

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

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

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

**APPLICATION**

MRC Permian Company (“Applicant”), through its 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 interests in a standard 80-acre vertical well spacing unit within the Strawn formation underlying the E2SE4 of Section 28, Township 16 South, Range 37 East, NMPM, Lea County, New Mexico. In support of this application, Applicant states:

1. Applicant is an interest owner in the subject acreage and has a right to drill thereon.
2. Applicant seeks to designate Matador Production Company (OGRID No. 228937) as the operator of the proposed spacing units.
3. Applicant seeks to initially dedicate the above-referenced spacing unit to its proposed **Ray Baribault No. 3**, a vertical well to be completed at a non-standard location in the NE4SE4 (Unit I) of said Section 28 to a depth sufficient to test the Strawn formation.
4. This acreage is dedicated to the Casey; Strawn, West Pool (10330), an oil pool subject to the special pool rules issued under Order No. R-8182, *et. seq.* These

special pool rules require 80-acre vertical well spacing and for wells to be located within 150 feet of the center of a governmental quarter-quarter section.

5. Applicant will separately seek administrative approval for the proposed non-standard location.

6. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all working interest owners in the subject acreage.

7. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

8. The approval of this application and the pooling of interests will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 13, 2024, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests within the Strawn formation;
- B. Designating Matador Production Company as the operator of said spacing unit and well;
- C. Authorizing Applicant to recover its costs of drilling, equipping, completing, and recompleting 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% charge for the risk assumed by Applicant in drilling, completing, and equipping 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 interests in a standard 80-acre vertical well spacing unit within the Strawn formation underlying the E2SE4 of Section 28, Township 16 South, Range 37 East, NMPM, Lea County, New Mexico. Applicant seeks to initially dedicate the above-referenced spacing unit to its proposed **Ray Baribault No. 3**, a vertical well to be completed at a non-standard location in the NE4SE4 (Unit I) of said Section 28 to a depth sufficient to test the Strawn formation. Also to be considered will be the cost of drilling, completing, and equipping the well and the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of Matador Production Company as operator of the well, and a 200% charge for risk involved in drilling, completing and equipping the well. The subject area is located approximately 6.5 miles southeast of Lovington, New Mexico.