

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

**APPLICATIONS OF FRANKLIN MOUNTAIN  
ENERGY LLC FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO**

**Case Nos. 23659, 23660 & 23661**

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

**Case Nos. 23811, 23812 & 23813**

**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**

**ATTORNEY**

MRC Permian Company

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Franklin Mountain Energy 3, LLC

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## STATEMENT OF THE CASE

In these consolidated cases, MRC seeks to pool standard horizontal well spacing units in the Bone Spring and Wolfcamp formations underlying the W2 of Sections 20 and 29, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico, as follows:

- Under **Case 23811**, MRC seeks to pool a standard 640-acre horizontal well spacing unit in the Bone Spring formation underlying the W/2 of Sections 20 and 29, to be initially dedicated to the proposed **K. Stewart Fed Com 135H**, a proximity tract well;
- Under **Case 23812**, MRC seeks to pool a standard 320-acre horizontal well spacing unit in the Wolfcamp formation underlying the W2W2 of Sections 20 and 29, to be initially dedicated to the proposed **K. Stewart Fed Com 211H**; and.
- Under **Case 23813**, MRC seeks to pool a standard 320-acre horizontal well spacing unit in the Wolfcamp formation underlying the W2W2 of Sections 20 and 29, to be initially dedicated to the proposed **K. Stewart Fed Com 212H**.

MRC's proposed two-mile wells in these formations seek to initially develop the Third Bone Spring and Upper Wolfcamp A intervals, which are also known as the "Wolfbone" reservoir.

Under Cases 23659-23661, Franklin Mountain seeks to create competing Bone Spring and Wolfcamp spacing units that combine MRC's acreage in the W2 of Section 29 with Franklin Mountain's acreage in the W2 of Section 31. MRC 77.88% the W2 of Section 29 (the Overlap Acreage), while Franklin Mountain only owns 3.71% of this Overlap Acreage.

The circumstances presented by these competing pooling cases are similar to those previously addressed by the Division. In Order R-21826, the Division decided competing compulsory pooling cases that involved a similar overlap in proposed spacing units as presented in the current cases. COG proposed spacing units comprised of Sections 3, 10 and 15 for three-mile wells, while WPX proposed competing spacing units comprised of Sections 15 and 22 for two-mile wells, thereby overlapping in Section 15. COG owned most of the working interest in the Section 15 Overlap Acreage, while WPX owned most of the working interest in Section 22.

The Division awarded operations to COG, leaving WPX free to develop Section 22 where it owned most of the interest with one-mile wells. The Division noted the following:

14. These cases involve a particular variation on competing compulsory pooling cases: a partial overlap of proposed spacing units. In two recent cases involving partial overlap, the Commission compared the parties' proposals and focused on which proposal avoids waste by not stranding acreage, which proposal best protects correlative rights "by presenting the best opportunity for each party to develop its own acreage", and which party had the greatest interest in their proposed unit. Marathon Oil Permian LLC, Order R-21416-A (Sept. 17, 2020); Novo Oil & Gas Northern Delaware, LLC, Order R-21420-A (Sept. 17, 2020). In neither case did the Commission's decision rely on the relative strength of the well proposals (location, density, length, etc.).

Order R-21826 at ¶14. With respect to WPX's claim that it had a superior development plan, the Division stated:

15. WPX argues that its well development plan for the Overlap Acreage would result in a significant production advantage over COG's plan. WPX proposes a greater density of wells that are spaced closer together and would develop two vertical horizons (Upper Wolfcamp A and Lower Wolfcamp A) while COG only proposes wells in the Upper Wolfcamp A. COG responds by arguing that its well spacing plan avoids well interference issues and the three-mile laterals will be more efficient. OCD finds that the evidence on competing development plans for the Overlap Acreage is contradictory and insufficient to support one plan over the other.

*Id.* at ¶15. The Division decided in favor of COG, stating: "In the absence of other compelling factors, 'working interest control...should be the controlling factor in awarding operations'". *Id.* at ¶21 (citing Order R-10731-B, ¶ 24).

The Division reached a similar conclusion in a subsequent case involving Chevron and Cimarex. In Order R-22204, the Division again addressed a "particular category of competing compulsory pooling cases which the Commission has recently analyzed: a partial overlap of proposed spacing units." Order R-22204 at ¶22. Cimarex proposed to pool Sections 8, 17 and 20 for three-mile wells while Chevron proposed to pool Sections 17 and 20 for two-mile wells. Chevron had most of the working interest control in the overlap acreage (Sections 17 and 20),

while Cimarex owned all of Section 8. *Id.* at ¶24. After again finding “the evidence on competing development plans to be insufficient to support one plan over the other,” the Division stated:

OCD concludes that, following the Commission’s precedent in analyzing proposed overlapping spacing units, the Chevron applications prevent waste and protect correlative rights by presenting the best opportunity for each party to develop its own acreage. Each party will be left in control of units where they have the significant majority, or the entirety, of the working interest control.

*Id.* at ¶25-¶26.

The evidence will demonstrate that the same conclusion should be reached in this case. Granting MRC’s applications will: “[P]revent waste and protect correlative rights by presenting the best opportunity for each party to develop its own acreage. Each party will be left in control of units where they have the significant majority, or the entirety, of the working interest control.” In addition, the evidence will demonstrate that MRC’s development plan is superior to that proposed by Franklin Mountain for the geologic setting presented in the Overlap Acreage.

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

1. The Franklin Mountain competing pooling cases overlap MRC’s proposed spacing units in the W2 of Section 29, where MRC owns 77.88% of the working interest and Franklin Mountain owns only 3.71% of the working interest in this Overlap Acreage.
2. MRC’s acreage in the W2 of Sections 20 and 29 is part of a large, multi-section area where MRC owns most of the working interests, has submitted and approved development plans, and will be able consolidate roadways and pipeline infrastructure.
3. There are no faults, pinch outs, or other geologic impediments preventing MRC from efficiently and effectively developing the Bone Spring and Wolfcamp formations with the 2-mile horizontal wells under its acreage in the W2 of Sections 20 and 29.
4. Franklin Mountain acquired the state lease covering the W2 of Section 32 in July of 2022.

5. In September of 2022, Franklin Mountain filed the following drilling permits to develop its state acreage in the W2 of Section 32 with one-mile horizontal wells:

- New Yeller State #301H (API 30-025-50540)
- New Yeller State #302H (API 30-025-50541)
- New Yeller State #601H (API 30-025-50542)
- New Yeller State #602H (API 30-025-50543)
- New Yeller State #701H (API 30-025-50544)
- New Yeller State #702H (API 30-025-50545)
- New Yeller State #703H (API 30-025-50546)
- New Yeller State #801H (API 30-025-50547)
- New Yeller State #802H (API 30-025-50548)

These approved permits remain active with the Division.

6. There are no faults, pinch outs, or other geologic impediments preventing Franklin Mountain from efficiently and effectively developing the Bone Spring and Wolfcamp formations with horizontal wells underlying its acreage in the W2 of Section 32.

7. The Bone Spring formation in the subject area is assigned by the Division to the WC-025 G-08 S2535340; Bone Spring Pool (97088) while the Wolfcamp formation is assigned to the Jal; Wolfcamp, West Pool (33813).

### **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 23811, 23812 & 23813

The Compulsory Pooling Checklists for MRC 23811, 23812 & 23813

MRC Exhibit A: Self-affirmed Statement of David Johns, Petroleum Landman

MRC Exhibit B: Self-affirmed Statement of Andrew Parker, Petroleum Geologist

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

MRC Exhibit D: Notice Affidavit for Cases 23811, 23812 & 23813

MRC Exhibit E: Affidavit of Publication for Cases 23811, 23812 & 23813

The qualifications for each witness and the narrative of their direct testimony are contained in the self-affirmed statements filed with this prehearing statement.

**PROCEDURAL MATTERS**

MRC reserves the right to call these or other witnesses to address issues that arise with the filing of additional information.

Respectfully submitted,

HOLLAND & HART LLP

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

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**ATTORNEYS FOR MRC PERMIAN COMPANY**

**CERTIFICATE OF SERVICE**

I hereby certify that on February 8, 2024, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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***Attorneys for Franklin Mountain Energy 3, LLC***



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Michael H. Feldewert

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

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

**CASE NO. 23811**

**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 pooling all uncommitted mineral owners in a standard 640-acre, more or less, horizontal well spacing unit in the Bone Spring formation underlying the W2 of Sections 20 and 29, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico. In support of its application, MRC states:

1. Applicant is a working interest owner in the proposed horizontal well spacing unit and has the right to drill thereon.
2. Applicant seeks to designate Matador Production Company (OGRID No. 228937) as the operator of the proposed horizontal spacing unit.
3. Applicant seeks to initially dedicate the above-referenced horizontal well spacing unit to the proposed **K. Stewart Fed Com 135H** well to be horizontally drilled from a surface hole location in the S2SW4 of Section 29, with a first take point located in the SW4SW4 (Unit M) of Section 29 and a last take point in the NW4NW4 (Unit D) Section 20. The completed interval for this well is expected to remain within 330 feet of the quarter-quarter line to allow the inclusion of the offsetting 40-acre tracts in the proposed 640-acre spacing unit.



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 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 October 5, 2023, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interest owners in the proposed horizontal well spacing unit;
- B. Designating Matador Production Company as operator of this horizontal well spacing unit and the well to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping the well;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

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**ATTORNEYS FOR MRC PERMIAN COMPANY**

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

**Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted mineral owners in a standard 640-acre horizontal well spacing unit in the Bone Spring formation underlying the W2 of Sections 20 and 29, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed **K. Stewart Fed Com 135H** well to be horizontally drilled from a surface hole location in the S2SW4 of Section 29, with a first take point located in the SW4SW4 (Unit M) of Section 29 and a last take point in the NW4NW4 (Unit D) Section 20. The completed interval for this well is expected to remain within 330 feet of the quarter-quarter line to allow the inclusion of the offsetting 40-acre tracts in the proposed 640-acre spacing unit. 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 well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 9 miles northwest of Jal, New Mexico.

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

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

**CASE NO. 23812**

**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 pooling all uncommitted mineral owners in a standard 320-acre, more or less, horizontal well spacing unit in the Wolfcamp formation underlying the W2W2 of Sections 20 and 29, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico. In support of its application, MRC states:

1. Applicant is a working interest owner in the proposed horizontal well spacing unit and has the right to drill thereon.
2. Applicant seeks to designate Matador Production Company (OGRID No. 228937) as the operator of the proposed horizontal spacing unit.
3. Applicant seeks to initially dedicate the above-referenced horizontal well spacing unit to the proposed **K. Stewart Fed Com 211H** well to be horizontally drilled from a surface hole location in the S2SW4 of Section 29, with a first take point in the SW4SW4 (Unit M) of section 29 and a last take point in the NW4NW4 (Unit D) of Section 20.
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 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 October 5, 2023, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interest owners in the proposed horizontal well spacing unit;
- B. Designating Matador Production Company as operator of this horizontal well spacing unit and the well to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping the well;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

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**ATTORNEYS FOR MRC PERMIAN COMPANY**

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

**Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted mineral owners in a standard 320-acre horizontal well spacing unit in the Wolfcamp formation underlying the W2W2 of Sections 20 and 29, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed **K. Stewart Fed Com 211H** well to be horizontally drilled from a surface hole location in the S2SW4 of Section 29, with a first take point in the SW4SW4 (Unit M) of section 29 and a last take point in the NW4NW4 (Unit D) of Section 20. 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 well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 9 miles northwest of Jal, New Mexico.

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

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

**CASE NO. 23813**

**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 pooling all uncommitted mineral owners in a standard 320-acre, more or less, horizontal well spacing unit in the Wolfcamp formation underlying the E2W2 of Sections 20 and 29, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico. In support of its application, MRC states:

1. Applicant is a working interest owner in the proposed horizontal well spacing unit and has the right to drill thereon.
2. Applicant seeks to designate Matador Production Company (OGRID No. 228937) as the operator of the proposed horizontal spacing unit.
3. Applicant seeks to initially dedicate the above-referenced horizontal well spacing unit to the proposed **K. Stewart Fed Com 212H** well to be horizontally drilled from a surface hole location in the S2SW4 of Section 29, with a first take point located in the SE4SW4 (Unit N) of Section 29 and a last take point located in the NE4NW4 (Unit C) of section 20.
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 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 October 5, 2023, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interest owners in the proposed horizontal well spacing unit;
- B. Designating Matador Production Company as operator of this horizontal well spacing unit and the well to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping the well;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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**ATTORNEYS FOR MRC PERMIAN COMPANY**

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


**Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted mineral owners in a standard 320-acre horizontal well spacing unit in the Wolfcamp formation underlying the E2W2 of Sections 20 and 29, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed **K. Stewart Fed Com 212H** well to be horizontally drilled from a surface hole location in the S2SW4 of Section 29, with a first take point located in the SE4SW4 (Unit N) of Section 29 and a last take point located in the NE4NW4 (Unit C) of section 20. 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 well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 9 miles northwest of Jal, New Mexico.

# REVISED COMPULSORY POOLING APPLICATION CHECKLIST

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

Case: 23811	APPLICANT'S RESPONSE
Date	February 15, 2024
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 COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	Franklin Mountain Energy, LLC
Well Family	K. Stewart
<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:	WC-025 G-08 S2535340; Bone Spring Pool (97088)
Well Location Setback Rules:	Statewide oil rules
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640-acres
Building Blocks:	40 acres
Orientation:	South-North
Description: TRS/County	W2 of Sections 20 and 29, Township 24 South, Range 36 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	Yes, E2W2 of Sections 20 and 29
Proximity Defining Well: if yes, description	K. Stewart Fed Com 135H
Applicant's Ownership in Each Tract	Exhibit A-3
<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>K. Stewart Fed Com 135H (API pending)</b> <b>SHL: 270' FSL &amp; 1165' FWL (Unit M) of Section 29</b> <b>BHL: 110' FNL &amp; 1310' FWL (Unit D) of Section 20</b> <b>Target: Bone Spring</b> <b>Orientation: South-North</b> <b>Completion: Standard Location</b>
Horizontal Well First and Last Take Points	<b>Exhibit A-1</b>
Completion Target (Formation, TVD and MD)	<b>Exhibit A-4</b>
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	<b>\$8,000</b>
Production Supervision/Month \$	<b>\$800</b>
Justification for Supervision Costs	<b>Exhibit A</b>
Requested Risk Charge	<b>200%</b>
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	<b>See Application</b>
Proof of Mailed Notice of Hearing (20 days before hearing)	<b>Exhibit D</b>
Proof of Published Notice of Hearing (10 days before hearing)	<b>Exhibit E</b>
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	<b>Exhibit A-2</b>
Tract List (including lease numbers and owners)	<b>Exhibit A-2</b>
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	<b>N/A</b>
Pooled Parties (including ownership type)	<b>Exhibit A-3</b>
Unlocatable Parties to be Pooled	<b>N/A</b>
Ownership Depth Severance (including percentage above & below)	<b>N/A</b>
<b>Joinder</b>	
Sample Copy of Proposal Letter	<b>Exhibit A-4</b>
List of Interest Owners (ie Exhibit A of JOA)	<b>Exhibit A-3</b>
Chronology of Contact with Non-Joined Working Interests	<b>Exhibit A-5</b>
Overhead Rates In Proposal Letter	<b>Exhibit A-4</b>
Cost Estimate to Drill and Complete	<b>Exhibit A-4</b>
Cost Estimate to Equip Well	<b>Exhibit A-4</b>
Cost Estimate for Production Facilities	<b>Exhibit A-4</b>
<b>Geology</b>	
Summary (including special considerations)	<b>Exhibit B</b>
Spacing Unit Schematic	<b>Exhibit B-2</b>
Gunbarrel/Lateral Trajectory Schematic	<b>Exhibit B-2</b>
Well Orientation (with rationale)	<b>Exhibit B</b>
Target Formation	<b>Exhibit B, B-3</b>

HSU Cross Section	Exhibit B-2
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit A-1
Tracts	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
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	
<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>	2/8/2024


# REVISED COMPULSORY POOLING APPLICATION CHECKLIST

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

Case: 23812	APPLICANT'S RESPONSE
Date	February 15, 2024
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 COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	Franklin Mountain Energy, LLC
Well Family	K. Stewart
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	JAL; Wolfcamp, West Pool (33813)
Well Location Setback Rules:	Statewide oil rules
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acres
Building Blocks:	40 acres
Orientation:	South-North
Description: TRS/County	W2W2 of Sections 20 and 29, Township 24 South, Range 36 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-3
<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>K. Stewart Fed Com 211H (API pending)</b> <b>SHL: 270' FSL &amp; 1135' FWL (Unit M) of Section 29</b> <b>BHL: 110' FNL &amp; 330' FWL (Unit D) of Section 20</b> <b>Target: Wolfcamp</b> <b>Orientation: South-North</b> <b>Completion: Standard Location</b>
Horizontal Well First and Last Take Points	<b>Exhibit A-1</b>
Completion Target (Formation, TVD and MD)	<b>Exhibit A-4</b>
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	<b>\$8,000</b>
Production Supervision/Month \$	<b>\$800</b>
Justification for Supervision Costs	<b>Exhibit A</b>
Requested Risk Charge	<b>200%</b>
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	<b>See Application</b>
Proof of Mailed Notice of Hearing (20 days before hearing)	<b>Exhibit D</b>
Proof of Published Notice of Hearing (10 days before hearing)	<b>Exhibit E</b>
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	<b>Exhibit A-2</b>
Tract List (including lease numbers and owners)	<b>Exhibit A-2</b>
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	<b>N/A</b>
Pooled Parties (including ownership type)	<b>Exhibit A-3</b>
Unlocatable Parties to be Pooled	<b>N/A</b>
Ownership Depth Severance (including percentage above & below)	<b>N/A</b>
<b>Joinder</b>	
Sample Copy of Proposal Letter	<b>Exhibit A-4</b>
List of Interest Owners (ie Exhibit A of JOA)	<b>Exhibit A-3</b>
Chronology of Contact with Non-Joined Working Interests	<b>Exhibit A-5</b>
Overhead Rates In Proposal Letter	<b>Exhibit A-4</b>
Cost Estimate to Drill and Complete	<b>Exhibit A-4</b>
Cost Estimate to Equip Well	<b>Exhibit A-4</b>
Cost Estimate for Production Facilities	<b>Exhibit A-4</b>
<b>Geology</b>	
Summary (including special considerations)	<b>Exhibit B</b>
Spacing Unit Schematic	<b>Exhibit B-4</b>
Gunbarrel/Lateral Trajectory Schematic	<b>Exhibit B-4</b>
Well Orientation (with rationale)	<b>Exhibit B</b>
Target Formation	<b>Exhibit B, B-5</b>




HSU Cross Section	Exhibit B-5
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit A-1
Tracts	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit A-2
Structure Contour Map - Subsea Depth	Exhibit B-4
Cross Section Location Map (including wells)	Exhibit B-4
Cross Section (including Landing Zone)	Exhibit B-5
<b>Additional Information</b>	
Special Provisions/Stipulations	
<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>	2/8/2024

# REVISED COMPULSORY POOLING APPLICATION CHECKLIST

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

Case: 23813	APPLICANT'S RESPONSE
Date	February 15, 2024
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 COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	Franklin Mountain Energy, LLC
Well Family	K. Stewart
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	JAL; Wolfcamp, West Pool (33813)
Well Location Setback Rules:	Statewide oil rules
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acres
Building Blocks:	40 acres
Orientation:	South-North
Description: TRS/County	E2W2 of Sections 20 and 29, Township 24 South, Range 36 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-3
<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>K. Stewart Fed Com 212H (API pending)</b> <b>SHL: 240' FSL &amp; 1135' FWL (Unit M) of Section 29</b> <b>BHL: 110' FNL &amp; 2310' FWL (Unit C) of Section 20</b> <b>Target: Wolfcamp</b> <b>Orientation: South-North</b> <b>Completion: Standard Location</b>
Horizontal Well First and Last Take Points	<b>Exhibit A-1</b>
Completion Target (Formation, TVD and MD)	<b>Exhibit A-4</b>
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	<b>\$8,000</b>
Production Supervision/Month \$	<b>\$800</b>
Justification for Supervision Costs	<b>Exhibit A</b>
Requested Risk Charge	<b>200%</b>
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	<b>See Application</b>
Proof of Mailed Notice of Hearing (20 days before hearing)	<b>Exhibit D</b>
Proof of Published Notice of Hearing (10 days before hearing)	<b>Exhibit E</b>
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	<b>Exhibit A-2</b>
Tract List (including lease numbers and owners)	<b>Exhibit A-2</b>
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	<b>N/A</b>
Pooled Parties (including ownership type)	<b>Exhibit A-3</b>
Unlocatable Parties to be Pooled	<b>N/A</b>
Ownership Depth Severance (including percentage above & below)	<b>N/A</b>
<b>Joinder</b>	
Sample Copy of Proposal Letter	<b>Exhibit A-4</b>
List of Interest Owners (ie Exhibit A of JOA)	<b>Exhibit A-3</b>
Chronology of Contact with Non-Joined Working Interests	<b>Exhibit A-5</b>
Overhead Rates In Proposal Letter	<b>Exhibit A-4</b>
Cost Estimate to Drill and Complete	<b>Exhibit A-4</b>
Cost Estimate to Equip Well	<b>Exhibit A-4</b>
Cost Estimate for Production Facilities	<b>Exhibit A-4</b>
<b>Geology</b>	
Summary (including special considerations)	<b>Exhibit B</b>
Spacing Unit Schematic	<b>Exhibit B-1</b>
Gunbarrel/Lateral Trajectory Schematic	<b>Exhibit B-4</b>
Well Orientation (with rationale)	<b>Exhibit B</b>
Target Formation	<b>Exhibit B, B-5</b>

HSU Cross Section	Exhibit B-5
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit A-1
Tracts	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit A-2
Structure Contour Map - Subsea Depth	Exhibit B-4
Cross Section Location Map (including wells)	Exhibit B-4
Cross Section (including Landing Zone)	Exhibit B-5
<b>Additional Information</b>	
Special Provisions/Stipulations	
<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>	2/8/2024

**SELF-AFFIRMED STATEMENT OF DAVID JOHNS, LANDMAN**

1. My name is David Johns and I work for MRC Energy Company, an affiliate of MRC Permian Company (“MRC”), as an Area Land Manager.

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 and Wolfcamp formations underlying the W/2 of Sections 20 and 29, Township 24 South, Range 36 East, Lea County, New Mexico, as follows:

- Under **Case 23811**, MRC seeks to pool a standard 640-acre horizontal spacing unit in the Bone Spring formation underlying the W/2 of Sections 20 and 29, for the proposed **K. Stewart Fed Com 135H**. The completed interval for the **K. Stewart Fed Com 135H** is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal spacing unit under 19.15.16.15.B(1)(b) NMAC.
- Under **Case 23812**, MRC seeks to pool a standard 320-acre horizontal spacing unit in the Wolfcamp formation underlying the W/2 W/2 of Sections 20 and 29, for the proposed **K. Stewart Fed Com 211H**.
- Under **Case 23813**, MRC seeks to pool a standard 320-acre horizontal spacing unit in the Wolfcamp formation underlying the E/2 W/2 of Sections 20 and 29, for the proposed **K. Stewart Fed Com 212H**.

5. There are no ownership depth severances in either the Bone Spring or the Wolfcamp formations underlying the subject acreage.

6. **MRC Exhibit A-1** contains draft Form C-102 for the MRC initial wells in the subject acreage in numerical order starting with the Bone Spring formation. Matador understands the Bone Spring wells will be placed in the WC-025 G-08 S253524O; Bone Spring [97088] pool and that the Wolfcamp wells will be placed in the Jal; Wolfcamp, West [33813] pool.

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

8. **MRC Exhibit A-2** identifies the tracts of land comprising the subject acreage, which is comprised of fee and federal tracts.

9. **MRC Exhibit A-3** 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. Exhibit A-3 also contains a list of the overriding royalty interest owners that MRC seeks to pool for Federal lease number NMNM 12850.

10. As indicated in **Exhibit A-3**, Matador owns (i) a 82.6882% working interest in Case No. 23813 for our W/2 Bone Spring spacing unit, (ii) a 78.6506% working interest in Case No. 23811 for our W/2 W/2 Wolfcamp spacing unit, and (iii) a 86.7258% working interest in Case No. 23812 for our E/2 W/2 Wolfcamp spacing unit.

11. **MRC Exhibit A-4** contains a sample of the current well proposal letters and AFEs for the proposed wells that were sent to the working interest owners. 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.

12. 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.

13. **MRC Exhibit A-5** contains a general summary of the communications with each of the remaining uncommitted working interest owners. In addition to sending the well proposal letters, MRC has attempted to contact each of the working interest owners it seeks to pool for whom we have been able to find contact information and undertaken good faith efforts to reach a voluntary agreement.

14. 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. 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. After engaging in these efforts, MRC has been unable to locate the Roy D. Benningfield Family Revocable Trust dtd 9/16/1996 or Billy G. Morris, but we are continuing our efforts to locate those interest owners.

#### **MRC's Significant Working Interest Ownership**

15. The spacing units proposed by Franklin Mountain in competing Cases 23659-23661 seek to create competing Bone Spring and Wolfcamp spacing units that combine MRC's acreage in the W/2 of Section 29 with Franklin Mountain's acreage in the W/2 of Section 32. **MRC Exhibit A-6** is a map showing the competing development and the ownership breakdown between the three sections involved. As shown in MRC Exhibit A-6, MRC owns 77.88% of the W/2 of Section 29 (the Overlap Acreage), while Franklin Mountain owns only 3.71% of this

Overlap Acreage. The W/2 of Section 29 is comprised of one federal lease and also fee acreage. MRC Permian Company is the record title owner of the federal lease in the W/2 of Section 29.

16. The reason for this disparity in working interest percentages is due in part to MRC's significant efforts to acquire and develop the acreage in the K. Stewart and surrounding areas for many years.

17. **MRC Exhibit A-7** is a map showing the various MRC projects in the immediately adjacent area and the status of permitting, force pooling, and drilling of those projects. As shown on **Exhibit A-7**, the acreage at issue in these consolidated cases is in the middle of a large area that MRC has been preparing for development for years, and is an area where MRC has significant working interest, has obtained pooling orders, and where MRC has received or expects to soon receive approved federal APDs. We have already started drilling two of these projects, and plan to start drilling the other projects soon after receiving approved federal APDs.

18. The approval of MRC's pooling applications for the K. Stewart wells will allow MRC to continue the efficient development of this area and the option to utilize the same gathering systems for oil, gas and water that MRC has planned for the immediately adjacent projects. MRC already has a surface use agreement with the fee surface owner for the K. Stewart project.

19. **MRC Exhibit A-8** is a map generally depicting the planned pad layouts in these various Matador projects and contemplated gas gathering lines. In my opinion, it would not be efficient for Franklin Mountain to operate one 640-acre spacing unit in the middle of these other MRC projects.



20. MRC has begun working on federal permitting of MRC's proposed initial K. Stewart wells and plans to drill such initial wells soon after receiving pooling orders and approved federal APDs. MRC has drilled a significant number of federal wells, has a Federal team within the Company experienced with filing for federal APDs, and we are confident that we will be able to get the project ready to drill within the term of the approved pooling orders should MRC applications be granted.

#### **Franklin Mountain Rejected Options for Longer Laterals**

21. MRC originally acquired the bulk of our leasehold interest in the K. Stewart project in 2018. At that time, the W/2 of Section 32 was an unleased state tract. Accordingly, on December 27, 2021, MRC sent initial proposals for two-mile development in the W/2 of Sections 20 and 29.

22. Later, in July 2022, Franklin Mountain acquired the lease on the previously-unleased state tract in the W/2 of Section 32. On August 9, 2022, MRC proposed wells for 3-mile development in the W/2 of Sections 20, 29, and 32 (a copy of which is enclosed as **MRC Exhibit A-9**), which would have allowed Franklin Mountain to have its new lease included in longer 3-mile development.

23. In my discussions with Franklin Mountain's landman, Lee Zink, however, he told me that Franklin Mountain did not want to be included in the proposed three-mile development and that Franklin Mountain would develop its acreage in the W/2 of Section 32 using one-mile laterals.

24. Consistent with what Mr. Zink told me, the NMOCD website reflects that in September 2022, Franklin Mountain filed for 9 drilling permits for their stated preferred one-mile

laterals in the W/2 of Section 32, which permits show on the NMOCD website as still being approved and still being active permits, as follows:

- New Yeller State #301H (API 30-025-50540)
- New Yeller State #302H (API 30-025-50541)
- New Yeller State #601H (API 30-025-50542)
- New Yeller State #602H (API 30-025-50543)
- New Yeller State #701H (API 30-025-50544)
- New Yeller State #702H (API 30-025-50545)
- New Yeller State #703H (API 30-025-50546)
- New Yeller State #801H (API 30-025-50547)
- New Yeller State #802H (API 30-025-50548)

An excerpt from each of these approved drilling permits is attached as **MRC Exhibit 10** for reference.

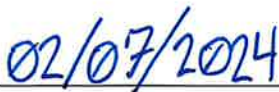
25. Franklin Mountain apparently later changed its mind about its stated preference to develop its Section 32 acreage with one-mile laterals, and proposed its current two-mile New Yeller wells in May 2023 that seek to include MRC's acreage in the W/2 of Section 29.

26. Because Franklin Mountain had told me that it did not want to be included in MRC's proposed three-mile laterals (and had filed for its permits for one-mile laterals), MRC re-proposed its two-mile wells that are the subject of the current cases, as referenced above and enclosed as **MRC Exhibit A4**.

27. **MRC Exhibits A-1 through A-10** were either prepared by me or compiled under my direction and supervision.

28. 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.

  
\_\_\_\_\_  
David Johns

  
\_\_\_\_\_  
Date

# **Exhibit A-1**

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A-1  
Submitted by: Matador Production Company  
Hearing Date: February 15, 2024  
Case Nos. 23811-23813**

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

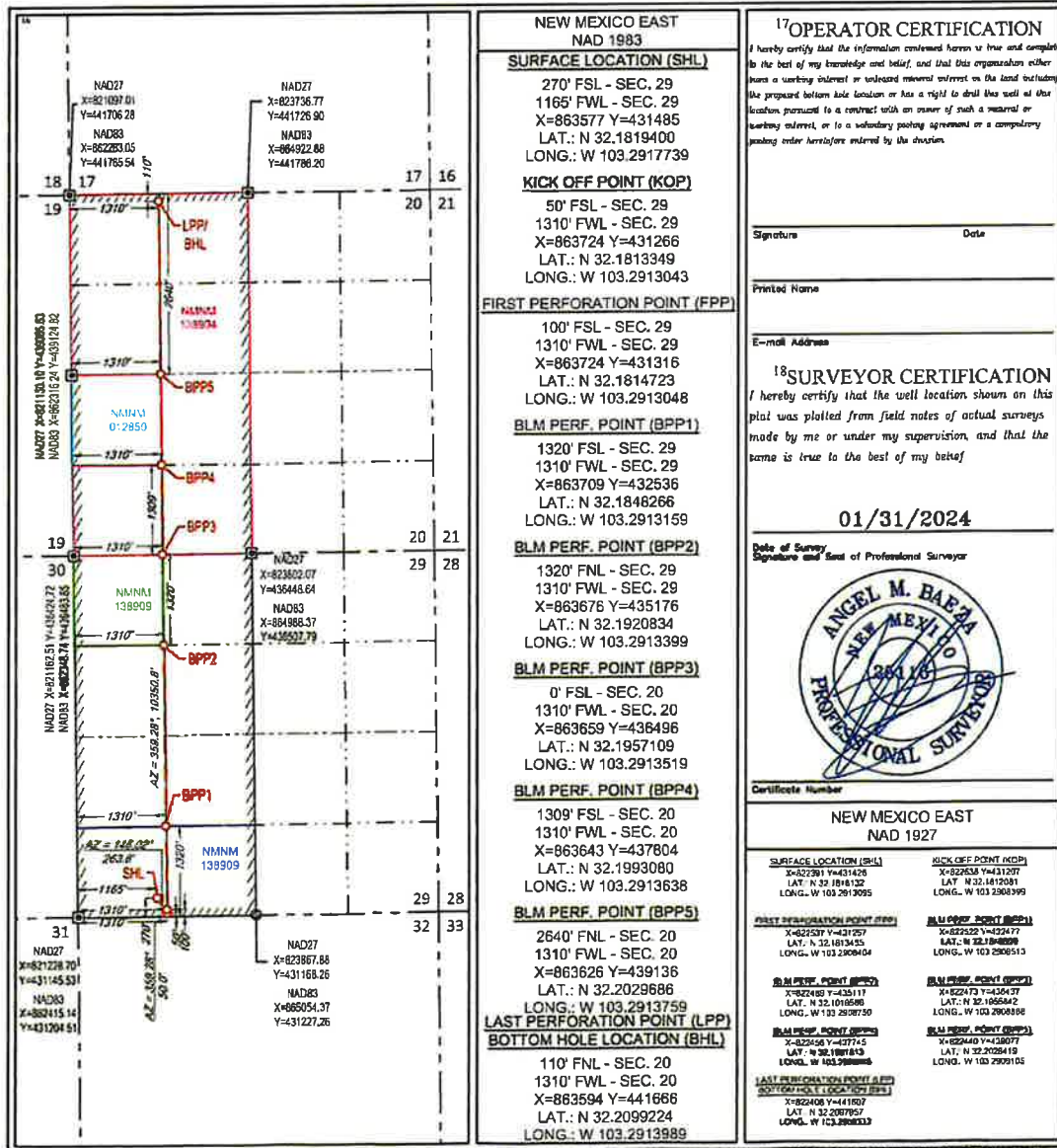
<sup>1</sup> API Number	<sup>2</sup> Pool Code	<sup>3</sup> Pool Name
	97088	WC-025 G-08 S2535240; Bone Springs
<sup>4</sup> Property Code	<sup>5</sup> Property Name	<sup>6</sup> Well Number
	K STEWART FED COM	135H
<sup>7</sup> OGRID No.	<sup>8</sup> Operator Name	<sup>9</sup> Elevation
228937	MATADOR PRODUCTION COMPANY	3313'

<sup>10</sup> Surface Location									
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
M	29	24-S	36-E	-	270'	SOUTH	1165'	WEST	LEA

<sup>11</sup> Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
D	20	24-S	36-E	-	110'	NORTH	1310'	WEST	LEA

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
640			

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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State of New Mexico  
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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 33813	<sup>3</sup> Pool Name Jal; Wolfcamp, West
<sup>4</sup> Property Code	<sup>5</sup> Property Name K STEWART FED COM	<sup>6</sup> Well Number 211H
<sup>7</sup> OGRID No. 228937	<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY	<sup>9</sup> Elevation 3313'

<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
M	29	24-S	36-E	-	270'	SOUTH	1135'	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
D	20	24-S	36-E	-	110'	NORTH	330'	WEST	LEA

<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Intest 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)**  
270' FSL - SEC. 29  
1135' FWL - SEC. 29  
X=863547 Y=431484  
LAT.: N 32.1819401  
LONG.: W 103.2918709

**KICK OFF POINT (KOP)**  
50' FSL - SEC. 29  
330' FWL - SEC. 29  
X=862745 Y=431257  
LAT.: N 32.1813377  
LONG.: W 103.2944711

**FIRST PERFORATION POINT (FPP)**  
100' FSL - SEC. 29  
330' FWL - SEC. 29  
X=862744 Y=431307  
LAT.: N 32.1814752  
LONG.: W 103.2944716

**BLM PERF. POINT (BPP1)**  
1320' FSL - SEC. 29  
330' FWL - SEC. 29  
X=862729 Y=432527  
LAT.: N 32.1848266  
LONG.: W 103.2944828

**BLM PERF. POINT (BPP2)**  
1320' FNL - SEC. 29  
330' FWL - SEC. 29  
X=862696 Y=435167  
LAT.: N 32.1920847  
LONG.: W 103.2945071

**BLM PERF. POINT (BPP3)**  
0' FSL - SEC. 20  
331' FWL - SEC. 20  
X=862679 Y=436487  
LAT.: N 32.1957126  
LONG.: W 103.2945192

**BLM PERF. POINT (BPP4)**  
1318' FSL - SEC. 20  
330' FWL - SEC. 20  
X=862663 Y=437604  
LAT.: N 32.1993341  
LONG.: W 103.2945313

**BLM PERF. POINT (BPP5)**  
2641' FNL - SEC. 20  
330' FWL - SEC. 20  
X=862648 Y=439128  
LAT.: N 32.2029716  
LONG.: W 103.2945435

**LAST PERFORATION POINT (LPP)**  
**BOTTOM HOLE LOCATION (BHL)**  
110' FNL - SEC. 20  
330' FWL - SEC. 20  
X=862615 Y=441858  
LAT.: N 32.2099274  
LONG.: W 103.2945667

**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 undivided 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: \_\_\_\_\_

**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 to the best of my belief.

01/31/2024

Date of Survey  
Signature and Seal of Professional Surveyor

Certificate Number

NEW MEXICO EAST  
NAD 1927

<b>SURFACE LOCATION (SHL)</b> X=862361 Y=431425 LAT.: N 32.1819323 LONG.: W 103.2914884	<b>KICK OFF POINT (KOP)</b> X=871858 Y=431198 LAT.: N 32.1910110 LONG.: W 103.2940056
<b>FIRST PERFORATION POINT (FPP)</b> X=821568 Y=431371 LAT.: N 32.1813484 LONG.: W 103.2945070	<b>BLM PERF. POINT (BPP1)</b> X=821562 Y=432558 LAT.: N 32.1847018 LONG.: W 103.2940181
<b>BLM PERF. POINT (BPP2)</b> X=821568 Y=435159 LAT.: N 32.1919762 LONG.: W 103.2945020	<b>BLM PERF. POINT (BPP3)</b> X=821623 Y=435278 LAT.: N 32.1955859 LONG.: W 103.2940540
<b>BLM PERF. POINT (BPP4)</b> X=821777 Y=437743 LAT.: N 32.1992074 LONG.: W 103.2940038	<b>BLM PERF. POINT (BPP5)</b> X=821803 Y=438268 LAT.: N 32.2028419 LONG.: W 103.2940778
<b>LAST PERFORATION POINT (LPP)</b> X=821429 Y=441559 LAT.: N 32.2099208 LONG.: W 103.2940038	

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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

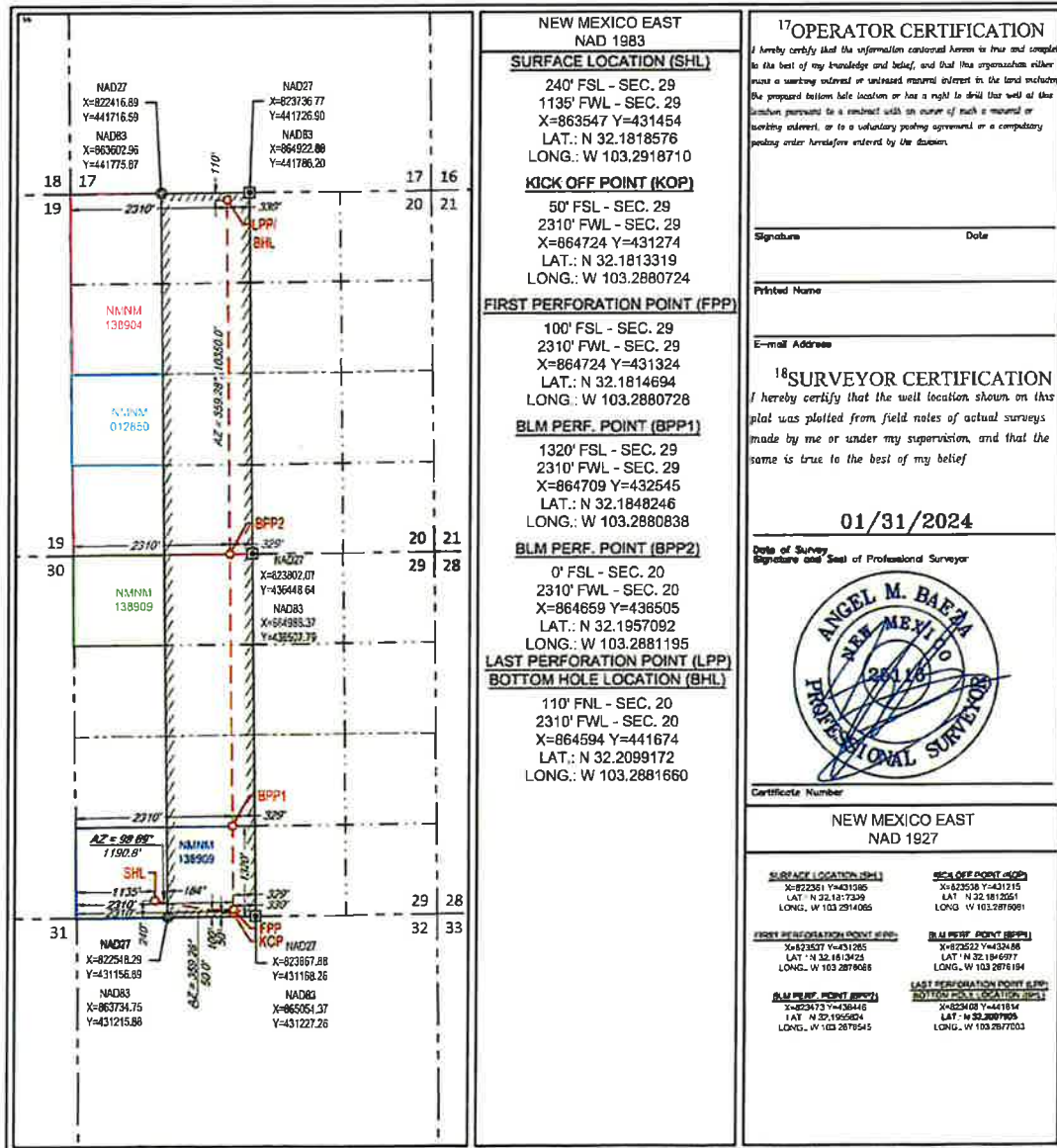
FORM C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number		<sup>2</sup> Pool Code <b>33813</b>		<sup>3</sup> Pool Name <b>Jal; Wolfcamp, West</b>					
<sup>4</sup> Property Code		<sup>5</sup> Property Name <b>K STEWART FED COM</b>		<sup>6</sup> Well Number <b>212H</b>					
<sup>7</sup> OGRID No. <b>228937</b>		<sup>8</sup> Operator Name <b>MATADOR PRODUCTION COMPANY</b>		<sup>9</sup> Elevation <b>3311'</b>					
<sup>10</sup> Surface Location									
UL or lot no. <b>M</b>	Section <b>29</b>	Township <b>24-S</b>	Range <b>36-E</b>	Lot Ids <b>-</b>	Feet from the <b>240'</b>	North/South line <b>SOUTH</b>	Feet from the <b>1135'</b>	East/West line <b>WEST</b>	County <b>LEA</b>
<sup>11</sup> Bottom Hole Location If Different From Surface									
UL or lot no. <b>C</b>	Section <b>20</b>	Township <b>24-S</b>	Range <b>36-E</b>	Lot Ids <b>-</b>	Feet from the <b>110'</b>	North/South line <b>NORTH</b>	Feet from the <b>2310'</b>	East/West line <b>WEST</b>	County <b>LEA</b>
<sup>12</sup> Dedicated Acres <b>320</b>		<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.

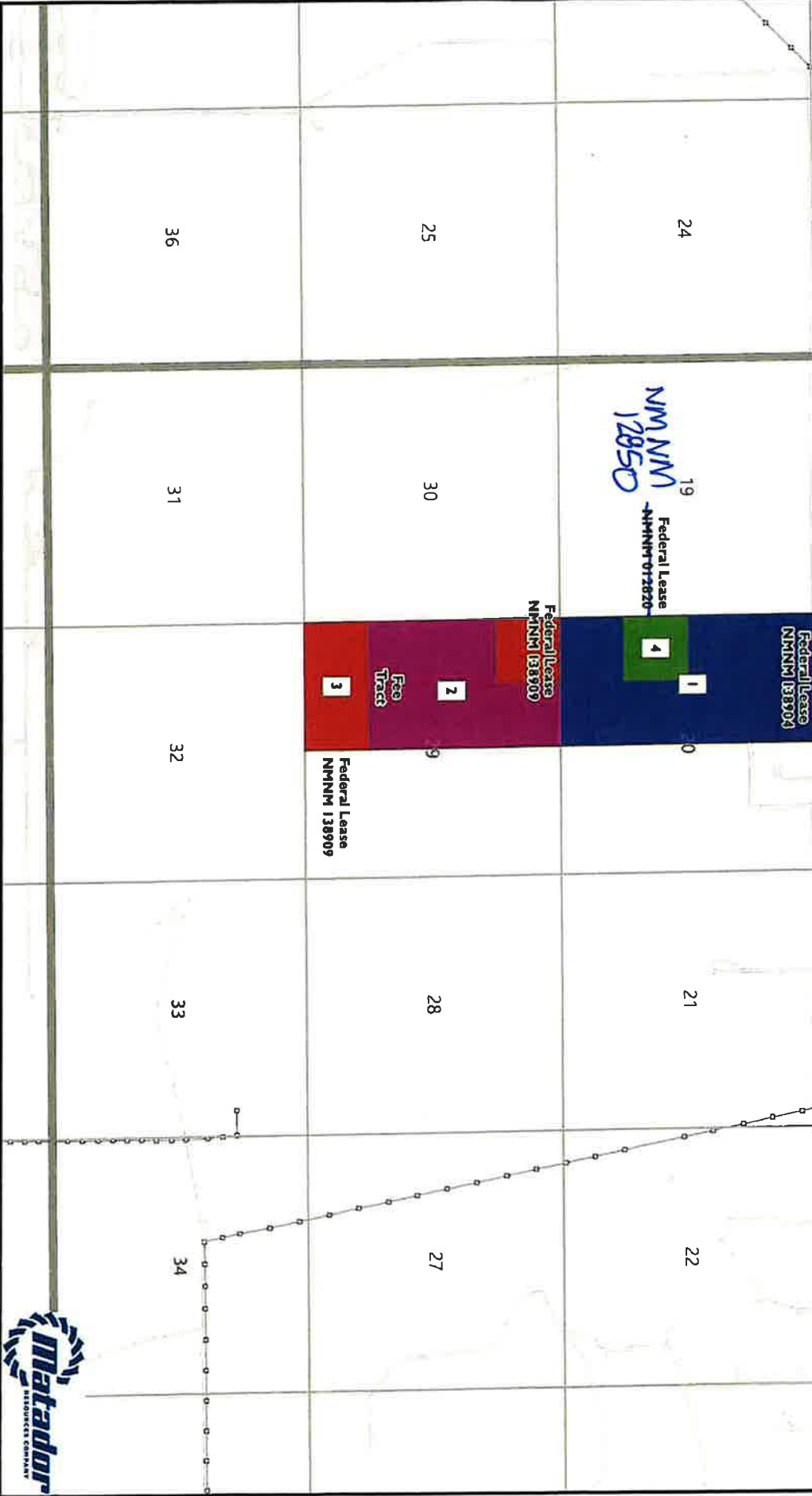


# **Exhibit A-2**





**K. Stewart - W2 BSP**  
 Date Published: 2/6/2024



NMNM  
 12850  
 Federal Lease  
 NMNM 012820

Federal Lease  
 NMNM 138909

Federal Lease  
 NMNM 138904

Fee  
 Tract

Federal Lease  
 NMNM 138909



**1:36,000**  
 1 inch equals 3,000 feet



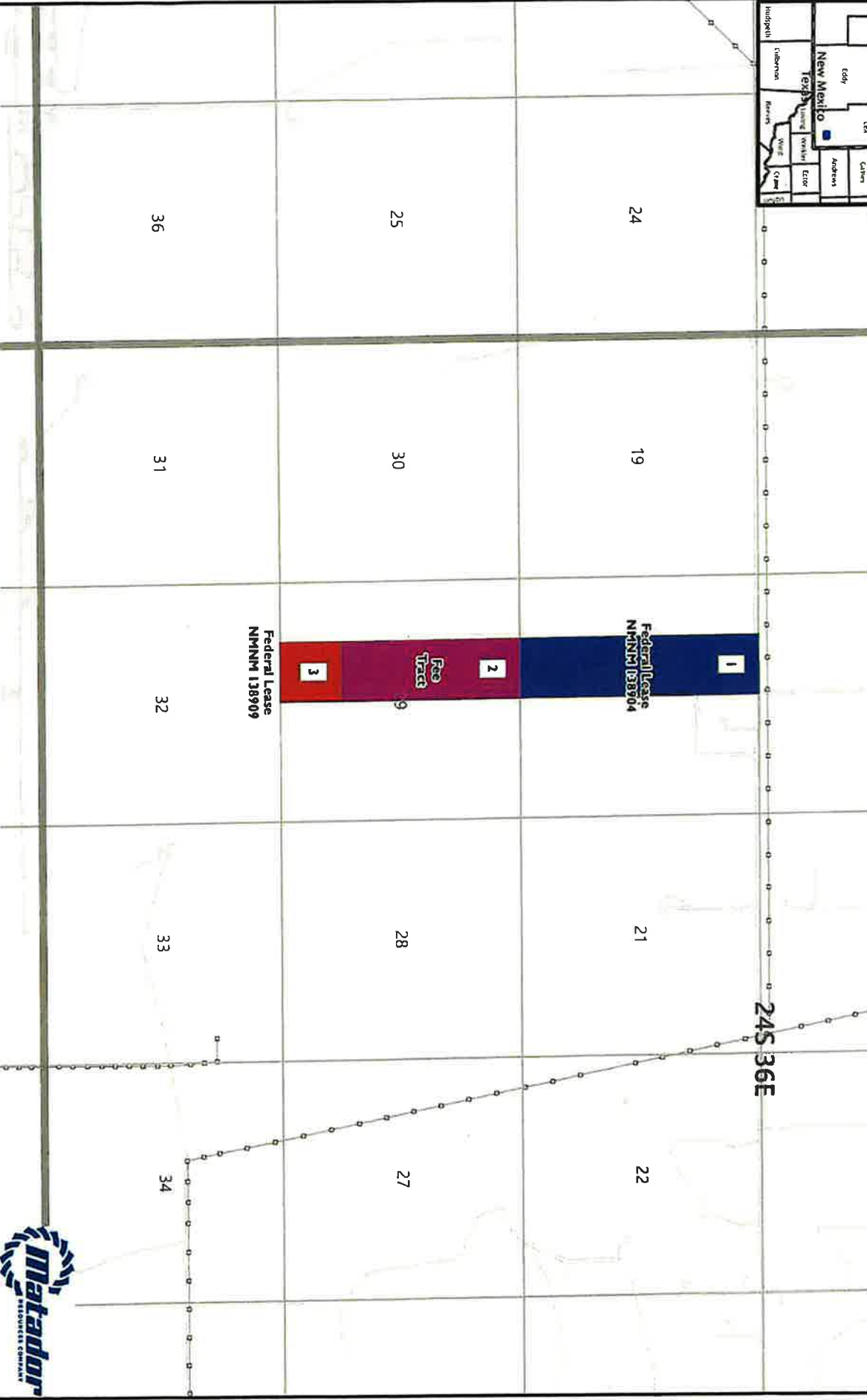
Map Prepared by: Bindings  
 Date: February 6, 2024  
 Project: VIGN/Verdant/Industrials-temp/Projects/Stewart/Stewart.spr  
 Spatial Reference: NAD 1983 StatePlane New Mexico East FIPS 3001 Feet  
 Sources: IHS, ESRI, US DOI BLM, Corridor, NM Field Office, GIS Department,  
 Texas Cooperative Wildlife Collection, Texas A&M University,  
 United States Census Bureau (TIGER)





# K. Stewart - E2W2 WCP

Date Published: 2/6/2024



GIS Standard Map Symbols:  
 The map symbols are used to represent the following:  
 - Blue: Water  
 - Green: Forest  
 - Yellow: Pasture  
 - Brown: Bare Ground  
 - Grey: Urban  
 - Black: Road  
 - Red: Boundary  
 - White: Unlabeled Area

**1:36,000**  
 1 inch equals 3,000 feet



Map Prepared by: Hudgins  
 Date: February 6, 2024  
 Project: WGSUBAData\Hudgins-1\map\gcs\KStewart\KStewart.aprx  
 Spatial Reference: NAD 1983 StatePlane New Mexico East FIPS 3001 Feet  
 Source: HSE, 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-3**

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A-3  
Submitted by: Matador Production Company  
Hearing Date: February 15, 2024  
Case Nos. 23811-23813**

<b>K. Stewart W2 Bone Spring (Case 23811)</b>			
Summary of Interests			
Matador Working Interest (Tracts 1, 2 and 3)			82.6882%
Compulsory Pool Interest			17.3118%
<b>Interest Owners:</b>	<b>Description:</b>	<b>Tract:</b>	<b>Interest:</b>
Wellbark Resources LLC*	Uncommitted WI Owner	2	2.6042%
Royalty Holding Co.*	Uncommitted WI Owner	2	0.9766%
Gulf Coast Western LLC*	Uncommitted WI Owner	2 & 4	11.4583%
The Roy D. Benningfield Family Revocable Trust dtd 9/16/1996*	Unleased MI Owner	2	0.0698%
Jeff Martin and wife Karen Martin*	Unleased MI Owner	2	0.0697%
Afton Lee Gille*	Unleased MI Owner	2	0.0698%
Franklin Mountain Energy LLC*	Uncommitted WI Owner	2	1.8537%
Rockwood Resources LLC*	Uncommitted WI Owner	2	0.1953%
Billy G. Morris*	Unleased MI Owner	2	0.0087%
Heirs of Jewel Don Bray*	Unleased MI Owner	2	0.0029%
Heirs of Charles Bray*	Unleased MI Owner	2	0.0029%
Bryan Bell Family LLC*	ORRI	4	-
MLE LLC*	ORRI	4	-
The Lisa M. Enfield Trust dtd 1/23/2015*	ORRI	4	-
The Robert N. Enfield Irrevocable Trust B*	ORRI	4	-
DMA Inc.*	ORRI	4	-
Charmer LLC*	ORRI	4	-
Richard C. Deason*	ORRI	4	-
Thomas D. Deason*	ORRI	4	-
The Ronald H. Mayer & Martha M. Mayer Revocable Trust dtd 3/19/1990*	ORRI	4	-
SAP LLC*	ORRI	4	-
Mountain Lion Oil & Gas LLC*	ORRI	4	-
G.W. Hannett*	ORRI	4	-
Penasco Petroleum LLC*	ORRI	4	-
Rolla R. Hinkle, III*	ORRI	4	-
Justin T. Crum*	ORRI	4	-
LuAnn Youngman*	ORRI	4	-
Legat LLC*	ORRI	4	-
Jimmie Eden Jr. Trust*	ORRI	4	-
Larry Bond Living Trust dtd 5/14/2015*	ORRI	4	-
John F. Special*	ORRI	4	-
Milagro Resources LP*	ORRI	4	-
Marjam Energy LLC*	ORRI	4	-
The McDaniel Company Inc*	ORRI	4	-
FAE II LLC*	ORRI	4	-

MRC is seeking to pool each party denoted with an \*

<b>K. Stewart W2 W2 (WCP) (Case 23812)</b>			
<b>Summary of Interests</b>			
Matador Working Interest (Tracts 1, 2 and 3)		78.6506%	
Compulsory Pool Interest		21.3494%	
<b>Interest Owners:</b>	<b>Description:</b>	<b>Tract:</b>	<b>Interest:</b>
Gulf Coast Western LLC*	Uncommitted WI Owner	2 & 4	16.6667%
Royalty Holding Corp.*	Unleased MI Owner	2	0.7813%
Afton Lee Gille*	Unleased MI Owner	2	0.0558%
Jeff Martin and,wife Karen Martin*	Unleased MI Owner	2	0.0558%
Franklin Mountain Energy LLC*	Uncommitted WI Owner	2	1.4830%
The Roy D. Benningfield Family Revocable Trust dtd 9/16/1996*	Uncommitted MI Owner	2	0.0558%
Billy G. Morris*	Uncommitted MI Owner	2	0.0070%
Wellbark Resources LLC*	Uncommitted WI Owner	2	2.0833%
Rockwood Resources LLC*	Uncommitted WI Owner	2	0.1563%
Heirs of Jewel Don Bray*	Unleased MI Owner	2	0.0023%
Heirs of Charles Bray*	Unleased MI Owner	2	0.0023%
Bryan Bell Family LLC*	ORRI	4	-
MLE LLC*	ORRI	4	-
The Lisa M. Enfield Trust dtd 1/23/2015*	ORRI	4	-
The Robert N. Enfield Irrevocable Trust B*	ORRI	4	-
DMA Inc.*	ORRI	4	-
Charmer LLC*	ORRI	4	-
Richard C. Deason*	ORRI	4	-
Thomas D. Deason*	ORRI	4	-
The Ronald H. Mayer & Martha M. Mayer Revocable Trust dtd 3/19/1990*	ORRI	4	-
SAP LLC*	ORRI	4	-
Mountain Lion Oil & Gas LLC*	ORRI	4	-
G.W. Hannett*	ORRI	4	-
Penasco Petroleum LLC*	ORRI	4	-
Rolla R. Hinkle, III*	ORRI	4	-
Justin T. Crum*	ORRI	4	-
LuAnn Youngman*	ORRI	4	-
Legat LLC*	ORRI	4	-
Jimmie Eden Jr. Trust*	ORRI	4	-
Larry Bond Living Trust dtd 5/14/2015*	ORRI	4	-
John F. Special*	ORRI	4	-
Milagro Resources LP*	ORRI	4	-
Marjam Energy LLC*	ORRI	4	-
The McDaniel Company Inc*	ORRI	4	-
FAE II LLC*	ORRI	4	-

\*MRC is seeking to pool each party denoted with an \*

<b>K. Stewart E2 W2 (WCP) (Case 23813)</b>			
Summary of Interests			
Matador Working Interest (Tracts 1, 2 and 3)		86.7258%	
Compulsory Pool Interest		13.2742%	
<b>Interest Owners:</b>	<b>Description:</b>	<b>Tract:</b>	<b>Interest:</b>
Wellbark Resources LLC*	Uncommitted WI Owner	2	3.1250%
Royalty Holding Co.*	Uncommitted WI Owner	2	1.1719%
Gulf Coast Western LLC*	Uncommitted WI Owner	2	6.2500%
The Roy D. Benningfield Family Revocable Trust dtd 9/16/1996*	Unleased MI Owner	2	0.0837%
Jeff Martin and wife Karen Martin*	Unleased MI Owner	2	0.0836%
Afton Lee Gille*	Unleased MI Owner	2	0.0837%
Franklin Mountain Energy LLC*	Uncommitted WI Owner	2	2.2244%
Rockwood Resources LLC*	Uncommitted WI Owner	2	0.2344%
Billy G. Morris*	Unleased MI Owner	2	0.0105%
Heirs of Jewel Don Bray*	Unleased MI Owner	2	0.0035%
Heirs of Charles Bray*	Unleased MI Owner	2	0.0035%

\* MRC is seeking to pool each party denoted with an \*

# **Exhibit A-4**



# MRC Permian 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

October 13, 2023

VIA CERTIFIED RETURN RECEIPT MAIL

Wellbark Resources, LLC

P.O. Box 1987

Frisco, TX 75034

Re: K. Steward Fed Com #135H, #211H & #212H (the "Wells")  
Clarification Letter  
Sections 29&20, Township 24 South, Range 36 East  
Lea County, New Mexico

Dear Sir/Madam:

Following discussions with certain working interest owners and a technical review of Matador Production Company's adjacent Uncle Richard wells that were recently completed, I am writing to supplement and amend MRC Permian Company's ("MRC") prior proposals on this acreage. First, MRC's previous three-mile proposals, dated August 9, 2022, are hereby rescinded. Second, MRC's previous two-mile proposals, dated December 27, 2021, are hereby amended, and restated to the following three well proposals and updated AFEs.

In connection with the above, please note the following:

- The updated estimated cost of drilling, testing, completing, and equipping of each Well is itemized on the three (3) enclosed Authority for Expenditures ("AFE") dated June 1, 2023.
- **K. Steward Fed Com#135H:** to be drilled from a legal location with a proposed surface hole location in the S/2 SW/4 of Section 29-24S-36E, a proposed first take point located at 100 FSL and 1,310 FWL of Section 29-24S-36E, a proposed last take point located at 110 FNL and 1,310 FWL of Section 20-24S-36E, and a proposed BHL of 110 FNL and 1,310 FWL of Section 20-24S-36E. The Well will have a targeted interval within the 3<sup>rd</sup> Bone Spring formation and will be drilled horizontally in the Bone Spring (~11,500' TVD) to a Measured Depth of approximately 21,900'. Because the completed lateral of this well is located within 330 feet of the quarter-quarter section line, the spacing unit for this well will be the 640 acre, more or less, spacing unit comprising the W/2 of Sections 20 and 29, using proximity tracts.
- **K. Steward Fed Com #211H:** to be drilled from a legal location with a proposed surface hole location in the S/2 SW/4 of Section 29-24S-36E, a proposed first take point located at 100 FSL and 330 FWL of Section 29-24S-36E, a proposed last take point located at 110 FNL and 330 FWL of Section 20-24S-36E, and a proposed BHL of 110 FNL and 330 FWL of Section 20-24S-36E. The Well will have a targeted interval within the Wolfcamp A formation and will be drilled horizontally in the Wolfcamp (~11,600' TVD) to a Measured Depth of approximately 21,767'. The spacing unit for this well will be the 320 acre, more or less, spacing unit comprising the W/2 W/2 of Sections 20 and 29.
- **K. Steward Fed Com #212H:** to be drilled from a legal location with a proposed surface hole location in the S/2 SW/4 of Section 29-24S-36E, a proposed first take point located at 100 FSL and 2,310 FWL of Section 29-24S-36E, a proposed last take point located at 110 FNL and 2,310 FWL of Section 20-24S-36E, and a proposed BHL of 110 FNL and 2,310 FWL of Section 20-24S-36E. The Well will have a targeted interval within the Wolfcamp A formation and will be drilled horizontally in the Wolfcamp (~11,600' TVD) to a Measured Depth of approximately 21,767'. The spacing unit for this well will be the 320 acre, more or less, spacing unit comprising the E/2 W/2 of Sections 20 and 29.

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 is proposing to drill the Wells under the terms of the modified 1989 AAPL form of Operating Agreement dated June 1, 2023, by and between Matador Production Company, as Operator and MRC Permian Company et al as Non-Operators covering the W/2 of Sections 20 & 29, Township 24 South, Range 36 East, Lea County, New Mexico, which will be mailed at a later date 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 AFE(s) within thirty (30) days of receipt of this notice. Additionally, if your election is to participate, please accept this letter as an invoice notice and request for payment. Please remit payment for your proportionate share of costs to Matador Production Company on or before thirty (30) days after receipt of this estimate and invoice. Please be aware that the enclosed AFE(s) 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

**Wellbark Resources, LLC hereby elects to:**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **K. Steward Fed Com #135H** well.  
 \_\_\_\_\_ Not to participate in the **K. Steward Fed Com #135H**.

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **K. Steward Fed Com #211H** well.  
 \_\_\_\_\_ Not to participate in the **K. Steward Fed Com #211H**.

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **K. Steward Fed Com #212H** well.  
 \_\_\_\_\_ Not to participate in the **K. Steward Fed Com #212H**.

**Wellbark Resources, LLC**

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

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

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

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



**MATADOR PRODUCTION COMPANY**  
 ONE LINCOLN CENTRE - 5400 LBJ FREEWAY - SUITE 1500 - DALLAS, TEXAS 75240  
 Phone (972) 371-6200 • Fax (972) 371-5201

**ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE**

DATE:	June 1, 2023	AFE NO.:	
WELL NAME:	K Stewart Fed Com 211H	FIELD:	
LOCATION:	Sections 29&20-24S-38E	MO/TVD:	21767/11600'
COUNTY/STATE:	Lee NM	LATERAL LENGTH:	10.000
MRC WI:			
GEOLOGIC TARGET:	Wolfcamp A		
REMARKS:	Drill and complete a horizontal 2 mile long Wolfcamp A target with about 41 frac stages		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Lease / Legal / Regulatory	\$ 58,000	\$ -	\$ 10,000	\$ 10,000	\$ 78,000
Location, Surveys & Damages	243,000	13,000	15,000	50,000	321,000
Drilling	1,108,000	-	-	-	1,108,000
Comenting & Fleet Equip	234,000	-	-	-	234,000
Logging / Formation Evaluation	-	3,750	3,000	-	6,750
Flowback - Labor	-	-	18,160	-	18,160
Flowback - Surface Rentals	-	-	183,950	-	183,950
Flowback - Rental Living Quarters	-	-	-	-	-
Mud Logging	22,500	-	-	-	22,500
Mud Circulation System	78,175	-	-	-	78,175
Mud & Chemicals	358,000	53,000	41,500	-	449,500
Mud / Wastewater Disposal	180,000	-	2,000	1,000	183,000
Freight / Transportation	12,750	37,250	3,000	-	53,000
Rig Supervision / Engineering	143,550	98,000	10,000	3,600	255,150
Drill Bits	73,700	-	-	-	73,700
Fuel & Power	224,000	617,368	4,000	-	845,368
Water	35,000	608,500	2,000	1,000	846,500
Drig & Completion Overhead	16,500	-	-	-	16,500
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	327,738	-	-	-	327,738
Completion Unit, Swab, CTU	-	150,000	12,000	-	162,000
Perforating, Wireline, Slickline	-	214,826	7,000	-	221,826
High Pressure Pump Truck	-	92,250	6,000	-	98,250
Stimulation	-	2,900,000	-	-	2,900,000
Stimulation Flowback & Disposal	-	15,500	195,000	-	210,500
Insurance	13,713	-	-	-	13,713
Labor	185,000	60,750	22,000	5,000	272,750
Rental - Surface Equipment	90,585	314,180	20,000	5,000	429,765
Rental - Downhole Equipment	101,250	85,000	-	-	186,250
Rental - Living Quarters	50,780	40,125	-	3,000	93,905
Contingency	108,368	760,282	57,361	8,000	1,634,011
Operations Center	27,048	-	-	-	27,048
<b>TOTAL INTANGIBLES &gt;</b>	<b>3,551,954</b>	<b>6,763,170</b>	<b>675,971</b>	<b>88,640</b>	<b>10,979,735</b>
TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	\$ 178,329	\$ -	\$ -	\$ -	\$ 178,329
Intermediate Casing	653,140	-	-	-	653,140
Drilling Liner	-	-	-	-	-
Production Casing	1,240,482	-	-	-	1,240,482
Production Liner	-	-	-	-	-
Tubing	-	-	228,000	-	228,000
Wellhead	96,000	-	55,000	-	151,000
Packers, Liner Hangers	-	58,989	-	-	58,989
Tanks	-	-	-	177,500	177,500
Production Vessels	-	-	-	269,000	269,000
Flow Lines	-	-	-	120,000	120,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	325,000	-	325,000
Compressor	-	-	-	37,500	37,500
Installation Costs	-	-	-	104,000	104,000
Surface Pumps	-	-	10,000	57,500	67,500
Non-controllable Surface	-	-	-	2,000	2,000
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	11,000	191,000	202,000
Measurement & Meter Installation	-	-	-	-	-
Gas Conditioning / Dehydration	-	-	-	225,000	225,000
Interconnecting Facility Piping	-	-	-	-	-
Gathering / Bulk Lines	-	-	2,000	-	2,000
Valves, Dumps, Controllers	-	-	-	40,000	40,000
Tank / Facility Containment	-	-	-	43,750	43,750
Flare Stack	-	-	-	-	-
Electrical / Grounding	-	-	82,000	187,500	269,500
Communications / SCADA	-	-	5,000	37,500	42,500
Instrumentation / Safety	-	-	-	74,000	74,000
<b>TOTAL TANGIBLES &gt;</b>	<b>2,189,952</b>	<b>58,989</b>	<b>698,000</b>	<b>1,661,650</b>	<b>4,608,591</b>
<b>TOTAL COSTS &gt;</b>	<b>5,741,906</b>	<b>6,822,159</b>	<b>1,273,971</b>	<b>1,650,310</b>	<b>14,588,346</b>

**PREPARED BY MATADOR PRODUCTION COMPANY:**

Drilling Engineer:	Bruce Hermet	Team Lead - WYUNM	<i>[Signature]</i>
Completions Engineer:	Garrett Hove		CSC
Production Engineer:	Jan Fredrik Moxness		

**MATADOR RESOURCES COMPANY APPROVAL:**

Executive VP, COG/GFO	DEL	EVP COC- Drilling, Completion and Production	BC
Executive VP, Legal	CA	SVP Geoscience	ELF
President	MWH		

**NON OPERATING PARTNER APPROVAL:**

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

This AFE is an estimate only and may not be accurate. It is subject to change. It is not intended to be used for budgeting or for any other purpose. It is not intended to be used for any other purpose. It is not intended to be used for any other purpose. It is not intended to be used for any other purpose.

**MATADOR PRODUCTION COMPANY**  
 ONE LINCOLN CENTRE • 5400 LBJ FREEWAY • SUITE 1600 - DALLAS, TEXAS 75240  
 Phone (872) 371-5230 • Fax (972) 371-5201

**ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE**

DATE:	June 1, 2023	AFE NO.:	
WELL NAME:	K. Stewan Fed Com 212H	FIELD:	
LOCATION:	Sections 29&30-24S-36E	MD/TVD:	21767/11800'
COUNTY/STATE:	Lea, NM	LATERAL LENGTH:	10,000
MRC W/:			
GEOLOGIC TARGET:	Wolfcamp A		
REMARKS:	Drill and complete a horizontal 2 mile long Wolfcamp A target with about 41 frac stages		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
<b>INTANGIBLE COSTS</b>					
Land / Legal / Regulatory	\$ 50,000		\$ 10,000	\$ 10,000	\$ 70,000
Location, Surveys & Damages	243,000	13,000	15,000	50,000	321,000
Drilling	1,108,088				1,108,088
Cementing & Floof Equip	234,000				234,000
Logging / Formation Evaluation		3,750	3,000		6,750
Flowback - Labor			18,160		18,160
Flowback - Surface Rentals			153,950		153,950
Flowback - Rental Living Quarters					
Mud Logging	22,500				22,500
Mud Circulation System	76,175				76,175
Mud & Chemicals	352,000	53,000	41,500		446,500
Mud / Wastewater Disposal	150,000		2,000	1,000	153,000
Freight / Transportation	12,750	37,250	3,000		53,000
Rtg Supervision / Engineering	143,500	96,000	10,000	3,000	252,500
Deffl Blts	73,700				73,700
Fuel & Power	224,000	817,688	4,000		1,045,688
Water	33,000	808,800	2,000	1,000	844,800
Drig & Completion Overhead	18,500				18,500
Plugging & Abandonment	327,738				327,738
Directional Drilling, Surveys		150,000	12,000		162,000
Completion Unit, Swab, CTU		214,938	7,000		221,938
Perforating, Wireline, Silckline		82,250	5,000		87,250
High Pressure Pump Truck		2,900,000			2,900,000
Stimulation		15,500	195,000		210,500
Stimulation Flowback & Disp					
Insurance	13,713				13,713
Labor	185,000	80,750	22,000	5,000	292,750
Rental - Surface Equipment	60,385	314,190	20,000	5,000	399,575
Rental - Downhole Equipment	101,220	88,000			189,220
Rental - Living Quarters	50,190	40,125		5,000	95,315
Contingency	108,300	280,282	52,261	8,000	448,843
Operations Center	27,048				27,048
<b>TOTAL INTANGIBLES &gt;</b>	<b>3,661,658</b>	<b>5,763,170</b>	<b>575,971</b>	<b>88,560</b>	<b>10,079,359</b>
<b>TANGIBLE COSTS</b>					
Surface Casing	\$ 178,328				\$ 178,328
Intermediate Casing	653,140				653,140
Drilling Liner					
Production Casing	1,340,482				1,340,482
Production Liner					
Tubing			228,000		228,000
Wellhead	84,000		55,000		139,000
Packers, Liner Hangers		34,000			34,000
Tanks				177,500	177,500
Production Vessels				288,000	288,000
Flow Lines				120,000	120,000
Rod string					
Artificial Lift Equipment			325,000		325,000
Compressor				37,500	37,500
Installation Costs				104,000	104,000
Surface Pumps			10,000	57,500	67,500
Non-controllable Surface				2,000	2,000
Non-controllable Downhole					
Downhole Pumps			11,000	191,000	202,000
Measurement & Meter Installation					
Gas Conditioning / Dehydration				225,000	225,000
Interconnecting Facility Piping					
Gathering / Bulk Lines			2,000		2,000
Valves, Dumps, Controllers				40,000	40,000
Tank / Facility Containment				43,750	43,750
Flare Stack				187,000	187,000
Electrical / Grounding			62,000	32,500	94,500
Communications / SCADA			5,000	74,000	79,000
Instrumentation / Safety					
<b>TOTAL TANGIBLES &gt;</b>	<b>2,169,952</b>	<b>58,989</b>	<b>698,000</b>	<b>1,581,550</b>	<b>4,488,591</b>
<b>TOTAL COSTS &gt;</b>	<b>5,821,610</b>	<b>5,822,159</b>	<b>1,273,971</b>	<b>1,640,310</b>	<b>14,568,148</b>

**PREPARED BY MATADOR PRODUCTION COMPANY:**

Drilling Engineer:	Blake Hermes	Team Lead - WTX/NM	<i>[Signature]</i>
Completion Engineer:	Garnett Hunt		CSC
Production Engineer:	Jan Fredrick Moehs		

**MATADOR RESOURCES COMPANY APPROVAL:**

Executive VP, COO/CFO	DEL	EVP COO- Drilling, Completion and Production	BC
Executive VP, Legal	CA	SVP Geoscience	ELF
President	MVH		

**NON OPERATING PARTNER APPROVAL:**

Company Name:	Working Interest (%):	Tax ID:
Signed by:	Date:	
Title:	Approval	Yes <input type="checkbox"/> No (mark one) <input type="checkbox"/>

This document is the property of Matador Production Company and is not to be distributed outside the company. It is a confidential document and its contents are not to be disclosed to any other party without the express written consent of Matador Production Company. The information contained herein is for informational purposes only and does not constitute an offer or solicitation of any securities. The information contained herein is not to be used for any other purpose without the express written consent of Matador Production Company. The information contained herein is not to be used for any other purpose without the express written consent of Matador Production Company.

# **Exhibit A-5**

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A-5  
Submitted by: Matador Production Company  
Hearing Date: February 15, 2024  
Case Nos. 23811-23813**

Summary of Communications – MRC's K. Stewart Project

Case No. 23811, 23812 and 23813

Uncommitted Working Interest Owners

**1. Gulf Coast Western LLC**

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

**2. Royalty Holding Corp.**

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

**3. Afton Lee Gille**

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

**4. Jeff Martin and wife Karen Martin**

In addition to sending well proposals, Matador has had discussions with **Jeff Martin and wife Karen Martin** regarding their interest and we are continuing to discuss potential voluntary joinder.

**5. Franklin Mountain Energy LLC**

In addition to sending well proposals, Matador has had discussions with **Franklin Mountain Energy LLC** regarding their interest, which is described in more detail in my affidavit.

**6. Wellbark Resources LLC**

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

**7. Rockwood Resources LLC**

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

**8. Heirs of (i) Jewel Don Bray and (ii) Charles Bray**

In addition to sending well proposals, Matador has been conducting additional title due diligence to determine the heirship of Jewel Don Bray and Charles Bray. Matador has been able to contact certain of the likely heirs and will continue discussions with the determined heirs in an effort to reach voluntary joinder once title has been determined.

**9. Billy G. Morris**

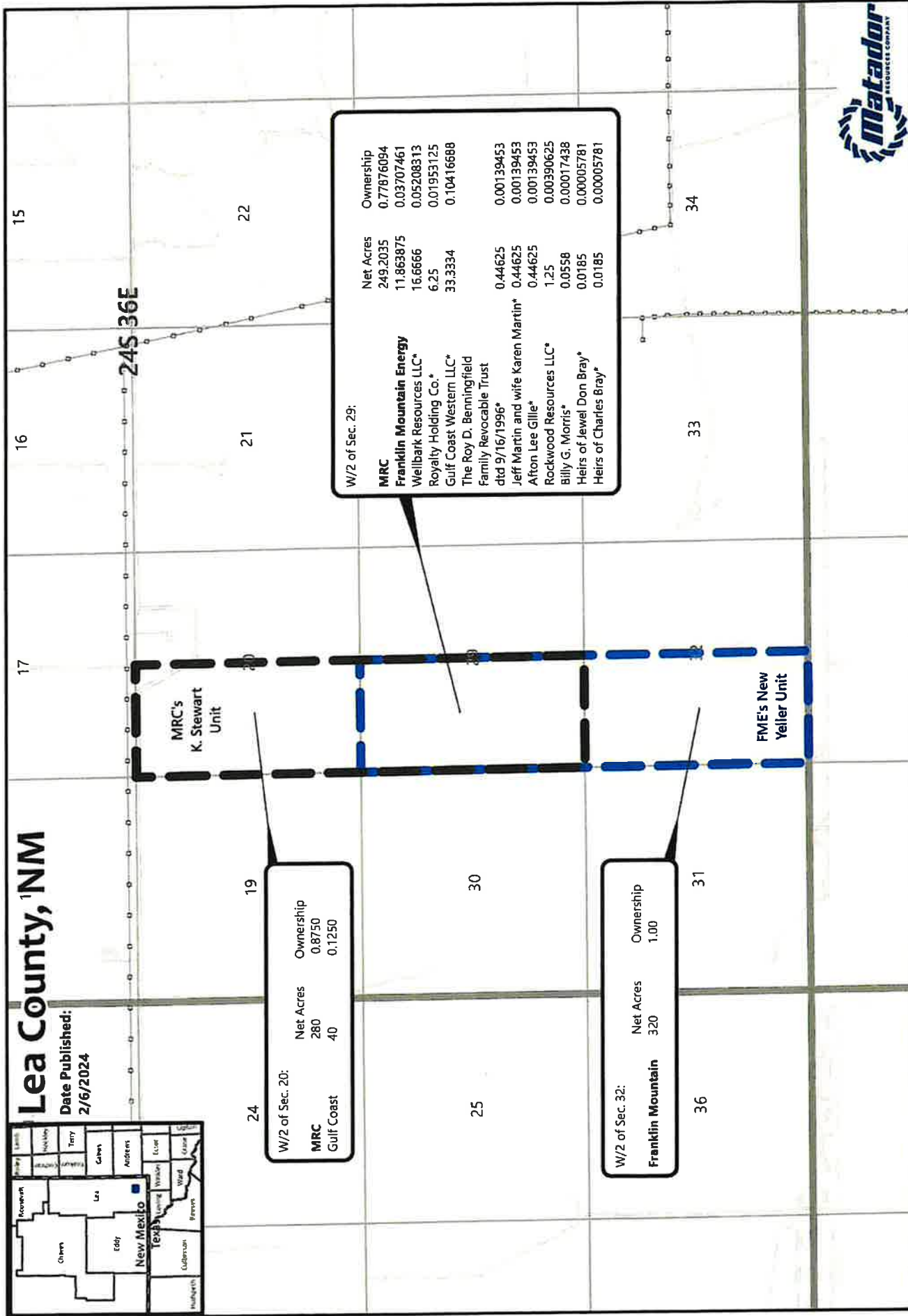
In addition to sending well proposals, Matador has tried to contact **Billy G. Morris** through various means of contact to discuss voluntary joinder but have not been able to connect. We are continuing to research various contact numbers.

**10. The Roy D. Benningfield Family Revocable Trust dtd 9/16/1996**

In addition to sending well proposals, Matador has tried to contact **The Roy D. Benningfield Family Revocable Trust dtd 9/16/1996** through various means of contact to discuss voluntary joinder but have not been able to connect. We are continuing to research various contact numbers.



# **Exhibit A-6**



Map Prepared by: Hudgins  
Date: February 6, 2024  
Project: V:\GIS\userdata\Hudgins\temp\Projects\Stewart\KStewart.aprx  
Spatial Reference: NAD 1983 StatePlane New Mexico East FIPS 5001 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)

**1:36,000**  
1 inch equals 3,000 feet



**GIS Standard Map Disclaimer:**  
This map was prepared using data from various sources and is not intended to be used for legal purposes. The user assumes all liability for any use of the information contained herein. The accuracy of the information is not guaranteed.

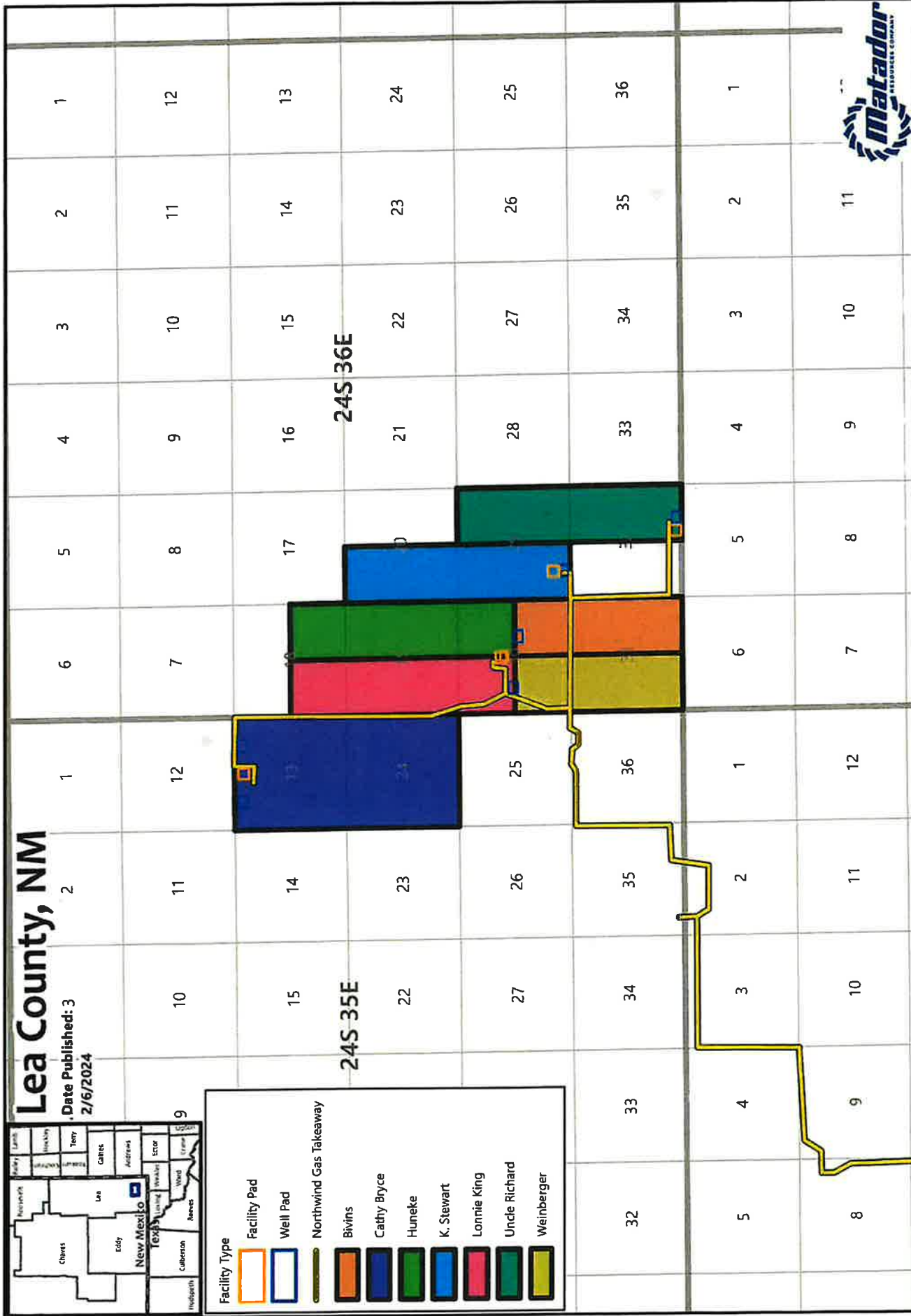
# **Exhibit A-7**

**BEFORE THE OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico  
Exhibit No. A-7  
Submitted by: Matador Production Company  
Hearing Date: February 15, 2024  
Case Nos. 23811-23813



# **Exhibit A-8**

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A-8  
Submitted by: Matador Production Company  
Hearing Date: February 15, 2024  
Case Nos. 23811-23813**



# **Exhibit A-9**

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A-9  
Submitted by: Matador Production Company  
Hearing Date: February 15, 2024  
Case Nos. 23811-23813**

## MRC Permian 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  
Landman

August 9, 2022

VIA CERTIFIED RETURN RECEIPT MAIL

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

Re: K. Stewart Fed Com #135H, #136H, #211H & #212H (the "Wells")  
Participation Proposal  
W/2 of Sections 20, 29, & 32, Township 24 South, Range 36 East  
Lea County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's K. Stewart Fed Com #135H, K. Stewart Fed Com #136H, K. Stewart Fed Com #211H & K. Stewart Fed Com #212H wells, located in the W/2 of Sections 20, 29, & 32, Township 24 South, Range 36 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 July 20, 2022.
- **K. Stewart Fed Com #135H:** to be drilled from a legal location with a proposed surface hole location in the SW/4 SW/4 of Section 32-24S-36E and a proposed bottom hole location of 990 FWL and 100 FNL from Section 20-24S-36E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~11,500' TVD) to a Measured Depth of approximately 26,927'.
- **K. Stewart Fed Com #136H:** to be drilled from a legal location with a proposed surface hole location in the SE/4 SW/4 of Section 32-24S-36E and a proposed bottom hole location of 2,310' FWL and 100' FNL from Section 20-24S-36E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~11,500' TVD) to a Measured Depth of approximately 26,927'.
- **K. Stewart Fed Com #211H:** to be drilled from a legal location with a proposed surface hole location in the SW/4 SW/4 of Section 32-24S-36E and a proposed bottom hole location of 330 FWL and 100 FNL from Section 20-24S-36E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~11,600' TVD) to a Measured Depth of approximately 27,027'.



- **K. Stewart Fed Com #212H:** to be drilled from a legal location with a proposed surface hole location in the SE/4 SW4 of Section 32-24S-36E and a proposed bottom hole location of 1,650 FWL and 100 FNL from Section 20-24S-36E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~11,600' TVD) to a Measured Depth of approximately 27,027'.

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 sent later. The proposed Operating Agreement dated July 1, 2022, by and between Matador Production Company, as Operator and MRC Permian Company et al as Non-Operators, covers certain depths in the W/2 of Sections 20, 29, & 32, Township 24 South, Range 36, 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 hereby elects to:**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **K. Stewart Fed Com #135H** well.  
 \_\_\_\_\_ Not to participate in the **K. Stewart Fed Com #135H**.

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **K. Stewart Fed Com #136H** well.  
 \_\_\_\_\_ Not to participate in the **K. Stewart Fed Com #136H**.

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **K. Stewart Fed Com #211H** well.  
 \_\_\_\_\_ Not to participate in the **K. Stewart Fed Com #211H**.

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **K. Stewart Fed Com #212H** well.  
 \_\_\_\_\_ Not to participate in the **K. Stewart Fed Com #212H**.

**Franklin Mountain Energy**

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

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

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

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

# **Exhibit A-10**

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A-10  
Submitted by: Matador Production Company  
Hearing Date: February 15, 2024  
Case Nos. 23811-23813**

Received by OCD: 9/13/2022 2:12:20 PM

Page 1 of 23

**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 324460

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

1. Operator Name and Address Franklin Mountain Energy LLC 44 Cook Street Denver, CO 80206		2. OGRID Number 373910
4. Property Code 333246		3. API Number 30-025-50540
5. Property Name NEW YELLER STATE		6. Well No. 301H

**7. Surface Location**

UL - Lot M	Section 32	Township 24S	Range 36E	Lot Idn M	Feet From 280	N/S Line S	Feet From 770	E/W Line W	County Lea
---------------	---------------	-----------------	--------------	--------------	------------------	---------------	------------------	---------------	---------------

**8. Proposed Bottom Hole Location**

UL - Lot D	Section 32	Township 24S	Range 36E	Lot Idn D	Feet From 150	N/S Line N	Feet From 350	E/W Line W	County Lea
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**9. Pool Information**

WC-025 G-08 S2535340;BONE SPRING	97086
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**Additional Well Information**

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3243
16. Multiple N	17. Proposed Depth 14295	18. Formation 1st Bone Spring Sand	19. Contractor	20. Spud Date 11/1/2022
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	1300	1130	0
Int1	12.25	9.625	40	5200	2034	0
Int2	8.75	7.625	29.7	9941	253	4200
Prod	6.75	5.5	23	14295	381	8941

**Casing/Cement Program: Additional Comments**

--

**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.  Signature:	<b>OIL CONSERVATION DIVISION</b>		
	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: 9/13/2022	Expiration Date: 9/13/2024
	Date: 9/1/2022	Phone: 303-570-4057	Conditions of Approval Attached

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 97088	<sup>3</sup> Pool Name WC-025 G-08 S2535340; BONE SPRING
<sup>4</sup> Property Code	<sup>5</sup> Property Name NEW YELLER STATE	<sup>6</sup> Well Number 301H
<sup>7</sup> OGRID No. 373910	<sup>8</sup> Operator Name FRANKLIN MOUNTAIN ENERGY LLC	<sup>9</sup> Elevation 3243.8'

" Surface Location

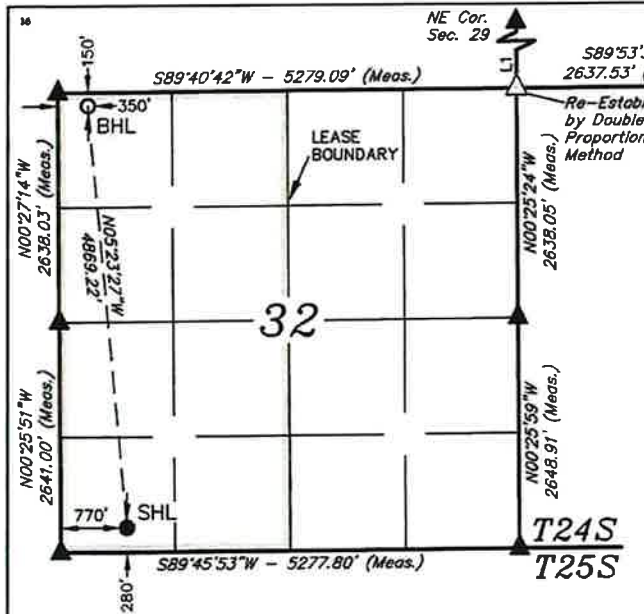
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	32	24S	36E		280	SOUTH	770	WEST	LEA

" 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
D	32	24S	36E		150	NORTH	350	WEST	LEA

<sup>12</sup> Dedicated Acres 320	<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.



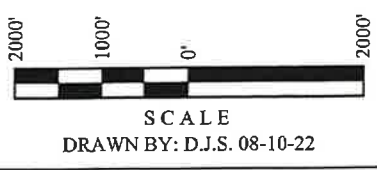
LINE	DIRECTION	LENGTH
L1	N00°27'15\"W	5276.12'

<b>NAD 83 (SURFACE HOLE LOCATION)</b>
LATITUDE = 32°10'02.85\" (32.167458°)
LONGITUDE = 103°17'34.85\" (103.293013°)
<b>NAD 27 (SURFACE HOLE LOCATION)</b>
LATITUDE = 32°10'02.39\" (32.167331°)
LONGITUDE = 103°17'33.18\" (103.292549°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 426212.23' E: 863244.71'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>
N: 426153.32' E: 822058.11'

<b>NAD 83 (BOTTOM HOLE LOCATION)</b>
LATITUDE = 32°10'50.83\" (32.180787°)
LONGITUDE = 103°17'39.86\" (103.294405°)
<b>NAD 27 (BOTTOM HOLE LOCATION)</b>
LATITUDE = 32°10'50.38\" (32.180660°)
LONGITUDE = 103°17'38.19\" (103.293940°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 431057.26' E: 862767.04'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>
N: 430998.23' E: 821580.62'

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
- △ = SECTION CORNER RE-ESTABLISHED.  
(Not Set on Ground.)



**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.

*Rachael Overbey* 8/22/2022  
 Signature Date  
 Rachael Overbey  
 Printed Name  
 roverbey@fmellc.com  
 E-mail Address

**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.

August 3, 2022  
 Date of Survey  
 Signature and Seal of Professional Surveyor:



Certificate Number:

Received by OCD: 9/13/2022 2:12:20 PM

Page 3 of 23

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
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**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 APD Conditions  
Permit 324460

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: Franklin Mountain Energy LLC [373910] 44 Cook Street Denver, CO 80206	API Number: 30-025-50540
	Well: NEW YELLER STATE #301H

OCD Reviewer	Condition
pkautz	Notify OCD 24 hours prior to casing & cement
pkautz	Will require a File As Drilled C-102 and a Directional Survey with the C-104
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
pkautz	Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system
pkautz	Cement is required to circulate on both surface and intermediate1 strings of casing
pkautz	The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of the well being spud

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**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 324469

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

1. Operator Name and Address Franklin Mountain Energy LLC 44 Cook Street Denver, CO 80206		2. OGRID Number 373910
4. Property Code 333246		3. API Number 30-025-50541
5. Property Name NEW YELLER STATE		6. Well No. 302H

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
N	32	24S	36E	N	280	S	1870	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
C	32	24S	36E	C	150	N	2290	W	Lea

**9. Pool Information**

WC-025 G-08 S2535340,BONE SPRING	97088
----------------------------------	-------

**Additional Well Information**

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3242
16. Multiple N	17. Proposed Depth 14239	18. Formation 1st Bone Spring Sand	19. Contractor	20. Spud Date 11/1/2022
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	1300	1130	0
Int1	12.25	9.625	40	5200	2034	0
Int2	8.75	7.625	29.7	9876	251	4200
Prod	6.75	5.5	23	14239	382	8876

**Casing/Cement Program: Additional Comments**

--

**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.  Signature: _____ Printed Name: Electronically filed by Rachael A Overbey Title: Project Manager Email Address: roverbey@fmccllc.com Date: 9/7/2022	<b>OIL CONSERVATION DIVISION</b>	
	Approved By: Paul F Kautz	Title: Geologist
	Approved Date: 9/13/2022	Expiration Date: 9/13/2024
	Phone: 303-570-4057	Conditions of Approval Attached

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> LAPI Number 30-025-50541	<sup>2</sup> Pool Code 97088	<sup>3</sup> Pool Name WC-025 G-08 S253534O; BONE SPRING
<sup>4</sup> Property Code 33246	<sup>5</sup> Property Name NEW YELLER STATE	
<sup>7</sup> OGRID No. 373910	<sup>8</sup> Operator Name FRANKLIN MOUNTAIN ENERGY LLC	<sup>6</sup> Well Number 302H <sup>9</sup> Elevation 3242.3'

<sup>10</sup> Surface Location

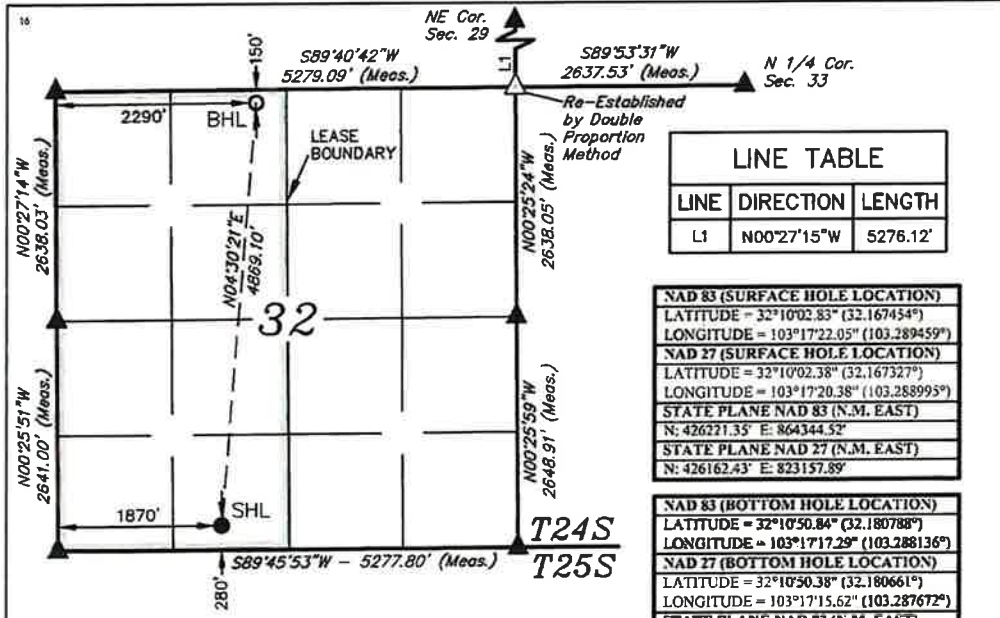
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	32	24S	36E		280	SOUTH	1870	WEST	LEA

<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
C	32	24S	36E		150	NORTH	2290	WEST	LEA

<sup>12</sup> Dedicated Acres 320	<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.



**<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: *Rachael Overbey* Date: 8/22/2022  
Printed Name: Rachael Overbey  
E-mail Address: roverbey@fmellc.com

**<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 and correct to the best of my belief.

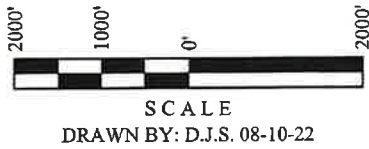
August 3, 2022  
Date of Survey  
Signature and Seal of Professional Surveyor:



Certificate Number:

**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
- △ = SECTION CORNER RE-ESTABLISHED.  
(Not Set on Ground.)





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**District I**  
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**District II**  
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 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 APD Conditions

Permit 324469

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: Franklin Mountain Energy LLC [373910] 44 Cook Street Denver, CO 80206	API Number: 30-025-50541
	Well: NEW YELLER STATE #302H

OCD Reviewer	Condition
pkautz	Notify OCD 24 hours prior to casing & cement
pkautz	Will require a File As Drilled C-102 and a Directional Survey with the C-104
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
pkautz	Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system
pkautz	Cement is required to circulate on both surface and intermediate strings of casing
pkautz	The Operator is to notify NMCCD by sundry (Form C-103) within ten (10) days of the well being spud

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**District IV**  
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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 324461

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

1. Operator Name and Address Franklin Mountain Energy LLC 44 Cook Street Denver, CO 80206		2. OGRID Number 373910
4. Property Code 333246		3. API Number 30-025-50542
5. Property Name NEW YELLER STATE		6. Well No. 601H

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	32	24S	36E	M	280	S	795	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
D	32	24S	36E	D	150	N	835	W	Lea

**9. Pool Information**

WC-025 G-08 S253534O,BONE SPRING	97088
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**Additional Well Information**

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3243
16. Multiple N	17. Proposed Depth 15948	18. Formation 3rd Bone Spring Sand	19. Contractor	20. Spud Date 11/1/2022
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	1300	1130	0
Int1	12.25	9.625	40	5200	2034	0
Int2	8.75	7.625	29.7	11606	302	4200
Prod	6.75	5.5	23	15948	380	10606

**Casing/Cement Program: Additional Comments**

--

**22. Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	10000	5000	Caclus

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.  Signature: Printed Name: Electronically filed by Rachael A Overbey Title: Project Manager Email Address: roverbey@fmcclc.com Date: 9/1/2022	<b>OIL CONSERVATION DIVISION</b>	
	Approved By: Paul F Kautz	Title: Geologist
	Approved Date: 9/13/2022	Expiration Date: 9/13/2024
	Conditions of Approval Attached	
	Phone: 303-570-4057	

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-025-50542</b>		<sup>2</sup> Pool Code 97088		<sup>3</sup> Pool Name WC-025 G-08 S2535340; BONE SPRING	
<sup>4</sup> Property Code <b>333246</b>		<sup>5</sup> Property Name NEW YELLER STATE			<sup>6</sup> Well Number 601H
<sup>7</sup> OGRID No. 373910		<sup>8</sup> Operator Name FRANKLIN MOUNTAIN ENERGY LLC			<sup>9</sup> Elevation 3243.7'

<sup>10</sup> Surface Location

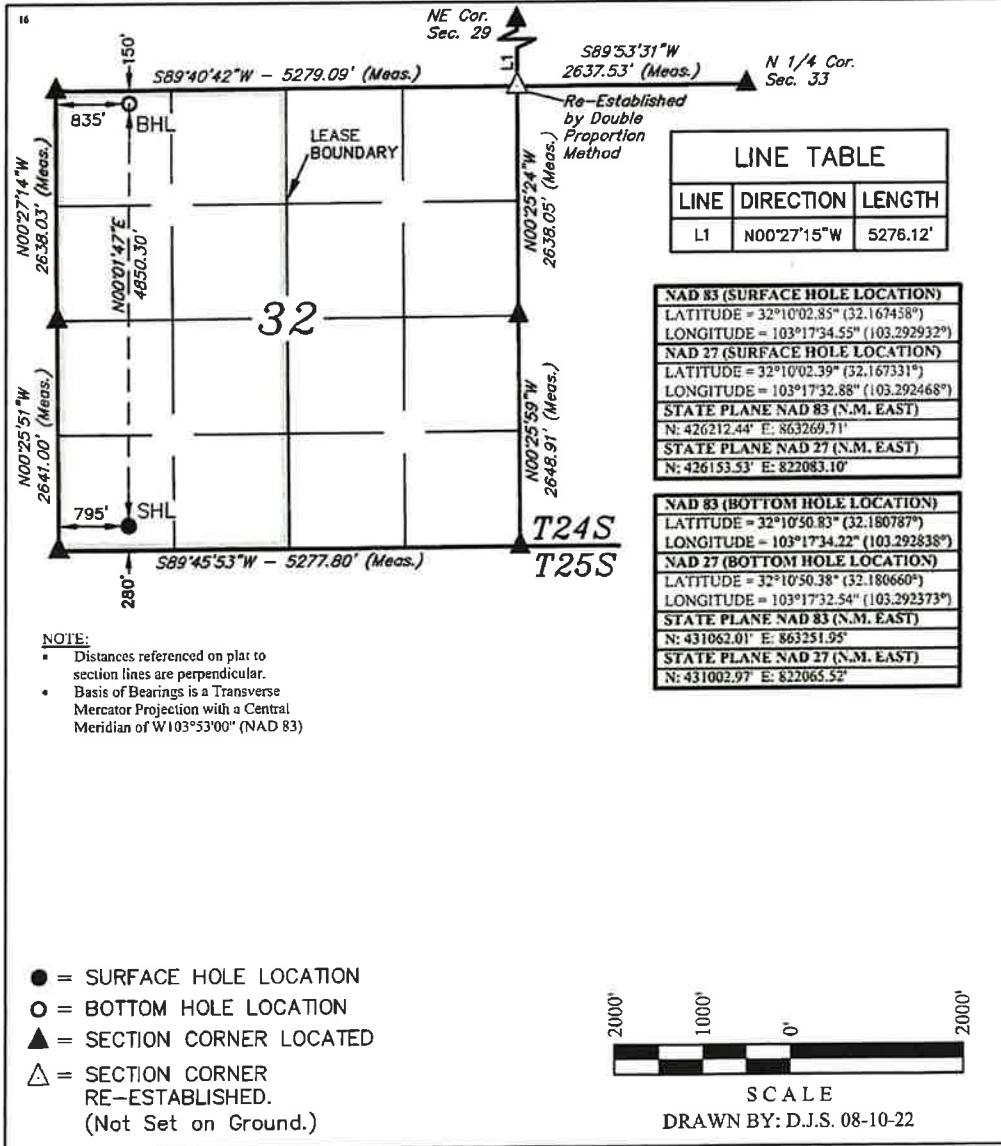
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	32	24S	36E		280	SOUTH	795	WEST	LEA

<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
D	32	24S	36E		150	NORTH	835	WEST	LEA

<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

No allowance will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



<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: *Rachael Overbey* Date: 8/22/2022

Printed Name: Rachael Overbey

roverbey@fmellc.com  
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 and correct to the best of my belief.

August 3, 2022

Date of Survey  
Signature and Seal of Professional Surveyor:



Certificate Number:

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**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 APD Conditions

Permit 324461

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: Franklin Mountain Energy LLC [373910] 44 Cook Street Denver, CO 80206	API Number: 30-025-50542
	Well: NEW YELLER STATE #601H

OCD Reviewer	Condition
pkautz	Notify OCD 24 hours prior to casing & cement
pkautz	Will require a File As Drilled C-102 and a Directional Survey with the C-104
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
pkautz	Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system
pkautz	Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system
pkautz	The Operator is to notify NMOCDD by sundry (Form C-103) within ten (10) days of the well being spud

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Page 1 of 23

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
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**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 324753

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

1. Operator Name and Address Franklin Mountain Energy LLC 44 Cook Street Denver, CO 80206		2. OGRID Number 373910
4. Property Code 333246		3. API Number 30-025-50543
5. Property Name NEW YELLER STATE		6. Well No. 602H

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
N	32	24S	36E	N	280	S	1795	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
C	32	24S	36E	C	150	N	1805	W	Lea

**9. Pool Information**

WC-025 G-08 S2535340;BONE SPRING	97088
----------------------------------	-------

**Additional Well Information**

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3242
16. Multiple N	17. Proposed Depth 15912	18. Formation 3rd Bone Spring Sand	19. Contractor	20. Spud Date 11/1/2022
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	1300	1130	0
Int1	12.25	9.625	40	5200	2034	0
Int2	8.75	7.625	29.7	11567	301	4200
Prod	6.75	5.5	23	15912	381	10567

**Casing/Cement Program: Additional Comments**

--

**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.  Signature: Printed Name: Electronically filed by Rachael A Overbey Title: Project Manager Email Address: roverbey@fmeilc.com Date: 9/7/2022	<b>OIL CONSERVATION DIVISION</b>	
	Approved By: Paul F Kautz	Title: Geologist
	Approved Date: 9/13/2022	Expiration Date: 9/13/2024
	Conditions of Approval Attached	
	Phone: 303-570-4057	

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Page 2 of 23

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1625 N. French Dr., Hobbs, NM 88240  
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District IV  
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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 30-025-50543	<sup>2</sup> Pool Code 97088	<sup>3</sup> Pool Name WC-025 G-08 S253534O; BONE SPRING
<sup>4</sup> Property Code 333246	<sup>5</sup> Property Name NEW YELLER STATE	
<sup>7</sup> OGRID No. 373910	<sup>8</sup> Operator Name FRANKLIN MOUNTAIN ENERGY LLC	<sup>6</sup> Well Number 602H
		<sup>9</sup> Elevation 3242.5'

<sup>10</sup> Surface Location

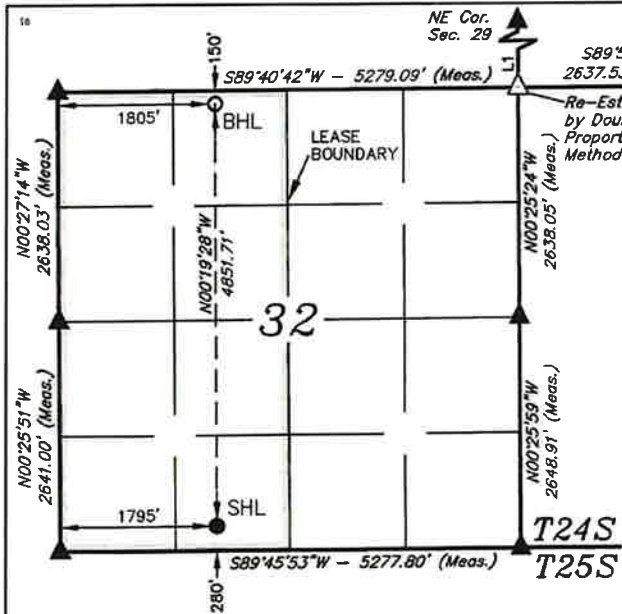
UL or lot no. N	Section 32	Township 24S	Range 36E	Lot Idn	Feet from the 280	North/South line SOUTH	Feet from the 1795	East/West line WEST	County LEA
--------------------	---------------	-----------------	--------------	---------	----------------------	---------------------------	-----------------------	------------------------	---------------

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

UL or lot no. C	Section 32	Township 24S	Range 36E	Lot Idn	Feet from the 150	North/South line NORTH	Feet from the 1805	East/West line WEST	County LEA
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<sup>12</sup> Dedicated Acres 320	<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.



LINE	DIRECTION	LENGTH
L1	N00°27'15"W	5276.12'

<b>NAD 83 (SURFACE HOLE LOCATION)</b>	
LATITUDE = 32°10'02.83" (32.167454°)	LONGITUDE = 103°17'22.92" (103.289701°)
<b>NAD 27 (SURFACE HOLE LOCATION)</b>	
LATITUDE = 32°10'02.38" (32.167327°)	LONGITUDE = 103°17'21.25" (103.289237°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>	
N: 426220.73' E: 864269.53'	
<b>STATE PLANE NAD 27 (N.M. EAST)</b>	
N: 426161.81' E: 823082.90'	

<b>NAD 83 (BOTTOM HOLE LOCATION)</b>	
LATITUDE = 32°10'50.84" (32.180788°)	LONGITUDE = 103°17'22.93" (103.289703°)
<b>NAD 27 (BOTTOM HOLE LOCATION)</b>	
LATITUDE = 32°10'50.38" (32.180661°)	LONGITUDE = 103°17'21.26" (103.289239°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>	
N: 431071.51' E: 864221.77'	
<b>STATE PLANE NAD 27 (N.M. EAST)</b>	
N: 431012.46' E: 823035.32'	

- 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
- △ = SECTION CORNER RE-ESTABLISHED. (Not Set on Ground.)



SCALE  
DRAWN BY: D.J.S. 08-10-22

<sup>11</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: *Rachael Overbey* Date: 8/22/2022  
Printed Name: Rachael Overbey  
E-mail Address: roverbey@fmellc.com

<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 and correct to the best of my belief.

August 3, 2022

Date of Survey  
Signature and Seal of Professional Surveyor:



Certificate Number:

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Page 3 of 23

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

Form APD Conditions

Permit 324753

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: Franklin Mountain Energy LLC [373910] 44 Cook Street Denver, CO 80206	API Number: 30-025-50543
	Well: NEW YELLER STATE #602H

OCD Reviewer	Condition
pkautz	Notify OCD 24 hours prior to casing & cement
pkautz	Will require a File As Drilled C-102 and a Directional Survey with the C-104
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
pkautz	Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system
pkautz	Cement is required to circulate on both surface and intermediate strings of casing
pkautz	The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of the well being spud

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**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 324463

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

1. Operator Name and Address Franklin Mountain Energy LLC 44 Cook Street Denver, CO 80206		2. OGRID Number 373910
4. Property Code 333246		3. API Number 30-025-50544
5. Property Name NEW YELLER STATE		6. Well No. 701H

**7. Surface Location**

UL - Lot	M	Section	32	Township	24S	Range	36E	Lot Idn	M	Feet From	280	N/S Line	S	Feet From	820	E/W Line	W	County	Lea
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**8. Proposed Bottom Hole Location**

UL - Lot	D	Section	32	Township	24S	Range	36E	Lot Idn	D	Feet From	150	N/S Line	N	Feet From	350	E/W Line	W	County	Lea
----------	---	---------	----	----------	-----	-------	-----	---------	---	-----------	-----	----------	---	-----------	-----	----------	---	--------	-----

**9. Pool Information**

JAL;WOLFCAMP, WEST	33813
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**Additional Well Information**

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3243
16. Multiple N	17. Proposed Depth 16332	18. Formation Wolfcamp	19. Contractor	20. Spud Date 11/1/2022
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	1300	1130	0
Int1	12.25	9.625	40	5200	2034	0
Int2	8.75	7.625	29.7	11300	293	4200
Prod	6.75	5.5	23	16332	430	10300

**Casing/Cement Program: Additional Comments**

--

**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.  Signature: Printed Name: Electronically filed by Rachael A Overbey Title: Project Manager Email Address: roverbey@fmeffc.com Date: 9/1/2022	<b>OIL CONSERVATION DIVISION</b>	
	Approved By: Paul F Kautz	Title: Geologist
	Approved Date: 9/13/2022	Expiration Date: 9/13/2024
	Phone: 303-570-4057	Conditions of Approval Attached



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Page 2 of 24

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> APL Number <b>30-025-50544</b>		<sup>2</sup> Pool Code <b>33813</b>	<sup>3</sup> Pool Name <b>IAL; WOLFCAMP, WEST</b>
<sup>4</sup> Property Code <b>333246</b>	<sup>5</sup> Property Name <b>NEW YELLER STATE</b>		<sup>6</sup> Well Number <b>701H</b>
<sup>7</sup> OGRID No. <b>373910</b>	<sup>8</sup> Operator Name <b>FRANKLIN MOUNTAIN ENERGY LLC</b>		<sup>9</sup> Elevation <b>3243.8'</b>

" Surface Location

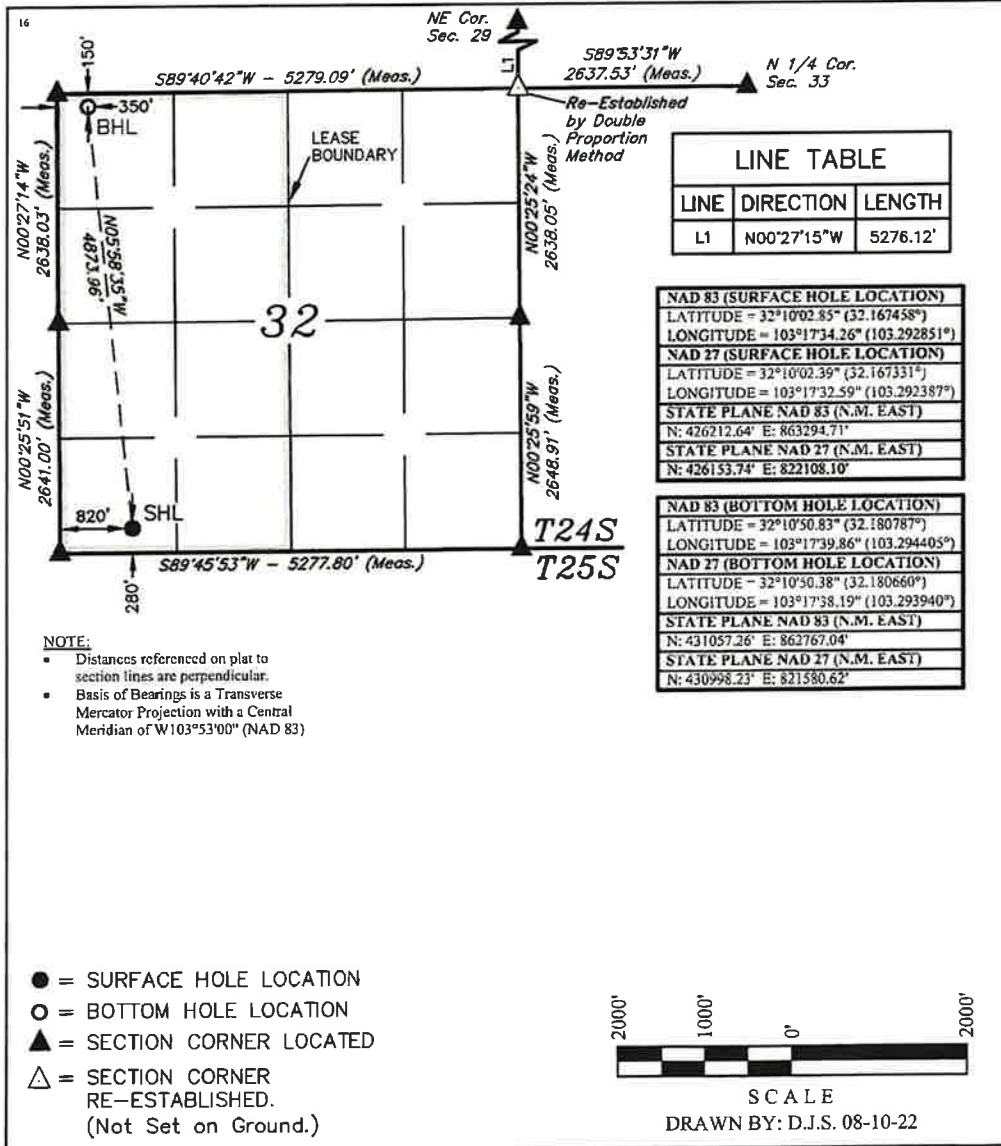
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	32	24S	36E		280	SOUTH	820	WEST	LEA

" 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
D	32	24S	36E		150	NORTH	350	WEST	LEA

<sup>12</sup> Dedicated Acres <b>320</b>	<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.



" 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: *Rachel Overbey* Date: 8/22/2022

Printed Name: Rachel Overbey

E-mail Address: roverbey@fmccl.com

" 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.

August 3, 2022

Date of Survey  
Signature and Seal of Professional Surveyor:



Certificate Number:

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**District I**  
 1625 N. French Dr., Hobbs, NM 88240  
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**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 APD Conditions

Permit 324463

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: Franklin Mountain Energy LLC [373910] 44 Cook Street Denver, CO 80206	API Number: 30-025-50544
	Well: NEW YELLER STATE #701H

OCD Reviewer	Condition
pkautz	Notify OCD 24 hours prior to casing & cement
pkautz	Will require a File As Drilled C-102 and a Directional Survey with the C-104
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
pkautz	Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system
pkautz	Cement is required to circulate on both surface and intermediate1 strings of casing
pkautz	The Operator is to notify NMOCB by sundry (Form C-103) within ten (10) days of the well being spud

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**District I**  
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**District II**  
811 S. First St., Artesia, NM 88210  
Phone:(575) 748-1293 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 324465

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

1. Operator Name and Address Franklin Mountain Energy LLC 44 Cook Street Denver, CO 80206		2. OGRID Number 373910
4. Property Code 333246		3. API Number 30-025-50545
5. Property Name NEW YELLER STATE		6. Well No. 702H

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	32	24S	36E	M	280	S	845	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
D	32	24S	36E	D	150	N	1320	W	Lea

**9. Pool Information**

JAL;WOLFCAMP, WEST	33813
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**Additional Well Information**

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3243
16. Multiple N	17. Proposed Depth 16294	18. Formation Wolfcamp	19. Contractor	20. Spud Date 11/1/2022
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	1300	1130	0
Int1	12.25	9.625	40	5200	2034	0
Int2	8.75	7.625	29.7	11350	295	4200
Prod	6.75	5.5	23	16294	424	10350

**Casing/Cement Program: Additional Comments**

--

**22. Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	10000	5000	Caclus

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	Email Address: roverbey@fmelc.com	Title: Geologist
Date: 9/1/2022	Phone: 303-570-4057	Approved Date: 9/13/2022
Conditions of Approval Attached		Expiration Date: 9/13/2024



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**District I**  
 1625 N. French Dr., Hobbs, NM 88240  
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**District II**  
 811 S. First St., Artesia, NM 88210  
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**District III**  
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 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 APD Conditions

Permit 324465

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: Franklin Mountain Energy LLC [373910] 44 Cook Street Denver, CO 80206	API Number: 30-025-50545
	Well: NEW YELLER STATE #702H

OCD Reviewer	Condition
pkautz	Notify OCD 24 hours prior to casing & cement
pkautz	Will require a File As Drilled C-102 and a Directional Survey with the C-104
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
pkautz	Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system
pkautz	Cement is required to circulate on both surface and intermediate strings of casing
pkautz	The Operator is to notify NMOCB by sundry (Form C-103) within ten (10) days of the well being spud

**District I**  
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Phone:(575) 748-1283 Fax:(575) 748-9720

**District III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone (505) 334-6176 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**

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

1. Operator Name and Address Franklin Mountain Energy LLC 44 Cook Street Denver, CO 80206		2. OGRID Number 373910
4. Property Code 333246		3. API Number 30-025-50546
5. Property Name NEW YELLER STATE		6. Well No. 703H

7. Surface Location										
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County	
N	32	24S	36E	N	280	S	1845	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	
C	32	24S	36E	C	150	N	2290	W	Lea	

9. Pool Information	
JAL;WOLFCAMP, WEST	33813

Additional Well Information				
11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3242
16. Multiple N	17. Proposed Depth 16252	18. Formation Wolfcamp	19. Contractor	20. Spud Date 11/1/2022
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	1300	1130	0
Int1	12.25	9.625	40	5200	2034	0
Int2	8.75	7.625	29.7	11200	290	4200
Prod	6.75	5.5	23	16252	431	10200

Casing/Cement Program: Additional Comments

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.  Signature: Printed Name: Electronically filed by Rachael A Overbey Title: Project Manager Email Address: roverbey@fmccllc.com Date: 9/7/2022	<b>OIL CONSERVATION DIVISION</b>		
	Approved By: Paul F Kautz	Title: Geologist	
	Approved Date: 9/13/2022	Expiration Date: 9/13/2024	
	Phone: 303-570-4057	Conditions of Approval Attached	

**District I**  
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**District II**  
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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

<sup>1</sup> API Number 30-025-50546		<sup>2</sup> Pool Code 33813		<sup>3</sup> Pool Name JAL; WOLFCAMP, WEST	
<sup>4</sup> Property Code 333246		<sup>5</sup> Property Name NEW YELLER STATE		<sup>6</sup> Well Number 703H	
<sup>7</sup> OGRID No. 373910		<sup>8</sup> Operator Name FRANKLIN MOUNTAIN ENERGY LLC		<sup>9</sup> Elevation 3242.6'	

" Surface Location

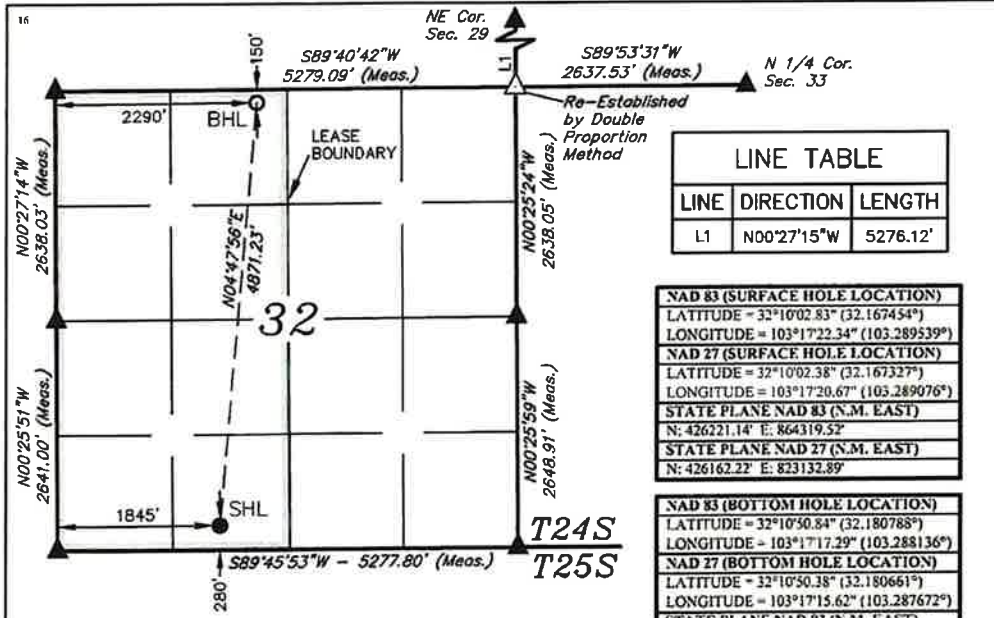
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	32	24S	36E		280	SOUTH	1845	WEST	LEA

" 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
C	32	24S	36E		150	NORTH	2290	WEST	LEA

<sup>12</sup> Dedicated Acres 320	<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.



LINE	DIRECTION	LENGTH
L1	N00°27'15"W	5276.12'

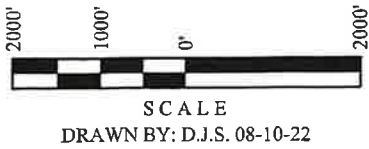
<b>NAD 83 (SURFACE HOLE LOCATION)</b>	
LATITUDE = 32°10'02.83" (32.167454°)	LONGITUDE = 103°17'22.34" (103.289539°)
<b>NAD 27 (SURFACE HOLE LOCATION)</b>	
LATITUDE = 32°10'02.38" (32.167337°)	LONGITUDE = 103°17'20.67" (103.289076°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>	
N: 426221.14' E: 864319.52'	
<b>STATE PLANE NAD 27 (N.M. EAST)</b>	
N: 426162.22' E: 823132.89'	

<b>NAD 83 (BOTTOM HOLE LOCATION)</b>	
LATITUDE = 32°10'50.84" (32.180788°)	LONGITUDE = 103°17'17.29" (103.288136°)
<b>NAD 27 (BOTTOM HOLE LOCATION)</b>	
LATITUDE = 32°10'50.38" (32.180661°)	LONGITUDE = 103°17'15.62" (103.287672°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>	
N: 431076.26' E: 864706.68'	
<b>STATE PLANE NAD 27 (N.M. EAST)</b>	
N: 431017.21' E: 823520.22'	

**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
- △ = SECTION CORNER RE-ESTABLISHED. (Not Set on Ground.)



**" 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 covered by the division.

*Rachael Overbey*  
Signature  
8/22/2022  
Date  
Printed Name  
roverbey@fmc.com  
E-mail Address

**" 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.

August 3, 2022  
Date of Survey  
Signature and Seal of Professional Surveyor:



Certificate Number:

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**District I**  
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**District II**  
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**District III**  
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**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 APD Conditions

Permit 324757

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: Franklin Mountain Energy LLC [373910] 44 Cook Street Denver, CO 80206	API Number: 30-025-50546
	Well: NEW YELLER STATE #703H

OCD Reviewer	Condition
pkautz	Notify OCD 24 hours prior to casing & cement
pkautz	Will require a File As Drilled C-102 and a Directional Survey with the C-104
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
pkautz	Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system
pkautz	Cement is required to circulate on both surface and intermediate strings of casing
pkautz	The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of the well being spud



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**District I**  
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**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 G-101  
August 1, 2011  
Permit 324467

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

1. Operator Name and Address Franklin Mountain Energy LLC 44 Cook Street Denver, CO 80206		2. OGRID Number 373910
4. Property Code 333246		3. API Number 30-025-50547
5. Property Name NEW YELLER STATE		6. Well No. 801H

**7. Surface Location**

UL - Lot M	Section 32	Township 24S	Range 36E	Lot Idn M	Feet From 280	N/S Line S	Feet From 870	E/W Line W	County Lea
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**8. Proposed Bottom Hole Location**

UL - Lot D	Section 32	Township 24S	Range 36E	Lot Idn D	Feet From 150	N/S Line N	Feet From 835	E/W Line W	County Lea
---------------	---------------	-----------------	--------------	--------------	------------------	---------------	------------------	---------------	---------------

**9. Pool Information**

JAL,WOLFCAMP, WEST	33813
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**Additional Well Information**

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3243
16. Multiple N	17. Proposed Depth 16385	18. Formation Wolfcamp	19. Contractor	20. Spud Date 11/1/2022
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/lb	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	1300	1130	0
Int1	12.25	9.625	40	5200	2034	0
Int2	8.75	7.625	29.7	10950	283	4200
Prod	6.75	5.5	23	16385	459	9950

**Casing/Cement Program: Additional Comments**

--

**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.  Signature:	<b>OIL CONSERVATION DIVISION</b>		
	Printed Name: Electronically filed by Rachael A Overbey	Approved By: Paul F Kautz	
	Title: Project Manager	Title: Geologist	
	Email Address: roverbey@fmelec.com	Approved Date: 9/13/2022	Expiration Date: 9/13/2024
	Date: 9/1/2022	Phone: 303-570-4057	Conditions of Approval Attached

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District I  
1625 N. French Dr., Hobbs, NM 88240  
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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 <b>30-025-50547</b>	<sup>2</sup> Pool Code 33813	<sup>3</sup> Pool Name JAL; WOLFCAMP, WEST
<sup>4</sup> Property Code <b>333246</b>	<sup>5</sup> Property Name NEW YELLER STATE	
<sup>7</sup> OGRID No. 373910	<sup>8</sup> Operator Name FRANKLIN MOUNTAIN ENERGY LLC	<sup>6</sup> Well Number 801H
		<sup>9</sup> Elevation 3243.6'

" Surface Location

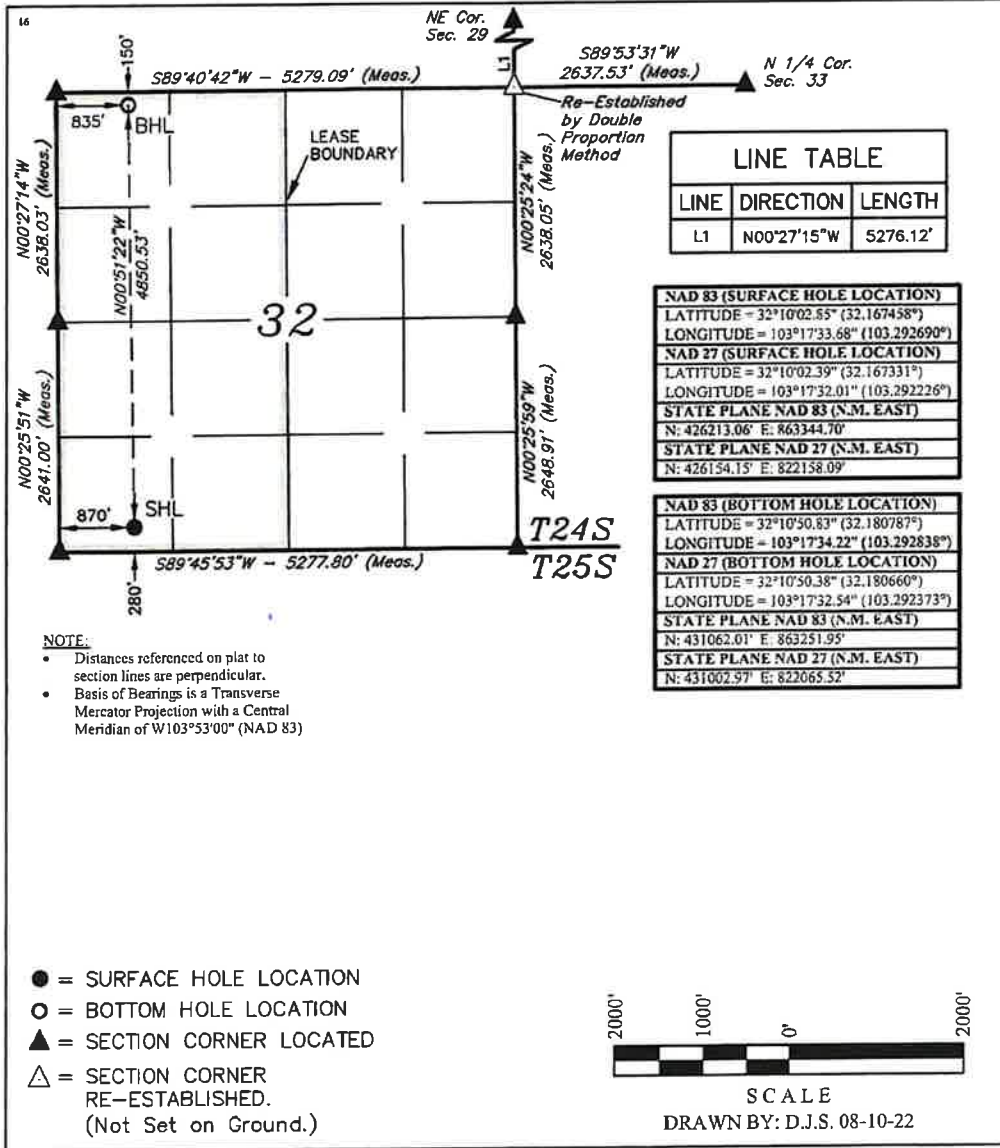
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	32	24S	36E		280	SOUTH	870	WEST	LEA

" 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
D	32	24S	36E		150	NORTH	835	WEST	LEA

<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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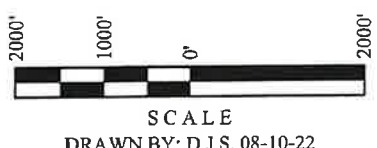
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



LINE	DIRECTION	LENGTH
L1	N00°27'15"W	5276.12'

<b>NAD 83 (SURFACE HOLE LOCATION)</b>
LATITUDE = 32°10'02.65" (32.167458°)
LONGITUDE = 103°17'33.68" (103.292690°)
<b>NAD 27 (SURFACE HOLE LOCATION)</b>
LATITUDE = 32°10'02.39" (32.167331°)
LONGITUDE = 103°17'32.01" (103.292226°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 426213.06' E: 863344.70'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>
N: 426154.15' E: 822158.09'

<b>NAD 83 (BOTTOM HOLE LOCATION)</b>
LATITUDE = 32°10'50.83" (32.180787°)
LONGITUDE = 103°17'34.22" (103.292838°)
<b>NAD 27 (BOTTOM HOLE LOCATION)</b>
LATITUDE = 32°10'50.38" (32.180660°)
LONGITUDE = 103°17'32.54" (103.292373°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 431062.01' E: 863251.95'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>
N: 431002.97' E: 822065.52'



**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 hereinafter entered by the division.

Signature: *Rachael Overbey* Date: 8/22/2022  
Printed Name: Rachael Overbey  
E-mail Address: roverbey@fmellc.com

**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.

August 3, 2022

Date of Survey  
Signature and Seal of Professional Surveyor:



Certificate Number:

Received by OCD: 9/13/2022 2:33:23 PM

Page 3 of 24

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

Form APD Conditions

Permit 324467

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: Franklin Mountain Energy LLC [373910] 44 Cook Street Denver, CO 80206	API Number: 30-025-50547
	Well: NEW YELLER STATE #801H

OCD Reviewer	Condition
pkautz	Notify OCD 24 hours prior to casing & cement
pkautz	Will require a File As Drilled C-102 and a Directional Survey with the C-104
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
pkautz	Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system
pkautz	The Operator is to notify NMOCB by sundry (Form C-103) within ten (10) days of the well being spud
pkautz	Cement is required to circulate on both surface and intermediate strings of casing

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**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 324758

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

1. Operator Name and Address Franklin Mountain Energy LLC 44 Cook Street Denver, CO 80206		2. OGRID Number 373910
4. Property Code 333246		3. API Number 30-025-50548
5. Property Name NEW YELLER STATE		6. Well No. 802H

**7. Surface Location**

UL - Lot N	Section 32	Township 24S	Range 36E	Lot Idn N	Feet From 280	N/S Line S	Feet From 1820	E/W Line W	County Lea
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**8. Proposed Bottom Hole Location**

UL - Lot C	Section 32	Township 24S	Range 36E	Lot Idn C	Feet From 150	N/S Line N	Feet From 1805	E/W Line W	County Lea
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**9. Pool Information**

JAL,WOLFCAMP, WEST	33813
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**Additional Well Information**

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3242
16. Multiple N	17. Proposed Depth 16435	18. Formation Wolfcamp	19. Contractor	20. Spud Date 11/1/2022
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	1300	1130	0
Int1	12.25	9.625	40	5200	2034	0
Int2	8.75	7.625	29.7	11000	284	4200
Prod	6.75	5.5	23	16435	459	10000

**Casing/Cement Program: Additional Comments**

--

**22. Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	10000	5000	Caclus

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.  Signature: Printed Name: Electronically filed by Rachael A Overbey Title: Project Manager Email Address: roverbey@fmeilc.com Date: 9/7/2022	<b>OIL CONSERVATION DIVISION</b>	
	Approved By: Paul F Kautz	Title: Geologist
	Approved Date: 9/13/2022	Expiration Date: 9/13/2024
	Phone: 303-570-4057	Conditions of Approval Attached

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Revised August 1, 2011  
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-50548	<sup>2</sup> Pool Code 33813	<sup>3</sup> Pool Name JAL; WOLFCAMP, WEST
<sup>4</sup> Property Code 333246	<sup>5</sup> Property Name NEW YELLER STATE	
<sup>7</sup> OGRID No. 373910	<sup>8</sup> Operator Name FRANKLIN MOUNTAIN ENERGY LLC	<sup>6</sup> Well Number 802H
		<sup>9</sup> Elevation 3242.5'

" Surface Location

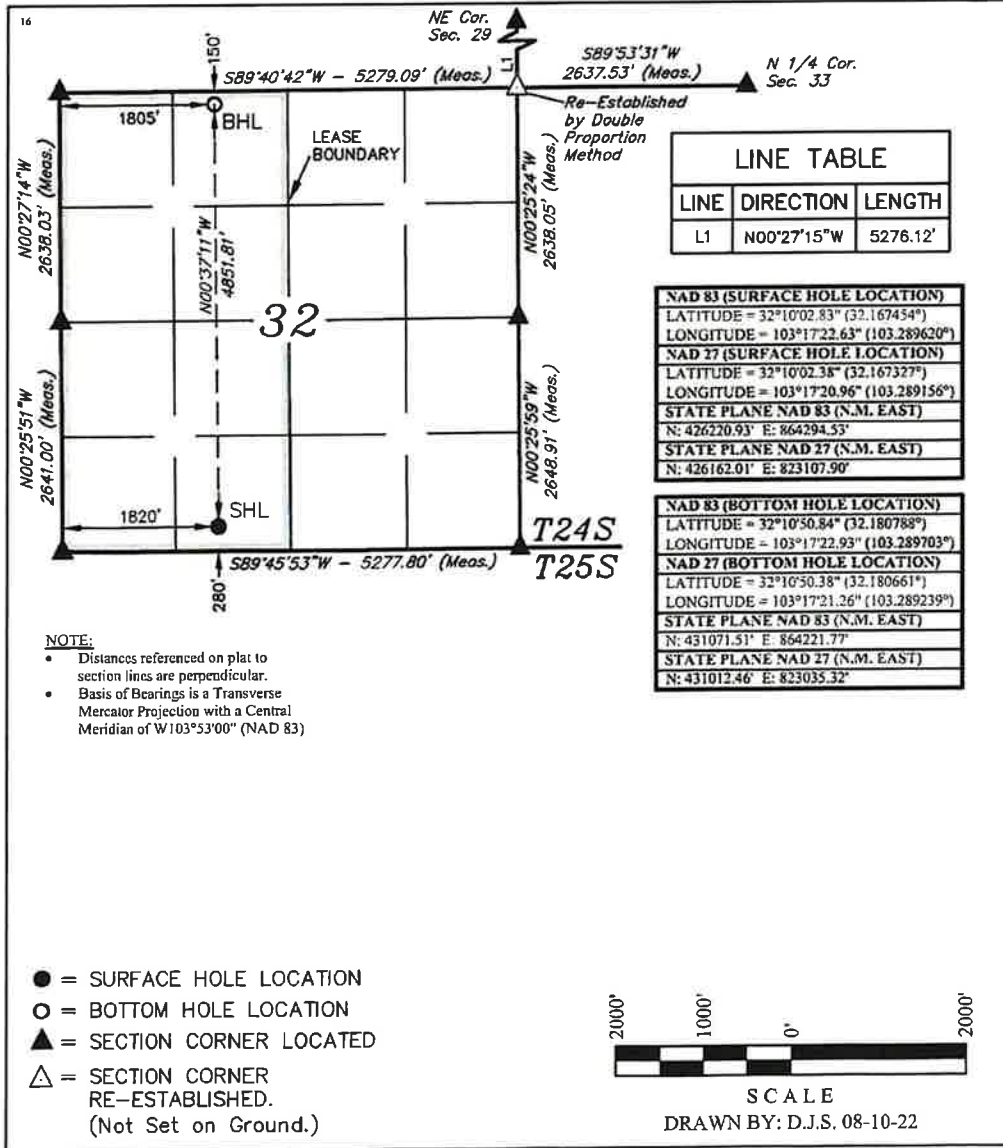
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	32	24S	36E		280	SOUTH	1820	WEST	LEA

" 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
C	32	24S	36E		150	NORTH	1805	WEST	LEA

<sup>12</sup> Dedicated Acres 320	<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.



" 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: *Rachael Overbey* Date: 8/22/2022  
 Printed Name: Rachael Overbey  
 E-mail Address: roverbey@fmellc.com

" 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.

August 3, 2022

Date of Survey  
 Signature and Seal of Professional Surveyor:



Certificate Number:

Received by OCD: 9/13/2022 2:39:42 PM

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 Oil Conservation Division  
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Form APD Conditions

Permit 324758

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: Franklin Mountain Energy LLC [373910] 44 Cook Street Denver, CO 80206	API Number: 30-025-50548
	Well: NEW YELLER STATE #802H

OCD Reviewer	Condition
pkautz	Notify OCD 24 hours prior to casing & cement
pkautz	Will require a File As Drilled C-102 and a Directional Survey with the C-104
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pkautz	Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system
pkautz	Cement is required to circulate on both surface and intermediate strings of casing
pkautz	The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of the well being spud

**SELF-AFFIRMED STATEMENT OF ANDREW PARKER**

1. My name is Andrew Parker and I am employed by MRC Energy Company, an affiliate of MRC Permian Company (“MRC”), as a Senior Vice President of Geoscience. 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 Cases 23811-23813 for the proposed Ken Stewart wells and the applications filed by Franklin Mountain in Cases 23659-23661 for its proposed New Yeller wells. These consolidated cases seek to create spacing units in the Bone Spring and Wolfcamp formations that overlap in the W/2 of Section 29, Township 24 South, Range 36 East in Lea County, New Mexico. I have therefore conducted a geologic study of the Bone Spring and Wolfcamp formations underlying the subject area in these cases.

3. **MRC Exhibit B-1** is a locator map with a large red box in the bottom right corner. The yellow shaded rectangle within this larger red box identifies the acreage MRC seeks to pool for its proposed Ken Stewart wells.

**The Bone Spring Formation**

4. **MRC Exhibit B-2** is a subsea structure map that I prepared for the top of the Bone Spring formation. The contour interval is 50 feet. The MRC Ken Stewart project area is identified in yellow along with a line of cross section including the wells we have labeled as well 1, well 2 and well 3. This structure map shows the Bone Spring formation, within the acreage underlying the proposed spacing unit, gently dips to the southwest. The structure appears consistent across the proposed spacing unit, and I do not observe any faulting, pinch outs, or other geologic impediments to horizontal drilling.

5. Exhibit B-2 shows a significant change in the structure as you move north from the proposed spacing unit into Section 17. The reason for this structure change is a deep fault that has

been identified to the north of Section 20, which appears to impact the relevant target intervals in Section 17. Although Matador is still evaluating the Section 17 acreage, at this time Matador believes it would be challenging to include Section 17 in two-mile development with Section 20 because of the potential diminishing reservoir quality of these targets in the local area of Section 17.

6. **MRC Exhibit B-3** is a structural cross-section for the Bone Spring formation that I prepared using the logs from the three representative wells labeled as well 1, well 2, and well 3 on Exhibit B-2. The middle well log is from the Uncle Richard State Com #213H well recently drilled and completed by Matador in the Wolfcamp formation underlying the E/2 of Sections 29 and 32. For the Uncle Richard State Com #213H, Matador drilled a deep pilot hole, ran advanced open hole logs on the well, and obtained high-density cuttings and lab analysis of such cuttings. Based on the science conducted in the Uncle Richard State Com #213H well (which is immediately adjacent to the Ken Stewart units), Matador has a significant, unique amount of insight into the geologic characteristics of the acreage in these cases.

7. With respect to **MRC Exhibit B-3**, each well in the cross-section includes gamma ray, caliper, resistivity, and porosity logs. The target interval for MRC's proposed initial #135H well in the Third Bone Spring interval is labeled and marked with a yellow shaded area. The logs in the cross-section demonstrate that this targeted interval is consistent in thickness across the entirety of the proposed spacing unit.

8. 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 unit.



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

**The Wolfcamp Formation**

10. **MRC Exhibit B-4** is a subsea structure map that I prepared for the top of the Wolfcamp formation. The contour interval is 50 feet. The same line of cross section with the wells labeled as well 1, well 2 and well 3 is shown and the MRC Ken Stewart project area is identified in yellow. This structure map shows the Wolfcamp formation gently dipping to the southwest in the area underlying and to the southwest of the proposed spacing unit. The structure appears consistent across the proposed spacing unit, and I do not observe any faulting, pinch outs, or other geologic impediments to horizontal drilling.

11. Like the Bone Spring formation discussed above, Exhibit B-4 shows a similar change in the structure as you move north from the proposed spacing unit into Section 17. The reason for this is due to the deep fault discussed in more detail above.

12. **MRC Exhibit B-5** is a structural cross-section for the Wolfcamp formation that I prepared using the logs from the three representative wells labeled as well 1, well 2 and well 3 on Exhibit B-4. The middle well log is from the Uncle Richard State Com #213H well recently drilled and completed by Matador in the Wolfcamp formation underlying the E/2 of Sections 29 and 32 (discussed in more detail above). Each well in the cross-section includes gamma ray, caliper, resistivity, and porosity logs. The target interval for MRC's proposed initial #211H and #212H wells in the upper Wolfcamp A is labeled and marked with a yellow shaded area. The logs in the cross-section demonstrate that this targeted interval is consistent in thickness across the entirety of the proposed spacing unit.

13. Based on my geologic study of the area, I have not identified any geologic impediments to drilling horizontal wells within the Wolfcamp formation underlying the area comprising the proposed spacing unit.

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

15. 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.

16. In addition to the initial wells that MRC has proposed in these cases, we are also evaluating additional targets that MRC may choose to drill later as infill wells. **MRC Exhibit B-6** is a diagram showing the other zones we are currently evaluating, including the Avalon, First Bone Spring, Second Bone Spring, and Third Bone Spring Carbonate. We are excited to continue learning about this acreage as we further develop it and the potential to drill these additional or other targets, but I will focus the rest of my statement on the analysis of MRC's development plans for its initial wells in these cases.

#### **My Analysis of the Competing Development Plans**

17. Both MRC and Franklin Mountain are proposing standup well orientation for development of this acreage. The standup orientation is the preferred orientation for development in this area for the targeted intervals because the stress direction is east-to-west.

18. **MRC Exhibit B-7** reflects the competing development plans for the Third Bone Spring and Wolfcamp targets as proposed by MRC and Franklin Mountain, as each operator proposes to include the W/2 of Section 29 in their development. MRC's development plan is reflected on the left of this exhibit while Franklin Mountain's proposed competing plan is shown

on the right. This exhibit also reflects the location of the two Uncle Richard wells recently drilled and completed by MRC in the E/2 of Sections 29 and 32 in the upper Wolfcamp A target.

19. You will see that Franklin Mountain proposes to drill seven wells to develop the Third Bone Spring and Upper Wolfcamp (, while MRC has proposed to drill three wells. MRC believes these targets should be developed using a wine-rack pattern and simultaneous completion.

20. Based on MRC's logs and data from the Uncle Richard State Com #213H, discussed above, MRC believes its development plan is superior to Franklin Mountain's and that Franklin Mountain's tighter spacing of seven wells in the Third Bone Spring/Wolfcamp would result in significant waste.

21. **MRC Exhibit B-8** demonstrates the reasons MRC believes Franklin Mountain's proposed spacing pattern is too tight and would result in waste. **MRC Exhibit B-8** is a stratigraphic cross-section, flattened on the top of the Third Bone Spring Sand, using well number 1 and well number 2 (as depicted in both MRC Exhibit B-2 and B-4). Each well in the cross-section includes gamma ray, caliper, resistivity, and porosity logs.

22. Well number 1 represents what I am referring to as the "Downdip Area"—Well number 1 is on acreage located in Section 11, Township 25 South, Range 35 East, which is acreage shown to be operated by Franklin Mountain and approximately 4 miles to the southwest of the acreage in these cases.

23. Well number 2 represents what I am referring to as the "Updip Area"—Well number 2 is Matador's Uncle Richard State Com #213H well described above, which is immediately adjacent to the acreage in these cases and on which Matador has a significant amount of logs and data.

24. Highlighted in yellow on **MRC Exhibit B-8** are the two different intervals relevant to the comparison of the parties development plans: (i) the Third Bone Spring and Wolfcamp A

(commonly referred to as the Wolfbone, which both parties seek to develop in these cases), and (ii) the Wolfcamp B (which only Franklin Mountain is proposing to develop in these cases).

25. With respect to the Wolfbone, the yellow shading demonstrates that the target thins gradually as you move from the Downdip Area to the Updip Area. With respect to the Wolfcamp B, however, the yellow shading demonstrates that the Wolfcamp B target is dramatically thinner as you move from the Downdip Area to the Updip Area.

26. Also shown on **MRC Exhibit B-8** to the left and right of the well logs are the volumetric calculations of total pore volume in the highlighted intervals, derived from petrophysical logs. Pore volume is a general measure of void space in the rock available for occupation by fluid (i.e., the volume of the reservoir). All else being equal, higher pore volume indicates higher hydrocarbon production volume potential.

27. As indicated next to well number 1, I have calculated the pore volume at the Downdip Area as: (i) 143 million barrels per 640 acres in the Wolfbone, and (ii) 119 million barrels per 640 acres in the Wolfcamp B.

28. As indicated next to well number 2, I have calculated the pore volume at the Updip Area as: (i) 46 million barrels per 640 acres in the Wolfbone, and (ii) 11 million barrels per 640 acres in the Wolfcamp B.

29. In other words, the pore volume—and therefore the reservoir volume capable of holding fluids—is significantly less in the Updip Area than Downdip Area for both targets.

30. This difference in pore volume and thickness of the targets explains why Franklin Mountain may have been able to utilize its proposed tighter spacing pattern in the Downdip Area, without experiencing the negative results that we believe such a spacing pattern would result in the Updip Area.

31. To the right of well number 1 is our best estimation of Franklin Mountain's existing development pattern in Sections 11 and 2, Township 25 South, 35 East (in the Downdip Area), using the information that is publicly available to us. It appears Franklin Mountain developed the Downdip Area using a spacing pattern of 11 wells in the Wolfbone and 5 wells in the Wolfcamp B per section (as further shown on the chart at the bottom of **MRC Exhibit B-8**).

32. To the left of well number 2 is a diagram of MRC's proposed development of the Wolfbone interval in the Updip Area at the Ken Stewart project. This shows our proposed development using a spacing pattern of 5 wells in the Wolfbone and 0 wells in the Wolfcamp B per section (as further shown on the chart at the bottom of **MRC Exhibit B-8**).

33. With respect to Franklin Mountain's proposed New Yeller wells in these cases, Franklin Mountain has proposed a spacing pattern of 10 wells in the Wolfbone and 4 wells in the Wolfcamp B per section (as further shown on the chart at the bottom of **MRC Exhibit B-8**).

34. In other words, Franklin Mountain is proposing to use a very similar spacing pattern here in the Updip Area (14 wells per section) as it did in the Downdip Area (16 wells per section). However, based on the significant change in geology between the Downdip Area and Updip Area, it is my opinion that their proposed spacing pattern would be wasteful and result in the drilling of unnecessary wells.

35. To start, based on the thinning and reduced reservoir volume of the Wolfcamp B, I do not believe the Wolfcamp B is a viable target on the acreage in these cases.

36. With respect to the Wolfbone, the calculated pore volume at the Updip Area is only 32% of the much greater pore volume at the Downdip Area. Accordingly, it is my opinion that the Wolfbone is a viable target on the acreage in these cases, but that it will not support the 10 wells per section spacing pattern proposed by Franklin Mountain.

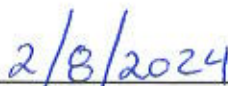
37. In conclusion, MRC's petrophysical data from our Uncle Richard State Com #213H well supports my opinion that Franklin Mountain's proposal of 7 wells in the Third Bone Spring and Wolfcamp in the W/2 of this acreage (i.e. 14 wells per section) is significantly too tight and will result in waste and the drilling of unnecessary wells; whereas, MRC's proposal of 3 wells in the W/2 of this acreage is more prudent. Accordingly, in my opinion, approving MRC's pooling applications and denying Franklin Mountain's pooling applications will avoid the drilling of unnecessary wells, and is in the best interest of conservation, the prevention of waste, and protection of correlative rights.

38. To the extent that Franklin Mountain disagrees with my geologic analysis, they are free to experiment on their acreage in the E/2 of Section 32.

39. **MRC Exhibits B-1 through B-8** were either prepared by me or compiled under my direction and supervision.

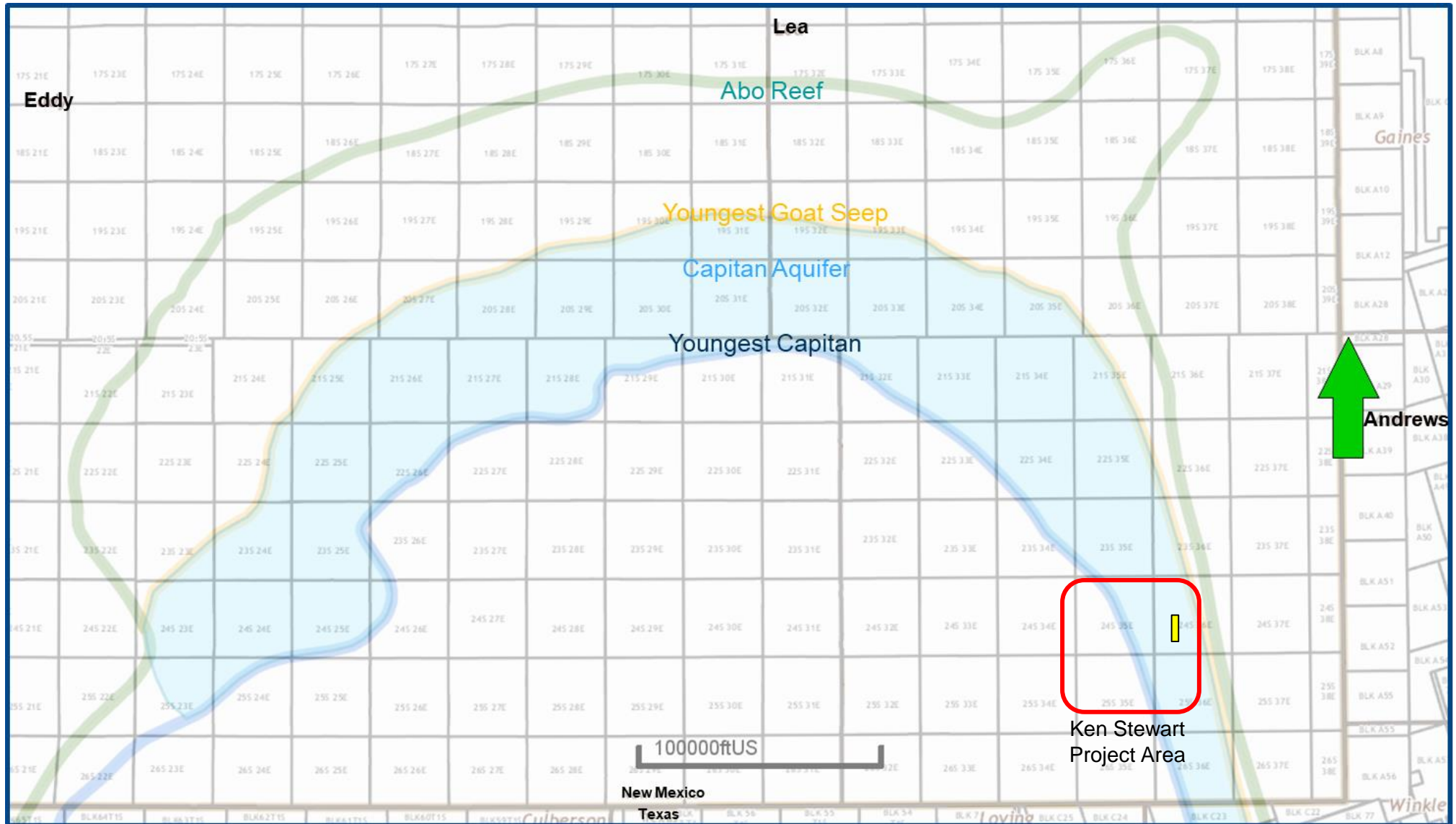
40. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

  
\_\_\_\_\_  
Andrew Parker

  
\_\_\_\_\_  
Date

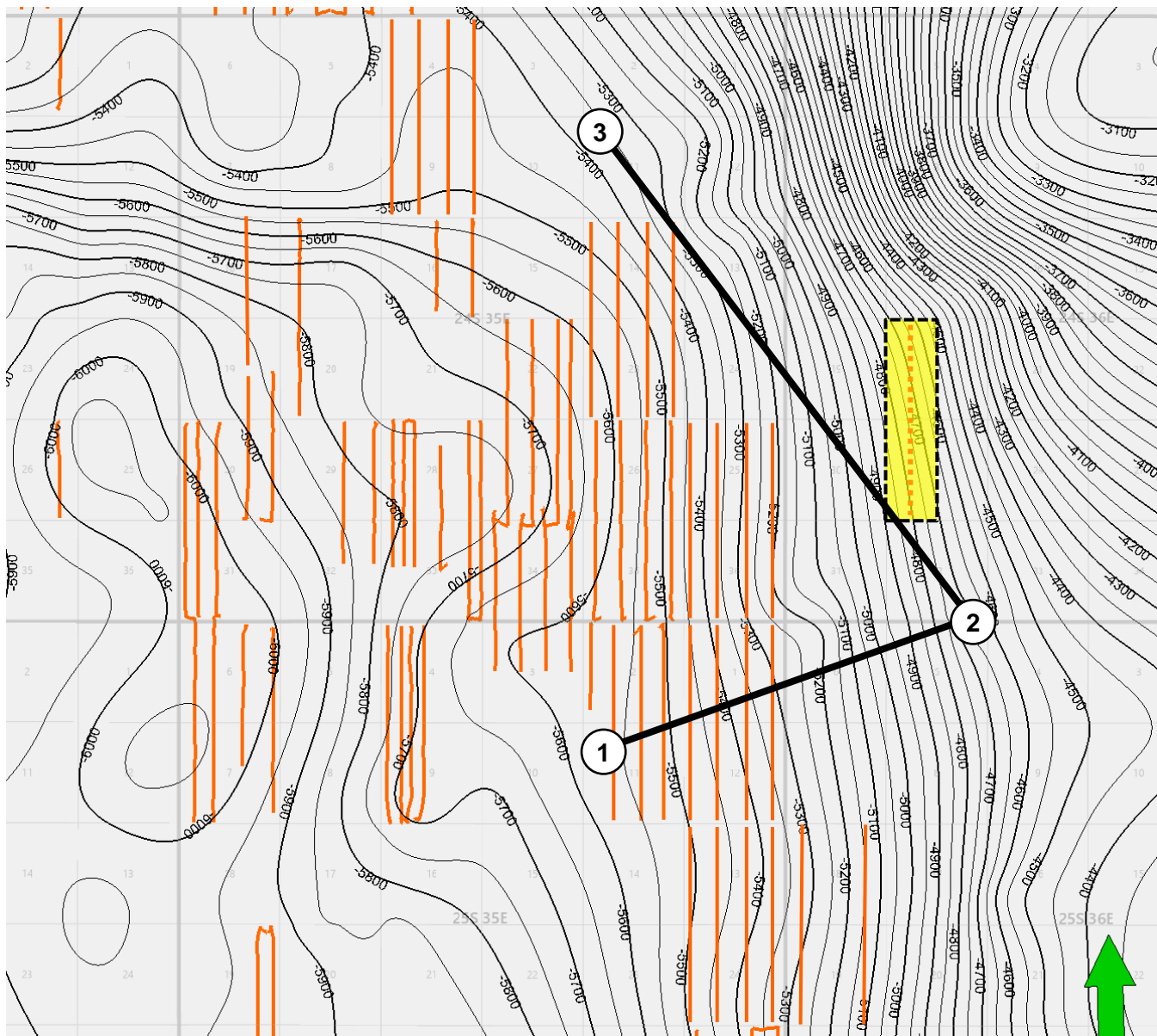
# Locator Map

# Exhibit B-1



# WC-025 G-08 S253534O;BONE SPRING [97088] Structure Map (Top Bone Spring Subsea)

## Exhibit B-2



### Map Legend

#### Third Bone Spring Wells



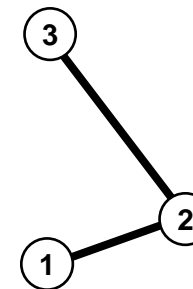
#### Ken Stewart #135H



#### Project Area



#### Cross Section Reference Line

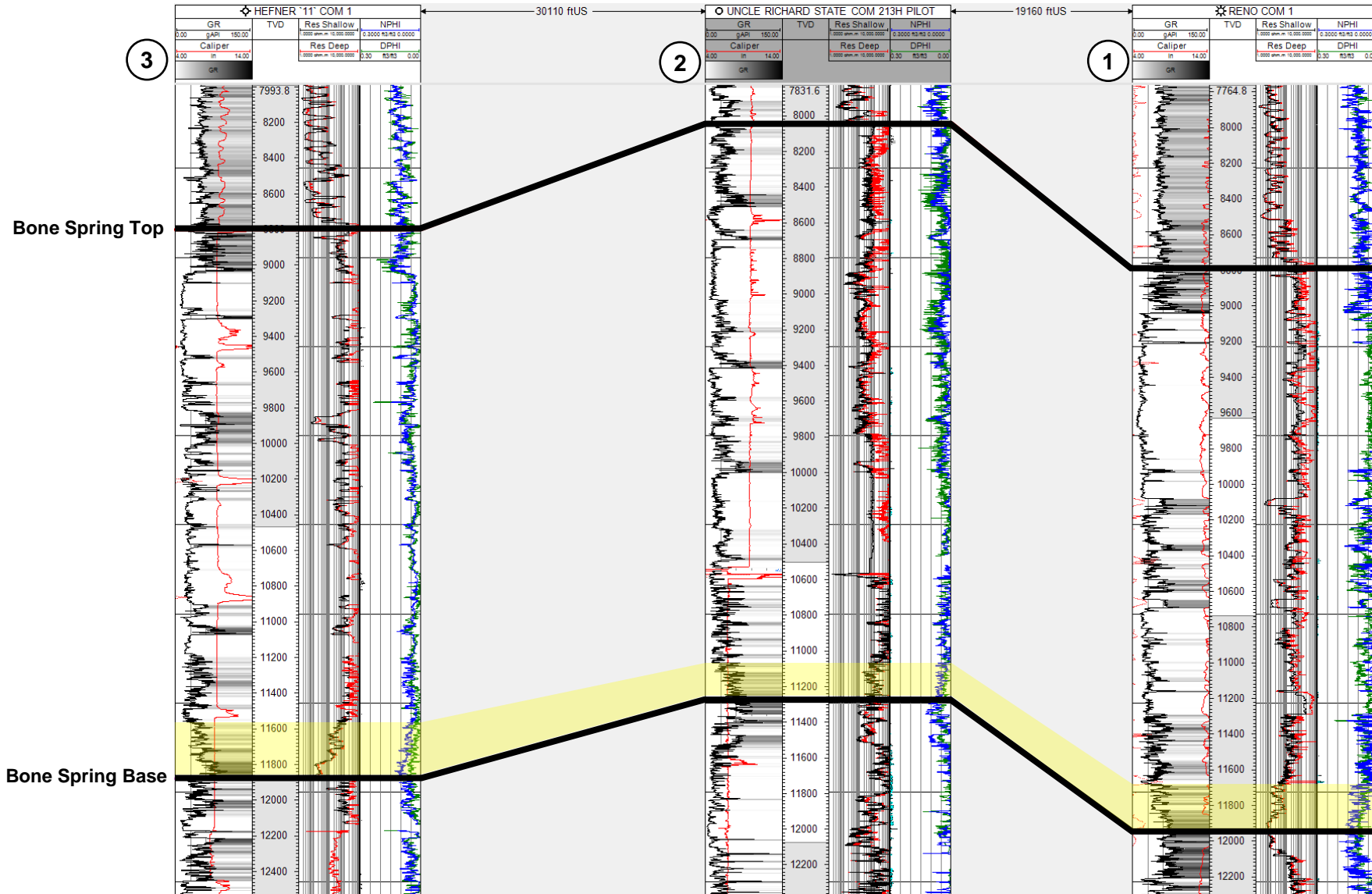


C. I. = 50'



# WC-025 G-08 S253534O;BONE SPRING [97088] Structural Cross Section

## Exhibit B-3

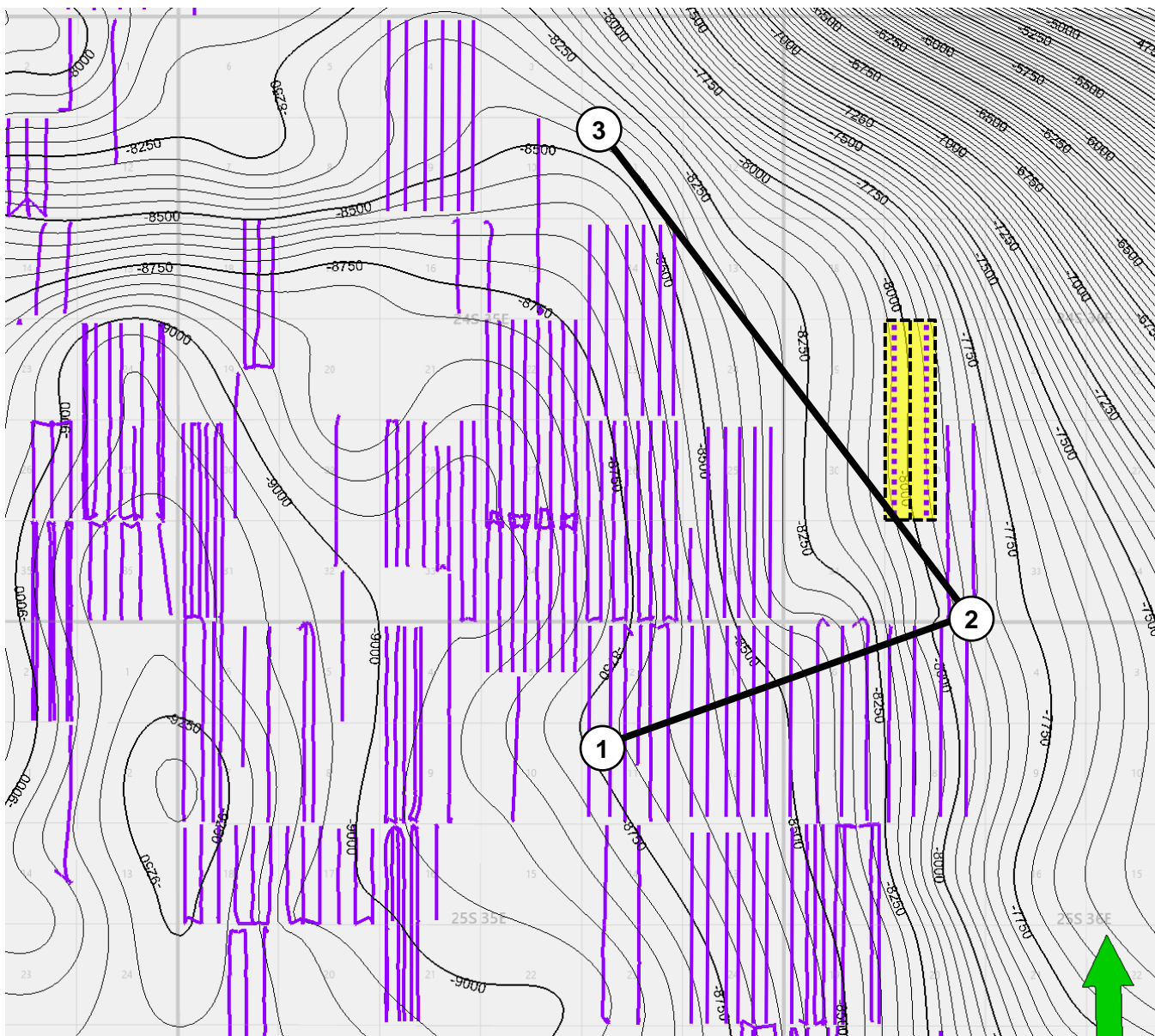


Ken Stewart #135H  
Target



# JAL;WOLFCAMP, WEST [33813] Structure Map (Top Wolfcamp Subsea)

## Exhibit B-4



### Map Legend

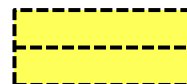
#### Wolfcamp A Wells



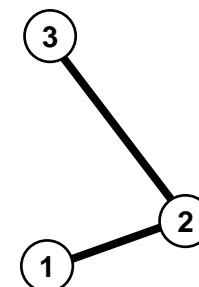
#### Ken Stewart #211H and #212H



#### Project Area



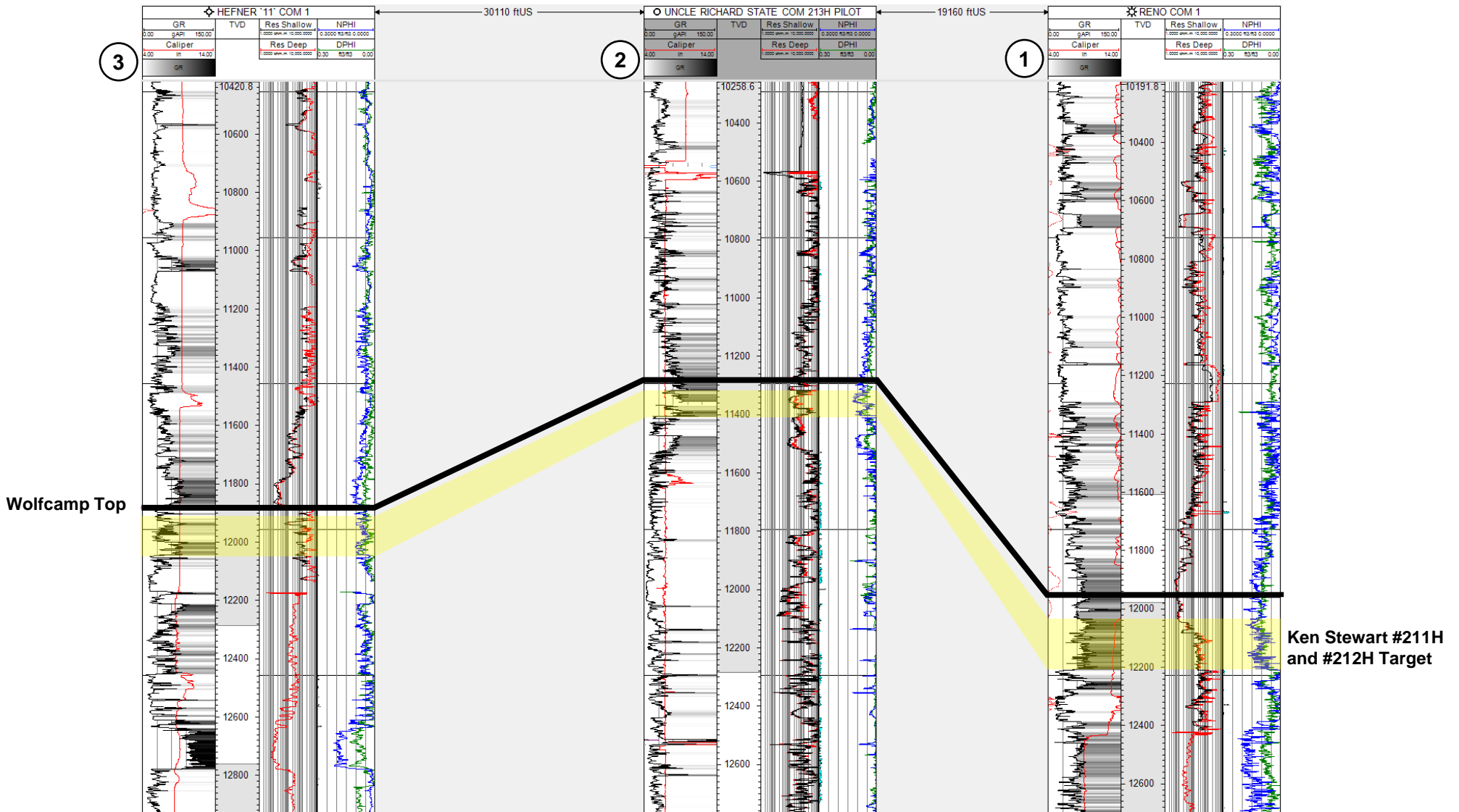
#### Cross Section Reference Line



C. I. = 50'

# JAL;WOLFCAMP, WEST [33813] Structural Cross Section

## Exhibit B-5



Wolfcamp Top

Ken Stewart #211H  
and #212H Target



BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit No. B-5  
 Submitted by: Matador Production Company  
 Hearing Date: February 15, 2024  
 Case Nos. 23811-23813

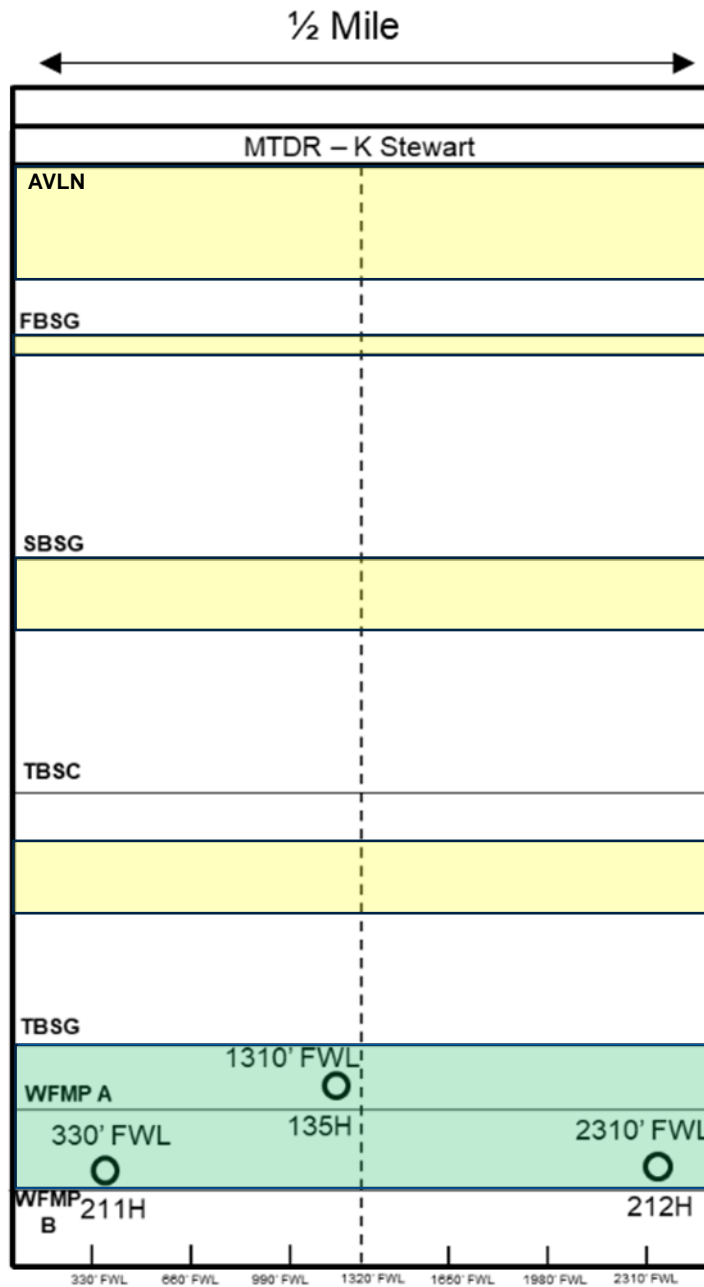


B-5

# Exhibit B-6

## Matador Plan of Development

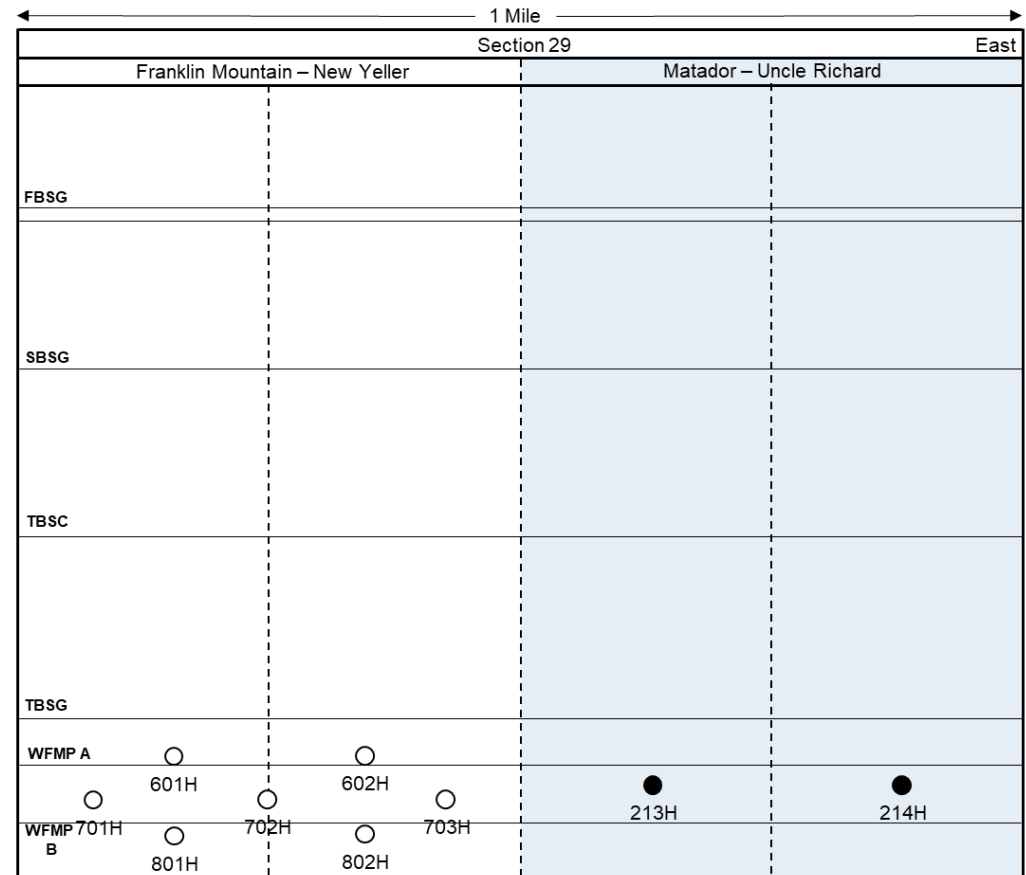
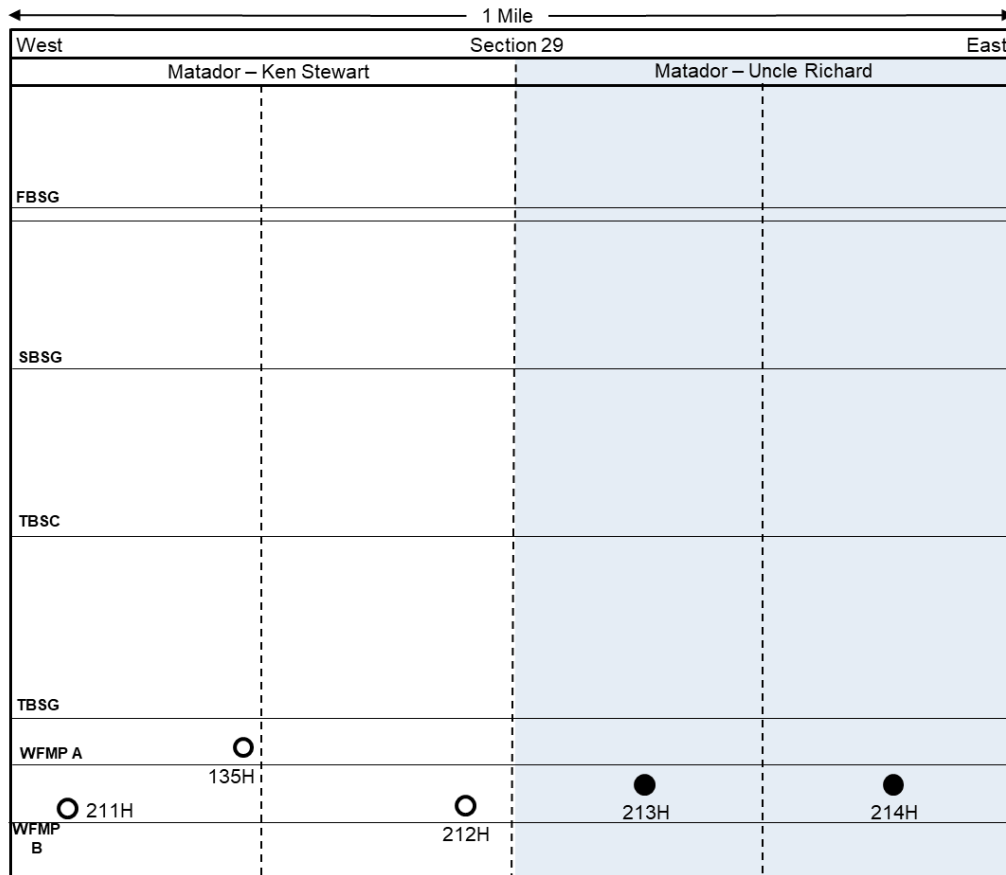
	Current development
	Considering for future development



BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit No. B-6  
 Submitted by: Matador Production Company  
 Hearing Date: February 15, 2024  
 Case Nos. 23811-23813

# Exhibit B-7

## Matador and Franklin Mountain Side by Side Comparison

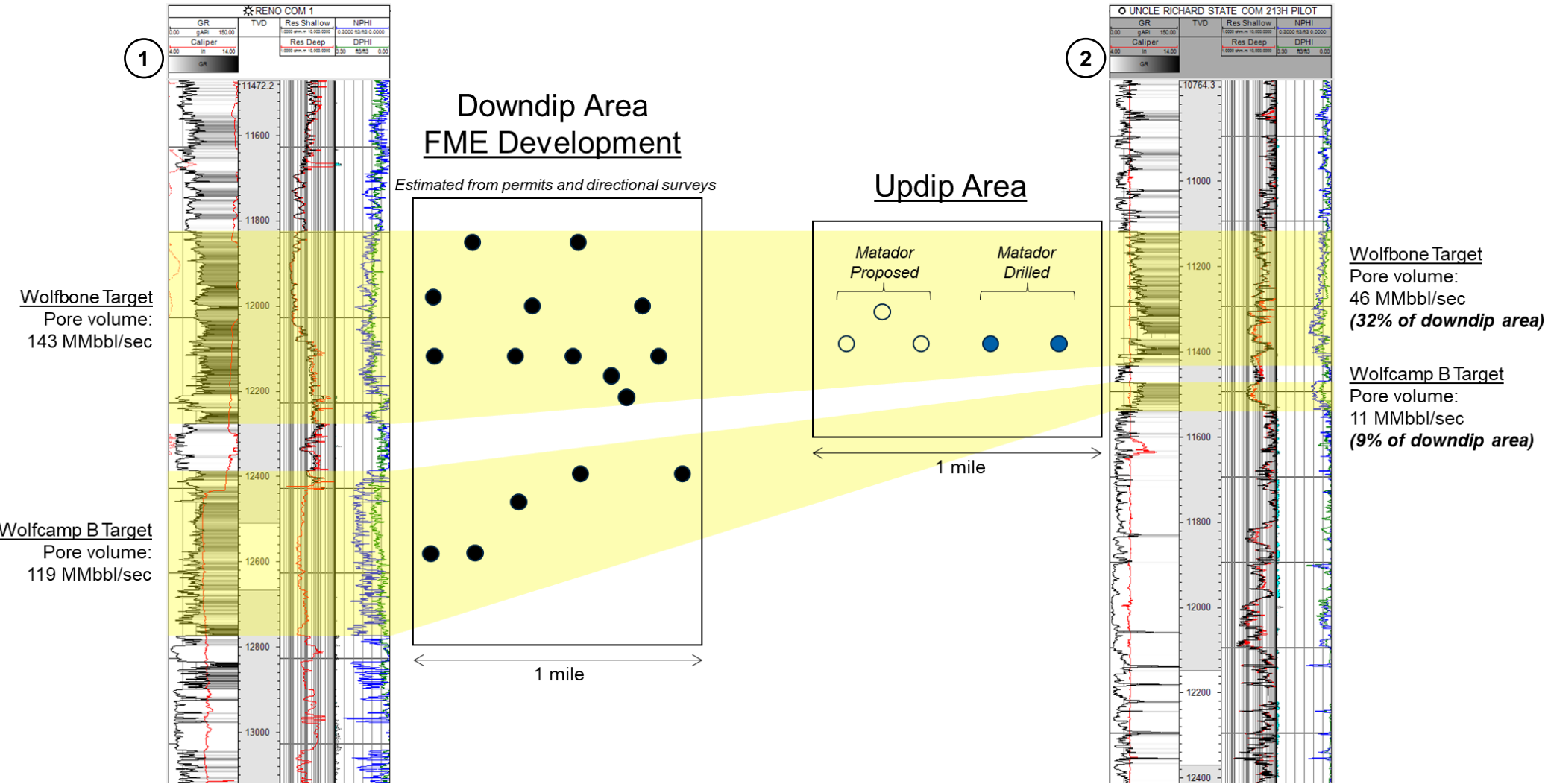


BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit No. B-7  
 Submitted by: Matador Production Company  
 Hearing Date: February 15, 2024  
 Case Nos. 23811-23813



# Comparison of Downdip and Updip Areas Stratigraphic Cross Section (Third Bone Spring Sand Datum)

## Exhibit B-8



	Wells Per Section (Equivalent)		
	FME Downdip Area (Sec. 11&2 T25S R35E)	FME Updip Area (New Yeller)	MTDR Updip Area (Ken Stewart)
<b>Wolfbone</b>	11	10	5
<b>Wolfcamp B</b>	5	4	0

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. B-8  
Submitted by: Matador Production Company  
Hearing Date: February 15, 2024  
Case Nos. 23811-23813

**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 with Matador, I am also 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 MRC in Cases 23811-23813 for the proposed Ken Stewart wells and the applications filed by Franklin Mountain in Cases 23659-23661 for its proposed New Yeller wells. These consolidated cases seek to create spacing units in the Bone Spring and Wolfcamp formations that overlap in the W/2 of Section 29, Township 24 South,

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

Submitted by: Matador Production Company  
Hearing Date: February 15, 2024  
Case Nos. 23811-23813

Range 36 East in Lea County, New Mexico. I have conducted a reservoir study of the Bone Spring and Wolfcamp formations underlying the subject area in these cases.

4. **MRC Exhibit C-1** is the same subsea structure map Matador's geology expert in these cases, Andrew Parker, prepared for the top of the Wolfcamp formation. The contour interval is 50 feet. The same line of cross section shown in Mr. Parker's exhibits with the wells labeled as well 1, well 2 and well 3 is shown and the MRC Ken Stewart project area is identified in yellow. Also shown on MRC Exhibit C-1 are all of the horizontal wells Matador was able to locate that have been drilled in the Third Bone Spring, Wolfcamp A, or Wolfcamp B formation in this area. Each such well is displayed as a stick on the map, with (i) Third Bone Spring wells colored orange, (ii) Wolfcamp A wells colored purple, and (iii) Wolfcamp B wells colored green.

5. Also shown on MRC Exhibit C-1 is the hydrocarbon recovery factors, as calculated per development unit, in or around well number 1 (the Downdip Area), in or around well number 2 (the Updip Area), and in or around the acreage in between the Downdip Area and Updip Area. These hydrocarbon recovery factors are displayed on the map in yellow boxes posted across each unit where the calculation was made. The hydrocarbon recovery factor is a measure of what percentage of the contacted reservoir a single well, or unit, will drain.

6. More specifically, the estimated recovery factors are calculated based on volumetric calculations of pore volume, as described in more detail in Mr. Parker's statement and as shown on **MRC Exhibit C-2** (which contains the same pore volume comparison displayed on Mr. Parker's MRC Exhibit B-8, as well as additional information I will describe below), and reduced by a water saturation of 54% in the Third Bone Spring and Wolfcamp A and a water saturation of 73% in the Wolfcamp B. These water saturation rates are estimates based on the water-oil-ratio for wells in this area. For purposes of objectivity, the expected barrels of oil



recovered, or estimate of ultimate recovery (EUR), per well are derived from a third-party source, but these numbers generally match Matador's internal analysis. The expected EUR for each unit is then calculated by summing the individual well EURs in each unit. The ratio between the Unit's EUR and the corresponding hydrocarbon pore volume per unit as mapped determines the recovery factor for the unit.

7. As shown on MRC Exhibit C-1, the hydrocarbon recovery factors in this area range from 5% to 8%, with the average recovery factor being between 6% and 7%.

8. With respect to the development spacing in or around the Downdip Area, MRC Exhibit C-1 shows a higher density of well spacing, or increased well count, in the development units to the west of the acreage in these cases. This is consistent with the greater total pore volume on that acreage, as demonstrated on MRC Exhibit C-2, which is the reason that higher density well counts between 14 and 16 wells per section are still able to achieve approximately 6% to 7% recovery factors in that area.

9. With respect to developments in or around the Updip Area (which log is from Matador's Uncle Richard State Com #213H pilot hole), MRC Exhibit C-1 shows a decrease in well count per development unit where the average well count is only four wells per section equivalent spacing across the three adjacent development units. This spacing is likewise consistent with the significantly lesser total pore volume on that acreage, as demonstrated on MRC Exhibit C-2. By utilizing this less dense well spacing, these three developments still managed to obtain a recovery factor between 5% and 8%, which is in line with the average recovery factors obtained from the more aggressive spacing patterns used in the higher total pore volume reservoir in or around the Downdip Area.

10. Based on this analysis, it is my opinion that the smaller well count development patterns used in the units in or around the Updip Area—which is directly adjacent to the acreage in these cases—are adequately draining the recoverable hydrocarbons in each of their respective units due to the lower total pore volume and thus lower hydrocarbon pore volume available. It is also my opinion that seeking to utilize the tighter spacing proposed by Franklin Mountain in the acreage in these cases (in the Updip Area) would result in significant waste and drilling unnecessary wells. As mentioned above, there are three existing development units in the Updip Area that have all chose to utilize the lesser spacing pattern similar to MRC's development plan in this case. One of those three units is MRC's Uncle Richard Project. The other two units are units operated by Ameredev Operating, LLC.

11. At the top of **MRC Exhibit C-2** is the same analysis Mr. Parker addressed in his MRC Exhibit B-8 regarding the changes in the target intervals and pore volume between the Downdip Area and Updip Area. Below that depiction are red and blue text showing a comparison of my calculation of the average well EUR of Franklin Mountain's existing 16 well per section development in the Downdip Area with that of MRC's existing development of the Uncle Richard Unit (equivalent of 4 wells per section spacing) in the Updip Area. The results of which, based on third-party estimates, suggest Matador's Uncle Richard development in the Updip Area will achieve an EUR of 1.023 million barrels of oil or 2.05 million barrels of oil between the two wells which corresponds to approximately an 8% recovery factor for the unit.

12. Understanding that the recovery factors as described in MRC Exhibit C-1 are similar in nature, it is my opinion that the development pattern(s), and in particular the well density(s) used in each area (higher pore volume area down dip and lower pore volume area up dip) are efficiently and effectively draining the contacted reservoir. Furthermore, assuming the

total pore volume and hydrocarbon pore volume is the same as that observed at the Uncle Richard well log and an 8% hydrocarbon recovery factor is achieved, there is approximately 2.05 million barrels of total technical recoverable oil under the subject project area.

13. The top of the two tables on MRC Exhibit C-2, labeled “Expected Results Based on Area Study,” shows Matador’s proposed 3-well development plan (6-well equivalent spacing) is estimated to recover approximately 682,000 barrels of oil, achieve a Return on Investment (ROI) of 1.73 and payout in 5.4 years. Also shown on that same table is Franklin Mountain’s proposed 7-well development plan (14-well equivalent spacing), which shows that each well is estimated to recover approximately 292,000 barrels of oil, achieve an ROI of 0.61 and is not expected to pay out.

14. To further test this hypothesis, I find it useful to run the analysis in reverse. This is what is shown on the bottom of the two tables on MRC Exhibit C-2, labeled “High Density Drilling Would Require a Recovery Factor Far Above Area Trend.” Stated another way, this chart is answering the question of how much recoverable oil would need to be in place for each well in Franklin Mountain’s proposed 7-well development pattern (14 well equivalent spacing) to recover 682,000 barrels of oil and achieve the same economic results per well. Calculating the reverse suggests a recovery factor of 18% per well for each of Franklin Mountain’s proposed 7 wells is needed to achieve the desired result. This required recovery factor of 18% per well is more than double (or even triple in some cases) that of the other nine units analyzed in a similar manner. Based on my analysis of wells in the area, it is my opinion that an 18% recovery factor per well is not achievable, which further supports my opinion that Franklin Mountain’s proposed spacing pattern would be inefficient, resulting in the drilling of unnecessary wells, and result in waste.

15. My opinion is further demonstrated on **MRC Exhibit C-3**, which is a table comparing my calculations of the estimated recoveries and economic results between Matador's proposed three well development plan, on the left side, and Franklin Mountain's proposed seven well development plan, on the right side. For purposes of normalizing other factors unrelated to the spacing differences, the bottom half of the table compiles various economic metrics assuming a 75% lease net revenue interest (LNRI) and an 80% LNRI and contemplates 100% working interest. As discussed in MRC Exhibit C-2, the total technical recoverable oil used is 2.05 million barrels. For both MRC and Franklin Mountain, the capital outlay to drill, complete and equip each well is assumed to be approximately \$14.5 million. Each economic scenario utilizes the same NYMEX strip pricing model as of December 2023.

16. As shown on MRC Exhibit C-3, the results of this analysis confirm my opinion that MRC's proposed development plan is superior to Franklin Mountain's plan:

- a. Matador's development plan is estimated to cost \$58 million less than Franklin Mountain's plan.
- b. Matador's development plan is estimated to economically recover 140,000 more barrels of oil or 350,000 BOE more than Franklin Mountain's plan.
- c. Matador's development plan is expected to generate approximately \$32 to \$38 million in undiscounted cashflow, yield a 1.73 to 1.88 ROI and 16% to 19% rate-of-return (RoR), payout in 5 years, and have an economic life of 36 years.
- d. Franklin Mountain's development plan, on the other hand, is expected to have an economic loss of approximately (\$40) to (\$34) million in undiscounted cashflow, yield a 0.61 to 0.67 ROI and 0% RoR, is not expected to payout, and have an economic life of 23 years.

17. In short, it is my opinion that MRC's development plan will cost the working interest owners significantly less money than Franklin Mountain's proposed plan, while at the same time economically recovering more hydrocarbon reserves than Franklin Mountain's

proposed development plan. Accordingly, in my opinion, Franklin Mountain’s proposed development plan would result in (i) the drilling of unnecessary wells, (ii) economic waste, and (iii) waste of natural resources left in place compared to MRC’s development plan.

18. Based on my review of Franklin Mountain’s wells in the area, it appears they have taken their development plans used in the Downdip Area and assumed that a similar development pattern would work here in the Updip Area. However, for the reasons explained above, it is my and Matador’s opinion that the Updip Area on the acreage in these cases is very different than the acreage previously developed by Franklin Mountain in the Downdip area.

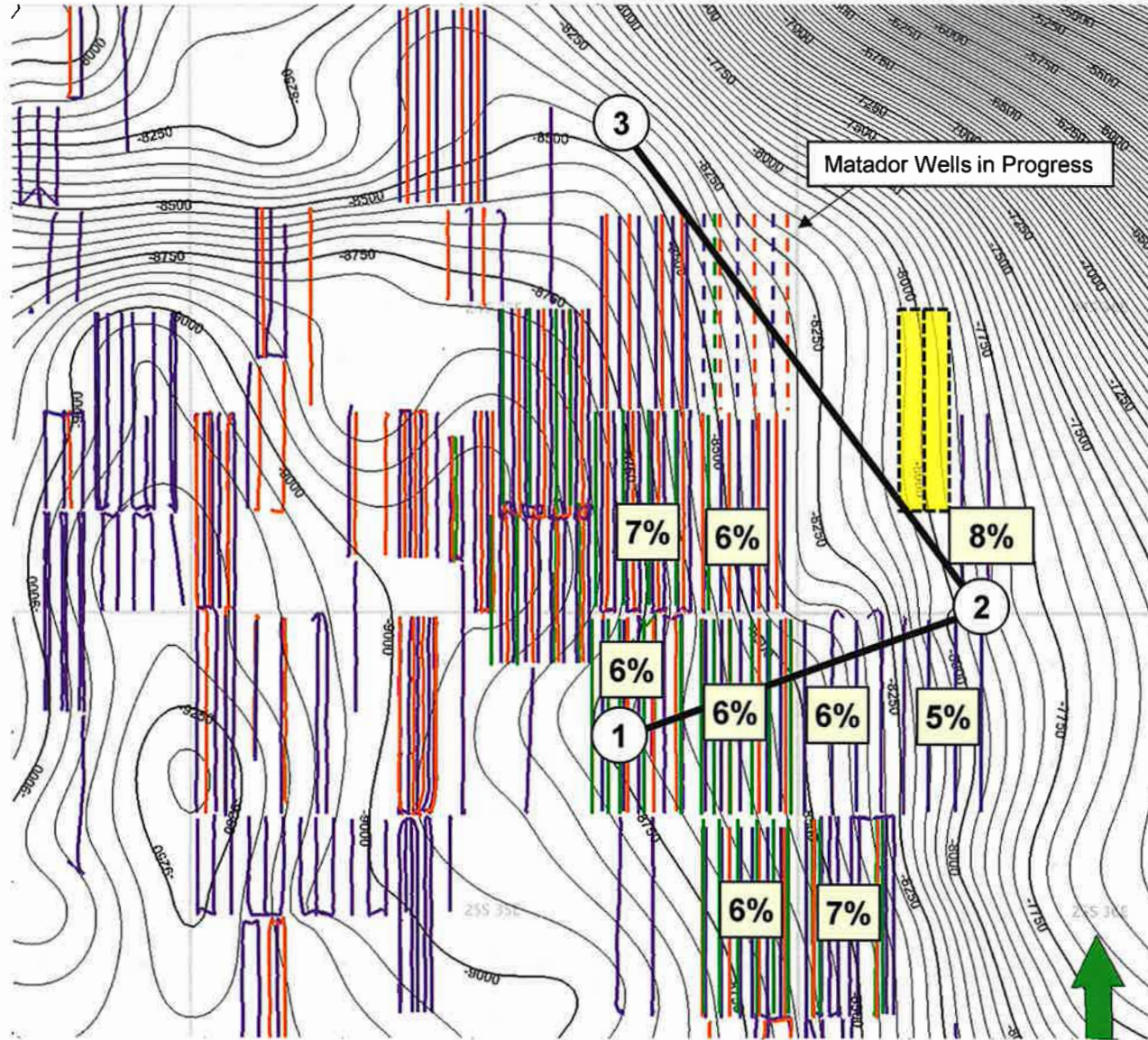
19. **MRC Exhibits C-1 through C-3** were prepared by me or compiled under my direction and supervision. In addition, with respect to my references to Mr. Parker’s statements and exhibits, I worked closely with Mr. Parker and the other geologists on our technical team that helped to analyze the acreage in these cases to understand their methodology and analysis, which is consistent with the collaborative approach between geology and reservoir that MRC would use when analyzing acreage for other business purposes.

20. 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

2-8-2024  
Date

# Exhibit C-1 Hydrocarbon Recovery Factors for 3rd Bone Spring Sand through Wolfcamp B



**Map Legend**

- Third Bone Spring Wells**  
— (Orange line)
- Wolfcamp A Wells**  
— (Purple line)
- Wolfcamp B Wells**  
— (Green line)
- Project Area**  
— (Yellow dashed box)
- Hydrocarbon Recovery Factor**  
#% (Boxed percentage)
- Cross Section Reference Line**  
— (Line with points 1, 2, 3)

C. I. = 50'

Ken Stewart #135H, #211H and #212H

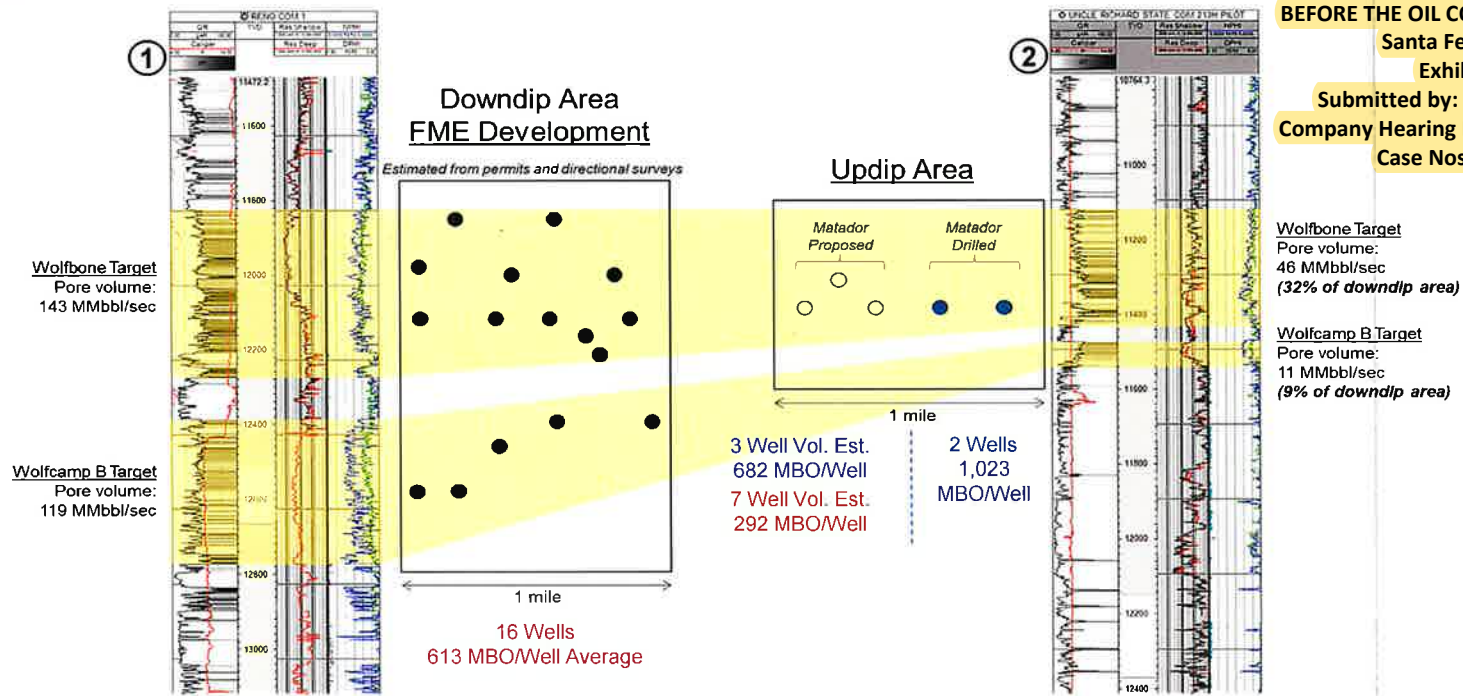
BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit No. C-1  
 Submitted by: Matador Production Company  
 Hearing Date: February 15, 2024  
 Case Nos. 23811-23813



C-1

# Exhibit C-2

## Stratigraphic Cross Section A – A' (Third Bone Spring Sand Datum)



**BEFORE THE OIL CONSERVATION DIVISION**  
**Santa Fe, New Mexico**  
**Exhibit No. C-2**  
**Submitted by: Matador Production**  
**Company Hearing Date: February 15, 2024**  
**Case Nos. 23811-23813**

**Wolfbone Target**  
 Pore volume:  
 46 MMbbl/sec  
 (32% of downdip area)

**Wolfcamp B Target**  
 Pore volume:  
 11 MMbbl/sec  
 (9% of downdip area)

### Expected Results Based on Area Study

	Pore Volume / HC Pore Volume (MMbbl/section)	Recovery Factor	Proposed Wells per Section (Equivalent)	Oil Recovery Per Well	Project ROI	Years to Capital Repayment
MTDR 3-Well Proposal	57 / 24	8%	6	682	1.73	5.4
FME 7-Well Proposal (Constant Recovery Factor)	57 / 24	8%	14	292	0.61	N/A

### High Density Drilling Would Require a Recovery Factor Far Above Area Trend

	Pore Volume / HC Pore Volume (MMbbl/section)	Recovery Factor	Proposed Wells per Section (Equivalent)	Oil Recovery Per Well	Project ROI	Years to Capital Repayment
FME 7-Well Proposal (Recovery Factor Needed to Achieve same as MTDR estimates)	57 / 24	18%	14	682 (133% more oil recovered from this unit than above estimate)	1.73	5.4

# Matador and Franklin Mountain Economic Comparison

Operator:	Matador Resources		Franklin Mountain Energy	
# of Wells Drilled Wolfbone and Wolfcamp B:	3 Wells		7 Wells	
Total Technical Recoverable Oil:	2.05 Million Bbls			
Estimated Oil Recovery Per Well:	682 MBO		292 MBO	
Total CAPEX Spend:	\$44 Million		\$102 Million	
Total Economic Oil Recovered:	1.98 Million Bbls		1.84 Million Bbls	
Total Economic BOE Recovered:	2.9 Million BOE		2.55 Million BOE	
Pricing Scenario:	NYMEX Strip Pricing as of December 2023			
Whole-Unit Example Economics at Varying NRI Scenarios:	100% WI / 75% NRI	100% WI / 80% NRI	100% WI / 75% NRI	100% WI / 80% NRI
Cum. Undiscounted Cashflow:	\$32 Million	\$38 Million	(\$40) Million	(\$34) Million
Cum. Discounted Cashflow (10%):	\$6 Million	\$10 Million	(\$46) Million	(\$42) Million
Project Undisc. Return on Investment :	1.73	1.88	0.61	0.67
Project Rate of Return:	16%	19%	0%	0%
Years to Payout of Capital Investment:	5 Years	5 Years	N/A	N/A
Project Life:	36 Years	36 Years	23 Years	23 Years

Released to Imaging: 2/12/2024 10:02:03 AM

Received by OCD: 2/8/2024 4:51:04 PM





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

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

**CASE NO. 23811**

**SELF-AFFIRMED STATEMENT OF  
MICHAEL H. FELDEWERT**

1. I am attorney in fact and authorized representative of Matador Production Company (“Matador”), the Applicant herein. I have personal knowledge of the matters addressed herein and am competent to provide this self-affirmed statement.

2. The above-referenced application and notice of the hearing on this application was sent by certified mail to the affected parties on the date set forth in the letter attached hereto.

3. The spreadsheet attached hereto contains the names of the parties to whom notice was provided.

4. The spreadsheet attached hereto contains the information provided by the United States Postal Service on the status of the delivery of this notice as of February 6, 2024.

5. I caused a notice to be published to all parties subject to these compulsory pooling proceedings on January 31, 2024. An affidavit of publication from the publication’s legal clerk with a copy of the notice publication is attached as Exhibit E.

6. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. D  
Submitted by: Matador Production Company  
Hearing Date: February 15, 2024  
Case Nos. 23811-23813**



Michael H. Feldewert

2/7/24

Date



Michael H. Feldewert  
Partner  
Phone 505.988-4421  
mfeldewert@hollandhart.com

January 26, 2024

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

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS**

**Re: Application of MRC Permian Company for Compulsory Pooling, Lea County,  
New Mexico: K. Stewart Fed Com 135H 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 requested before a Division Examiner on February 15, 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.

MRC - Ken Stewart 135H well - Case no. 23811  
Postal Delivery Report

9414811898765405931007	Royalty Holding Company	3535 NW 58th St Ste 720	Oklahoma City	OK	73112-4802	Your item was delivered to an individual at the address at 9:39 am on January 31, 2024 in OKLAHOMA CITY, OK 73112.
9414811898765405931427	Rockwood Resources, LLC	PO Box 2250	Sulphur Springs	TX	75483-2250	Your item arrived at the SULPHUR SPRINGS, TX 75482 post office at 4:44 am on February 3, 2024 and is ready for pickup.
9414811898765405931403	Billy G. Morris	19818 E County Road 1580	Elmore City	OK	73433-8812	Your item was returned to the sender at 7:45 am on January 31, 2024 in ELMORE CITY, OK 73433 because the forwarding order for this address is no longer valid.
9414811898765405931090	Roy D. Benningfield, Trustee of the Roy D. Binningfield Family Revocable Trust dated 9/16/1996	RR 2 Box 60	Maysville	OK	73057	Your item was returned to the sender on January 31, 2024 at 6:49 am in MAYSVILLE, OK 73057 because of an incomplete address.
9414811898765405931045	Jeff Martin and wife, Karen Martin as joint tenants	RR 1 Box 90B	Foster	OK	73434-9643	Your item departed our USPS facility in ALBUQUERQUE, NM 87101 on February 5, 2024 at 6:45 pm. The item is currently in transit to the destination.
9414811898765405931083	Franklin Mountain Energy, LLC	44 Cook St Ste 1000	Denver	CO	80206-5827	Your item was delivered to the front desk, reception area, or mail room at 3:14 pm on January 29, 2024 in DENVER, CO 80206.

MRC - Ken Stewart 135H wells - Case no. 23811  
 Postal Delivery Report

9414811898765405931038	Wellbark Resources, LLC	PO Box 1987	Frisco	TX	75034-0034	Your item was delivered to an individual at the address at 9:10 am on February 5, 2024 in FRISCO, TX 75034.
9414811898765405931076	Afton Lee Gille	6512 N Missouri Ave	Oklahoma City	OK	73111-7928	Your item was delivered to an individual at the address at 2:51 pm on February 1, 2024 in OKLAHOMA CITY, OK 73111.
9414811898765405931410	Heirs of Jewel Don Bray	1513 SW 72nd St	Oklahoma City	OK	73159-3419	Your item was delivered to an individual at the address at 2:02 pm on January 31, 2024 in OKLAHOMA CITY, OK 73159.
9414811898765405931458	Heirs of Charles Bray	1901 Banbury Ct	Norman	OK	73072-3030	Your item was delivered to an individual at the address at 1:28 pm on January 31, 2024 in NORMAN, OK 73072.
9414811898765405931465	Gulf Coast Western, LLC	14160 Dallas Pkwy Fl 5	Dallas	TX	75254-4319	Your item was delivered to the front desk, reception area, or mail room at 11:19 am on January 30, 2024 in DALLAS, TX 75254.

MRC - Ken Stewart 135H well - Case no. 23811  
Postal Delivery Report

9414811898765405931564	Bryan Bell Family LLC	213 20th St	New Orleans	LA	70124-1235	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765405919258	SAP LLC	4901 Whitney Ln	Roswell	NM	88203-9002	Your item is back at the ROSWELL, NM 88201 post office following a delivery attempt at 8:23 am on January 31, 2024 and is available for redelivery or pickup.
9414811898765405919265	Mountain Lion Oil & Gas LLC	7941 Katy Fwy Unit 117	Houston	TX	77024-1924	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765405919227	G.W. Hannett	PO Box 1849	Albuquerque	NM	87103-1849	Your item arrived at the SANTA FE, NM 87501 post office at 8:53 am on February 2, 2024 and is ready for pickup.
9414811898765405919296	Penasco Petroleum LLC	PO Box 4168	Roswell	NM	88202-4168	Your item was picked up at the post office at 2:03 pm on January 30, 2024 in ROSWELL, NM 88201.
9414811898765405919241	Rolla R. Hinkle, III	PO Box 2292	Roswell	NM	88202-2292	Your item was picked up at the post office at 11:42 am on January 31, 2024 in ROSWELL, NM 88201.
9414811898765405919289	Justin T. Crum	PO Box 3390	Roswell	NM	88202-3390	Your item was picked up at the post office at 2:43 pm on January 30, 2024 in ROSWELL, NM 88201.
9414811898765405919272	LuAnn Youngman	12374 Lawndell St SW	Beach City	OH	44608-9771	Your item arrived at our AKRON OH DISTRIBUTION CENTER destination facility on February 5, 2024 at 9:29 pm. The item is currently in transit to the destination.

MRC - Ken Stewart 135H well - Case no. 23811  
Postal Delivery Report

9414811898765405919852	Legat LLC	6114 W Canterbury St	Stillwater	OK	74074-1037	Your item was delivered to an individual at the address at 12:29 pm on January 30, 2024 in STILLWATER, OK 74074.
9414811898765405919869	Jimmie Eden Jr. Trust	PO Box 17	Stillwater	OK	74076-0017	Your item was picked up at a postal facility at 12:53 pm on January 31, 2024 in STILLWATER, OK 74074.
9414811898765405919807	Larry Bond Living Trust dtd5/14/2015	1615 Drakestone Ave	Nichols Hills	OK	73120-1206	Your item arrived at the OKLAHOMA CITY, OK 73120 post office at 8:14 am on February 1, 2024 and is ready for pickup.
9414811898765405931526	MLE LLC	1211 W Muirlands Dr	La Jolla	CA	92037-5506	Your item arrived at the LA JOLLA, CA 92038 post office at 2:24 pm on February 1, 2024 and is ready for pickup.
9414811898765405919890	John F. Special	PO Box 369	Stillwater	OK	74076-0369	Your item was picked up at the post office at 10:00 am on January 31, 2024 in STILLWATER, OK 74074.
9414811898765405919845	Milagro Resources LP	415 W Wall St Ste 1118	Midland	TX	79701-4439	Your item was delivered to an individual at the address at 12:34 pm on February 1, 2024 in MIDLAND, TX 79701.
9414811898765405919883	Marjam Energy LLC	8150 N Central Expy Ste 1525	Dallas	TX	75206-1852	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765405919838	The McDaniel Company Inc	12900 Preston Rd Ste 415	Dallas	TX	75230-1353	Your item was delivered to an individual at the address at 1:25 pm on January 30, 2024 in DALLAS, TX 75230.

MRC - Ken Stewart 135H well - Case no. 23811  
Postal Delivery Report

9414811898765405919876	FAE II LLC	14160 Dallas Pkwy Fl 5	Dallas	TX	75254-4319	Your item was forwarded to a different address at 11:19 am on January 30, 2024 in DALLAS, TX. This was because of forwarding instructions or because the address or ZIP Code on the label was incorrect.
9414811898765405931502	The Lisa M. Enfield Trust dtd1/23/2015	465 Camino Manzano	Santa Fe	NM	87505-2833	Your item was forwarded to a different address at 9:47 am on January 29, 2024 in SANTA FE, NM. This was because of forwarding instructions or because the address or ZIP Code on the label was incorrect.
9414811898765405931595	The Robert N. Enfield IrrevocableTrust B	PO Box 2431	Santa Fe	NM	87504-2431	Your item was picked up at the post office at 10:14 am on February 1, 2024 in SANTA FE, NM 87501.
9414811898765405931540	DMA Inc.	PO Box 1496	Roswell	NM	88202-1496	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765405931588	Charmer LLC	4815 Vista Del Oso Ct NE	Albuquerque	NM	87109-2558	Your item has been delivered to an agent for final delivery in ALBUQUERQUE, NM 87109 on January 29, 2024 at 1:51 pm.
9414811898765405931533	Richard C. Deason	1301 Havenhurst Dr Apt 217	West Hollywood	CA	90046-4546	Your item was delivered to an individual at the address at 1:36 pm on January 31, 2024 in LOS ANGELES, CA 90046.



Postal Delivery Report

9414811898765405931571	Thomas D. Deason	6402 Cr 7240	Lubbock	TX	79424	Your item arrived at the LUBBOCK, TX 79464 post office at 4:27 pm on January 31, 2024 and is ready for pickup.
9414811898765405919210	The Ronald H. Mayer & Martha M. Mayer Revocable Trust dtd 3/19/1990	PO Box 2391	Roswell	NM	88202-2391	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.

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

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

**CASE NO. 23812**

**SELF-AFFIRMED STATEMENT OF  
MICHAEL H. FELDEWERT**

1. I am attorney in fact and authorized representative of Matador Production Company (“Matador”), the Applicant herein. I have personal knowledge of the matters addressed herein and am competent to provide this self-affirmed statement.

2. The above-referenced application and notice of the hearing on this application was sent by certified mail to the affected parties on the date set forth in the letter attached hereto.

3. The spreadsheet attached hereto contains the names of the parties to whom notice was provided.

4. The spreadsheet attached hereto contains the information provided by the United States Postal Service on the status of the delivery of this notice as of February 6, 2024.

5. I caused a notice to be published to all parties subject to these compulsory pooling proceedings on January 31, 2024. An affidavit of publication from the publication’s legal clerk with a copy of the notice publication is attached as Exhibit E.

6. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.



Michael H. Feldewert

2/7/24

Date



Michael H. Feldewert  
Partner  
Phone 505.988-4421  
mfeldewert@hollandhart.com

January 26, 2024

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

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS**

**Re: Application of MRC Permian Company for Compulsory Pooling, Lea County,  
New Mexico: K. Stewart Fed Com 211H 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 requested before a Division Examiner on February 15, 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.

MRC - Ken Stewart 211H well - Case no. 23812  
Postal Delivery Report

9414811898765405931007	Royalty Holding Company	3535 NW 58th St Ste 720	Oklahoma City	OK	73112-4802	Your item was delivered to an individual at the address at 9:39 am on January 31, 2024 in OKLAHOMA CITY, OK 73112.
9414811898765405931427	Rockwood Resources, LLC	PO Box 2250	Sulphur Springs	TX	75483-2250	Your item arrived at the SULPHUR SPRINGS, TX 75482 post office at 4:44 am on February 3, 2024 and is ready for pickup.
9414811898765405931403	Billy G. Morris	19818 E County Road 1580	Elmore City	OK	73433-8812	Your item was returned to the sender at 7:45 am on January 31, 2024 in ELMORE CITY, OK 73433 because the forwarding order for this address is no longer valid.
9414811898765405931090	Roy D. Benningfield, Trustee of the Roy D. Binningfield Family Revocable Trust dated 9/16/1996	RR 2 Box 60	Maysville	OK	73057	Your item was returned to the sender on January 31, 2024 at 6:49 am in MAYSVILLE, OK 73057 because of an incomplete address.
9414811898765405931045	Jeff Martin and wife, Karen Martin as joint tenants	RR 1 Box 90B	Foster	OK	73434-9643	Your item departed our USPS facility in ALBUQUERQUE, NM 87101 on February 5, 2024 at 6:45 pm. The item is currently in transit to the destination.
9414811898765405931083	Franklin Mountain Energy, LLC	44 Cook St Ste 1000	Denver	CO	80206-5827	Your item was delivered to the front desk, reception area, or mail room at 3:14 pm on January 29, 2024 in DENVER, CO 80206.

MRC - Ken Stewart 211H well - Case no. 23812  
Postal Delivery Report

9414811898765405931038	Wellbark Resources, LLC	PO Box 1987	Frisco	TX	75034-0034	Your item was delivered to an individual at the address at 9:10 am on February 5, 2024 in FRISCO, TX 75034.
9414811898765405931076	Afton Lee Gille	6512 N Missouri Ave	Oklahoma City	OK	73111-7928	Your item was delivered to an individual at the address at 2:51 pm on February 1, 2024 in OKLAHOMA CITY, OK 73111.
9414811898765405931410	Heirs of Jewel Don Bray	1513 SW 72nd St	Oklahoma City	OK	73159-3419	Your item was delivered to an individual at the address at 2:02 pm on January 31, 2024 in OKLAHOMA CITY, OK 73159.
9414811898765405931458	Heirs of Charles Bray	1901 Banbury Ct	Norman	OK	73072-3030	Your item was delivered to an individual at the address at 1:28 pm on January 31, 2024 in NORMAN, OK 73072.
9414811898765405931465	Gulf Coast Western, LLC	14160 Dallas Pkwy Fl 5	Dallas	TX	75254-4319	Your item was delivered to the front desk, reception area, or mail room at 11:19 am on January 30, 2024 in DALLAS, TX 75254.

MRC - Ken Stewart 211H well - Case no. 23812  
Postal Delivery Report

9414811898765405931564	Bryan Bell Family LLC	213 20th St	New Orleans	LA	70124-1235	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765405919258	SAP LLC	4901 Whitney Ln	Roswell	NM	88203-9002	Your item is back at the ROSWELL, NM 88201 post office following a delivery attempt at 8:23 am on January 31, 2024 and is available for redelivery or pickup.
9414811898765405919265	Mountain Lion Oil & Gas LLC	7941 Katy Fwy Unit 117	Houston	TX	77024-1924	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765405919227	G.W. Hannett	PO Box 1849	Albuquerque	NM	87103-1849	Your item arrived at the SANTA FE, NM 87501 post office at 8:53 am on February 2, 2024 and is ready for pickup.
9414811898765405919296	Penasco Petroleum LLC	PO Box 4168	Roswell	NM	88202-4168	Your item was picked up at the post office at 2:03 pm on January 30, 2024 in ROSWELL, NM 88201.
9414811898765405919241	Rolla R. Hinkle, III	PO Box 2292	Roswell	NM	88202-2292	Your item was picked up at the post office at 11:42 am on January 31, 2024 in ROSWELL, NM 88201.
9414811898765405919289	Justin T. Crum	PO Box 3390	Roswell	NM	88202-3390	Your item was picked up at the post office at 2:43 pm on January 30, 2024 in ROSWELL, NM 88201.
9414811898765405919272	LuAnn Youngman	12374 Lawndell St SW	Beach City	OH	44608-9771	Your item arrived at our AKRON OH DISTRIBUTION CENTER destination facility on February 5, 2024 at 9:29 pm. The item is currently in transit to the destination.

MRC - Ken Stewart 211H well - Case no. 23812  
Postal Delivery Report

9414811898765405919852	Legat LLC	6114 W Canterbury St	Stillwater	OK	74074-1037	Your item was delivered to an individual at the address at 12:29 pm on January 30, 2024 in STILLWATER, OK 74074.
9414811898765405919869	Jimmie Eden Jr. Trust	PO Box 17	Stillwater	OK	74076-0017	Your item was picked up at a postal facility at 12:53 pm on January 31, 2024 in STILLWATER, OK 74074.
9414811898765405919807	Larry Bond Living Trust dtd5/14/2015	1615 Drakestone Ave	Nichols Hills	OK	73120-1206	Your item arrived at the OKLAHOMA CITY, OK 73120 post office at 8:14 am on February 1, 2024 and is ready for pickup.
9414811898765405931526	MLE LLC	1211 W Muirlands Dr	La Jolla	CA	92037-5506	Your item arrived at the LA JOLLA, CA 92038 post office at 2:24 pm on February 1, 2024 and is ready for pickup.
9414811898765405919890	John F. Special	PO Box 369	Stillwater	OK	74076-0369	Your item was picked up at the post office at 10:00 am on January 31, 2024 in STILLWATER, OK 74074.
9414811898765405919845	Milagro Resources LP	415 W Wall St Ste 1118	Midland	TX	79701-4439	Your item was delivered to an individual at the address at 12:34 pm on February 1, 2024 in MIDLAND, TX 79701.
9414811898765405919883	Marjam Energy LLC	8150 N Central Expy Ste 1525	Dallas	TX	75206-1852	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765405919838	The McDaniel Company Inc	12900 Preston Rd Ste 415	Dallas	TX	75230-1353	Your item was delivered to an individual at the address at 1:25 pm on January 30, 2024 in DALLAS, TX 75230.



MRC - Ken Stewart 211H well - Case no. 23812  
Postal Delivery Report

9414811898765405919876	FAE II LLC	14160 Dallas Pkwy Fl 5	Dallas	TX	75254-4319	Your item was forwarded to a different address at 11:19 am on January 30, 2024 in DALLAS, TX. This was because of forwarding instructions or because the address or ZIP Code on the label was incorrect.
9414811898765405931502	The Lisa M. Enfield Trust dtd1/23/2015	465 Camino Manzano	Santa Fe	NM	87505-2833	Your item was forwarded to a different address at 9:47 am on January 29, 2024 in SANTA FE, NM. This was because of forwarding instructions or because the address or ZIP Code on the label was incorrect.
9414811898765405931595	The Robert N. Enfield IrrevocableTrust B	PO Box 2431	Santa Fe	NM	87504-2431	Your item was picked up at the post office at 10:14 am on February 1, 2024 in SANTA FE, NM 87501.
9414811898765405931540	DMA Inc.	PO Box 1496	Roswell	NM	88202-1496	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765405931588	Charmer LLC	4815 Vista Del Oso Ct NE	Albuquerque	NM	87109-2558	Your item has been delivered to an agent for final delivery in ALBUQUERQUE, NM 87109 on January 29, 2024 at 1:51 pm.
9414811898765405931533	Richard C. Deason	1301 Havenhurst Dr Apt 217	West Hollywood	CA	90046-4546	Your item was delivered to an individual at the address at 1:36 pm on January 31, 2024 in LOS ANGELES, CA 90046.

Postal Delivery Report

9414811898765405931571	Thomas D. Deason	6402 Cr 7240	Lubbock	TX	79424	Your item arrived at the LUBBOCK, TX 79464 post office at 4:27 pm on January 31, 2024 and is ready for pickup.
9414811898765405919210	The Ronald H. Mayer & Martha M. Mayer Revocable Trust dtd 3/19/1990	PO Box 2391	Roswell	NM	88202-2391	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.

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

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

**CASE NO. 23813**

**SELF-AFFIRMED STATEMENT OF  
MICHAEL H. FELDEWERT**

1. I am attorney in fact and authorized representative of Matador Production Company (“Matador”), the Applicant herein. I have personal knowledge of the matters addressed herein and am competent to provide this self-affirmed statement.

2. The above-referenced application and notice of the hearing on this application was sent by certified mail to the affected parties on the date set forth in the letter attached hereto.

3. The spreadsheet attached hereto contains the names of the parties to whom notice was provided.

4. The spreadsheet attached hereto contains the information provided by the United States Postal Service on the status of the delivery of this notice as of February 6, 2024.

5. I caused a notice to be published to all parties subject to these compulsory pooling proceedings on January 31, 2024. An affidavit of publication from the publication’s legal clerk with a copy of the notice publication is attached as Exhibit E.

6. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.



Michael H. Feldewert

2/7/24

Date



Michael H. Feldewert  
Partner  
Phone 505.988-4421  
mfeldewert@hollandhart.com

January 26, 2024

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

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS**

**Re: Application of MRC Permian Company for Compulsory Pooling, Lea County,  
New Mexico: K. Stewart Fed Com 212H 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 requested before a Division Examiner on February 15, 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.

MRC - Ken Stewart 212H well - Case no. 23813  
Postal Delivery Report

9414811898765405931007	Royalty Holding Company	3535 NW 58th St Ste 720	Oklahoma City	OK	73112-4802	Your item was delivered to an individual at the address at 9:39 am on January 31, 2024 in OKLAHOMA CITY, OK 73112.
9414811898765405931427	Rockwood Resources, LLC	PO Box 2250	Sulphur Springs	TX	75483-2250	Your item arrived at the SULPHUR SPRINGS, TX 75482 post office at 4:44 am on February 3, 2024 and is ready for pickup.
9414811898765405931403	Billy G. Morris	19818 E County Road 1580	Elmore City	OK	73433-8812	Your item was returned to the sender at 7:45 am on January 31, 2024 in ELMORE CITY, OK 73433 because the forwarding order for this address is no longer valid.
9414811898765405931090	Roy D. Benningfield, Trustee of the Roy D. Binningfield Family Revocable Trust dated 9/16/1996	RR 2 Box 60	Maysville	OK	73057	Your item was returned to the sender on January 31, 2024 at 6:49 am in MAYSVILLE, OK 73057 because of an incomplete address.
9414811898765405931045	Jeff Martin and wife, Karen Martin as joint tenants	RR 1 Box 90B	Foster	OK	73434-9643	Your item departed our USPS facility in ALBUQUERQUE, NM 87101 on February 5, 2024 at 6:45 pm. The item is currently in transit to the destination.
9414811898765405931083	Franklin Mountain Energy, LLC	44 Cook St Ste 1000	Denver	CO	80206-5827	Your item was delivered to the front desk, reception area, or mail room at 3:14 pm on January 29, 2024 in DENVER, CO 80206.

MRC - Ken Stewart 212H well - Case no. 23813  
 Postal Delivery Report

9414811898765405931038	Wellbark Resources, LLC	PO Box 1987	Frisco	TX	75034-0034	Your item was delivered to an individual at the address at 9:10 am on February 5, 2024 in FRISCO, TX 75034.
9414811898765405931076	Afton Lee Gille	6512 N Missouri Ave	Oklahoma City	OK	73111-7928	Your item was delivered to an individual at the address at 2:51 pm on February 1, 2024 in OKLAHOMA CITY, OK 73111.
9414811898765405931410	Heirs of Jewel Don Bray	1513 SW 72nd St	Oklahoma City	OK	73159-3419	Your item was delivered to an individual at the address at 2:02 pm on January 31, 2024 in OKLAHOMA CITY, OK 73159.
9414811898765405931458	Heirs of Charles Bray	1901 Banbury Ct	Norman	OK	73072-3030	Your item was delivered to an individual at the address at 1:28 pm on January 31, 2024 in NORMAN, OK 73072.
9414811898765405931465	Gulf Coast Western, LLC	14160 Dallas Pkwy Fl 5	Dallas	TX	75254-4319	Your item was delivered to the front desk, reception area, or mail room at 11:19 am on January 30, 2024 in DALLAS, TX 75254.

# 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 31, 2024  
and ending with the issue dated  
January 31, 2024.



Publisher

Sworn and subscribed to before me this  
31st day of January 2024.



Business Manager

My commission expires  
January 29, 2027

(Seal) STATE OF NEW MEXICO  
NOTARY PUBLIC  
GUSSIE RUTH BLACK  
COMMISSION # 1087528  
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 31, 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 case. 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 15, 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 February 4, 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: Royalty Holding Company; Roy D. Benningfield, Trustee of the Roy D. Benningfield Family Revocable Trust dated 9/16/1996; Jeff Martin and wife, Karen Martin as joint tenants, their heirs and devisees; Franklin Mountain Energy, LLC; Wellbark Resources, LLC; Afton Lee Gille; Heirs of Jewel Don Bray, their heirs and devisees; Heirs of Charles Bray, their heirs and devisees; Gulf Coast Western, LLC; Rockwood Resources, LLC; Billy G. Morris, his heirs and devisees; Bryan Bell Family LLC; MLE LLC; The Lisa M. Enfield Trust dtd 1/23/2015; The Robert N. Enfield Irrevocable Trust B; DMA Inc.; Charmer LLC; Richard C. Deason, his heirs and devisees; Thomas D. Deason, his heirs and devisees; The Ronald H. Mayer & Martha M. Mayer Revocable Trust dtd 3/19/1990; SAP LLC; Mountain Lion Oil & Gas LLC; G.W. Hannett, his or her heirs and devisees; Penasco Petroleum LLC; Rolla R. Hinkle, III, his or her heirs and devisees; Justin T. Crum, his heirs and devisees; LuAnn Youngman, her heirs and devisees; Legat LLC; Jimmie Eden Jr. Trust; Larry Bond Living Trust dtd 5/14/2015; John F. Special, his heirs and devisees; Milagro Resources LP; Marjam Energy LLC; The McDaniel Company Inc, and FAE II LLC.

Case No. 23811: Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted mineral owners in a standard 640-acre horizontal well spacing unit in the Bone Spring formation underlying the W2 of Sections 20 and 29, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed K. Stewart Fed Com 135H well to be horizontally drilled from a surface hole location in the S2SW4 of Section 29, with a first take point located in the SW4SW4 (Unit M) of Section 29 and a last take point in the NW4NW4 (Unit D) Section 20. The completed interval for this well is expected to remain within 330 feet of the quarter-quarter line to allow the inclusion of the offsetting 40-acre tracts in the proposed 640-acre spacing unit. 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 well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 9 miles northwest of Jal, New Mexico. #00286866

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HOLLAND & HART LLC  
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 15, 2024  
Case Nos. 23811-23813



# 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 31, 2024  
and ending with the issue dated  
January 31, 2024.



Publisher

Sworn and subscribed to before me this  
31st 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 31, 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 case. 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 15, 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 February 4, 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.

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Case No. 23812: Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted mineral owners in a standard 320-acre horizontal well spacing unit in the Wolfcamp formation underlying the W2W2 of Sections 20 and 29, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed K. Stewart Fed Com 211H well to be horizontally drilled from a surface hole location in the S2SW4 of Section 29, with a first take point in the SW4SW4 (Unit M) of section 29 and a last take point in the NW4NW4 (Unit D) of Section 20. 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 well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 9 miles northwest of Jal, New Mexico.  
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HOLLAND & HART LLC  
PO BOX 2208  
SANTA FE, NM 87504-2208

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NOTARY PUBLIC  
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OIL CONSERVATION DIVISION  
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Case No. 23813: Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted mineral owners in a standard 320-acre horizontal well spacing unit in the Wolfcamp formation underlying the E2W2 of Sections 20 and 29, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed K. Stewart Fed Com 212H well to be horizontally drilled from a surface hole location in the S2SW4 of Section 29, with a first take point located in the SE4SW4 (Unit N) of Section 29 and a last take point located in the NE4NW4 (Unit C) of section 20. 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 well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 9 miles northwest of Jal, New Mexico.  
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