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

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

                                                  CASE NO. _____

APPLICATION

MRC Permian Company ("MRC" or "Applicant"), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral owners in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal well spacing unit comprised of the S/2 N/2 of Sections 9 and 10, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. In support of its application, MRC states:

1.   Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.

2.   Applicant seeks to designate Matador Production Company (OGRID No. 228937) as the operator of the proposed horizontal spacing unit.

3.   Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Emmett 10&9-24S-28E RB #112H** and **Emmett 10&9-24S-28E RB #122H** wells, both to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 10, with a first take point in the SE/4 NE/4 (Unit H) of Section 10 and a last take point in the SW/4 NW/4 (Unit E) of Section 9.

4.   Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject spacing unit.

5.   The pooling of uncommitted mineral owners 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 March 7, 2024, and, after notice and hearing as required by law, the Division enter an order:

A.   Pooling all uncommitted mineral owners in the horizontal spacing unit;

B.   Designating Matador Production Company as operator of this spacing unit and the horizontal wells to be drilled thereon;

C.   Authorizing Applicant to recover its costs of drilling, completing, and equipping the wells;

D.   Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

E.   Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

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Respectfully submitted,

HOLLAND & HART LLP

By:_____

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ATTORNEYS FOR MRC PERMIAN COMPANY

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CASE   :   **Application of MRC Permian Company for Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted mineral owners in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal well spacing unit comprised of the S/2 N/2 of Sections 9 and 10, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. Said unit will be initially dedicated to the proposed **Emmett 10&9-24S-28E RB #112H** and **Emmett 10&9-24S-28E RB #122H** wells, both to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 10, with a first take point in the SE/4 NE/4 (Unit H) of Section 10 and a last take point in the SW/4 NW/4 (Unit E) of Section 9. Also, to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 3 miles south of Loving, New Mexico.