

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

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

**CASE NO.** \_\_\_\_\_

**APPLICATION**

MRC Permian Company (“MRC” or “Applicant”), through undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling a standard 320-acre, more or less, horizontal well spacing unit in the Bone Spring formation comprised of the S2S2 of Sections 11 and 12, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico. In support of its application, MRC states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to designate Matador Production Company (OGRID No. 228937) as the operator of the proposed horizontal well spacing unit.
3. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Brenda Schulte Fee 114H, Brenda Schulte Fee 124H and Brenda Schulte Fee 134H** wells to be horizontally drilled from a surface location in the SW4 of Section 11, with first take points in the SW4SW4 (Unit M) of Section 11 and last take points in the SE4SE4 (Unit P) of Section 12.
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 this horizontal well spacing unit 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 June 13, 2024, 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 spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping the wells;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert  
Adam G. Rankin  
Paula M. Vance  
Post Office Box 2208  
Santa Fe, NM 87504  
505-988-4421  
505-983-6043 Facsimile  
mfeldewert@hollandhart.com  
agrarkin@hollandhart.com  
pmvance@hollandhart.com

**ATTORNEYS FOR MRC PERMIAN COMPANY**

CASE \_\_\_\_\_ : **Application of MRC Permian Company for Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling a standard 320-acre, more or less, horizontal well spacing unit in the Bone Spring formation comprised of the S2S2 of Sections 11 and 12, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico. Said unit will be initially dedicated to the proposed **Brenda Schulte Fee 114H, Brenda Schulte Fee 124H and Brenda Schulte Fee 134H** wells to be horizontally drilled from a surface location in the SW4 of Section 11, with first take points in the SW4SW4 (Unit M) of Section 11 and last take points in the SE4SE4 (Unit P) of Section 12. Also, to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling said wells. The subject area is located approximately 10 miles southwest of Carlsbad, New Mexico.