,000
Fuel & Power	168,000	439,237	-	-	607,237
Water	76,250	563,500	-	1,000	640,750
Drg & Completion Overhead	12,000	-	-	-	12,000
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	329,739	-	-	-	329,739
Completion Unit, Swab, CTU	-	178,200	25,000	-	203,200
Perforating, Wireline, Slickline	-	174,645	5,000	-	179,645
High Pressure Pump Truck	-	98,230	-	-	98,230
Stimulation	-	2,331,296	-	-	2,331,296
Stimulation Flowback & Dip	-	17,050	112,500	-	129,550
Insurance	12,798	-	-	-	12,798
Labor	203,000	62,975	110,000	5,000	380,975
Rental - Surface Equipment	117,059	271,293	70,000	5,000	463,352
Rental - Downhole Equipment	172,450	94,600	-	-	267,050
Rental - Living Quarters	44,634	31,933	-	5,000	81,567
Contingency	170,865	219,542	34,500	5,420	430,327
Operations Center	21,312	-	-	-	21,312
<b>TOTAL INTANGIBLES &gt;</b>	<b>3,588,172</b>	<b>4,688,231</b>	<b>379,500</b>	<b>59,620</b>	<b>8,715,523</b>
<b>TANGIBLE COSTS</b>	<b>COSTS</b>	<b>COSTS</b>	<b>COSTS</b>	<b>COSTS</b>	<b>COSTS</b>
Surface Casing	\$ 81,651	\$ -	\$ -	\$ -	\$ 81,651
Intermediate Casing	384,719	-	-	-	384,719
Drilling Liner	-	-	-	-	-
Production Casing	614,526	-	-	-	614,526
Production Liner	-	-	-	-	-
Tubing	-	-	190,750	-	190,750
Wellhead	83,500	-	45,000	-	128,500
Packers, Liner Hangers	-	62,815	5,000	-	67,815
Tanks	-	-	-	40,925	40,925
Production Vessels	-	-	-	156,388	156,388
Flow Lines	-	-	40,000	120,000	160,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	35,000	-	35,000
Compressor	-	-	-	21,375	21,375
Installation Costs	-	-	-	80,000	80,000
Surface Pumps	-	-	-	3,750	3,750
Non-controllable Surface	400	-	5,000	2,000	7,400
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	16,000	46,560	62,560
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	20,000	92,000	112,000
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	5,000	-	5,000
Tank / Facility Containment	-	-	-	4,375	4,375
Flare Stack	-	-	-	10,938	10,938
Electrical / Grounding	-	-	10,000	53,550	63,550
Communications / SCADA	-	-	2,500	8,125	10,625
Instrumentation / Safety	-	-	12,500	30,600	43,100
<b>TOTAL TANGIBLES &gt;</b>	<b>1,164,796</b>	<b>62,815</b>	<b>386,750</b>	<b>670,585</b>	<b>2,284,946</b>
<b>TOTAL COSTS &gt;</b>	<b>4,752,968</b>	<b>4,751,046</b>	<b>766,250</b>	<b>730,205</b>	<b>11,000,469</b>

**PREPARED BY MATADOR PRODUCTION COMPANY:**

Drilling Engineer:	Julio Mayol	Team Lead - WTX/NM	_____
Completions Engineer:	Will Statton	APW	_____
Production Engineer:	Josh Bryant		_____

**MATADOR RESOURCES COMPANY APPROVAL:**

President	_____	Chief Geologist	_____
EVP, Co-COO	BEG	Co-COO, SVP Operations	NLF
EVP, Reservoir	CA		CC
	WTE		

**NON OPERATING PARTNER APPROVAL:**

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

The data on this AFE are estimates only and may not be confirmed as ceilings on any specific item or the total cost of the project. Ticking installation approved under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including legal, regulatory, brokerage and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering the well. Participants shall be operated by and held proportionately for Operator's well control and general liability insurance unless participant provides evidence of its own insurance in an amount acceptable to the Operator by the date of sign.

**MATADOR PRODUCTION COMPANY**

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

**ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE**

DATE:	01/25/2024	AFE NO.:	0
WELL NAME:	Mongoose State #124H	FIELD:	0
LOCATION:	Sections 1-19S-34E & 36-18S-34E	MD/TVD:	20314'/10050'
COUNTY/STATE:	Lea	LATERAL LENGTH:	about 10,000'
MRC WI:			
GEOLOGIC TARGET:	2nd Bone Spring		
REMARKS:	Drill and complete a horizontal 2 mile long Second Bone Spring target with about 45 frac stages.		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
<b>INTANGIBLE COSTS</b>					
Land / Legal / Regulatory	\$ 17,500	\$ -	\$ -	\$ 10,000	\$ 27,500
Location, Surveys & Damages	97,000	13,000	15,000	20,000	145,000
Drilling	778,400	-	-	-	778,400
Cementing & Float Equip	341,000	-	-	-	341,000
Logging / Formation Evaluation	-	3,750	-	-	3,750
Mud Logging	24,750	-	-	-	24,750
Mud Circulation System	138,420	-	-	-	138,420
Mud & Chemicals	336,295	67,100	-	-	403,395
Mud / Wastewater Disposal	235,000	-	-	1,000	236,000
Freight / Transportation	22,500	41,800	-	-	64,300
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Fuel & Power	168,000	439,237	-	-	607,237
Water	76,250	563,500	-	1,000	640,750
Drig & Completion Overhead	12,000	-	-	-	12,000
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	329,739	-	-	-	329,739
Completion Unit, Swab, CTU	-	178,200	25,000	-	203,200
Perforating, Wireline, Slickline	-	174,645	5,000	-	179,645
High Pressure Pump Truck	-	98,230	-	-	98,230
Stimulation	-	2,331,296	-	-	2,331,296
Stimulation Flowback & Disp	-	17,050	112,500	-	129,550
Insurance	12,798	-	-	-	12,798
Labor	203,000	62,975	110,000	5,000	380,975
Rental - Surface Equipment	117,059	271,293	70,000	5,000	463,352
Rental - Downhole Equipment	172,450	94,600	-	-	267,050
Rental - Living Quarters	44,634	31,933	-	5,000	81,567
Contingency	170,865	219,542	34,500	5,420	430,327
Operations Center	21,312	-	-	-	21,312
<b>TOTAL INTANGIBLES &gt;</b>	<b>3,588,172</b>	<b>4,688,231</b>	<b>379,500</b>	<b>59,620</b>	<b>8,715,523</b>
<b>TANGIBLE COSTS</b>					
Surface Casing	\$ 81,651	\$ -	\$ -	\$ -	\$ 81,651
Intermediate Casing	384,719	-	-	-	384,719
Drilling Liner	-	-	-	-	-
Production Casing	614,526	-	-	-	614,526
Production Liner	-	-	-	-	-
Tubing	-	-	190,750	-	190,750
Wellhead	83,500	-	45,000	-	128,500
Packers, Liner Hangers	-	62,815	5,000	-	67,815
Tanks	-	-	-	40,925	40,925
Production Vessels	-	-	-	156,388	156,388
Flow Lines	-	-	40,000	120,000	160,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	35,000	-	35,000
Compressor	-	-	-	21,375	21,375
Installation Costs	-	-	-	80,000	80,000
Surface Pumps	-	-	-	3,750	3,750
Non-controllable Surface	400	-	5,000	2,000	7,400
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	16,000	46,580	62,580
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	20,000	92,000	112,000
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	5,000	-	5,000
Tank / Facility Containment	-	-	-	4,375	4,375
Flare Stack	-	-	-	10,938	10,938
Electrical / Grounding	-	-	10,000	53,550	63,550
Communications / SCADA	-	-	2,500	8,125	10,625
Instrumentation / Safety	-	-	12,500	30,600	43,100
<b>TOTAL TANGIBLES &gt;</b>	<b>1,164,796</b>	<b>62,815</b>	<b>386,750</b>	<b>670,595</b>	<b>2,284,946</b>
<b>TOTAL COSTS &gt;</b>	<b>4,752,968</b>	<b>4,751,046</b>	<b>766,250</b>	<b>730,205</b>	<b>11,000,469</b>

**PREPARED BY MATADOR PRODUCTION COMPANY:**

Drilling Engineer:	Julio Mayol	Team Lead - WTX/NM	
Completions Engineer:	Will Statton	APW	
Production Engineer:	Josh Bryant		

**MATADOR RESOURCES COMPANY APPROVAL:**

President	BEG	Chief Geologist	NLF
EVP, Co-COO	CA	Co-COO, SVP Operations	CC
EVP, Reservoir	WTE		

**NON OPERATING PARTNER APPROVAL:**

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

I, the signer on this AFE, am authorized to sign and they may not be construed as evidence of any liability on the part of the signatory. Further, this approval is given under the AFE, the Partner agrees to pay its proportionate share of actual costs incurred, including legal, auditing, regulatory, knowledge and well costs, under the terms of the spot lease joint operating agreement, regulatory order or other agreement covering this well. Participants shall be deemed to have approved the Operator's well control and general liability insurance unless participant provides Operator a certificate evidencing its own insurance in an amount equivalent to the Operator by the date of bid.

# **EXHIBIT A-7**

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A-7  
Submitted by: Matador Production Company  
Hearing Date: February 8, 2024  
Case Nos. 23961 - 23964**

## Summary of Communications – Mongoose State Com Bone Spring

### Uncommitted Working Interest Owners

1. Cavalry Energy Partners  
In addition to sending well proposals, Matador has had discussions with Cavalry Energy Partners regarding their interest.
2. Davis Partners LTD  
In addition to sending well proposals, Matador has had discussions with Davis Partners LTD regarding their interest.
3. DSD Energy Resources LLC  
In addition to sending well proposals, Matador has had discussions with DSD Energy Resources LLC regarding their interest.
4. Milestone Oil, LLC  
In addition to sending well proposals, Matador has had discussions with Milestone Oil, LLC regarding their interest and we are continuing to discuss voluntary joinder.
5. Milestone Resources, LLC  
In addition to sending well proposals, Matador has had discussions with Milestone Resources, LLC regarding their interest and we are continuing to discuss voluntary joinder.
6. Peregrine Production, LLC  
In addition to sending well proposals, Matador has attempted to reach out to Peregrine Production, LLC regarding their interest and we are continuing to try to make contact and pursue potential voluntary joinder .
7. REG XI Assets LLC  
In addition to sending well proposals, Matador has had discussions with REG XI Assets LLC regarding their interest and we are continuing to discuss potential voluntary joinder.

8. Buckhorn Energy, LLC

In addition to sending well proposals, Matador has had discussions with Buckhorn Energy, LLC regarding their interest and we are continuing to discuss potential voluntary joinder.

9. Charles D. Ray and wife, Lynne Ray

In addition to sending well proposals, Matador has had discussions with Charles D. Ray and wife, Lynne Ray regarding their interest and we are continuing to discuss potential voluntary joinder.

10. Jon Brickey

In addition to sending well proposals, Matador has attempted to reach out to Jon Brickey regarding their interest and we are continuing to try to make contact to discuss potential voluntary joinder.

11. Marathon Oil Permian LLC

In addition to sending well proposals, Matador has had discussions with Marathon Oil Permian LLC regarding their interest and we are continuing to discuss potential voluntary joinder.

12. Sharktooth Resources, Ltd

In addition to sending well proposals, Matador has had discussions with Sharktooth Resources, Ltd regarding their interest and we are continuing to discuss potential voluntary joinder.

13. SMAA Family, LP

In addition to sending well proposals, Matador has attempted to reach out to SMAA Family, LP regarding their interest and we are continuing to try to make contact and pursue potential voluntary joinder .

14. Stillwater Investments

In addition to sending well proposals, Matador has had discussions with Stillwater Investments regarding their interest and we are continuing to discuss potential voluntary joinder.

15. Tarpon Industries Corporation

In addition to sending well proposals, Matador has had discussions with Tarpon Industries Corporation regarding their interest. Tarpon Industries have indicated they are interested in participating in the development and we are continuing to discuss potential voluntary joinder.



16. EOG Resources, Inc.

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

17. Gregory J. Nibert and Carolyn S. Nibert, Co-Trustees of the DJS Trust dated September 23, 2005

In addition to sending well proposals, Matador has attempted to reach out to Gregory J. Nibert and Carolyn S. Nibert, Co-Trustees of the DJS Trust dated September 23, 2005, regarding their interest and we are continuing to try to make contact and discuss potential voluntary joinder.

18. Marathon Oil Company

In addition to sending well proposals, Matador has had discussions with Marathon Oil Company regarding their interest and we are continuing to discuss potential voluntary joinder.

19. Otter Creek

In addition to sending well proposals, Matador has attempted to reach out to Otter Creek regarding their interest and we are continuing to try to make contact to discuss potential voluntary joinder.

20. Slash Exploration Limited Partnership

In addition to sending well proposals, Matador has had discussions with Slash Exploration Limited Partnership regarding their interest and we are continuing to discuss potential voluntary joinder.

21. Williamson Enterprises

In addition to sending well proposals, Matador has had discussions with Williamson Enterprises regarding their interest and we are continuing to discuss potential voluntary joinder.

22. T.H. McElvain Oil & Gas, LLP

In addition to sending well proposals, Matador has had discussions with T.H. McElvain Oil & Gas, LLP regarding their interest.

23. Franklin Mountain Energy 3, LLC

In addition to sending well proposals, Matador has had discussions with Franklin Mountain Energy 3, LLC and has sent Franklin Mountain a trade offer that would have resolved these cases by agreement.

**Unleased Mineral Owners**

1. AHCCI, LLC

In addition to sending well proposals, Matador has attempted to reach out to AHCCI, LLC regarding their interest and we are continuing to try to make contact to either lease their interest or pursue potential voluntary joinder.

2. AHCFL, LLC

In addition to sending well proposals, Matador has attempted to reach out to AHCFL, LLC regarding their interest and we are continuing to try to make contact to either lease their interest or pursue potential voluntary joinder.

3. AHCJL, LLC

In addition to sending well proposals, Matador has attempted to reach out to AHCJL, LLC regarding their interest and we are continuing to try to make contact to either lease their interest or pursue potential voluntary joinder.

4. Baloney Feathers, Ltd.

In addition to sending well proposals, Matador has had discussions with Baloney Feathers, Ltd. regarding leasing their interest and we are continuing to negotiate an oil and gas lease.

5. Robert Bruner, Estate of Fred, Deceased

In addition to sending well proposals, Matador has attempted to reach out to Robert Bruner, Estate of Fred, Deceased regarding their interest and we are continuing to try to make contact to either lease their interest or pursue potential voluntary joinder .

6. Derrill G. Elmore Trust

In addition to sending well proposals, Matador has attempted to reach out to Derrill G. Elmore Trust regarding their interest and we are continuing to try to make contact to either lease their interest or pursue potential voluntary joinder .

7. Hair Royalty Group, LLC

In addition to sending well proposals, Matador has had discussions with Hair Royalty Group, LLC regarding leasing their interest or signing an operating agreement and we are continuing to work towards potential voluntary joinder.

8. Heirs of Mary Hampton Elliot

In addition to sending well proposals, Matador has attempted to reach out to the Heirs of Mary Hampton Elliot regarding their interest and we are continuing to try to make contact to either lease their interest or pursue potential voluntary joinder.

9. Jont E. Tyson

In addition to sending well proposals, Matador has attempted to reach out to Jont E. Tyson regarding their interest and we are continuing to try to make contact to either lease their interest or pursue potential voluntary joinder.

10. Mid Lavaca Energy Co

Mid Lavaca has indicated they are not interested in participating in the drilling program.

11. Patricia Wallace

In addition to sending well proposals, Matador has attempted to reach out to Patricia Wallace regarding their interest and we are continuing to try to make contact to either lease their interest or pursue potential voluntary joinder.

12. MJP Partners Ltd

In addition to sending well proposals, Matador has had discussions with MJP Partners Ltd regarding their interest. MJP Partners Ltd have indicated they are interested in participating in the development and we are continuing to discuss potential voluntary joinder.

13. Pecos Bend Royalties, LLLP

In addition to sending well proposals, Matador has had discussions with Pecos Bend Royalties, LLLP regarding leasing their interest and we are continuing to negotiate an oil and gas lease.

14. Randolph D. McCall

In addition to sending well proposals, Matador has attempted to reach out to Randolph D. McCall regarding their interest and we are continuing to try to make contact to either lease their interest or pursue potential voluntary joinder.

15. Rebecca McCall Landis Baird

In addition to sending well proposals, Matador has attempted to reach out to Rebecca McCall Landis Baird regarding their interest and we are continuing to try to make contact to either lease their interest or pursue potential voluntary joinder.

16. Richard D. Jones Jr.

In addition to sending well proposals, Matador has attempted to reach out to Richard D. Jones Jr. regarding their interest and we are continuing to try to make contact to either lease their interest or pursue potential voluntary joinder.

17. OGX Royalty Fund IV LP

In addition to sending well proposals, Matador has had discussions with OGX Royalty Fund IV LP regarding leasing their interest and we are continuing to negotiate an oil and gas lease.

18. SDH 2009 Investments, Ltd.

In addition to sending well proposals, Matador has attempted to reach out to SDH 2009 Investments, Ltd. regarding their interest and we are continuing to try to make contact to either lease their interest or pursue potential voluntary joinder .

19. The Allar Company

In addition to sending well proposals, Matador has had discussions with The Allar Company regarding leasing their interest or signing an operating agreement and we are continuing to work towards potential voluntary joinder.

20. VPD New Mexico, LLC C/O Titanium Exploration Partners, LLC

In addition to sending well proposals, Matador has attempted to reach out to VPD New Mexico, LLC C/O Titanium Exploration Partners, LLC regarding their interest and we are continuing to try to make contact to either lease their interest or pursue potential voluntary joinder.

21. Wadi Petroleum, Inc.

In addition to sending well proposals, Matador has attempted to reach out to Wadi Petroleum, Inc. regarding their interest and we are continuing to try to make contact to either lease their interest or pursue potential voluntary joinder .

22. Wells Fargo Bank, N.A. Agent of Southard Properties, LTD Agency

In addition to sending well proposals, Matador has attempted to reach out to Wells Fargo Bank, N.A. Agent of Southard Properties, LTD Agency regarding their interest and we are continuing to try to make contact to either lease their interest or pursue potential voluntary joinder.

23. White Star Royalty Company

In addition to sending well proposals, Matador has had discussions with White Star Royalty Company regarding leasing their interest or signing an operating agreement and we are continuing to work towards potential voluntary joinder.

24. William S. Deniger, Jr. David B. Deniger, Elizabeth Reymond and Fredrick D. Brownell heirs of Mary Helen Brownell

In addition to sending well proposals, Matador has attempted to reach out to William S. Deniger, Jr. David B. Deniger, Elizabeth Reymond and Fredrick D. Brownell heirs of Mary Helen Brownell regarding their interest and we are continuing to try to make contact to either lease their interest or pursue potential voluntary joinder .

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

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

**Case Nos. 23961- 23964**

**SELF-AFFIRMED STATEMENT OF BLAKE HERBER**

1. My name is Blake Herber and I am employed by MRC Energy Company, an affiliate of MRC Permian Company (“MRC”), as a Senior Staff Geologist. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology.

2. I am familiar with the applications filed by MRC in these consolidated cases, and in the Franklin Mountain Cases 24110, 24111, 24112 & 24115 that seek to create spacing units in the Bone Spring formation for its proposed “Cross State” wells. I have conducted a geologic study of the lands in the subject area.

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

4. **MRC Exhibit B-2** contains a subsea structure map prepared for the top of the Bone Spring formation. The contour interval is 50 feet. This structure map shows the Bone Spring formation dipping gently to the southwest. The structure appears consistent across the proposed spacing units, and I do not observe any faulting, pinch outs, or other geologic impediments to horizontal drilling.

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

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. B

Submitted by: Matador Production Company  
Hearing Date: February 8, 2024  
Case Nos. 23961 - 23964

6. **MRC Exhibit B-3** contains 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, when available: gamma ray, caliper, resistivity, and porosity. The target interval for MRC's proposed initial wells in the Second Bone Spring interval (Mongoose State 121H, 122H, 123H and 124H), and the target interval for the planned wells in the First Bone Spring interval (Mongoose 111H, 112H, 1134H and 114H) 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 unit.

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

8. 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.

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

10. In my opinion, each of the quarter-quarter sections comprising the proposed spacing units will be productive and contribute proportionally to the production from the horizontal spacing units.

11. In my opinion, approving MRC's pooling applications is in the best interest of conservation, the prevention of waste, and protection of correlative rights.

---

12. Based on the information contained in Franklin Mountain's Cross State well proposals, it appears that Franklin Mountain is targeting the same (or very similar) target intervals. Once MRC has had an opportunity to review Franklin Mountain's exhibits in these cases describing the development plan in more detail, I will be able to address any differences at the hearing in these cases.

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

14. 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.

  
\_\_\_\_\_  
Blake Herber

1/31/2024  
\_\_\_\_\_  
Date

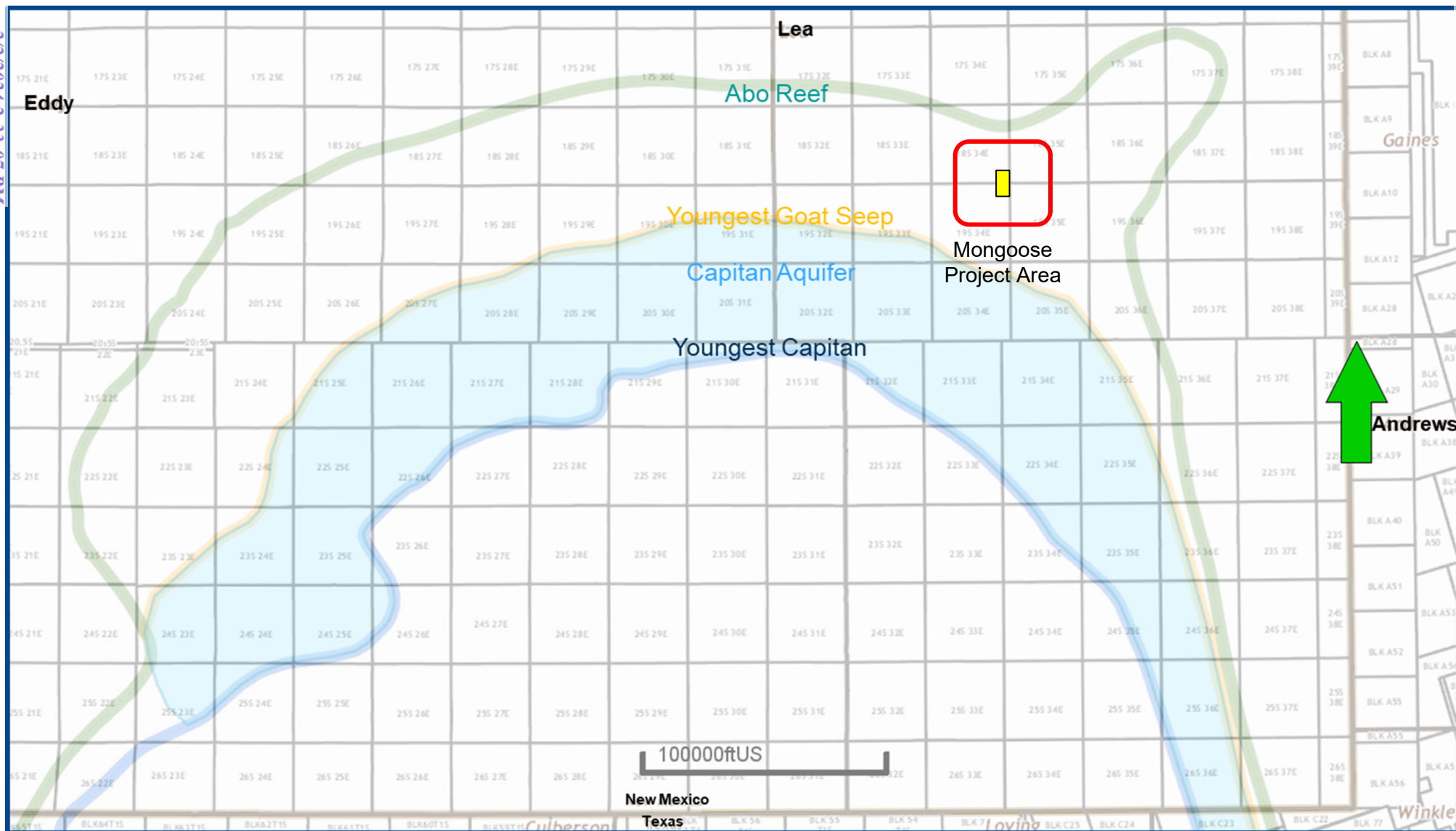


# Locator Map

# Exhibit B-1

Released to Imaging: 2/2/2024 2:33:07 PM

Received by OCD: 2/1/2024 6:08:45 PM



Mongoose State #111H, #112H, #113H, #114H, #121H, #122H, #123H, and #124H

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. B-1  
Submitted by: Matador Production Company  
Hearing Date: February 8, 2024  
Case Nos. 23961 - 23964



B-1

Page 89 of 119



# AIRSTRIP; BONE SPRING [Pool Code 960] SCHARB; BONE SPRING [Pool Code 55610] Structural Cross-Section A – A'

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. B-3

Submitted by: Matador Production Company

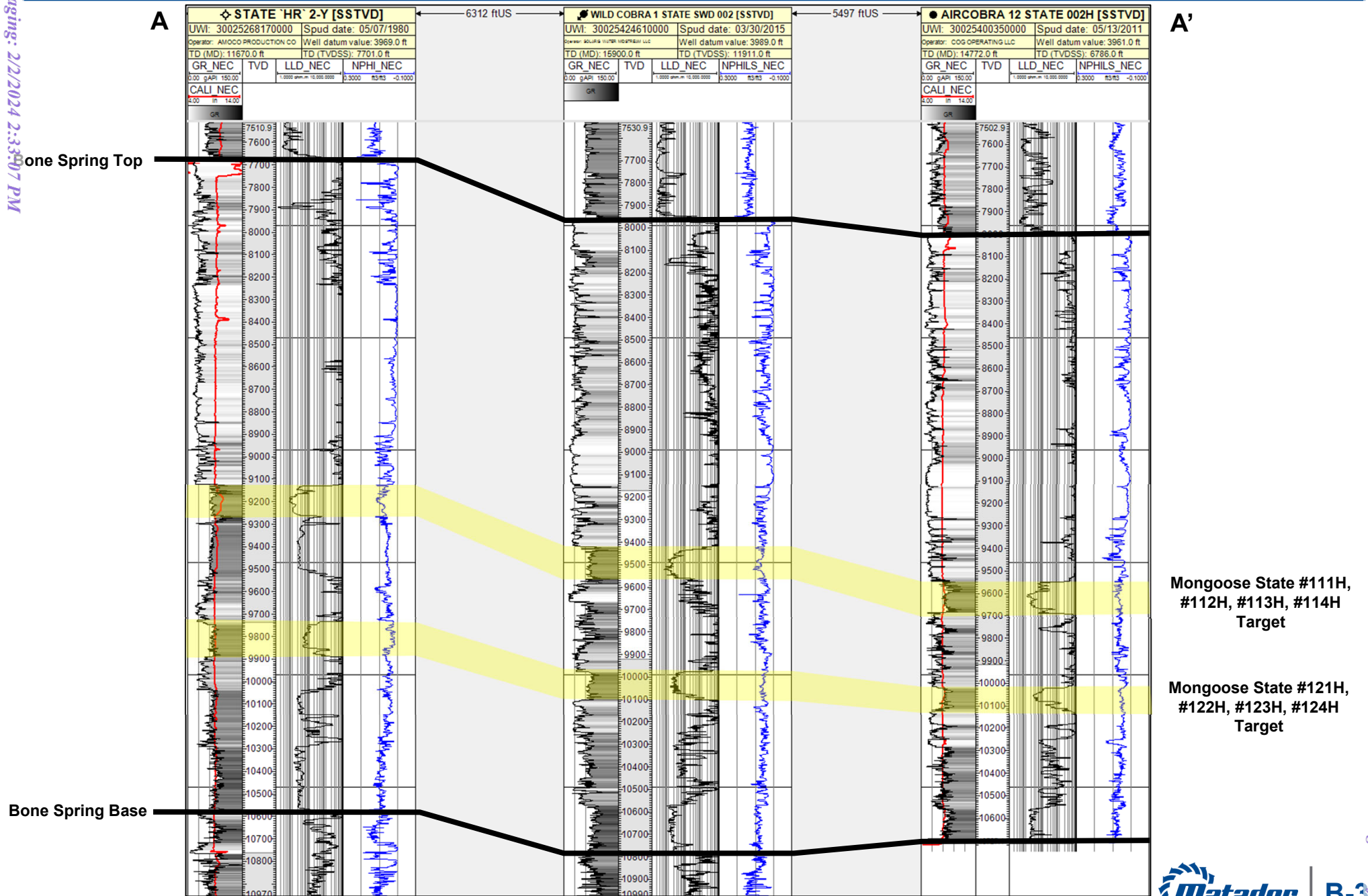
Hearing Date: February 8, 2024

Case Nos. 23961 - 23964

Exhibit B-3

Released to Imaging: 2/2/2024 2:33:07 PM

Received by OCD: 2/1/2024 6:08:45 PM



Mongoose State #111H,  
 #112H, #113H, #114H  
 Target

Mongoose State #121H,  
 #122H, #123H, #124H  
 Target

Mongoose State #111H, #112H, #113H, #114H, #121H, #122H, #123H, and #124H



B-3

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

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

**Case Nos. 23961- 23964**

**SELF-AFFIRMED STATEMENT OF TANNER SCHULZ**

1. My name is Tanner Schulz and I am employed by MRC Energy Company, an affiliate of MRC Permian Company (“MRC”), as the Vice President of Reservoir Engineering and the Reserves Team.

2. I graduated from Texas Tech University in 2013 with a bachelor’s degree in both Mechanical Engineering and Petroleum Engineering. Following graduation, I worked for BOPCO, L.P. for about 4 years as a Production Engineer. I was primarily responsible for BOPCO’s legacy assets located in Winkler County, Texas, overseeing more than 400 vertical and horizontal wells, one active waterflood and an Ellenberger dewatering project. After ExxonMobil acquired BOPCO in 2017, I started working for Matador as a Reservoir Engineer. During my time at Matador, I have worked in the Delaware Basin, including Eddy and Lea Counties in New Mexico, and Loving, Reeves and Ward Counties in Texas. Additionally, I have worked Matador’s assets in the Haynesville Shale and Cotton Valley located in Northern Louisiana and the Eagle Ford Shale and Austin Chalk located in South Texas. More recently, I am responsible for overseeing Matador’s reserves process and reserves estimates and value. Moreover, I work with our internal teams to develop these assets in a prudent manner. As part of my employment for Matador, I am also

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C  
Submitted by: Matador Production Company  
Hearing Date: February 8, 2024  
Case Nos. 23961 - 23964

required to complete at least 40 hours of continuing education each year. I am also a registered Professional Engineer in the State of Texas and a member of the Society of Petroleum Engineers.

3. I am familiar with the applications filed by Franklin Mountain in the above-referenced cases for their proposed Cross State wells in the Wolfcamp formation, which have proposed spacing units comprising Section 1, Township 19 South, Range 34 East, and Section 36, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico. I have also reviewed the recently available information for Franklin Mountain's Satellite State Wolfcamp wells, with spacing units comprising Sections 24, 25 and the N/2 N/2 of Section 36, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico.

4. Franklin Mountain's Cross State and Satellite State Wolfcamp spacing units seek to overlap in the N/2 N/2 of Section 36, and they appear to be targeting the same or substantially similar target intervals within the Wolfcamp formation.

5. After reviewing the pooling application materials for Franklin Mountain's Cross State and Satellite Wolfcamp wells, as well as the approved drilling permits for those wells on the NMOCD website, I have been unable to determine where Franklin Mountain's first and last take points are located for either the Cross State or Satellite Wolfcamp wells.

6. **Exhibit C-1** is the first two pages of the Application for Permit to Drill filed by Franklin Mountain for the proposed Cross State 701H well. This filed permit reflects a surface hole location in the SW4NW4 (Unit E) of Section 36. While this permit includes the NW4NW4 of Section 36 in the horizontal well spacing unit, it does not indicate where the first take point will be located. I was also unable to locate that information in the

Cross State well proposals or Franklin Mountain's filed pooling applications for the Cross State wells.

7. **Exhibit C-2** is an exhibit Franklin Mountain included in the force pooling cases for the Satellite Wolfcamp wells. This exhibit appears to indicate that Franklin Mountain is contemplating that both the Cross State and Satellite Wolfcamp wells have some portion of their completed laterals located in the N/2 N/2 of Section 36 within the same or substantially similar target intervals.

8. While Franklin Mountain's intent is not clear from these filings, it is my opinion that each quarter-quarter section of Franklin Mountain's proposed spacing unit for the Cross State wells will not contribute proportionally to the production from their proposed wells and that Franklin Mountain's development plan will adversely affect the correlative rights of the owners in the Cross State spacing units who do not own interests in the N/2 N/2 of Section 36. That is because (i) either the N/2 N/2 of Section 36 is not being developed or not being fully developed by the Cross State wells since the completed lateral will either not penetrate the tracts comprising the N2N2 of Section 36 or will be cut short in those tracts while all the other tracts in the proposed Cross State spacing unit will have fully completed laterals, or (ii) Franklin Mountain is planning to complete the entirety of the N/2 N/2 of Section 36 with its Cross State wells, but is also planning to develop some portion of that same N/2 N/2 of Section 36 with its Satellite wells, thereby draining the targeted reserves for the benefit of the Satellite owners. Under either of those scenarios, the interest owners in the Cross State spacing units who do not own in the N/2 N/2 of Section 36 are adversely impacted since their proportionate interests in the production from the Cross State wells is being diluted by the inclusion

of N/2 N/2 acreage that will contribute less reserves to the Cross State spacing unit wells than the remaining tracts in Section 36 and Section 1 that comprise the proposed spacing units.

9. 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.

  
Tanner Schulz

2/1/2024  
Date

**District I**

1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-6161 Fax:(575) 393-0720

**District II**

811 S. First St., Artesia, NM 88210  
Phone:(575) 748-1283 Fax:(575) 748-9720

**District III**

1000 Rio Brazos Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**

1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico  
Energy, Minerals and Natural Resources  
Oil Conservation Division  
1220 S. St Francis Dr.  
Santa Fe, NM 87505**

Form C-101  
August 1, 2011  
Permit 354620

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

1. Operator Name and Address Franklin Mountain Energy 3, LLC 44 Cook Street Denver, CO 80206		2. OGRID Number 331595
4. Property Code 335013		3. API Number 30-025-52314
5. Property Name CROSS STATE COM		6. Well No. 701H

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
E	36	18S	34E	E	1350	N	380	W	Lea

**8. Proposed Bottom Hole Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	1	19S	34E	M	130	S	360	W	Lea

**9. Pool Information**

AIRSTRIP:WOLFCAMP	970
-------------------	-----

**Additional Well Information**

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3970
16. Multiple N	17. Proposed Depth 21232	18. Formation Wolfcamp	19. Contractor	20. Spud Date 1/1/2024
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

We will be using a closed-loop system in lieu of lined pits

**21. Proposed Casing and Cement Program**

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	1973	1507	0
Int1	12.25	9.625	40	4211	882	0
Prod	8.75	7	32	10388	505	3211
Prod	8.75	5.5	20	21232	2707	10388

**Casing/Cement Program: Additional Comments**

Please see attached 14pt plan for additional information.

**22. Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	10000	5000	Cactus

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> , if applicable.	<b>OIL CONSERVATION DIVISION</b>	
Signature:		
Printed Name: Electronically filed by Rachael A Overbey	Approved By: Paul F Kautz	
Title: Project Manager	Title: Geologist	
Email Address: roverbey@fmellc.com	Approved Date: 12/14/2023	Expiration Date: 12/14/2025
Date: 11/21/2023	Phone: 303-570-4057	Conditions of Approval Attached

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C-1  
Submitted by: Matador Production  
Company Hearing Date: February 8, 2024  
Case Nos. 23961 - 23964



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Page 2 of 26

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720

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Phone: (575) 748-1283 Fax: (575) 748-9720

District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

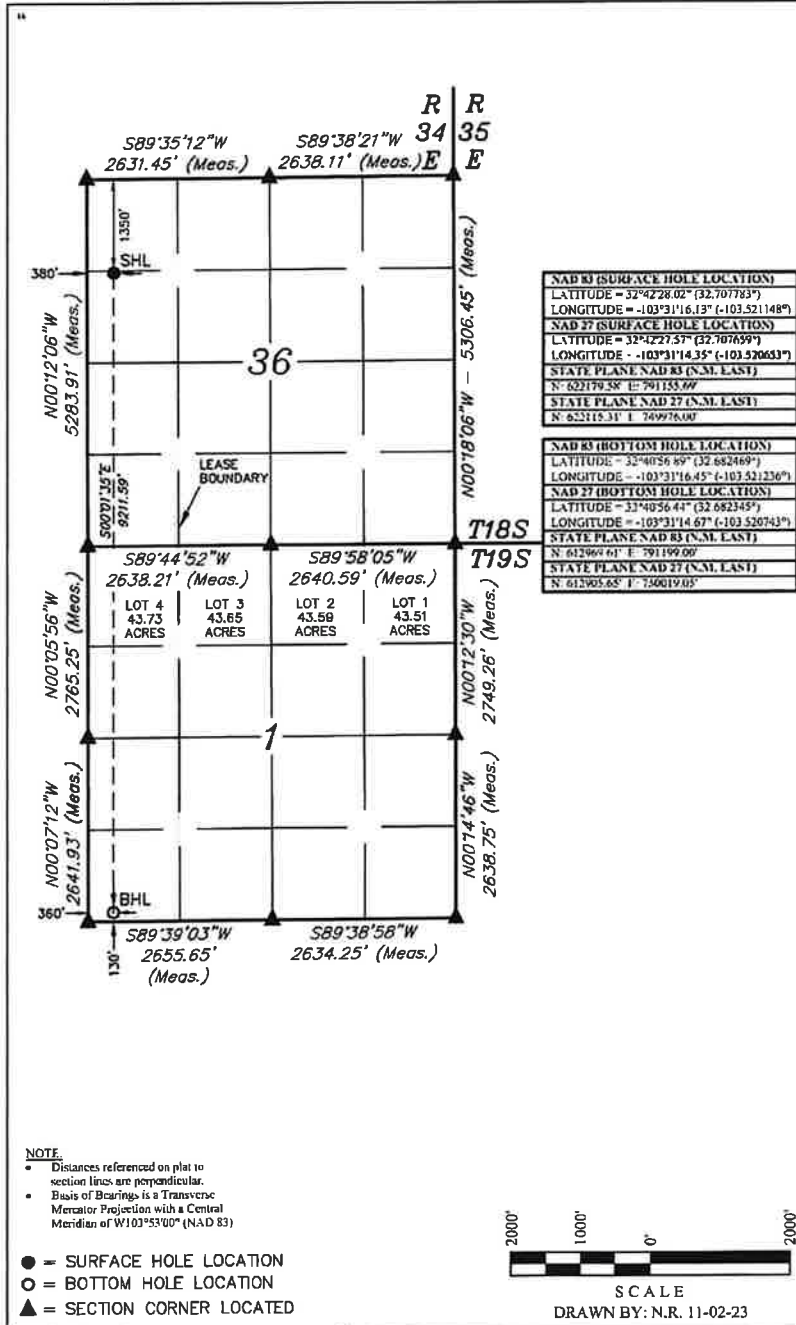
WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code 970		3 Pool Name AIRSTRIP: WOLFCAMP	
4 Property Code		5 Property Name CROSS STATE COM			6 Well Number 701H
7 OGRID No. 331595		8 Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC			9 Elevation 3970.7'

11 Surface Location									
UL or lot no. E	Section 36	Township 18S	Range 34E	Lot Idn	Feet from the 1350	North/South line NORTH	Feet from the 380	East/West line WEST	County LEA

12 Bottom Hole Location if Different From Surface									
UL or lot no. M	Section 1	Township 19S	Range 34E	Lot Idn	Feet from the 130	North/South line SOUTH	Feet from the 360	East/West line WEST	County LEA
13 Dedicated Acres 323.73		14 Joint or Infill		15 Consolidation Code		16 Order 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.



NAD 83 (SURFACE HOLE LOCATION)	
LATITUDE	= 32°42'28.02" (32.707783°)
LONGITUDE	= -103°31'16.13" (-103.521148°)
NAD 27 (SURFACE HOLE LOCATION)	
LATITUDE	= 32°42'27.57" (32.707699°)
LONGITUDE	= -103°31'14.35" (-103.520653°)
STATE PLANE NAD 83 (N.M. LAST)	
N	= 622159.58' E: 791153.89'
STATE PLANE NAD 27 (N.M. LAST)	
N	= 622115.31' E: 769976.00'
NAD 83 (BOTTOM HOLE LOCATION)	
LATITUDE	= 32°40'56.69" (32.682469°)
LONGITUDE	= -103°31'16.45" (-103.521236°)
NAD 27 (BOTTOM HOLE LOCATION)	
LATITUDE	= 32°40'56.44" (32.682345°)
LONGITUDE	= -103°31'14.67" (-103.520743°)
STATE PLANE NAD 83 (N.M. LAST)	
N	= 612969.61' E: 791199.00'
STATE PLANE NAD 27 (N.M. LAST)	
N	= 612905.65' E: 750019.05'

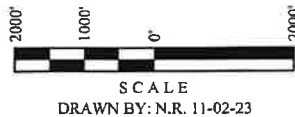
**17 OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or as a volunteer pooling interest in the well pursuant to a pooling order heretofore entered by the state.

*Rachael Greerby*  
Signature  
11/10/2023  
Date

Rachael Greerby  
Trustee Name  
roverby@fmlc.com  
E-mail Address

**18 SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

October 03, 2023  
Date of Survey  
Signature and Seal of Professional Surveyor:



- NOTE:**
- Distances referenced on plat to section lines are perpendicular.
  - Basis of Bearings is a Transverse Mercator Projection with a Central Meridian of W103°53'00" (NAD 83)
- = SURFACE HOLE LOCATION
  - = BOTTOM HOLE LOCATION
  - ▲ = SECTION CORNER LOCATED

# Field Development Overview

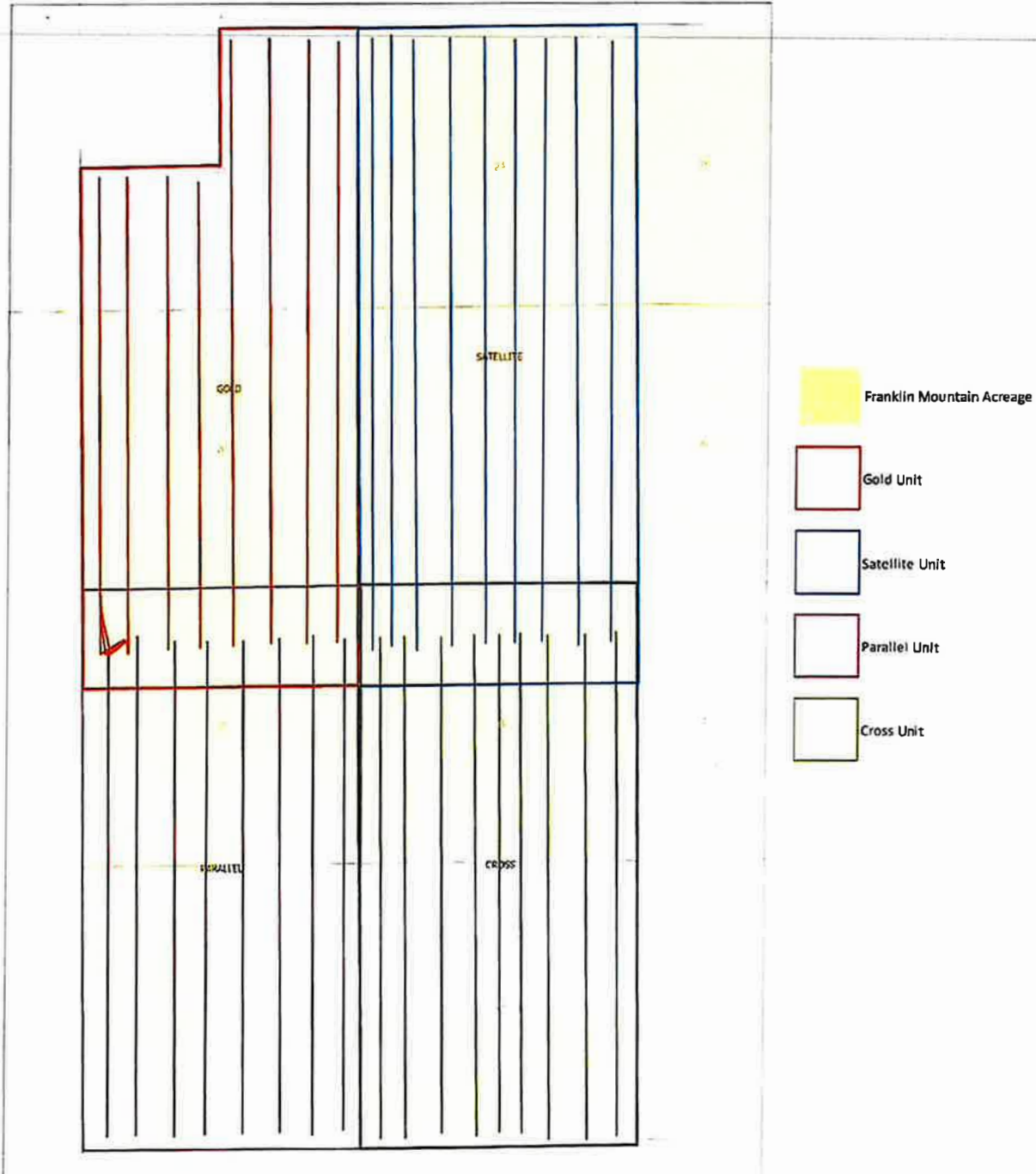


Exhibit B-2

1 Mile

OCD Examiner Hearing 10-5-23

No. 23829

15

Released to Imaging: 10/3/2023 4:38:59 PM



BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. C-2

Submitted by: Matador Production Company

Hearing Date: February 8, 2024

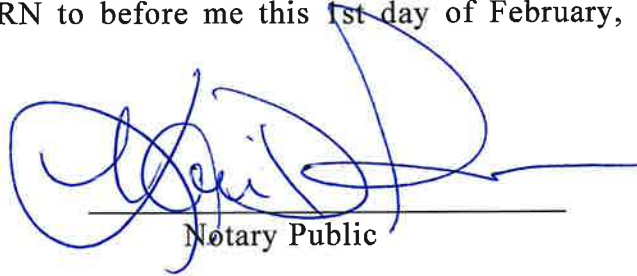
Case Nos. 23961 - 23964



State of New Mexico )

County of Santa Fe )

SUBSCRIBED AND SWORN to before me this 1st day of February, 2024 by  
Michael H. Feldewert.



Notary Public

My Commission Expires:

06/28/26

STATE OF NEW MEXICO  
NOTARY PUBLIC  
KARI D PEREZ  
COMMISSION # 1138272  
COMMISSION EXPIRES 06/28/2026



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

January 19, 2024

**VIA CERTIFIED MAIL**  
**CERTIFIED RECEIPT REQUESTED**

**TO: ALL AFFECTED PARTIES**

**Re: Application of MRC Permian Company for Compulsory Pooling, Lea County,  
New Mexico: Mongoose State 121H well**

Ladies & Gentlemen:

This letter is to advise you that MRC Permian Company has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been set before a Division Examiner on February 8, 2024, and the status of the hearing can be monitored through the Division’s website at <https://www.emnrd.nm.gov/ocd/>.

It is anticipated that hearings will be held in a hybrid format with both in-person and virtual participation options. The meeting will be held in the Pecos Hall Hearing Room at the Wendall Chino Building, 1st Floor, 1220 South St. Francis Ave., Santa Fe, New Mexico. To participate virtually in the hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

If you have any questions about this matter, please contact David Johns at (972) 619-1259 or at [djohns@matadorresources.com](mailto:djohns@matadorresources.com).

Sincerely,

**Michael H. Feldewert**  
**ATTORNEY FOR MRC PERMIAN COMPANY**

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

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

**Contact**  
p: 505.988.4421 | f: 505.983.6043  
[www.hollandhart.com](http://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.



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

January 19, 2024

**VIA CERTIFIED MAIL**  
**CERTIFIED RECEIPT REQUESTED**

**TO: ALL AFFECTED PARTIES**

**Re: Application of MRC Permian Company for Compulsory Pooling, Lea County,  
New Mexico: Mongoose State 122H well**

Ladies & Gentlemen:

This letter is to advise you that MRC Permian Company has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been set before a Division Examiner on February 8, 2024, and the status of the hearing can be monitored through the Division’s website at <https://www.emnrd.nm.gov/ocd/>.

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Sincerely,

Michael H. Feldewert  
**ATTORNEY FOR MRC PERMIAN COMPANY**

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mfeldewert@hollandhart.com

January 19, 2024

**VIA CERTIFIED MAIL**  
**CERTIFIED RECEIPT REQUESTED**

**TO: ALL AFFECTED PARTIES**

**Re: Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico: *Mongoose State 123H well***

Ladies & Gentlemen:

This letter is to advise you that MRC Permian Company has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been set before a Division Examiner on February 8, 2024, and the status of the hearing can be monitored through the Division’s website at <https://www.emnrd.nm.gov/ocd/>.

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Sincerely,

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

January 19, 2024

**VIA CERTIFIED MAIL**  
**CERTIFIED RECEIPT REQUESTED**

**TO: ALL AFFECTED PARTIES**

**Re: Application of MRC Permian Company for Compulsory Pooling, Lea County,  
New Mexico: Mongoose State 124H well**

Ladies & Gentlemen:

This letter is to advise you that MRC Permian Company has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been set before a Division Examiner on February 8, 2024, and the status of the hearing can be monitored through the Division’s website at <https://www.emnrd.nm.gov/ocd/>.

It is anticipated that hearings will be held in a hybrid format with both in-person and virtual participation options. The meeting will be held in the Pecos Hall Hearing Room at the Wendall Chino Building, 1st Floor, 1220 South St. Francis Ave., Santa Fe, New Mexico. To participate virtually in the hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

If you have any questions about this matter, please contact David Johns at (972) 619-1259 or at [djohns@matadorresources.com](mailto:djohns@matadorresources.com).

Sincerely,

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



MRC - Mongoose 121H - 124H wells - Case nos. 23961-23964  
Postal Delivery Report

9414811898765405256575	Buckhorn Energy, LLC	505 N Big Spring St Ste 303	Midland	TX	79701-4346	Your item was delivered to an individual at the address at 9:51 am on January 23, 2024 in MIDLAND, TX 79701.
9414811898765405251211	Catena Resources Operating, LLC	18402 US Highway 281 N Ste 258	San Antonio	TX	78259-7614	Your item arrived at our SAN ANTONIO TX DISTRIBUTION CENTER destination facility on January 29, 2024 at 11:20 am. The item is currently in transit to the destination.
9414811898765405251259	Charles D. Ray and wife, Lynne Ray	PO Box 51608	Midland	TX	79710-1608	Your item was picked up at a postal facility at 8:47 am on January 30, 2024 in MIDLAND, TX 79705.
9414811898765405251266	COG Operating, LLC	600 W Illinois Ave	Midland	TX	79701-4882	Your item was picked up at a postal facility at 7:44 am on January 24, 2024 in MIDLAND, TX 79701.
9414811898765405251228	Collins Partners, Ltd	5000 Burnet Rd	Austin	TX	78756-2612	Your item was delivered to the front desk, reception area, or mail room at 1:16 pm on January 23, 2024 in AUSTIN, TX 78756.
9414811898765405251204	Davis Partners, Ltd.	PO Box 3061	Midland	TX	79702-3061	Your item was picked up at the post office at 1:26 pm on January 24, 2024 in MIDLAND, TX 79701.

MRC - Mongoose 121H - 124H wells - Case nos. 23961-23964  
Postal Delivery Report

9414811898765405251297	EOG Resources, Inc.	5509 Champions Dr	Midland	TX	79706-2843	Your item was picked up at a postal facility at 8:31 am on January 23, 2024 in MIDLAND, TX 79701.
9414811898765405251280	Franklin Mountain Energy 3, LLC	44 Cook St Ste 1000	Denver	CO	80206-5827	Your item was delivered to the front desk, reception area, or mail room at 1:04 pm on January 22, 2024 in DENVER, CO 80206.
9414811898765405251235	Gregory J. Nibert and Carolyn S. Nibert, Co-Trustees Of The Djs Trust Dated September 23, 2005	PO Box 1453	Roswell	NM	88202-1453	Your item was picked up at the post office at 10:04 am on January 23, 2024 in ROSWELL, NM 88201.
9414811898765405251273	John Brickey	4821 Rangewood	Midland	TX	79707-2630	Your item was delivered to an individual at the address at 3:36 pm on January 23, 2024 in MIDLAND, TX 79707.
9414811898765405251853	JS&AL Family Limited Partnership	303 Veterans Airpark Ln Ste 1100	Midland	TX	79705-4551	Your item was delivered to the front desk, reception area, or mail room at 10:00 am on January 23, 2024 in MIDLAND, TX 79705.
9414811898765405251860	Louellen T. Mays	3108 Preston Dr	Midland	TX	79707-5220	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765405251808	Marathon Oil Company	990 Town And Country Blvd	Houston	TX	77024-2217	Your item was delivered to the front desk, reception area, or mail room at 1:36 pm on January 26, 2024 in HOUSTON, TX 77024.

MRC - Mongoose 121H - 124H wells - Case nos. 23961-23964  
Postal Delivery Report

9414811898765405251891	Marathon Oil Permian LLC	990 Town And Country Blvd	Houston	TX	77024-2217	Your item was delivered to the front desk, reception area, or mail room at 1:36 pm on January 26, 2024 in HOUSTON, TX 77024.
9414811898765405251846	Mid Lavaca Energy Co.	PO Box 202650	Austin	TX	78720-2650	Your item was picked up at a postal facility at 12:19 pm on January 24, 2024 in AUSTIN, TX 78759.
9414811898765405251884	Nuevo Seis Limited Partnership	PO Box 2588	Roswell	NM	88202-2588	Your item was picked up at the post office at 12:30 pm on January 24, 2024 in ROSWELL, NM 88201.
9414811898765405251877	Otter Creek	PO Box 1557	Sealy	TX	77474-1557	Your item was forwarded to a different address at 8:53 am on January 25, 2024 in SEALY, TX. This was because of forwarding instructions or because the address or ZIP Code on the label was incorrect.
9414811898765405251716	Paul Davis, Ltd.	PO Box 871	Midland	TX	79702-0871	Your item was picked up at a postal facility at 10:17 am on January 23, 2024 in MIDLAND, TX 79701.
9414811898765405251754	Peregrine Production, LLC	PO Box 50655	Midland	TX	79710-0655	Your item arrived at the MIDLAND, TX 79705 post office at 10:17 am on January 23, 2024 and is ready for pickup.

MRC - Mongoose 121H - 124H wells - Case nos. 23961-23964  
Postal Delivery Report

9414811898765405251761	REG XI Assets, LLC	1200 Smith St Ste 1950	Houston	TX	77002-4322	Your item was delivered to an individual at the address at 12:19 pm on January 29, 2024 in HOUSTON, TX 77002.
9414811898765405251723	Ridgeback Energy, Inc.	8409 Pickwick Ln Unit 120	Dallas	TX	75225-5323	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765405251709	Sharktooth Resources, Ltd	505 N Big Spring St Ste 303	Midland	TX	79701-4346	Your item was delivered to an individual at the address at 9:50 am on January 23, 2024 in MIDLAND, TX 79701.
9414811898765405251747	Slash Exploration Limited Partnership	PO Box 1973	Roswell	NM	88202-1973	Your item was picked up at the post office at 10:15 am on January 24, 2024 in ROSWELL, NM 88201.
9414811898765405251730	SMAA Family, LP	3801 Saint Andrews Ct	Midland	TX	79707-4417	Your item was delivered to an individual at the address at 2:44 pm on January 23, 2024 in MIDLAND, TX 79707.
9414811898765405251778	Stillwater Investments	6403 Sequoia Dr	Midland	TX	79707-1547	Your item was delivered to an individual at the address at 10:26 am on January 23, 2024 in MIDLAND, TX 79707.

MRC - Mongoose 121H - 124H wells - Case nos. 23961-23964  
Postal Delivery Report

9414811898765405251914	T.H. McElvain Oil & Gas, LLP	1819 Denver West Dr Ste 260	Lakewood	CO	80401-3118	Your item was delivered to an individual at the address at 12:34 pm on January 23, 2024 in GOLDEN, CO 80401.
9414811898765405251952	Tarpon Industries Corporation	PO Box 52002	Midland	TX	79710-2002	Your item has been delivered and is available at a PO Box at 12:30 pm on January 26, 2024 in MIDLAND, TX 79705.
9414811898765405251969	Williamson Enterprises	1402 St Tropez Ln	Arlington	TX	76013-8344	Your item was delivered to an individual at the address at 3:07 pm on January 24, 2024 in ARLINGTON, TX 76013.
9414811898765405251921	Williamson Oil and Gas, LLC	303 Veterans Airpark Ln Ste 1100	Midland	TX	79705-4551	Your item was delivered to the front desk, reception area, or mail room at 10:00 am on January 23, 2024 in MIDLAND, TX 79705.

MRC - Mongoose 121H - 124H wells - Case nos. 23961-23964  
Postal Delivery Report

9414811898765405251167	Crown Oil Partners, LP	PO Box 50820	Midland	TX	79710-0820	Your item arrived at the MIDLAND, TX 79705 post office at 10:17 am on January 23, 2024 and is ready for pickup.
9414811898765405251129	Charles D. Ray and wife, Lynne Ray CD Ray, LLC	PO Box 51608	Midland	TX	79710-1608	Your item was picked up at a postal facility at 8:47 am on January 30, 2024 in MIDLAND, TX 79705.
9414811898765405251105	COG Operating, LLC Attention Joint Ventures	600 W Illinois Ave	Midland	TX	79701-4882	Your item was picked up at a postal facility at 7:44 am on January 24, 2024 in MIDLAND, TX 79701.
9414811898765405251143	Collin and Jones Investments, LLC	508 W Wall St Ste 1200	Midland	TX	79701-5076	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765405251181	Crump Energy Partners, II, LLC	PO Box 50820	Midland	TX	79710-0820	Your item arrived at the MIDLAND, TX 79705 post office at 10:18 am on January 23, 2024 and is ready for pickup.
9414811898765405251136	David Cromwell	PO Box 50820	Midland	TX	79710-0820	Your item arrived at the MIDLAND, TX 79705 post office at 10:18 am on January 23, 2024 and is ready for pickup.
9414811898765405251174	Deane Durham	PO Box 50820	Midland	TX	79710-0820	Your item arrived at the MIDLAND, TX 79705 post office at 10:18 am on January 23, 2024 and is ready for pickup.

MRC - Mongoose 121H - 124H wells - Case nos. 23961-23964  
Postal Delivery Report

9414811898765405251310	Good News Minerals, LLC	PO Box 50820	Midland	TX	79710-0820	Your item arrived at the MIDLAND, TX 79705 post office at 10:17 am on January 23, 2024 and is ready for pickup.
9414811898765405251358	H. Jason Wacker	5601 Hillcrest	Midland	TX	79707-9113	Your item was forwarded to a different address at 8:30 am on January 26, 2024 in MIDLAND, TX. This was because of forwarding instructions or because the address or ZIP Code on the label was incorrect.
9414811898765405251365	JA Gill Family Limited Partnership	303 Veterans Airpark Ln Ste 1100	Midland	TX	79705-4551	Your item was delivered to the front desk, reception area, or mail room at 10:00 am on January 23, 2024 in MIDLAND, TX 79705.
9414811898765405251327	John D. Savage	3801 Saint Andrews Ct	Midland	TX	79707-4417	Your item was delivered to an individual at the address at 2:44 pm on January 23, 2024 in MIDLAND, TX 79707.
9414811898765405251303	Jon Brickey	4821 Rangewood	Midland	TX	79707-2630	Your item was delivered to an individual at the address at 3:36 pm on January 23, 2024 in MIDLAND, TX 79707.
9414811898765405251396	JS&AL Family Limited Partnership	303 Veterans Airpark Ln Ste 1100	Midland	TX	79705-4551	Your item was delivered to the front desk, reception area, or mail room at 10:00 am on January 23, 2024 in MIDLAND, TX 79705.

MRC - Mongoose 121H - 124H wells - Case nos. 23961-23964  
Postal Delivery Report

9414811898765405251341	Kaleb Smith	PO Box 50820	Midland	TX	79710-0820	Your item arrived at the MIDLAND, TX 79705 post office at 10:17 am on January 23, 2024 and is ready for pickup.
9414811898765405251389	LMC Energy, LLC	550 W Texas Ave Ste 945	Midland	TX	79701-4233	Your item was returned to the sender at 7:33 am on January 29, 2024 in MIDLAND, TX 79701 because the forwarding order for this address is no longer valid.
9414811898765405251334	Louellen T. Mays	3108 Preston Dr	Midland	TX	79707-5220	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765405251372	Mike Moylett	PO Box 50820	Midland	TX	79710-0820	Your item arrived at the MIDLAND, TX 79705 post office at 10:17 am on January 23, 2024 and is ready for pickup.
9414811898765405251013	Mongoose Minerals, LLC Attention Joint Ventures	600 W Illinois Ave	Midland	TX	79701-4882	Your item was picked up at a postal facility at 7:44 am on January 24, 2024 in MIDLAND, TX 79701.
9414811898765405251051	Oak Valley Mineral and Land, LP	PO Box 50820	Midland	TX	79710-0820	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765405251068	Oak Valley Mineral and Land, LP	PO Box 50820	Midland	TX	79710-0820	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.



MRC - Mongoose 121H - 124H wells - Case nos. 23961-23964  
Postal Delivery Report

9414811898765405251020	Post Oak Crown IV, LLC	5200 San Felipe St	Houston	TX	77056-3606	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765405251006	Post Oak Crown IV-B, LLC	5200 San Felipe St	Houston	TX	77056-3606	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765405251099	Post Oak Mavros II, LLC	34 S Wynden Dr Ste 210	Houston	TX	77056-2531	Your item was delivered to an individual at the address at 12:13 pm on January 25, 2024 in HOUSTON, TX 77056.
9414811898765405251044	Ross Duncan Properties, LLC	PO Box 647	Artesia	NM	88211-0647	Your item was picked up at the post office at 11:09 am on January 23, 2024 in ARTESIA, NM 88210.
9414811898765405251082	Sortida Resources, LLC	PO Box 50820	Midland	TX	79710-0820	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765405251037	Stillwater Investments	6403 Sequoia Dr	Midland	TX	79707-1547	Your item was delivered to an individual at the address at 10:26 am on January 23, 2024 in MIDLAND, TX 79707.
9414811898765405251075	Tarpon Industries Corporation	PO Box 52002	Midland	TX	79710-2002	Your item has been delivered and is available at a PO Box at 12:30 pm on January 26, 2024 in MIDLAND, TX 79705.

MRC - Mongoose 121H - 124H wells - Case nos. 23961-23964  
Postal Delivery Report

9414811898765405251419	Thomaston, LLC	1600 Stout St Ste 500	Denver	CO	80202-3137	Your item has been delivered to the original sender at 12:59 pm on January 29, 2024 in GOLDEN, CO 80401.
9414811898765405251457	Williamson Oil and Gas, LLC	303 Veterans Airpark Ln Ste 1100	Midland	TX	79705-4551	Your item was delivered to the front desk, reception area, or mail room at 10:00 am on January 23, 2024 in MIDLAND, TX 79705.

MRC - Mongoose 122H-124H - Case nos.23962- 23964  
Postal Delivery Report

9414811898765405251938	The Taurus Corporation c/o Robert Benson Payne, Jr.	PO Box 1477	Little Elm	TX	75068-1477	Your item was picked up at the post office at 9:56 am on January 23, 2024 in LITTLE ELM, TX 75068.
9414811898765405251976	Armstrong Energy Corporation	PO Box 1973	Roswell	NM	88202-1973	Your item was picked up at the post office at 10:15 am on January 24, 2024 in ROSWELL, NM 88201.
9414811898765405251655	Chimney Rock Oil & Gas, LLC	PO Box 1973	Roswell	NM	88202-1973	Your item was picked up at the post office at 10:15 am on January 24, 2024 in ROSWELL, NM 88201.
9414811898765405251662	Penroc Oil Corporation	1515 W Calle Sur St Ste 174	Hobbs	NM	88240-0998	Your item was delivered to the front desk, reception area, or mail room at 5:24 pm on January 23, 2024 in HOBBS, NM 88240.
9414811898765405251624	Blue Ridge Royalties, LLC	PO Box 1973	Roswell	NM	88202-1973	Your item was picked up at the post office at 10:15 am on January 24, 2024 in ROSWELL, NM 88201.
9414811898765405251600	JKV Corporation	8601 W Cross Dr Ste F5-208	Littleton	CO	80123-0702	Your item has been delivered to an agent for final delivery in LITTLETON, CO 80123 on January 22, 2024 at 11:14 am.
9414811898765405251693	Ridgeback Energy, Inc.	8409 Pickwick Ln Unit 120	Dallas	TX	75225-5323	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.

LEGAL NOTICE  
January 25, 2024

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

**Affidavit of Publication**

STATE OF NEW MEXICO  
COUNTY OF LEA

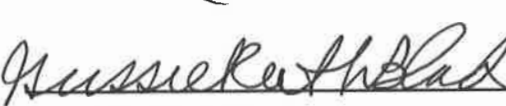
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated  
January 25, 2024  
and ending with the issue dated  
January 25, 2024.



Publisher

Sworn and subscribed to before me this  
25th day of January 2024.



Business Manager

My commission expires  
January 29, 2027

(Seal) STATE OF NEW MEXICO  
NOTARY PUBLIC  
GUSSIE RUTH BLACK  
COMMISSION # 1087526  
COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

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 in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform (sign-in information below) on Thursday, February 8, 2024, 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 Sheila Apodaca, at [Sheila.Apodaca@emnrd.nm.gov](mailto:Sheila.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 [Sheila.Apodaca@emnrd.nm.gov](mailto:Sheila.Apodaca@emnrd.nm.gov), or the New Mexico Relay Network at 1-800-659-1779, no later than January 29, 2024.

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: Buckhorn Energy, LLC; Catena Resources Operating, LLC; Charles D. Ray and wife, Lynne Ray, their heirs and devisees; Collins Partners, Ltd; Davis Partners, Ltd.; EOG Resources, Inc.; Franklin Mountain Energy 3, LLC; Gregory J. Nibert and Carolyn S. Nibert, Co-Trustees of the DJS Trust dated September 23, 2005; John Brickey, his heirs and devisees; JS&AL Family Limited Partnership; Louellen T. Mays, her heirs and devisees; Marathon Oil Company; Marathon Oil Permian LLC; Mid Lavaca Energy Co.; Nuevo Seis Limited Partnership; Otter Creek; Paul Davis, Ltd.; Peregrine Production, LLC; REG XI Assets, LLC; Ridgeback Energy, Inc.; Sharktooth Resources, Ltd; Slash Exploration Limited Partnership; SMAA Family, LP; Stillwater Investments; T.H. McElvain Oil & Gas, LLP; Tarpon Industries Corporation; Williamson Enterprises; Williamson Oil and Gas, LLC; Crown Oil Partners, LP; Charles D. Ray and wife, Lynne Ray CD Ray, LLC; COG Operating, LLC; Collin and Jones Investments, LLC; Crump Energy Partners, II, LLC; David Cromwell, his heirs and devisees; Deane Durham, her heirs and devisees; Good News Minerals, LLC; H. Jason Wacker, his heirs and devisees; JA Gill Family Limited Partnership; John D. Savage, his heirs and devisees; Jon Brickey, his heirs and devisees; JS&AL Family Limited Partnership; Kaleb Smith, his heirs and devisees; LMC Energy, LLC; Louellen T. Mays, his or her heirs and devisees; Mike Moylett, his heirs and devisees; Mongoose Minerals, LLC; Oak Valley Mineral and Land, LP; Oak Valley Mineral and Land, LP; Post Oak Crown IV, LLC; Post Oak Crown IV-B, LLC; Post Oak Mavros II, LLC; Ross Duncan Properties, LLC; Sortida Resources, LLC; Tarpon Industries Corporation; Thomaston, LLC, and Williamson Oil and Gas, LLC.

Case No. 23961: Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (a) approving a standard 320-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying the W2W2 of Section 1, Township 19 South, Range 34 East, and the W2W2 of Section 36, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico, and (b) pooling this proposed horizontal well spacing unit. Said unit will be initially dedicated to the proposed Mongoose State 121H well to be horizontally drilled from a surface hole location in the SW4 of Section 1, with a first take point in the SW4SW4 (Unit M) of section 1 and a last take point in the NW4NW4 (Unit D) of Section 36. This proposed horizontal well spacing unit will overlap the following existing Bone Spring spacing units:

- A 174-acre horizontal well spacing unit comprised of the N2N2 of Section 1 dedicated to COG's Wild Cobra 1 State 1H (API 30-025-41110)
- A 160-acre horizontal well spacing unit comprised of the S2N2 of Section 1 COG's Wild Cobra 1 State 2H (API 30-025-40404)
- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 1 dedicated to Matador's Mongoose Fee 1H (API 30-025-40727)
- A 160-acre horizontal well spacing unit comprised of the S2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 1H (API 30-025-40640)
- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 2H (API 30-025-40641)
- A 160-acre horizontal well spacing unit comprised of the S2N2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 3H (API 30-025-42367)
- A 200-acre horizontal well spacing unit comprised of the S2N2 of Section 35 and the SW4NW4 (Unit E) of Section 36 dedicated to Franklin Mountain's Tin Cup 36 State Com 1H (API 30-025-40422)

Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling the well. The subject area is located approximately 24 miles west of Hobbs, New Mexico.

#00286744

PO BOX 2208  
SANTA FE, NM 87504-2208

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. E

Submitted by: Matador Production Company  
Hearing Date: February 8, 2024  
Case No. 23961 - 23964

# Affidavit of Publication

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 that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated  
January 25, 2024  
and ending with the issue dated  
January 25, 2024.

  
\_\_\_\_\_  
Publisher

Sworn and subscribed to before me this  
25th day of January 2024.

  
\_\_\_\_\_  
Business Manager

My commission expires

January 29, 2027  
STATE OF NEW MEXICO  
(Seal) NOTARY PUBLIC  
GUSSIE RUTH BLACK  
COMMISSION # 1087526  
COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

## LEGAL NOTICE January 25, 2024

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 in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform (sign-in information below) on Thursday, February 8, 2024, 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 Sheila Apodaca, at [Sheila.Apodaca@emnrd.nm.gov](mailto:Sheila.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 [Sheila.Apodaca@emnrd.nm.gov](mailto:Sheila.Apodaca@emnrd.nm.gov), or the New Mexico Relay Network at 1-800-659-1779, no later than January 29, 2024.

**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: Buckhorn Energy, LLC; Catena Resources Operating, LLC; Charles D. Ray and wife, Lynne Ray, their heirs and devisees; COG Operating, LLC; Collins Partners, Ltd; Davis Partners, Ltd.; EOG Resources, Inc.; Franklin Mountain Energy 3, LLC; Gregory J. Nibert and Carolyn S. Nibert, Co-Trustees of the DJS Trust dated September 23, 2005; John Brickey, his heirs and devisees; JS&AL Family Limited Partnership; Louellen T. Mays, his or her heirs and devisees; Marathon Oil Company; Marathon Oil Permian LLC; Mid Lavaca Energy Co.; Nuevo Seis Limited Partnership; Otter Creek; Paul Davis, Ltd.; Peregrine Production, LLC; REG XI Assets, LLC; Ridgeback Energy, Inc.; Sharktooth Resources, Ltd; Slash Exploration Limited Partnership; SMAA Family, LP; T.H. McElvain Oil & Gas, LLP; Tarpon Industries Corporation; Williamson Enterprises; Williamson Oil and Gas, LLC; Crown Oil Partners, LP; Charles D. Ray and wife, Lynne Ray, CD Ray, LLC; Collin and Jones Investments, LLC; Crump Energy Partners, II, LLC; David Cromwell, his heirs and devisees; Deane Durham, her heirs and devisees; Good News Minerals, LLC; H. Jason Wacker, his heirs and devisees; JA Gill Family Limited Partnership; John D. Savage, his heirs and devisees; Jon Brickey, his heirs and devisees; JS&AL Family Limited Partnership; Kaleb Smith, his heirs and devisees; LMC Energy, LLC; Louellen T. Mays, his or her heirs and devisees; Mike Moylett, his heirs and devisees; Oak Valley Mineral and Land, LP; Post Oak Crown IV, LLC; Post Oak Crown IV-B, LLC; Post Oak Mavros II, LLC; Ross Duncan Properties, LLC; Sortida Resources, LLC; Stillwater Investments; Thomaston, LLC; The Taurus Corporation; Armstrong Energy Corporation; Chimney Rock Oil & Gas, LLC; Penroc Oil Corporation; Blue Ridge Royalties, LLC; JKV Corporation; Ridgeback Energy, Inc.; Mike Moylett, his heirs and devisees; Mongoose Minerals, LLC; Oak Valley Mineral and Land, LP; and Oak Valley Mineral and Land, LP.

Case No. 23962: Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (a) approving a standard 320-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying the E2W2 of Section 1, Township 19 South, Range 34 East, and the E2W2 of Section 36, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico, and (b) pooling this proposed horizontal well spacing unit. Said unit will be initially dedicated to the proposed Mongoose State 122H well to be horizontally drilled from a surface hole location in the SW4 of Section 1, with a first take point in the SE4SW4 (Unit N) of section 1 and a last take point in the NE4NW4 (Unit C) of Section 36. This proposed horizontal well spacing unit will overlap the following existing Bone Spring spacing units:

- A 174-acre horizontal well spacing unit comprised of the N2N2 of Section 1 dedicated to COG's Wild Cobra 1 State 1H (API 30-025-41110)
- A 160-acre horizontal well spacing unit comprised of the S2N2 of Section 1 COG's Wild Cobra 1 State 2H (API 30-025-40404)
- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 1 dedicated to Matador's Mongoose Fee 1H (API 30-025-40727)
- A 160-acre horizontal well spacing unit comprised of the S2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 1H (API 30-025-40640)
- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 2H (API 30-025-40641)
- A 160-acre horizontal well spacing unit comprised of the S2N2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 3H (API 30-025-42367)

Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling the well. The subject area is located approximately 24 miles west of Hobbs, New Mexico.  
#00286745

# Affidavit of Publication

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 that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated  
January 25, 2024  
and ending with the issue dated  
January 25, 2024.

  
\_\_\_\_\_  
Publisher

Sworn and subscribed to before me this  
25th day of January 2024.

  
\_\_\_\_\_  
Business Manager

My commission expires  
January 29, 2027

(Seal) STATE OF NEW MEXICO  
NOTARY PUBLIC  
GUSSIE RUTH BLACK  
COMMISSION # 1087526  
COMMISSION EXPIRES 01/29/2027

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## LEGAL NOTICE January 25, 2024

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

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**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: Buckhorn Energy, LLC; Catena Resources Operating, LLC; Charles D. Ray and wife, Lynne Ray, their heirs and devisees; COG Operating, LLC; Collins Partners, Ltd; Davis Partners, Ltd.; EOG Resources, Inc.; Franklin Mountain Energy 3, LLC; Gregory J. Nibert and Carolyn S. Nibert, Co-Trustees of the DJS Trust dated September 23, 2005; John Brickey, his heirs and devisees; JS&AL Family Limited Partnership; Louellen T. Mays, his or her heirs and devisees; Marathon Oil Company; Marathon Oil Permian LLC; Mid Lavaca Energy Co.; Nuevo Seis Limited Partnership; Otter Creek; Paul Davis, Ltd.; Peregrine Production, LLC; REG XI Assets, LLC; Ridgeback Energy, Inc.; Sharktooth Resources, Ltd; Slash Exploration Limited Partnership; SMAA Family, LP; T.H. McElvain Oil & Gas, LLP; Tarpon Industries Corporation; Williamson Enterprises; Williamson Oil and Gas, LLC; Crown Oil Partners, LP; Charles D. Ray and wife, Lynne Ray, CD Ray, LLC; Collin and Jones Investments, LLC; Crump Energy Partners, II, LLC; David Cromwell, his heirs and devisees; Deane Durham, her heirs and devisees; Good News Minerals, LLC; H. Jason Wacker, his heirs and devisees; JA Gill Family Limited Partnership; John D. Savage, his heirs and devisees; Jon Brickey, his heirs and devisees; JS&AL Family Limited Partnership; Kaleb Smith, his heirs and devisees; LMC Energy, LLC; Louellen T. Mays, his or her heirs and devisees; Mike Moylett, his heirs and devisees; Oak Valley Mineral and Land, LP; Post Oak Crown IV, LLC; Post Oak Crown IV-B, LLC; Post Oak Mavros II, LLC; Ross Duncan Properties, LLC; Sortida Resources, LLC; Stillwater Investments; Thomaston, LLC; The Taurus Corporation; Armstrong Energy Corporation; Chimney Rock Oil & Gas, LLC; Penroc Oil Corporation; Blue Ridge Royalties, LLC; JKV Corporation; Ridgeback Energy, Inc.; Mike Moylett, his heirs and devisees; Mongoose Minerals, LLC; Oak Valley Mineral and Land, LP; and Oak Valley Mineral and Land, LP.**

**Case No. 23963: Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (a) approving a standard 320-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying the W2E2 of Section 1, Township 19 South, Range 34 East, and the W2E2 of Section 36, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico, and (b) pooling this proposed horizontal well spacing unit. Said unit will be initially dedicated to the proposed **Mongoose State 123H** well to be horizontally drilled from a surface hole location in the SE4 of Section 1, with a first take point in the SW4SE4 (Unit O) of section 1 and a last take point in the NW4NE4 (Unit B) of Section 36. This proposed horizontal well spacing unit will overlap the following existing Bone Spring spacing units:

- A 174-acre horizontal well spacing unit comprised of the N2N2 of Section 1 dedicated to COG's Wild Cobra 1 State 1H (API 30-025-41110)
- A 160-acre horizontal well spacing unit comprised of the S2N2 of Section 1 COG's Wild Cobra 1 State 2H (API 30-025-40404)
- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 1 dedicated to Matador's Mongoose Fee 1H (API 30-025-40727)
- A 160-acre horizontal well spacing unit comprised of the S2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 1H (API 30-025-40640)
- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 2H (API 30-025-40641)
- A 160-acre horizontal well spacing unit comprised of the S2N2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 3H (API 30-025-42367)

Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling the well. The subject area is located approximately 24 miles west of Hobbs, New Mexico.  
**#00286746**

# Affidavit of Publication

STATE OF NEW MEXICO  
COUNTY OF LEA

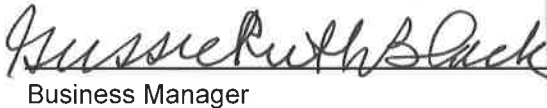
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated  
January 24, 2024  
and ending with the issue dated  
January 24, 2024.



Publisher

Sworn and subscribed to before me this  
24th day of January 2024.



Business Manager

My commission expires

January 29, 2027

(Seal) STATE OF NEW MEXICO  
NOTARY PUBLIC  
GUSSIE RUTH BLACK  
COMMISSION # 1087526  
COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

LEGAL NOTICE  
January 24, 2024

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 in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform (sign-in information below) on Thursday, February 8, 2024, 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 Sheila Apodaca, at [Sheila.Apodaca@emnrd.nm.gov](mailto:Sheila.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 [Sheila.Apodaca@emnrd.nm.gov](mailto:Sheila.Apodaca@emnrd.nm.gov), or the New Mexico Relay Network at 1-800-659-1779, no later than January 29, 2024.

**STATE OF NEW MEXICO TO:**  
All named parties and persons  
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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: Buckhorn Energy, LLC; Catena Resources Operating, LLC; Charles D. Ray and wife, Lynne Ray, their heirs and devisees; COG Operating, LLC; Collins Partners, Ltd; Davis Partners, Ltd.; EOG Resources, Inc.; Franklin Mountain Energy 3, LLC; Gregory J. Nibert and Carolyn S. Nibert, Co-Trustees of the DJS Trust dated September 23, 2005; John Brickey, his heirs and devisees; JS&AL Family Limited Partnership; Louellen T. Mays, his or her heirs and devisees; Marathon Oil Company; Marathon Oil Permian LLC; Mid Lavaca Energy Co.; Nuevo Seis Limited Partnership; Otter Creek; Paul Davis, Ltd.; Peregrine Production, LLC; REG XI Assets, LLC; Ridgeback Energy, Inc.; Sharktooth Resources, Ltd; Slash Exploration Limited Partnership; SMAA Family, LP; T.H. McElvain Oil & Gas, LLP; Tarpon Industries Corporation; Williamson Enterprises; Williamson Oil and Gas, LLC; Crown Oil Partners, LP; Charles D. Ray and wife, Lynne Ray, CD Ray, LLC; Collin and Jones Investments, LLC; Crump Energy Partners, II, LLC; David Cromwell, his heirs and devisees; Deane Durham, her heirs and devisees; Good News Minerals, LLC; H. Jason Wacker, his heirs and devisees; JA Gill Family Limited Partnership; John D. Savage, his heirs and devisees; Jon Brickey, his heirs and devisees; JS&AL Family Limited Partnership; Kaleb Smith, his heirs and devisees; LMC Energy, LLC; Louellen T. Mays, his or her heirs and devisees; Mike Moylett, his heirs and devisees; Oak Valley Mineral and Land, LP; Post Oak Crown IV, LLC; Post Oak Crown IV-B, LLC; Post Oak Mavros II, LLC; Ross Duncan Properties, LLC; Sortida Resources, LLC; Stillwater Investments; Thomaston, LLC; The Taurus Corporation; Armstrong Energy Corporation; Chimney Rock Oil & Gas, LLC; Penroc Oil Corporation; Blue Ridge Royalties, LLC; JKV Corporation; Ridgeback Energy, Inc.; Mike Moylett, his heirs and devisees; Mongoose Minerals, LLC; Oak Valley Mineral and Land, LP; and Oak Valley Mineral and Land, LP.

Case No. 23964: Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (a) approving a standard 320-acre overlapping horizontal well spacing unit in the Bone Spring formation underlying the E2E2 of Section 1, Township 19 South, Range 34 East, and the E2E2 of Section 36, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico, and (b) pooling this proposed horizontal well spacing unit. Said unit will be initially dedicated to the proposed Mongoose State 124H well to be horizontally drilled from a surface hole location in the SE4 of Section 1, with a first take point in the SE4SE4 (Unit P) of section 1 and a last take point in the NE4NE4 (Unit A) of Section 36. This proposed horizontal well spacing unit will overlap the following existing Bone Spring spacing units:

- A 174-acre horizontal well spacing unit comprised of the N2N2 of Section 1 dedicated to COG's Wild Cobra 1 State 1H (API 30-025-41110)
- A 160-acre horizontal well spacing unit comprised of the S2N2 of Section 1 COG's Wild Cobra 1 State 2H (API 30-025-40404)
- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 1 dedicated to Matador's Mongoose Fee 1H (API 30-025-40727)
- A 160-acre horizontal well spacing unit comprised of the S2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 1H (API 30-025-40640)
- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 2H (API 30-025-40641)
- A 160-acre horizontal well spacing unit comprised of the S2N2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 3H (API 30-025-42367)

Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling the well. The subject area is located approximately 24 miles west of Hobbs, New Mexico.  
#00286722

67100754

00286722

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