

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

**APPLICATIONS OF PRIDE ENERGY COMPANY  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO**

**Case Nos. 23944-23945**

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

**Case Nos. 24074-24076**

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

**Case Nos. 24101-24102**

**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**

**APPLICANT**

MRC Permian Company

**ATTORNEY**

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**OTHER PARTIES**

Pride Energy Company

EOG Resources, Inc.

**ATTORNEY**

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**STATEMENT OF THE CASE**

In these consolidated cases, both parties seek to pool the N2 of Sections 29 and 30, Township 20 South, Range 28 East, Eddy County, New Mexico. MRC's applications seek orders (a) approving, as needed, overlapping spacing units in the Bone Spring formation, and (b) pooling standard horizontal well spacing units, for two-mile laterals in the Bone Spring and Wolfcamp formations, underlying the N2 of Sections 29 and 30 as follows:

- Under **Case 24101**, MRC seeks to pool a standard 320-acre horizontal oil well spacing unit in the Bone Spring formation underlying the N2N2 of Sections 29 and 30, for the proposed **Wayne Gaylord 2930 Fed Com 111H** and the **Wayne Gaylord 2930 Fed Com 121H** wells. This proposed spacing unit overlaps an existing vertical well spacing unit comprised of the NW4 of Section 30 dedicated to the Stonewall EP State No 6 (30-015-24657), a gas well producing from the East Avalon Bone Spring Gas Pool [70870], currently operated by EOG Resources, Inc.
- Under **Case 24102**, MRC seeks to pool a standard 320-acre horizontal oil well spacing unit in the Bone Spring formation underlying the S2N2 of Sections 29 and 30, for the proposed **Wayne Gaylord 2930 Fed Com 112H** and the **Wayne Gaylord 2930 Fed Com 122H** wells. This proposed

spacing unit overlaps an existing vertical well spacing unit comprised of the NW4 of Section 30 dedicated to the Stonewall EP State No. 6 (30-015-24657), a gas well producing from the East Avalon Bone Spring Gas Pool [70870], currently operated by EOG Resources, Inc.

- Under **Case 24074**, MRC seeks to pool a standard 320-acre horizontal oil well spacing unit in the Wolfcamp formation underlying the N2N2 of Sections 29 and 30, for the proposed **Wayne Gaylord 2930 Fed Com 201H**.
- Under **Case 24075**, MRC seeks to pool a standard 320-acre horizontal oil well spacing unit in the Wolfcamp formation underlying the S2N2 of Sections 29 and 30, for the proposed **Wayne Gaylord 2930 Fed Com 202H**.
- Under **Case 24076**, MRC alternatively seeks to pool a standard 640-acre horizontal spacing unit in the Wolfcamp formation underlying the N/2 of Sections 29 and 30, for the proposed **Wayne Gaylord 2930 Fed Com 201H** and **Wayne Gaylord 2930 Fed Com 202H** wells.<sup>1</sup>

Pride Energy Company (Pride) has filed competing pooling applications under Cases 23944-23945 that seek to pool the N2 o Sections 29 and 30 in the Bone Spring and Wolfcamp formations for its proposed Burton Flats wells.

Both companies seek to initially develop the same Bone Spring and Wolfcamp intervals. MRC has the superior working interest control and has a federal lease expiring in the subject acreage. As a result, MRC desires to maintain control of the development plans to ensure drilling is commenced in advance of the lease expiration deadline. MRC also has substantial experience obtaining the necessary federal drilling permits and has initiated the process to obtain the necessary permits to allow drilling before the lease expiration date. According to Division records, Pride does not have experience obtaining federal drilling permits in New Mexico and does not appear to

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<sup>1</sup> MRC expects to produce oil from this targeted interval and therefore filed for horizontal oil well spacing units under Cases 24074 and 24075. Pride Energy Company's 's competing Case 23945 likewise seeks approval of an upper Wolfcamp horizontal oil spacing unit in the WC Burton Flat Upper Wolfcamp, East [98315], which is an oil pool. However, the Division has informed MRC that the proposed Wolfcamp wells will be placed in the Burton Flats; Wolfcamp, North (Gas) [73520] pool subject to 320-acre spacing. Therefore, MRC has also filed Case 24076 to pool a 640-acre horizontal gas well spacing unit in the Wolfcamp formation for the proposed wells.

have initiated the action necessary to obtain federal drilling permits in time to drill before the lease expiration date. Other evidence will demonstrate that MRC's applications should be granted so that it can development acreage where it has the most working interest under control and can act prudently to avoid expiration of MRC's federal lease.

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

1. MRC controls more working interest in the N2 of Sections 29 and 30 than Pride.
2. MRC has a federal lease that expires on July 1, 2025, and has already initiated the process with the BLM to obtain federal drilling permits in time to meet that lease expiration deadline.
3. Both parties seek initially develop the same intervals underlying the subject acreage.
4. There are no faults, pinch outs, or other geologic impediments preventing MRC from efficiently and effectively developing the Bone Spring and Wolfcamp formations under the subject acreage with the 2-mile horizontal wells.
5. MRC has oil, gas and water takeaway capacity available for its proposed initial development plan.
6. The proposed horizontal well spacing units in the Bone Spring formation will overlap an existing vertical well spacing unit comprised of the NW4 of Section 30 dedicated to the Stonewall EP State No 6 (30-015-24657), a gas well producing from the East Avalon Bone Spring Gas Pool [70870], currently operated by EOG Resources, Inc.

#### **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 24074-24076 (Wolfcamp formation) and Cases 24101-24102 (Bone Spring formation)

The Compulsory Pooling Checklists for MRC Cases 24076, 24101 and 24102. MRC has not filed Compulsory Pooling Checklists for Cases 24074-75 for the reasons identified in footnote 1 of this prehearing statement.

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: Self-affirmed Statement of Tavis Wolf, Petroleum Engineer

MRC Exhibit E: Notice Affidavit for Cases 24074-24076 (Wolfcamp formation) and Cases 24101-24102 (Bone Spring formation)

MRC Exhibit F: Affidavit of Publication for Cases 24074-24076 (Wolfcamp formation) and Cases 24101-24102 (Bone Spring formation)

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.

As noted in footnote 1 herein, MRC expects to produce oil from the targeted Wolfcamp A interval and therefore filed for horizontal oil well spacing units under Cases 24074 and 24075. Pride Energy Company's 's competing Case 23945 likewise seeks approval of an upper Wolfcamp horizontal oil spacing unit in the WC Burton Flat Upper Wolfcamp, East [98315], which is an oil pool. However, the Division has informed MRC that the proposed Wolfcamp

wells will be placed in the Burton Flats; Wolfcamp, North (Gas) [73520] pool subject to 320-acre spacing. MRC has therefore also filed Case 24076 to pool a 640-acre horizontal gas well spacing unit in the Wolfcamp formation for the proposed wells and has submitted for the hearing Form C-102s that comport with the Division identified gas pool.

Respectfully submitted,

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**ATTORNEYS FOR MRC PERMIAN COMPANY**

**CERTIFICATE OF SERVICE**

I hereby certify that on May 16, 2024, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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***Attorney for EOG Resources, Inc.***



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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,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 24074**

**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 oil well spacing unit in the Wolfcamp formation underlying the N2N2 of Sections 29 & 30, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico. In support of its application, MRC states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to designate Matador Production Company (OGRID No. 228937) as the operator of the proposed overlapping horizontal spacing unit.
3. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Wayne Gaylord 2930 Fed Com 201H** well to be horizontally drilled from a surface hole location in the NE/4 of Section. 29, with a first take point in the NE4NE4 (Unit A) of Section 29 and a last take point in the NW4NW4 (Unit D) of Section 30.
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 in the proposed 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 January 4, 2024, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the proposed 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 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, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling a standard 320-acre, more or less, horizontal oil well spacing unit in the Wolfcamp formation underlying the N2N2 of Sections 29 & 30, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico. Said unit will be initially dedicated to the proposed **Wayne Gaylord 2930 Fed Com 201H** well to be horizontally drilled from a surface hole location in the NE/4 of Section. 29, with first take points located in the NE4NE4 (Unit A) of Section 29 and last take points located in the NW4NW4 (Unit D) of Section 30. 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 the wells. The subject area is located approximately 7 miles north of La Huerta, New Mexico.

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

**CASE NO. 24075**

**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 oil well spacing unit in the Wolfcamp formation underlying the S2N2 of Sections 29 & 30, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico. In support of its application, MRC states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to designate Matador Production Company (OGRID No. 228937) as the operator of the proposed overlapping horizontal spacing unit.
3. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Wayne Gaylord 2930 Fed Com 202H** well to be horizontally drilled from a surface hole location in the NE/4 of Section. 29, with a first take point in the SE4NE4 (Unit H) of Section 29 and a last take point in the SW4NW4 (Unit E) of Section 30.
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 in the proposed 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 January 4, 2024, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the proposed 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 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, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling a standard 320-acre, more or less, horizontal oil well spacing unit in the Wolfcamp formation underlying the S2N2 of Sections 29 & 30, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico. Said unit will be initially dedicated to the proposed **Wayne Gaylord 2930 Fed Com 202H** well to be horizontally drilled from a surface hole location in the NE/4 of Section. 29, with first take points located in the SE4NE4 (Unit H) of Section 29 and last take points located in the SW4NW4 (Unit E) of Section 30. 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 the wells. The subject area is located approximately 7 miles north of La Huerta, New Mexico.

**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. 24076**

**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 640-acre, more or less, horizontal well spacing unit in the Wolfcamp formation underlying the N2 of Sections 29 & 30, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico. In support of its application, MRC states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to designate Matador Production Company (OGRID No. 228937) as the operator of the proposed overlapping horizontal spacing unit.
3. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the following proposed wells:
  - **Wayne Gaylord 2930 Fed Com 201H** well to be horizontally drilled from a surface hole location in the NE/4 of Section. 29, with a first take point in the NE4NE4 (Unit A) of Section 29 and a last take point in the NW4NW4 (Unit D) of Section 30, and
  - **Wayne Gaylord 2930 Fed Com 202H** well to be horizontally drilled from a surface hole location in the NE/4 of Section. 29, with a first take point in the



SE4NE4 (Unit H) of Section 29 and a last take point in the SW4NW4 (Unit E) of Section 30.

4. The Division's district office has informed Applicant that these wells will be placed in the Burton Flats; Wolfcamp North (Gas) Pool (73520) although Applicant expects to produce oil from these wells. This application is being filed as an alternative to the simultaneously filed applications seeking to pool oil spacing units for these proposed wells.

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

6. The pooling of interests in the proposed 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 January 4, 2024, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the proposed 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 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, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling a standard 640-acre, more or less, horizontal well spacing unit in the Wolfcamp formation underlying the N2 of Sections 29 & 30, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico. Said unit will be initially dedicated to the to the following proposed wells:

- **Wayne Gaylord 2930 Fed Com 201H** well to be horizontally drilled from a surface hole location in the NE/4 of Section. 29, with a first take point in the NE4NE4 (Unit A) of Section 29 and a last take point in the NW4NW4 (Unit D) of Section 30, and
- **Wayne Gaylord 2930 Fed Com 202H** well to be horizontally drilled from a surface hole location in the NE/4 of Section. 29, with a first take point in the SE4NE4 (Unit H) of Section 29 and a last take point in the SW4NW4 (Unit E) of Section 30.

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 the wells. The subject area is located approximately 7 miles north of La Huerta, New Mexico.

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

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

CASE NO. 24101

**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 and NMAC 19.15.16.15.B(9), for an order (a) approving a standard, overlapping 320-acre, more or less, horizontal well spacing unit in the Bone Spring formation, Avalon; Bone Spring, East [Pool Code 3713], underlying the N2N2 of Sections 29 & 30, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico, and (b) pooling the uncommitted interests in this proposed unit. 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 overlapping horizontal spacing unit.
3. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Wayne Gaylord 2930 Fed Com 111H** and the **Wayne Gaylord 2930 Fed Com 121H** wells to be horizontally drilled from a surface hole location in the NE/4 of Section. 29, with first take points located in the NE4NE4 (Unit A) of Section 29 and last take points located in the NW4NW4 (Unit D) of Section 30.

4. This proposed horizontal well spacing unit will overlap a 160-acre vertical well spacing unit comprised of the NW4 of Section 30 dedicated to the Stonewall EP State No. 6 [30-015-24657], a gas well producing from the East Avalon Bone Spring Gas Pool [Code 3278] and currently operated by EOG Resources, Inc.

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

6. The approval of the overlapping horizontal well spacing unit and compulsory 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 January 4, 2024, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving the overlapping horizontal well spacing unit and pooling all uncommitted interests therein;
- B. Designating Matador Production Company as operator of this horizontal 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% penalty 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,

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**ATTORNEYS FOR MRC PERMIAN COMPANY**

CASE \_\_\_\_\_ : **Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order (a) approving a standard, overlapping 320-acre, more or less, horizontal well spacing unit in the Bone Spring formation, Avalon; Bone Spring, East [Pool Code 3713], underlying the N2N2 of Sections 29 & 30, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico, and (b) pooling the uncommitted interests in this proposed unit. Said unit will be initially dedicated to the proposed **Wayne Gaylord 2930 Fed Com 111H** and the **Wayne Gaylord 2930 Fed Com 121H** wells to be horizontally drilled from a surface hole location in the NE/4 of Section. 29, with first take points located in the NE4NE4 (Unit A) of Section 29 and last take points located in the NW4NW4 (Unit D) of Section 30. This proposed horizontal well spacing unit will overlap a 160-acre vertical well spacing unit comprised of the NW4 of Section 30 dedicated to the Stonewall EP State No. 6 [30-015-24657], a gas well producing from the East Avalon Bone Spring Gas Pool [Code 3278] and currently operated by EOG Resources, Inc. 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 the wells. The subject area is located approximately 7 miles north of La Huerta, New Mexico.

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

**CASE NO. 24102**

**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 (a) approving a standard, overlapping 320-acre, more or less, horizontal well spacing unit in the Bone Spring formation, Avalon; Bone Spring, East [Pool Code 3713], underlying the S2N2 of Sections 29 & 30, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico, and (b) pooling the uncommitted interests in this proposed unit. 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 overlapping horizontal spacing unit.
3. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Wayne Gaylord 2930 Fed Com 112H** and the **Wayne Gaylord 2930 Fed Com 122H** wells to be horizontally drilled from a surface hole location in the NE/4 of Section. 29, with first take points located in the SE4NE4 (Unit H) of Section 29 and last take points located in the SW4NW4 (Unit E) of Section 30.



4. This proposed horizontal well spacing unit will overlap a 160-acre vertical well spacing unit comprised of the NW4 of Section 30 dedicated to the Stonewall EP State No. 6 [30-015-24657], a gas well producing from the East Avalon Bone Spring Gas Pool [Code 3278] and currently operated by EOG Resources, Inc.

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

6. The approval of the overlapping horizontal well spacing unit and compulsory 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 January 4, 2024, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving the overlapping horizontal well spacing unit and pooling all Pooling all uncommitted interests therein;
- 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% penalty 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,

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**ATTORNEYS FOR MRC PERMIAN COMPANY**


CASE \_\_\_\_\_ : **Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order (a) approving a standard, overlapping 320-acre, more or less, horizontal well spacing unit in the Bone Spring formation, Avalon; Bone Spring, East [Pool Code 3713], underlying the S2N2 of Sections 29 & 30, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico, and (b) pooling the uncommitted interests in this proposed unit. Said unit will be initially dedicated to the proposed **Wayne Gaylord 2930 Fed Com 112H** and the **Wayne Gaylord 2930 Fed Com 122H** wells to be horizontally drilled from a surface hole location in the NE/4 of Section. 29, with first take points located in the SE4NE4 (Unit H) of Section 29 and last take points located in the SW4NW4 (Unit E) of Section 30. This proposed horizontal well spacing unit will overlap a 160-acre vertical well spacing unit comprised of the NW4 of Section 30 dedicated to the Stonewall EP State No. 6 [30-015-24657], a gas well producing from the East Avalon Bone Spring Gas Pool [Code 3278] and currently operated by EOG Resources, Inc. 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 the wells. The subject area is located approximately 7 miles north of La Huerta, New Mexico.

# REVISED COMPULSORY POOLING APPLICATION CHECKLIST

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

Case: 24076	APPLICANT'S RESPONSE
Date	May 23, 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, EDDY COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	Pride Energy Company; EOG Resources, Inc.
Well Family	Wayne Gaylord
<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:	Burton Flats; Wolfcamp, North (Gas) [73520]
Well Location Setback Rules:	Statewide rules
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	643.59-acres
Building Blocks:	160 acres
Orientation:	East-West
Description: TRS/County	N2 of Sections 29 and irregular Section 30, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit A-4
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed

Well #1	<b>Wayne Gaylord 2930 Fed Com 201H (API pending)</b> SHL: 1523' FNL, 1113' FWL (Unit E) of Section 28 BHL: 660' FNL, 110' FWL (Lot 1) of Section 30 Target: Wolfcamp Orientation: East-West Completion: Standard Location
Well #2	<b>Wayne Gaylord 2930 Fed Com 202H (API pending)</b> SHL: 1553' FNL, 1113' FWL (Unit E) of Section 28 BHL: 1980' FNL, 110' FWL (Lot 2) of Section 30 Target: Wolfcamp Orientation: East-West Completion: Standard Location
Horizontal Well First and Last Take Points	<b>Exhibit A-1</b>
Completion Target (Formation, TVD and MD)	<b>Exhibit A-5</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 E</b>
Proof of Published Notice of Hearing (10 days before hearing)	<b>Exhibit F</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-5</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-6</b>
Overhead Rates In Proposal Letter	<b>Exhibit A-5</b>
Cost Estimate to Drill and Complete	<b>Exhibit A-5</b>
Cost Estimate to Equip Well	<b>Exhibit A-5</b>
Cost Estimate for Production Facilities	<b>Exhibit A-5</b>

Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-4 and B-6
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B-5
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 B-4 and B-6
Structure Contour Map - Subsea Depth	Exhibit B-4
Cross Section Location Map (including wells)	Exhibit B-5
Cross Section (including Landing Zone)	Exhibit B-5
<b>Additional Information</b>	
Special Provisions/Stipulations	N/A
<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):	<b>Michael H. Feldewert</b>
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	<b>5/16/2024</b>


# REVISED COMPULSORY POOLING APPLICATION CHECKLIST

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

Case: 24101	APPLICANT'S RESPONSE
Date	May 23, 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 APPROVAL OF AN OVERLAPPING HORIZONTAL WELL SPACING UNIT COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	Pride Energy Company; EOG Resources, Inc.
Well Family	Wayne Gaylord
<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:	Avalon; Bone Spring, East [3713]
Well Location Setback Rules:	Statewide oil rules
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	321.9-acres
Building Blocks:	40 acres
Orientation:	East-West
Description: TRS/County	N2N2 of Sections 29 and irregular Section 30, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit A-4
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed

Well #1	<b>Wayne Gaylord 2930 Fed Com 111H (API pending)</b> SHL: 1522' FNL, 1003' FWL (Unit E) of Section 28 BHL: 335' FNL, 110' FWL (Lot 1) of Section 30 Target: Bone Spring Orientation: East-West Completion: Standard Location
Well #2	<b>Wayne Gaylord 2930 Fed Com 121H (API pending)</b> SHL: 1523' FNL, 1083' FWL (Unit E) of Section 28 BHL: 660' FNL, 110' FWL (Lot 1) of Section 30 Target: Bone Spring Orientation: East-West Completion: Standard Location
Horizontal Well First and Last Take Points	<b>Exhibit A-1</b>
Completion Target (Formation, TVD and MD)	<b>Exhibit A-5</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 E</b>
Proof of Published Notice of Hearing (10 days before hearing)	<b>Exhibit F</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-5</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-6</b>
Overhead Rates In Proposal Letter	<b>Exhibit A-5</b>
Cost Estimate to Drill and Complete	<b>Exhibit A-5</b>
Cost Estimate to Equip Well	<b>Exhibit A-5</b>
Cost Estimate for Production Facilities	<b>Exhibit A-5</b>
<b>Geology</b>	




Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-2 and B-6
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B-3
HSU Cross Section	Exhibit B-3
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 B-2 and B-6
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-3
Cross Section (including Landing Zone)	Exhibit B-3
<b>Additional Information</b>	
Special Provisions/Stipulations	Applicant is also seeking approval, as needed, of an overlapping horizontal well spacing unit in the Bone Spring formation
<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>	5/16/2024

# REVISED COMPULSORY POOLING APPLICATION CHECKLIST

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

Case: 24102	APPLICANT'S RESPONSE
Date	May 23, 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 APPROVAL OF AN OVERLAPPING HORIZONTAL WELL SPACING UNIT COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	Pride Energy Company; EOG Resources, Inc.
Well Family	Wayne Gaylord
<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:	Avalon; Bone Spring, East [3713]
Well Location Setback Rules:	Statewide oil rules
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	321.69-acres
Building Blocks:	40 acres
Orientation:	East-West
Description: TRS/County	S2N2 of Sections 29 and irregular Section 30, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit A-4
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed

Well #1	<b>Wayne Gaylord 2930 Fed Com 112H (API pending)</b> SHL: 1552' FNL, 1003' FWL (Unit E) of Section 28 BHL: 1657' FNL, 110' FWL (Lot 2) of Section 30 Target: Bone Spring Orientation: East-West Completion: Standard Location
Well #2	<b>Wayne Gaylord 2930 Fed Com 122H (API pending)</b> SHL: 1553' FNL, 1083' FWL (Unit E) of Section 28 BHL: 1980' FNL, 110' FWL (Lot 2) of Section 30 Target: Bone Spring Orientation: East-West Completion: Standard Location
Horizontal Well First and Last Take Points	<b>Exhibit A-1</b>
Completion Target (Formation, TVD and MD)	<b>Exhibit A-5</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 E</b>
Proof of Published Notice of Hearing (10 days before hearing)	<b>Exhibit F</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-5</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-6</b>
Overhead Rates In Proposal Letter	<b>Exhibit A-5</b>
Cost Estimate to Drill and Complete	<b>Exhibit A-5</b>
Cost Estimate to Equip Well	<b>Exhibit A-5</b>
Cost Estimate for Production Facilities	<b>Exhibit A-5</b>
<b>Geology</b>	

Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-2 and B-6
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B-3
HSU Cross Section	Exhibit B-3
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 B-2 and B-6
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-3
Cross Section (including Landing Zone)	Exhibit B-3
<b>Additional Information</b>	
Special Provisions/Stipulations	Applicant is also seeking approval, as needed, of an overlapping horizontal well spacing unit in the Bone Spring formation
<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>	5/16/2024

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

**APPLICATIONS OF PRIDE ENERGY COMPANY FOR COMPULSORY  
POOLING, EDDY COUNTY, NEW MEXICO**

**Case Nos. 23944-23945**

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

**Case Nos. 24074-24076**

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

**Case Nos. 24101-24102**

**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 and Pride Energy Company (“Pride”) in these consolidated cases, and I am familiar with the status of the lands in the subject area.

4. MRC seeks orders approving overlapping spacing units in the Bone Spring formation, and pooling standard horizontal well spacing units, for two-mile laterals in the Bone Spring and Wolfcamp formations, underlying the N2 of Sections 29 and 30, Township 20 South, Range 28 East, Eddy County, New Mexico, as follows:

- Under **Case 24101**, MRC seeks to pool a standard 320-acre horizontal oil well spacing unit in the Bone Spring formation underlying the N2N2 of

Sections 29 and 30, for the proposed **Wayne Gaylord 2930 Fed Com 111H** and the **Wayne Gaylord 2930 Fed Com 121H** wells. This proposed spacing unit overlaps an existing vertical well spacing unit comprised of the NW4 of Section 30 dedicated to the Stonewall EP State No 6 (30-015-24657), producing from the East Avalon Bone Spring Gas Pool [70870], currently operated by EOG Resources, Inc.

- Under **Case 24102**, MRC seeks to pool a standard 320-acre horizontal oil well spacing unit in the Bone Spring formation underlying the S2N2 of Sections 29 and 30, for the proposed **Wayne Gaylord 2930 Fed Com 112H** and the **Wayne Gaylord 2930 Fed Com 122H** wells. This proposed spacing unit overlaps an existing vertical well spacing unit comprised of the NW4 of Section 30 dedicated to the Stonewall EP State No. 6 (30-015-24657), producing from the East Avalon Bone Spring Gas Pool [70870], currently operated by EOG Resources, Inc.
- Under **Case 24074**, MRC seeks to pool a standard 320-acre horizontal oil well spacing unit in the Wolfcamp formation underlying the N2N2 of Sections 29 and 30, for the proposed **Wayne Gaylord 2930 Fed Com 201H**.
- Under **Case 24075**, MRC seeks to pool a standard 320-acre horizontal oil well spacing unit in the Wolfcamp formation underlying the S2N2 of Sections 29 and 30, for the proposed **Wayne Gaylord 2930 Fed Com 202H**.
- Under **Case 24076**, MRC alternatively seeks to pool a standard 640-acre horizontal spacing unit in the Wolfcamp formation underlying the N/2 of Sections 29 and 30, for the proposed **Wayne Gaylord 2930 Fed Com 201H** and **Wayne Gaylord 2930 Fed Com 202H** wells.

5. The Division has informed MRC that the proposed Wolfcamp wells will be placed in the Burton Flats; Wolfcamp, North (Gas) [73520] pool, which would be subject to gas spacing. MRC therefore filed Case 24076, which seeks to create a 640-acre horizontal gas well spacing unit in the Wolfcamp formation for the proposed wells.

6. Pride's competing Case 23945 sought approval of an upper Wolfcamp horizontal oil spacing unit in the WC Burton Flat Upper Wolfcamp, East [98315], which is an oil pool. Accordingly, MRC also filed its alternative Cases 24074 and 24075 for its Wolfcamp wells based on oil spacing, in case needed.

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

8. **MRC Exhibit A-1** contains draft Form C-102's for MRC's initial wells in numerical order starting with the Bone Spring formation. Matador has drafted these forms with the assumption that the Bone Spring wells will be placed in the Avalon; Bone Spring, East [3713] oil pool and that the Wolfcamp wells will be placed in the Burton Flats; Wolfcamp, North (Gas) [73520] pool.

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

10. The completed intervals for the proposed Wolfcamp wells will remain within the standard setbacks at the perpendicular boundary to the spacing unit, and Matador will apply administratively for non-standard locations for its proposed 100' setbacks at the first and last take points for these wells.

11. **MRC Exhibit A-2** identifies the tracts of land comprising the subject acreage, which consists of federal and state tracts.

12. **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. As shown on Exhibit A-3, the working interest parties and ownership percentages are uniform in the N2 of the subject acreage.

13. **MRC Exhibit A-4** contains a list of the overriding royalty interest owners that MRC seeks to pool and the tracts in which each overriding royalty owners holds an interest.

14. **MRC Exhibit A-5** contains a sample of the various well proposal letters that were sent to the working interest owners, including (i) the June 13, 2023 Wolfcamp proposal sent to

certain owners, (ii) the November 7, 2023 Bone Spring proposal sent to certain owners, (iii) the November 15, 2023 Bone Spring and Wolfcamp proposals sent to certain owners, (iv) the April 30, 2024 Bone Spring and Wolfcamp proposals sent to additional parties identified by MRC, and (v) the May 2, 2024 follow up letter sent certain owners who had previously received well proposals but whom MRC had not yet been able to contact.

15. MRC Exhibit A-5 also contains a copy of the current AFEs for MRC's proposed wells. The costs reflected in the AFEs are consistent with what MRC and other operators have incurred for drilling similar horizontal wells in the area in the subject formations.

16. 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.

17. **MRC Exhibit A-6** contains a general summary of the communications with each of the remaining uncommitted working interest owners. In preparing this exhibit, I worked closely with another MRC landman, Hanna Bollenbach, who was the landman primarily responsible for the various described communication efforts. In addition to sending the well proposal letters, MRC has attempted to contact each of the working interest owners that it seeks to pool and undertaken good faith efforts to reach a voluntary agreement with those it has been able to locate.

18. MRC has conducted a diligent search of all public records in the county where the property is located and conducted computer searches to attempt to locate contact information for each interest owner. As reflected in Exhibit A-6, after engaging in these efforts, MRC has been unable to locate a few of the working interest parties we seek to pool, but we are continuing efforts to locate those parties including sending additional proposal letter to other potential addresses we have been able to locate, if any.



19. 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. This list includes the operator of the existing Bone Spring vertical well spacing unit (EOG) and the known working interest owners in that existing spacing unit.

**MRC's Working Interest Control**

20. Pride has proposed Bone Spring and Wolfcamp spacing units that directly overlap and compete with Matador's applications—specifically, two-mile spacing units underlying the N2 of Sections 29 and 30.

21. As shown on Exhibit A-3, Matador owns 24.8605% of the working interest in the proposed spacing units. Matador has also received signed joint operating agreements from the following parties that together comprise 6.0283% of the working interest:

- a. Ard Energy Group, Ltd. (1.8173266%)
- b. Claremount Corporation (0.3407489%)
- c. Space Building Corp. (0.0083588%)
- d. Zorro Partners Ltd. (1.8173266%)
- e. Magic Dog Oil & Gas, Ltd. (0.2271667%)
- f. Javelina Partners (1.8173266%)

22. Accordingly, in total MRC currently has 30.8888% of the working interest in these competing cases committed to its development plans. In contrast Pride owns only a 24.861662% working interest in these cases.

### **MRC's Lease Expiration Deadline**

23. MRC owns a federal lease covering 160 acres in the NW4 of Section 29 (Tract 2 on Exhibit A-2), which is included in the proposed spacing units. Matador's lease expires on July 31, 2025.

24. MRC desires to maintain control of the development plans to ensure that drilling is commenced in advance of the lease expiration deadline. Each of the wells in the proposed spacing units include federal acreage and therefore require federal drilling permits. MRC has significant experience obtaining federal drilling permits, including employing an entire team devoted to working on federal permits. With respect to Matador's Wayne Gaylord wells, MRC has:

- a. Conducted on-sites on or about 10/10/2023 and 12/13/2023 with the Bureau of Land Management ("BLM") for approval of proposed pad locations;
- b. Has staked its proposed wells on or about 09/27/23; and
- c. Has cleared the various BLM-related surveys (detailed below), necessary for its proposed drilling permits.
  - i. Karst Survey (August 2023 – November 2023)
  - ii. Archaeological
  - iii. Scheer's Beehive Cactus Survey
  - iv. Biological Survey

MRC has therefore conducted the work necessary to file federal drilling permits, is in the process of finishing those permits, and intends to submit them shortly to the BLM to ensure that it can commence drilling before the lease expiration deadline.

25. In addition, MRC is currently running eight full time drilling rigs and will be able to drill its proposed Wayne Gaylord wells soon after receiving approved drilling permits from the BLM.

26. MRC has serious concerns about Pride's ability to meet MRC's lease expiration deadline. Based on the NMOCD website, it does not appear Pride has applied for and received an approved federal drilling permit in New Mexico. Among other concerns, the federal drilling permit process is a lengthy, time-consuming process that requires experience to navigate and MRC would be concerned if Pride were learning that process with MRC's lease expiration upcoming.

27. Expiration of MRC's federal lease would not only harm MRC, but would likely also delay development of the project as a whole—to the detriment all of all interest owners—because there would then be an unleased federal tract present in the middle of the proposed spacing units.

28. In addition to meeting our lease expiration, MRC's development plans seek to minimize surface disturbance for the development of this acreage by drilling each of the wells in these cases from one combined drilling pad and commingling the production from each of the wells in one combined facility.

29. MRC also has water, oil and has takeaway capacity available for its proposed development plan. This includes the ability to connect its wells to gas pipeline system operate by its midstream affiliate, San Mateo Midstream.

#### **MRC's Good Faith Negotiations**

30. As noted above, MRC has been making efforts to reach voluntary joinder with all working interest owners it has been able to locate in the proposed spacing units. As part of that effort, MRC has entered into a joint operating agreement with 6 parties thus far.

31. With respect to Pride, MRC sent Pride a proposed joint operating agreement and has been negotiating in good faith on the extensive changes proposed by Pride to MRC's joint

operating agreement. This is the same joint operating agreement that the parties identified above received and executed.

32. Although MRC has been negotiating in good faith with Pride on Pride's proposed changes, many of them are very unusual and do not comport with what the other working interest owners have found to be acceptable.


33. In addition, Pride has never sent Matador a proposed joint operating agreement for Pride's proposed spacing units. It is therefore unclear whether Pride has sent an operating agreement to any of the parties to be pooled or discussed a voluntary agreement with any of the uncommitted parties.

34. In my opinion, MRC has engaged in good faith efforts to reach a voluntary agreement with all parties to be pooled, including Pride.

35. **MRC Exhibits A-1 through A-6** were either prepared by me or compiled under my direction and supervision.

36. 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: May 23, 2024  
Case Nos. 24074-24076 & 24101-24102

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  
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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 3713		<sup>3</sup> Pool Name Avelun; Bone Spring East					
<sup>4</sup> Property Code		<sup>5</sup> Property Name WAYNE GAYLORD 2930 FED COM		<sup>6</sup> Well Number 111H					
<sup>7</sup> OGRID No. 228937		<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY		<sup>9</sup> Elevation 3223'					
<sup>10</sup> Surface Location									
UL or lot no. E	Section 28	Township 20-S	Range 28-E	Lot Idn -	Feet from the 1522'	North/South line NORTH	Feet from the 1003'	East/West line WEST	County EDDY
<sup>11</sup> Bottom Hole Location If Different From Surface									
UL or lot no. 1	Section 30	Township 20-S	Range 28-E	Lot Idn -	Feet from the 335'	North/South line NORTH	Feet from the 110'	East/West line WEST	County EDDY
<sup>12</sup> Dedicated Acres 321.90		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.			

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

NEW MEXICO EAST  
NAD 1983

<u>SURFACE LOCATION (SHL)</u> 1522' FNL - SEC. 28 1003' FWL - SEC. 28 X=586044 Y=562968 LAT.: N 32.5475732 LONG.: W 104.1882457	<u>KICK OFF POINT (KOP)</u> 335' FNL - SEC. 29 50' FEL - SEC. 29 X=584999 Y=564151 LAT.: N 32.5508273 LONG.: W 104.1916298	<u>FIRST PERF. POINT (FPP)</u> 335' FNL - SEC. 29 100' FEL - SEC. 29 X=584949 Y=564151 LAT.: N 32.5508270 LONG.: W 104.1917921
<u>BLM PERF. POINT (BPP1)</u> 333' FNL - SEC. 29 2654' FWL - SEC. 29 X=582395 Y=564142 LAT.: N 32.5508120 LONG.: W 104.2000835	<u>BLM PERF. POINT (BPP2)</u> 330' FNL - SEC. 29 ±0' FWL - SEC. 29 X=579740 Y=564133 LAT.: N 32.5507957 LONG.: W 104.2086972	<u>LAST PERF. POINT (LPP)</u> 335' FNL - SEC. 30 110' FWL - SEC. 30 X=574473 Y=564115 LAT.: N 32.5507618 LONG.: W 104.2257925

NEW MEXICO EAST  
NAD 1927

<u>SURFACE LOCATION (SHL)</u> X=544803 Y=582907 LAT N 32 5474556 LONG. W 104 1877393	<u>KICK OFF POINT (KOP)</u> X=543819 Y=564080 LAT N 32 5507098 LONG. W 104 1911232
<u>FIRST PERF. POINT (FPP)</u> X=543769 Y=564089 LAT N 32 5507095 LONG. W 104 1912055	<u>BLM PERF. POINT (BPP1)</u> X=541214 Y=554081 LAT N 32 5506945 LONG. W 104 1995787
<u>BLM PERF. POINT (BPP2)</u> X=538060 Y=564072 LAT N 32 5505784 LONG. W 104 2091801	<u>LAST PERF. POINT (LPP)</u> X=533297 Y=564054 LAT N 32 5506647 LONG. W 104 2252949

**<sup>17</sup>OPERATOR CERTIFICATION**

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

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

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

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

**<sup>18</sup>SURVEYOR CERTIFICATION**

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

05/08/2024

Date of Survey  
Signature and Seal of Professional Surveyor

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

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
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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	<sup>2</sup> Pool Code 3713	<sup>3</sup> Pool Name Avalon; Bone Spring, East
<sup>4</sup> Property Code	<sup>5</sup> Property Name WAYNE GAYLORD 2930 FED COM	<sup>6</sup> Well Number 112H
<sup>7</sup> GRID No. 228937	<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY	<sup>9</sup> Elevation 3223'

<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
E	28	20-S	28-E	-	1552'	NORTH	1003'	WEST	EDDY

<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
2	30	20-S	28-E	-	1657'	NORTH	110'	WEST	EDDY

<sup>12</sup> Dedicated Acres 321.69	<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.

NEW MEXICO EAST  
NAD 1983

<u>SURFACE LOCATION (SHL)</u>	<u>KICK OFF POINT (KOP)</u>	<u>FIRST PERF. POINT (FPP)</u>
1552' FNL - SEC. 28 1003' FWL - SEC. 28 X=586044 Y=562938 LAT.: N 32.5474908 LONG.: W 104.1882460	1657' FNL - SEC. 29 50' FEL - SEC. 29 X=584990 Y=562829 LAT.: N 32.5471930 LONG.: W 104.1916668	1657' FNL - SEC. 29 100' FEL - SEC. 29 X=584940 Y=562828 LAT.: N 32.5471927 LONG.: W 104.1918291
<u>BLM PERF. POINT (BPP1)</u>	<u>BLM PERF. POINT (BPP2)</u>	<u>LAST PERF. POINT (LPP)</u> <u>BOTTOM HOLE LOCATION (BHL)</u>
1655' FNL - SEC. 29 2653' FWL - SEC. 29 X=582386 Y=562820 LAT.: N 32.5471777 LONG.: W 104.2001173	1652' FNL - SEC. 29 ±0' FWL - SEC. 29 X=579732 Y=562811 LAT.: N 32.5471615 LONG.: W 104.2087283	1657' FNL - SEC. 30 110' FWL - SEC. 30 X=574481 Y=562793 LAT.: N 32.5471278 LONG.: W 104.2257710

<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 unless 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 \_\_\_\_\_ Date \_\_\_\_\_

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

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

<sup>18</sup>SURVEYOR  
CERTIFICATION

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

05/08/2024

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

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

NEW MEXICO EAST  
NAD 1927

<u>SURFACE LOCATION (SHL)</u>	<u>KICK OFF POINT (KOP)</u>
X=544863 Y=562877 LAT N 32.5473732 LONG W 104.1677396	X=543809 Y=562767 LAT N 32.5470754 LONG W 104.1911602
<u>FIRST PERF. POINT (FPP)</u>	<u>BLM PERF. POINT (BPP1)</u>
X=543759 Y=562767 LAT N 32.5470751 LONG W 104.1913225	X=541205 Y=562759 LAT N 32.5470602 LONG W 104.1996106
<u>BLM PERF. POINT (BPP2)</u>	<u>LAST PERF. POINT (LPP)</u> <u>BOTTOM HOLE LOCATION (BHL)</u>
X=538552 Y=562749 LAT N 32.5470442 LONG W 104.2082713	X=533301 Y=562712 LAT N 32.5470107 LONG W 104.2252635

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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	<sup>2</sup> Pool Code 3713	<sup>3</sup> Pool Name Avalon; Bone Spring, East
<sup>4</sup> Property Code	<sup>5</sup> Property Name WAYNE GAYLORD 2930 FED COM	<sup>6</sup> Well Number 121H
<sup>7</sup> OGRID No. 228937	<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY	<sup>9</sup> Elevation 3222'

<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
E	28	20-S	28-E	-	1523'	NORTH	1083'	WEST	EDDY

<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
1	30	20-S	28-E	-	660'	NORTH	110'	WEST	EDDY

<sup>12</sup> Dedicated Acres 321.90	<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.

NEW MEXICO EAST  
NAD 1983

<u>SURFACE LOCATION (SHL)</u>	<u>KICK OFF POINT (KOP)</u>	<u>FIRST PERF. POINT (FPP)</u>
1523' FNL - SEC. 28 1083' FWL - SEC. 28 X=586124 Y=562968 LAT.: N 32.5475725 LONG.: W 104.1879862	660' FNL - SEC. 29 50' FEL - SEC. 29 X=584997 Y=563826 LAT.: N 32.5499349 LONG.: W 104.1916389	660' FNL - SEC. 29 100' FEL - SEC. 29 X=584947 Y=563826 LAT.: N 32.5499346 LONG.: W 104.1918012
<u>BLM PERF. POINT (BPP1)</u>	<u>BLM PERF. POINT (BPP2)</u>	<u>LAST PERF. POINT (LPP)</u>
657' FNL - SEC. 29 2654' FWL - SEC. 29 X=582392 Y=563817 LAT.: N 32.5499195 LONG.: W 104.2000918	655' FNL - SEC. 30 0' FWL - SEC. 30 X=579739 Y=563808 LAT.: N 32.5499033 LONG.: W 104.2087048	660' FNL - SEC. 30 110' FWL - SEC. 30 X=574475 Y=563790 LAT.: N 32.5498693 LONG.: W 104.2257872
<u>BOTTOM HOLE LOCATION (BHL)</u>	<u>BLM PERF. POINT (BPP2)</u>	<u>BLM PERF. POINT (BPP1)</u>
660' FNL - SEC. 30 0' FWL - SEC. 30 X=574475 Y=563790 LAT.: N 32.5498693 LONG.: W 104.2257872	655' FNL - SEC. 30 0' FWL - SEC. 30 X=579739 Y=563808 LAT.: N 32.5499033 LONG.: W 104.2087048	657' FNL - SEC. 29 2654' FWL - SEC. 29 X=582392 Y=563817 LAT.: N 32.5499195 LONG.: W 104.2000918

**<sup>17</sup>OPERATOR  
CERTIFICATION**

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

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

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

**<sup>18</sup>SURVEYOR  
CERTIFICATION**

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

04/25/2024

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

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

NEW MEXICO EAST  
NAD 1927

<u>SURFACE LOCATION (SHL)</u> X=544943 Y=562907 LAT. N 32.5474549 LONG. W 104.1874798	<u>KICK OFF POINT (KOP)</u> X=543817 Y=563785 LAT. N 32.5498173 LONG. W 104.1911323
<u>FIRST PERF. POINT (FPP)</u> X=543767 Y=563765 LAT. N 32.5496170 LONG. W 104.1912946	<u>BLM PERF. POINT (BPP1)</u> X=541212 Y=563756 LAT. N 32.5498021 LONG. W 104.1899850
<u>BLM PERF. POINT (BPP2)</u> X=538859 Y=563747 LAT. N 32.5497859 LONG. W 104.2081978	<u>LAST PERF. POINT (LPP)</u> X=533295 Y=563729 LAT. N 32.5497521 LONG. W 104.2257797



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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	<sup>2</sup> Pool Code 3713	<sup>3</sup> Pool Name Avalon; Bone Spring East
<sup>4</sup> Property Code	<sup>5</sup> Property Name WAYNE GAYLORD 2930 FED COM	<sup>6</sup> Well Number 122H
<sup>7</sup> OGRID No. 228937	<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY	<sup>9</sup> Elevation 3222'

<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
E	28	20-S	28-E	-	1553'	NORTH	1083'	WEST	EDDY

<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
2	30	20-S	28-E	-	1980'	NORTH	110'	WEST	EDDY

<sup>12</sup> Dedicated Acres 321.69	<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.

NEW MEXICO EAST  
NAD 1983

<u>SURFACE LOCATION (SHL)</u>	<u>KICK OFF POINT (KOP)</u>	<u>FIRST PERF. POINT (FPP)</u>
1533' FNL - SEC. 28 1083' FWL - SEC. 28 X=586124 Y=562938 LAT.: N 32.5474900 LONG.: W 104.1879862	1980' FNL - SEC. 29 50' FEL - SEC. 29 X=584987 Y=562506 LAT.: N 32.5463064 LONG.: W 104.1916758	1980' FNL - SEC. 29 100' FEL - SEC. 29 X=584937 Y=562506 LAT.: N 32.5463061 LONG.: W 104.1918381
<u>BLM PERF. POINT (BPP1)</u>	<u>BLM PERF. POINT (BPP2)</u>	<u>LAST PERF. POINT (LPP)</u>
1977' FNL - SEC. 29 2653' FWL - SEC. 29 X=582384 Y=562497 LONG.: W 104.2001256	1975' FNL - SEC. 30 0' FWL - SEC. 30 X=579730 Y=562488 LAT.: N 32.5462748 LONG.: W 104.2087359	1980' FNL - SEC. 30 110' FWL - SEC. 30 X=574483 Y=562470 LAT.: N 32.5462409 LONG.: W 104.2257657
<u>BOTTOM HOLE LOCATION (BHL)</u>		
1980' FNL - SEC. 30 110' FWL - SEC. 30 X=585032 Y=561829 LAT.: N 32.5461574 LONG.: W 104.2082289		

**<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 an 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 \_\_\_\_\_

**<sup>18</sup>SURVEYOR  
CERTIFICATION**

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

02/21/2024

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

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

NEW MEXICO EAST  
NAD 1927

<u>SURFACE LOCATION (SHL)</u>	<u>KICK OFF POINT (KOP)</u>
X=544963 Y=562877 LAT N 32.5473724 LONG W 104.1874798	X=543807 Y=562445 LAT.: N 32.5461888 LONG.: W 104.1911993
<u>FIRST PERF. POINT (FPP)</u>	<u>BLM PERF. POINT (BPP1)</u>
X=543757 Y=562445 LAT N 32.5461885 LONG W 104.1913315	X=541203 Y=562436 LAT N 32.5461736 LONG. W 104.1996188
<u>BLM PERF. POINT (BPP2)</u>	<u>LAST PERF. POINT (LPP)</u>
X=538550 Y=562427 LAT N 32.5461574 LONG W 104.2082289	X=533303 Y=562409 LAT N 32.5461237 LONG. W 104.2252583

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number	<sup>2</sup> Pool Code 73520	<sup>3</sup> Pool Name Bulton Flats; Wolfcamp, North (Gas)
<sup>4</sup> Property Code	<sup>5</sup> Property Name WAYNE GAYLORD 2930 FED COM	<sup>6</sup> Well Number 201H
<sup>7</sup> OGRID No. 228937	<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY	<sup>9</sup> Elevation 3223'

<sup>10</sup>Surface Location

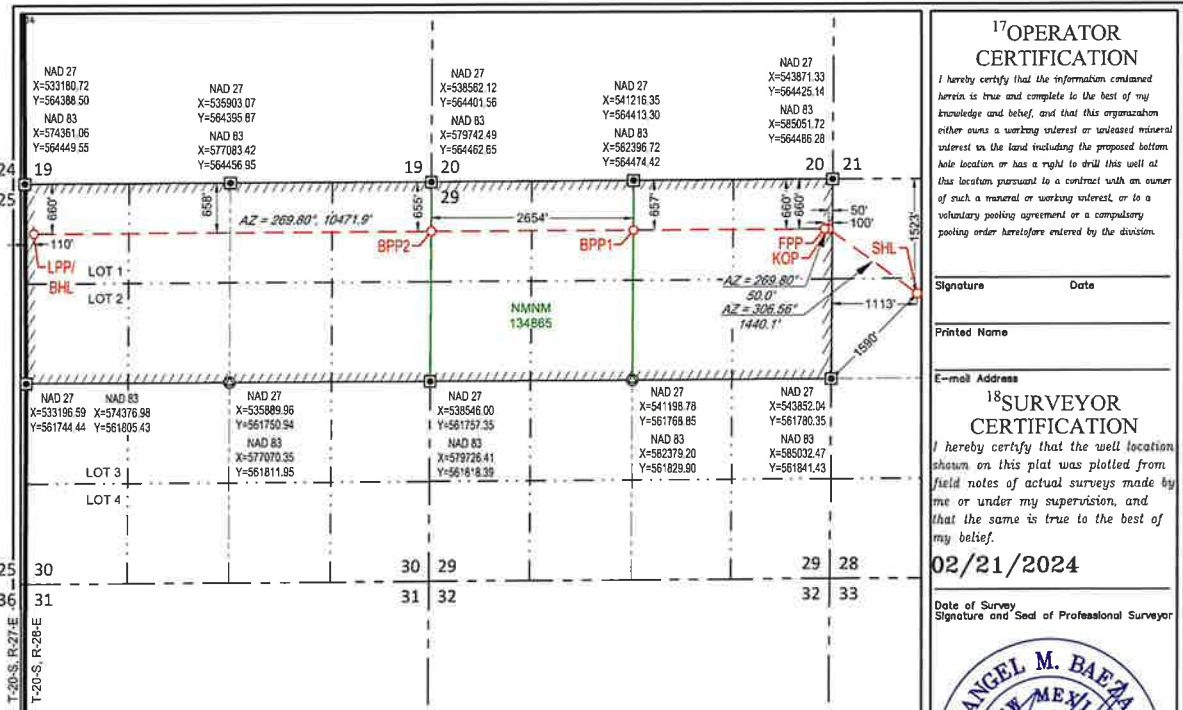
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	28	20-S	28-E	-	1523'	NORTH	1113'	WEST	EDDY

<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
1	30	20-S	28-E	-	660'	NORTH	110'	WEST	EDDY

<sup>12</sup> Dedicated Acres 643.59	<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.



**<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 unless mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

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

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

02/21/2024  
 Date of Survey  
 Signature and Seal of Professional Surveyor



Certificate Number  
 NEW MEXICO EAST  
 NAD 1927

NEW MEXICO EAST NAD 1983		
<b><u>SURFACE LOCATION (SHL)</u></b> 1523' FNL - SEC. 28 1113' FWL - SEC. 28 X=586154 Y=562968 LAT.: N 32.5475726 LONG.: W 104.1878887	<b><u>KICK OFF POINT (KOP)</u></b> 660' FNL - SEC. 29 50' FEL - SEC. 29 X=584997 Y=563826 LAT.: N 32.5499349 LONG.: W 104.1916389	<b><u>FIRST PERF. POINT (FPP)</u></b> 660' FNL - SEC. 29 100' FEL - SEC. 29 X=584947 Y=563826 LAT.: N 32.5499346 LONG.: W 104.1918012
<b><u>BLM PERF. POINT (BPP1)</u></b> 657' FNL - SEC. 29 2654' FWL - SEC. 29 X=582392 Y=563817 LAT.: N 32.5499195 LONG.: W 104.2000918	<b><u>BLM PERF. POINT (BPP2)</u></b> 655' FNL - SEC. 30 0' FWL - SEC. 30 X=579739 Y=563808 LAT.: N 32.5499033 LONG.: W 104.2087048	<b><u>LAST PERF. POINT (LPP)</u></b> <b><u>BOTTOM HOLE LOCATION (BHL)</u></b> 660' FNL - SEC. 30 110' FWL - SEC. 30 X=574475 Y=563790 LAT.: N 32.5498693 LONG.: W 104.2257872

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

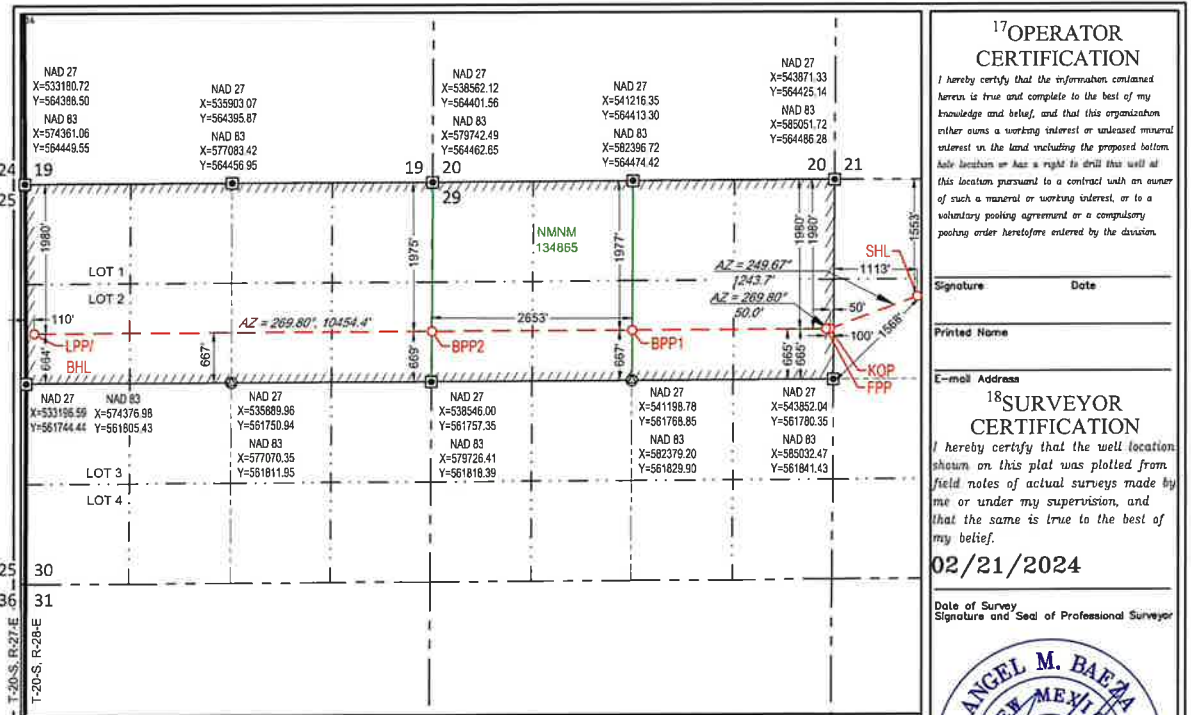
<sup>1</sup> API Number	<sup>2</sup> Pool Code 73520	<sup>3</sup> Pool Name Burton Hats; Wolfcamp, North (Gas)
<sup>4</sup> Property Code	<sup>5</sup> Property Name WAYNE GAYLORD 2930 FED COM	<sup>6</sup> Well Number 202H
<sup>7</sup> OGRID No. 228937	<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY	<sup>9</sup> Elevation 3222'

<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
E	28	20-S	28-E	-	1553'	NORTH	1113'	WEST	EDDY

<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
2	30	20-S	28-E	-	1980'	NORTH	110'	WEST	EDDY

<sup>12</sup> Dedicated Acres 643.59	<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.



**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.

02/21/2024

Date of Survey  
Signature and Seal of Professional Surveyor

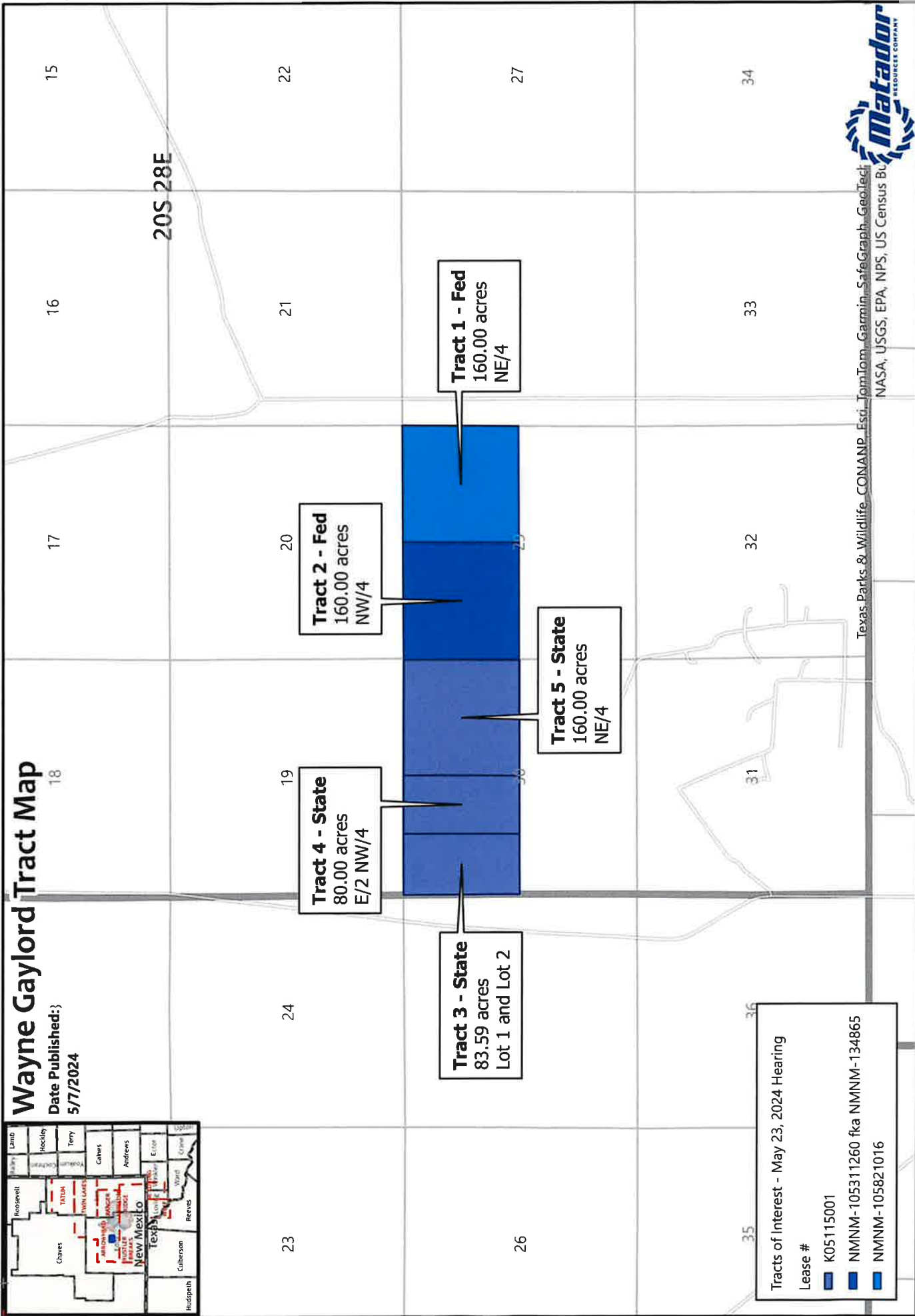
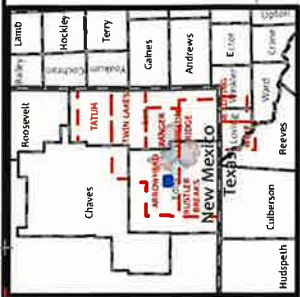


NEW MEXICO EAST NAD 1983		
<b>SURFACE LOCATION (SHL)</b> 1553' FNL - SEC. 28 1113' FWL - SEC. 28 X=586153 Y=562938 LAT.: N 32.5474900 LONG.: W 104.1878893	<b>KICK OFF POINT (KOP)</b> 1980' FNL - SEC. 29 50' FEL - SEC. 29 X=584987 Y=562506 LAT.: N 32.5463064 LONG.: W 104.1916758	<b>FIRST PERF. POINT (FPP)</b> 1980' FNL - SEC. 29 100' FEL - SEC. 29 X=584937 Y=562506 LAT.: N 32.5463061 LONG.: W 104.1918381
<b>BLM PERF. POINT (BPP1)</b> 1977' FNL - SEC. 29 2653' FWL - SEC. 30 X=582384 Y=562497 LAT.: N 32.5462910 LONG.: W 104.2001256	<b>BLM PERF. POINT (BPP2)</b> 1975' FNL - SEC. 30 0' FWL - SEC. 30 X=579730 Y=562488 LAT.: N 32.5462748 LONG.: W 104.2087359	<b>LAST PERF. POINT (LPP) BOTTOM HOLE LOCATION (BHL)</b> 1980' FNL - SEC. 30 110' FWL - SEC. 30 X=574483 Y=562470 LAT.: N 32.5462409 LONG.: W 104.2257657
NEW MEXICO EAST NAD 1927		
<b>SURFACE LOCATION (SHL)</b> X=544973 Y=562877 LAT N 32.5473724 LONG. W 104.1879829	<b>KICK OFF POINT (KOP)</b> X=543807 Y=562445 LAT N 32.5461888 LONG. W 104.1811693	<b>FIRST PERF. POINT (FPP)</b> X=543757 Y=562445 LAT N 32.5461885 LONG. W 104.1813315
<b>BLM PERF. POINT (BPP1)</b> X=541203 Y=562438 LAT N 32.5461738 LONG. W 104.1896188	<b>BLM PERF. POINT (BPP2)</b> X=538550 Y=562427 LAT N 32.5461574 LONG. W 104.2082289	<b>LAST PERF. POINT (LPP) BOTTOM HOLE LOCATION (BHL)</b> X=533303 Y=562409 LAT N 32.5461237 LONG. W 104.2325983

# EXHIBIT A-2

# Wayne Gaylord Tract Map

Date Published: 5/7/2024



**Tracts of Interest - May 23, 2024 Hearing**

Lease #	Color
K05115001	Dark Blue
NMNM-105311260 fka NMNM-134865	Medium Blue
NMNM-105821016	Light Blue



Map Prepared by: Illiany Jennings  
 Date: May 7, 2024  
 Project: \gis\UseData\Projects\Project\Pooling Hearings\Pooling Hearings.aprx  
 Spatial Reference: 1883 - NAD83 - Texas State Plane - NAD83 - 3001 Feet  
 Sources: INS; ESRI; US DOI BLM; Carlsbad; NRI Field Office; GIS Department  
 Texas Cooperative Wildlife Collection; Texas A&M University  
 United States Census Bureau (CIGER)

**1:35,000**  
 1 inch equals 2,917 feet

**GIS Standard Map Disclaimer:**  
 This map was prepared for the public and is not intended to be used for any other purpose. Use of this standard map does not constitute a warranty or any other form of insurance or protection. The user assumes all responsibility for the use of this map.

0 1,500 3,000 6,000 Feet

# EXHIBIT A-3

**BEFORE THE OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico  
Exhibit No. A-3  
Submitted by: Matador Production Company  
Hearing Date: May 23, 2024  
Case Nos. 24074-24076 & 24101-24102

SUMMARY OF INTERESTS IN EACH OF CASE NOS. 24074-24076 and 24101-24102

Summary of Interest Types	
MRC Permian Company	24.8605%
Signed JOA	6.0283%
Compulsory Pool	69.1112%
<b>Total</b>	<b>100.0000%</b>

Parties to be Compulsory Pooled	Tract	Working Interest
Adolph P. Schuman	4	0.0033%
Anges Clulthe Oliver Trust clo Brown Brothers Harriman Trust Company of Delaware, National Association 4900 Trammell Crow Center	4	0.0033%
Atlantic Richfield Company	3,4,5	1.0138%
Betsy H. Keller	4	0.0017%
Brian D. Woehler Trust u/w of William B. Oliver clo Brown Brothers Harriman Trust Company of Delaware, National Association	4	0.0008%
Charles Chie Moore	4	0.0084%
Diamond Head Properties, LP	3,4,5	0.3189%
Dr. Isaac A Kawasaki	4	0.0033%
E.G. Holden Testamentary Trust	4	0.0017%
EOG Resources, Inc.	3,4,5	19.1060%
Ernie Bello	4	0.0033%
Frances Bunn Revocable Living Trust dated May 18, 1982	4	0.0033%
Frederick Van Vranken	4	0.0033%
J.W. Gendron	4	0.0050%
Judith C. Devine Trust u/w of William B. Oliver clo Brown Brothers Harriman Trust Company of Delaware, National Association	4	0.0008%
Judson Exploration, LP	3,4,5	0.0757%
Karen V. and William H. Martin Energy, Ltd	3,4,5	0.2272%
OXY-1 Company	3,4,5	4.4430%
Pennzoil Exploration and Production Company	3,4,5	6.2151%
Pride Energy Corporation	1,4	24.8617%
Robert A. Oliver Trust u/w of William B. Oliver clo Brown Brothers Harriman Trust Company of Delaware, National Association	4	0.0017%
Royalty Trust Corp.	4	0.0033%
Shumana Exploration, LP	3,4,5	0.0757%
Tairrail Investments, LP	3,4,5	0.0757%
Trenox Worldwide, LLC	3,4,5	0.3285%
XTO Holdings, LLC	3,4,5	12.3263%
<b>Total</b>		<b>69.1112%</b>

Signed JOA	Tract	Working Interest
Ard Energy Group, Ltd.	3,4,5	1.8173%
Claremont Corporation	3,4,5	0.3407%
Space Building Corp	4	0.0084%
Zorro Partners Ltd.	3,4,5	1.8173%
Magic Dog Oil & Gas, Ltd.	3,4,5	0.2272%
Javelina Partners	3,4,5	1.8173%
<b>Total</b>		<b>6.0283%</b>

# EXHIBIT A-4

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A-4  
Submitted by: Matador Production Company  
Hearing Date: May 23, 2024  
Case Nos. 24074-24076 & 24101-24102**



**ORRI To Be Pooled in Case Nos. 24101-24102 and 24074-24076**

<u>Owner Name</u>	<u>Tracts</u>
Abuelo, LLC	3,4, 5
Ergodic Resources, Inc.	3,4, 5
Jackie Sue Jones	3,4, 5
Pennzoil Exploration and Production Company	3,4, 5
Rado Royalties, LLC	3,4, 5
Savannah Morgan Boling	3,4, 5
Stacy Moore-Boling	3,4, 5
The Mark Wilson Family Partnership	3,4, 5

# EXHIBIT A-5

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A-5  
Submitted by: Matador Production Company  
Hearing Date: May 23, 2024  
Case Nos. 24074-24076 & 24101-24102**

# MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240  
Voice 972.619.4341 • Fax 214.866.4946  
[hanna.bollenbach@matadorresources.com](mailto:hanna.bollenbach@matadorresources.com)

---

**Hanna Bollenbach**  
**Senior Landman**

November 15, 2023

VIA CERTIFIED RETURN RECEIPT MAIL

Adolph P. Schuman  
400 Sansome Street  
San Francisco, CA 94111

Re: Wayne Gaylord 2930 Fed Com #111H, #112H, #121H, #122H, #201H &  
#202H (the "Wells")  
Participation Proposal  
Sections 29 & 30, Township 20 South, Range 28 East  
Eddy County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Wayne Gaylord 2930 Fed Com #111H, Wayne Gaylord 2930 Fed Com #112H, Wayne Gaylord 2930 Fed Com #121H, Wayne Gaylord 2930 Fed Com #122H, Wayne Gaylord 2930 Fed Com #201H & Wayne Gaylord 2930 Fed Com #202H wells, located in Sections 29 & 30, Township 20 South, Range 28 East Eddy 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 six (6) enclosed Authority for Expenditures ("AFE") dated October 31, 2023 and May 25, 2023.

- **Wayne Gaylord 2930 Fed Com #111H:** to be drilled from a legal location with a proposed surface hole location in the NE/4 of Section. 29-20S-28E, a proposed first take point located at 330' FNL and 100' FWL of Section 29-20S-28E, and a proposed last take point located at 330' FNL and 100' FWL of Section 30-20S-28E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~6,460' TVD) to a Measured Depth of approximately 16,764'.
- **Wayne Gaylord 2930 Fed Com #112H:** to be drilled from a legal location with a proposed surface hole location in the NE/4 of section 29-20S-28E, a proposed first take point located at 1650' FNL and 100' FWL of Section 29-20S-28E, and a proposed last take point located at 1650' FNL and 100' FWL of Section 30-20S-28E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~6,460' TVD) to a Measured Depth of approximately 16,764'.
- **Wayne Gaylord 2930 Fed Com #121H:** to be drilled from a legal location with a proposed surface hole location in the NE/4 of Section 29-20S-28E, a proposed first take point located at 660' FNL and 100' FWL of Section 29-20S-28E, and a proposed last take point located at 660' FNL and 100' FWL of Section 30-20S-28E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~7,400'TVD) to a Measured Depth of approximately 17,704'.

- **Wayne Gaylord 2930 Fed Com #122H:** to be drilled from a legal location with a proposed surface hole location in the NE/4 of Section 29-20S-28E, a proposed first take point located at 1980' FNL and 100' FWL of Section 29-20S-28E, and a proposed last take point located at 1980' FNL and 100' FWL of Section 30-20S-28E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (-7,400' TVD) to a Measured Depth of approximately 17,704'.
- **Wayne Gaylord 2930 Fed Com #201H:** to be drilled from a legal location with a proposed surface hole location in the NE/4 of Section 29-20S-28E, a proposed first take point located at 660' FNL and 100' FEL of Section 29-20S-28E, and a proposed last take point located at 660' FNL and 100' FWL of Section 30-20S-28E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (-8,850' TVD) to a Measured Depth of approximately 19,154'.
- **Wayne Gaylord 2930 Fed Com #202H:** to be drilled from a legal location with a proposed surface hole location in the NE/4 of Section 29-20S-28E, a proposed first take point located at 1,980' FNL and 100' FEL of Section 29-20S-28E, and a proposed last take point located at 1,980' FNL and 100' FWL of Section 30-20S-28E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (-8,850' TVD) to a Measured Depth of approximately 19,154'.

MRC reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. MRC will advise you of any such modifications.

MRC requests that you indicate your election to participate in the drilling and completion of the Wells in the space provided below, sign and return one (1) copy of this letter to the undersigned.

MRC is proposing to drill the Wells under the terms of the modified 1989 AAPL form of Operating Agreement, which will be provided at a later date, covering All of Sections 29 & 30, Township 20 South, Range 28 East Eddy County, New Mexico, and has the following general provisions:

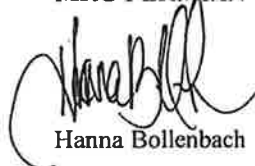
- 100%/300%/300% Non-consenting penalty
- \$8,000/\$800 Drilling and Producing rate
- Matador Production Company named as Operator

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**



Hanna Bollenbach

**Adolph P. Schuman hereby elects to:**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Wayne Gaylord 2930 Fed Com #111H** well.

\_\_\_\_\_ Not to participate in the **Wayne Gaylord 2930 Fed Com #111H**.

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Wayne Gaylord 2930 Fed Com #112H** well.

\_\_\_\_\_ Not to participate in the **Wayne Gaylord 2930 Fed Com #112H**.

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Wayne Gaylord 2930 Fed Com #121H** well.

\_\_\_\_\_ Not to participate in the **Wayne Gaylord 2930 Fed Com #121H**.

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Wayne Gaylord 2930 Fed Com #122H** well.

\_\_\_\_\_ Not to participate in the **Wayne Gaylord 2930 Fed Com #122H**.

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Wayne Gaylord 2930 Fed Com #201H** well.

\_\_\_\_\_ Not to participate in the **Wayne Gaylord 2930 Fed Com #201H**.

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Wayne Gaylord 2930 Fed Com #202H** well.

\_\_\_\_\_ Not to participate in the **Wayne Gaylord 2930 Fed Com #202H**.

**Adolph P. Schuman**

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

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

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

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

**MATADOR PRODUCTION COMPANY**

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

**ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE**

DATE:	January 30, 2024	AFE NO.:	
WELL NAME:	Wayne Gaylor 2930 Fed Com #111H	FIELD:	Bone Spring
LOCATION:	Section 29&30 20S 28E	MD/TVD:	16764/16460'
COUNTY/STATE:	Eddy, NM	LATERAL LENGTH:	9,837
MRC WI:			
GEOLOGIC TARGET:	First Bone Spring Sand		
REMARKS:	Drill and complete a horizontal 2.0 mile long First Bone Spring sand target with about 57 frac stages		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Land / Legal / Regulatory	\$ 58,000	\$ -	\$ -	\$ 10,000	\$ 68,000
Location, Surveys & Damages	157,500	13,000	15,000	16,567	202,167
Drilling	632,045	-	-	-	632,045
Cementing & Float Equip	337,000	-	-	-	337,000
Logging / Formation Evaluation	-	3,750	3,000	-	6,750
Flowback - Labor	-	-	18,160	-	18,160
Flowback - Surface Rentals	-	-	127,850	-	127,850
Flowback - Rental Living Quarters	-	-	-	-	-
Mud Logging	21,388	-	-	-	21,388
Mud Circulation System	116,469	-	-	-	116,469
Mud & Chemicals	305,000	56,000	25,000	-	386,000
Mud / Wastewater Disposal	180,000	-	-	1,000	181,000
Freight / Transportation	19,500	40,500	7,000	-	67,000
Rig Supervision / Engineering	119,250	92,800	6,000	1,800	219,850
Drill Bits	107,000	-	-	-	107,000
Fuel & Power	150,500	383,012	15,000	-	548,512
Water	45,000	510,547	3,000	1,000	559,547
Drig & Completion Overhead	10,000	-	-	-	10,000
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	267,893	-	-	-	267,893
Completion Unit, Swab, CTU	-	200,000	9,000	-	209,000
Perforating, Wireline, Slickline	-	162,240	-	-	162,240
High Pressure Pump Truck	-	123,400	6,000	-	129,400
Stimulation	-	2,132,892	-	-	2,132,892
Stimulation Flowback & Disp	-	15,500	50,400	-	65,900
Insurance	30,175	-	-	-	30,175
Labor	197,500	60,250	15,000	5,000	277,750
Rental - Surface Equipment	90,598	297,110	10,000	20,000	417,708
Rental - Downhole Equipment	198,750	86,000	-	-	284,750
Rental - Living Quarters	55,625	38,540	-	5,000	99,165
Contingency	132,816	208,265	31,041	6,047	378,170
Operations Center	21,252	-	-	-	21,252
<b>TOTAL INTANGIBLES &gt;</b>	<b>3,453,263</b>	<b>4,423,808</b>	<b>341,451</b>	<b>68,513</b>	<b>8,285,033</b>

TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	\$ 48,091	\$ -	\$ -	\$ -	\$ 48,091
Intermediate Casing	59,183	-	-	-	59,183
Drilling Liner	151,909	-	-	-	151,909
Production Casing	561,924	-	-	-	561,924
Production Liner	-	-	-	-	-
Tubing	-	-	104,250	-	104,250
Wellhead	125,500	-	70,000	-	195,500
Packers, Liner Hangers	-	49,072	-	-	49,072
Tanks	-	-	-	84,167	84,167
Production Vessels	-	-	-	179,500	179,500
Flow Lines	-	-	-	120,000	120,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	335,000	-	335,000
Compressor	-	-	-	40,000	40,000
Installation Costs	-	-	-	80,000	80,000
Surface Pumps	-	-	5,000	23,333	28,333
Non-controllable Surface	-	-	-	2,000	2,000
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	11,000	92,667	103,667
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	118,333	118,333
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	-	-	-
Tank / Facility Containment	-	-	-	16,667	16,667
Flare Stack	-	-	-	29,167	29,167
Electrical / Grounding	-	-	30,000	80,000	110,000
Communications / SCADA	-	-	12,000	15,000	27,000
Instrumentation / Safety	-	-	-	33,667	33,667
<b>TOTAL TANGIBLES &gt;</b>	<b>946,607</b>	<b>49,072</b>	<b>567,250</b>	<b>914,500</b>	<b>2,477,429</b>
<b>TOTAL COSTS &gt;</b>	<b>4,399,870</b>	<b>4,472,877</b>	<b>908,701</b>	<b>981,013</b>	<b>10,762,462</b>

**PREPARED BY MATADOR PRODUCTION COMPANY:**

Drilling Engineer:	Perry Hawks	Team Lead - WTX/NM	<i>PW</i>
Completions Engineer:	Jack Hrnair		TW
Production Engineer:	Garrett Littrell		

**MATADOR RESOURCES COMPANY APPROVAL:**

Executive VP, Res	_____ WTE _____	SVP Geoscience	_____ NLF _____	COO- Drilling, Completion and Production	_____ CC _____
Executive VP, Legal	_____ CA _____				
President	_____ BC _____				

**NON OPERATING PARTNER APPROVAL:**

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

The costs on this AFE are estimates only and may not be construed as contracts on any specific item of the total cost of the project. Taking into account the approval of this AFE, the well may be drilled or in a year after the well has been completed, in exercising this AFE, the Participant agrees to pay the program because there are actual costs incurred, including legal, regulatory, geological and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well. Participants shall be bound by and hold themselves responsible for Operator's well work of good general behavior in accordance with the participant provided Operator a certificate authorizing its own insurance to an amount acceptable to the Operator by the time of the well completion.

**MATADOR PRODUCTION COMPANY**

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

**ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE**

DATE:	January 30, 2024	AFE NO.:	
WELL NAME:	Wayne Gaylord 2930 Fed Com #112H	FIELD:	Bone Spring
LOCATION:	Section 29&30 20S 28E	MD/TVD:	16764/6460'
COUNTY/STATE:	Eddy, NM	LATERAL LENGTH:	9,837
MRC WI:			
GEOLOGIC TARGET:	First Bone Spring Sand		
REMARKS:	Drill and complete a horizontal 2.0 mile long First Bone Spring sand target with about 57 frac stages		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
<b>INTANGIBLE COSTS</b>					
Land / Legal / Regulatory	\$ 58,000	\$ -	\$ -	\$ 10,000	\$ 68,000
Location, Surveys & Damages	157,500	13,000	15,000	16,667	202,167
Drilling	832,045				832,045
Cementing & Float Equip	337,000				337,000
Logging / Formation Evaluation	-	3,750	3,000		6,750
Flowback - Labor			18,180		18,180
Flowback - Surface Rentals			127,850		127,850
Flowback - Rental Living Quarters					-
Mud Logging	21,388				21,388
Mud Circulation System	116,469				116,469
Mud & Chemicals	305,000	56,000	25,000		386,000
Mud / Wastewater Disposal	180,000	-	-	1,000	181,000
Freight / Transportation	19,500	40,500	7,000		67,000
Rig Supervision / Engineering	119,250	92,800	6,000	1,800	219,850
Drill Bits	107,000				107,000
Fuel & Power	150,500	383,012	15,000		548,512
Water	45,000	510,547	3,000	1,000	559,547
Drig & Completion Overhead	10,000				10,000
Plugging & Abandonment					-
Directional Drilling, Surveys	267,893				267,893
Completion Unit, Swab, CTU		200,000	9,000		209,000
Perforating, Wireline, Silckline		162,240			162,240
High Pressure Pump Truck		123,400	6,000		129,400
Stimulation		2,132,892			2,132,892
Stimulation Flowback & Disp		15,500	50,400		65,900
Insurance	30,175				30,175
Labor	197,500	60,250	15,000	5,000	277,750
Rental - Surface Equipment	90,598	297,110	10,000	20,000	417,708
Rental - Downhole Equipment	199,750	66,000			264,750
Rental - Living Quarters	55,625	38,540		5,000	99,165
Contingency	132,818	208,265	31,041	6,047	378,170
Operations Center	21,252				21,252
<b>TOTAL INTANGIBLES &gt;</b>	<b>3,453,283</b>	<b>4,423,806</b>	<b>341,451</b>	<b>66,513</b>	<b>8,285,033</b>
<b>TANGIBLE COSTS</b>					
Surface Casing	\$ 48,091	\$ -	\$ -	\$ -	\$ 48,091
Intermediate Casing	59,183				59,183
Drilling Liner	151,909				151,909
Production Casing	561,924				561,924
Production Liner					-
Tubing			104,250		104,250
Wellhead	125,500		70,000		195,500
Packers, Liner Hangers		49,072			49,072
Tanks				84,167	84,167
Production Vessels				179,500	179,500
Flow Lines				120,000	120,000
Rod string					-
Artificial Lift Equipment			335,000		335,000
Compressor				40,000	40,000
Installation Costs				80,000	80,000
Surface Pumps			5,000	23,333	28,333
Non-controllable Surface				2,000	2,000
Non-controllable Downhole					-
Downhole Pumps					-
Measurement & Meter Installation			11,000	92,667	103,667
Gas Conditioning / Dehydration					-
Interconnecting Facility Piping				118,333	118,333
Gathering / Bulk Lines					-
Valves, Dumps, Controllers				16,667	16,667
Tank / Facility Containment				29,167	29,167
Flare Stack				80,000	80,000
Electrical / Grounding			12,000	15,000	27,000
Communications / SCADA				33,667	33,667
Instrumentation / Safety					-
<b>TOTAL TANGIBLES &gt;</b>	<b>946,607</b>	<b>49,072</b>	<b>567,250</b>	<b>914,500</b>	<b>2,477,429</b>
<b>TOTAL COSTS &gt;</b>	<b>4,399,870</b>	<b>4,472,877</b>	<b>908,701</b>	<b>981,013</b>	<b>10,762,462</b>

**PREPARED BY MATADOR PRODUCTION COMPANY:**

Drilling Engineer:	Perry Hawks	Team Lead - WTX/NM	<i>PH</i>
Completions Engineer:	Jack Hmcir		TW
Production Engineer:	Garrett Littlell		

**MATADOR RESOURCES COMPANY APPROVAL:**

Executive VP, Res	WTE	SVP Geoscience	NLF	COO- Drilling, Completion and Production	CC
Executive VP, Legal	CA				
President	BG				

**NON OPERATING PARTNER APPROVAL:**

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

This costs on this AFE are estimates only and may not be identical to actual costs. Estimating and completion approval under this AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including legal, surface, regulatory, and other costs under the terms of the applicable gas operating agreement, regulatory order or other agreement covering the well. Participants shall be covered by a well head participation by Operator's well head and general liability insurance unless the well owner provides Operator a certificate evidencing its own insurance in an amount acceptable to the Operator by the date of use.





**MATADOR PRODUCTION COMPANY**

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
**ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE**

DATE:	January 30, 2024	AFE NO.:	
WELL NAME:	Wayne Gaylord 2930 Fed Com #122H	FIELD:	Bone Spring
LOCATION:	Section 29&30 20S 28E	MD/TVD:	17704/7400'
COUNTY/STATE:	Eddy, NM	LATERAL LENGTH:	9,837
MRC WI:			
GEOLOGIC TARGET:	Second Bone Spring Sand		
REMARKS:	Drill and complete a horizontal 2.0 mile long Second Bone Spring sand target with about 57 frac stages		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Land / Legal / Regulatory	\$ 58,000	\$ -	\$ -	\$ 10,000	\$ 68,000
Location, Surveys & Damages	157,500	13,000	15,000	16,667	202,167
Drilling	832,045	-	-	-	832,045
Cementing & Float Equip	347,000	-	-	-	347,000
Logging / Formation Evaluation	-	3,750	3,000	-	6,750
Flowback - Labor	-	-	18,180	-	18,180
Flowback - Surface Rentals	-	-	127,850	-	127,850
Flowback - Rental Living Quarters	-	-	-	-	-
Mud Logging	21,388	-	-	-	21,388
Mud Circulation System	116,469	-	-	-	116,469
Mud & Chemicals	315,000	58,000	25,000	-	396,000
Mud / Wastewater Disposal	180,000	-	-	1,000	181,000
Freight / Transportation	19,500	40,500	7,000	-	67,000
Rig Supervision / Engineering	119,250	92,800	6,000	1,800	218,850
Drill Bits	107,000	-	-	-	107,000
Fuel & Power	150,500	414,073	15,000	-	579,573
Water	45,000	510,547	3,000	1,000	559,547
Drig & Completion Overhead	10,000	-	-	-	10,000
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	281,344	-	-	-	281,344
Completion Unit, Swab, CTU	-	200,000	9,000	-	209,000
Perforating, Wireline, Slickline	-	162,240	-	-	162,240
High Pressure Pump Truck	-	123,400	6,000	-	129,400
Stimulation	-	2,196,466	-	-	2,196,466
Stimulation Flowback & Disp	-	15,500	50,400	-	65,900
Insurance	31,867	-	-	-	31,867
Labor	187,500	80,250	15,000	5,000	277,750
Rental - Surface Equipment	90,596	297,110	10,000	20,000	417,706
Rental - Downhole Equipment	198,750	85,000	-	-	284,750
Rental - Living Quarters	55,625	38,540	-	5,000	99,165
Contingency	134,224	211,371	31,041	6,047	382,682
Operations Center	21,252	-	-	-	21,252
<b>TOTAL INTANGIBLES &gt;</b>	<b>3,489,812</b>	<b>4,521,546</b>	<b>341,481</b>	<b>68,513</b>	<b>8,419,322</b>

TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	\$ 48,091	\$ -	\$ -	\$ -	\$ 48,091
Intermediate Casing	59,183	-	-	-	59,183
Drilling Liner	151,909	-	-	-	151,909
Production Casing	590,999	-	-	-	590,999
Production Liner	-	-	-	-	-
Tubing	-	-	104,250	-	104,250
Wellhead	125,500	-	70,000	-	195,500
Packers, Liner Hangers	-	49,072	-	-	49,072
Tanks	-	-	-	84,167	84,167
Production Vessels	-	-	-	179,500	179,500
Flow Lines	-	-	-	120,000	120,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	315,000	-	315,000
Compressor	-	-	-	40,000	40,000
Installation Costs	-	-	-	80,000	80,000
Surface Pumps	-	-	5,000	23,333	28,333
Non-controllable Surface	-	-	-	2,000	2,000
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	11,000	92,667	103,667
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	118,333	118,333
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	-	-	-
Tank / Facility Containment	-	-	-	16,667	16,667
Flare Stack	-	-	-	29,167	29,167
Electrical / Grounding	-	-	30,000	80,000	110,000
Communications / SCADA	-	-	12,000	15,000	27,000
Instrumentation / Safety	-	-	-	33,667	33,667
<b>TOTAL TANGIBLES &gt;</b>	<b>975,882</b>	<b>49,072</b>	<b>547,250</b>	<b>914,500</b>	<b>2,486,504</b>
<b>TOTAL COSTS &gt;</b>	<b>4,465,494</b>	<b>4,570,617</b>	<b>888,731</b>	<b>981,013</b>	<b>10,905,826</b>

**PREPARED BY MATADOR PRODUCTION COMPANY:**

Drilling Engineer:	Perry Hawks	Team Lead - WTX/NM	
Completions Engineer:	Jack Hmair		TW
Production Engineer:	Garrett Littrell		

**MATADOR RESOURCES COMPANY APPROVAL:**

Executive VP, Res	WTE	SVP Geoscience	NLF	COO- Drilling, Completion and Production	CC
Executive VP, Legal	CA				
President	BG				

**NON OPERATING PARTNER APPROVAL:**

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

The costs on this AFE are estimates only and may not be accurate as conditions may change on any specific item on the total cost of the project. Funding available approved under the AFE may be drawn on to a year after the work has been completed. In accordance with AFE, the Participant agrees to bear its proportionate share of actual costs incurred, including legal, location, rig safety, formation and well costs under the terms of the applicable joint well operating contract, regulatory order or ODI agreement covering the well. The obligations shall be limited to the amount presented in this AFE and shall not be subject to any general liability insurance unless participant provides Operator a certificate endorsing its own insurance to an amount adequate to the Operator by the date of said

**MATADOR PRODUCTION COMPANY**


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**ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE**

DATE:	January 30, 2024	AFE NO.:	
WELL NAME:	Wayne Gaylord 2930 Fed Com #201H	FIELD:	Wolfcamp
LOCATION:	Section 29&30 20S 28E	MD/TVD:	19154/8850'
COUNTY/STATE:	Eddy, NM	LATERAL LENGTH:	9,837
MRC WI:			
GEOLOGIC TARGET:	Wolfcamp		
REMARKS:	Drill and complete a horizontal 2 mile long Wolfcamp A-XY sand target		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
<b>INTANGIBLE COSTS</b>					
Land / Legal / Regulatory	\$ 58,000	\$ -	\$ -	\$ 10,000	\$ 68,000
Location, Surveys & Damages	157,500	13,000	15,000	16,967	202,167
Drilling	898,295	-	-	-	898,295
Cementing & Float Equip	357,000	-	-	-	357,000
Logging / Formation Evaluation	-	3,750	3,000	-	6,750
Flowback - Labor	-	-	18,160	-	18,160
Flowback - Surface Rentals	-	-	127,850	-	127,850
Flowback - Rental Living Quarters	-	-	-	-	-
Mud Logging	21,388	-	-	-	21,388
Mud Circulation System	125,553	-	-	-	125,553
Mud & Chemicals	330,000	63,000	25,000	-	418,000
Mud / Wastewater Disposal	195,000	-	-	1,000	196,000
Freight / Transportation	19,500	40,500	7,000	-	67,000
Rig Supervision / Engineering	128,250	94,400	6,000	1,800	230,450
Drill Bits	107,000	-	-	-	107,000
Fuel & Power	164,500	414,073	15,000	-	593,573
Water	45,000	562,328	3,000	1,000	611,328
Drig & Completion Overhead	10,000	-	-	-	10,000
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	302,094	-	-	-	302,094
Completion Unit, Swab, CTU	-	222,500	9,000	-	231,500
Perforating, Wireline, Slickline	-	162,240	-	-	162,240
High Pressure Pump Truck	-	127,800	6,000	-	133,800
Stimulation	-	2,421,475	-	-	2,421,475
Stimulation Flowback & Disp	-	15,500	50,400	-	65,900
Insurance	34,477	-	-	-	34,477
Labor	197,500	61,500	15,000	5,000	279,000
Rental - Surface Equipment	96,648	305,880	10,000	20,000	434,528
Rental - Downhole Equipment	213,750	94,500	-	-	308,250
Rental - Living Quarters	58,125	40,125	-	5,000	103,250
Contingency	141,713	222,108	31,041	6,047	400,910
Operations Center	21,252	-	-	-	21,252
<b>TOTAL INTANGIBLES &gt;</b>	<b>3,684,544</b>	<b>4,884,879</b>	<b>341,451</b>	<b>66,513</b>	<b>8,957,187</b>
<b>TANGIBLE COSTS</b>					
Surface Casing	\$ 48,091	\$ -	\$ -	\$ -	\$ 48,091
Intermediate Casing	59,183	-	-	-	59,183
Drilling Liner	151,909	-	-	-	151,909
Production Casing	639,399	-	-	-	639,399
Production Liner	-	-	-	-	-
Tubing	-	-	125,100	-	125,100
Wellhead	125,500	-	45,000	-	170,500
Packers, Liner Hangers	-	49,072	6,000	-	55,072
Tanks	-	-	-	84,167	84,167
Production Vessels	-	-	-	179,500	179,500
Flow Lines	-	-	-	120,000	120,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	80,000	-	80,000
Compressor	-	-	-	40,000	40,000
Installation Costs	-	-	-	80,000	80,000
Surface Pumps	-	-	5,000	23,333	28,333
Non-controllable Surface	-	-	-	2,000	2,000
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	11,000	92,667	103,667
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	118,333	118,333
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	-	-	-
Tank / Facility Containment	-	-	-	16,667	16,667
Flare Stack	-	-	-	29,167	29,167
Electrical / Grounding	-	-	30,000	80,000	110,000
Communications / SCADA	-	-	12,000	15,000	27,000
Instrumentation / Safety	-	-	-	33,667	33,667
<b>TOTAL TANGIBLES &gt;</b>	<b>1,024,082</b>	<b>49,072</b>	<b>314,100</b>	<b>914,500</b>	<b>2,301,753</b>
<b>TOTAL COSTS &gt;</b>	<b>4,708,626</b>	<b>4,913,750</b>	<b>655,551</b>	<b>981,013</b>	<b>11,258,841</b>

**PREPARED BY MATADOR PRODUCTION COMPANY:**

Drilling Engineer:	Perry Hawks	Team Lead - WTX/NM	
Completions Engineer:	Jack Hmcir		TW
Production Engineer:	Garrett Littrell		

**MATADOR RESOURCES COMPANY APPROVAL:**

Executive VP, Res	WTE	EVP Geoscience	NLF	COO- Drilling, Completion and Production	CC
Executive VP, Legal	CA				
President	BG				

**NON OPERATING PARTNER APPROVAL:**

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

The tasks on this AFE are estimates only and may not be accurate as to the actual cost of the project. Funding for this AFE will be required up to a year after the well has been completed. In executing this AFE, the Participants agree to pay for expenditures which are not included herein, including, but not limited to, legal, regulatory, and other costs under the terms of the applicable joint operating agreement, regulatory order or other agreement governing this well. This well shall be owned by and held in partnership by the Operators, well operator and general liability insurance unless participants provide otherwise as a condition of funding. Each participant is an amount responsible to the Operator by the date of bid.

**MATADOR PRODUCTION COMPANY**

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**ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE**

DATE:	January 30, 2024	AFE NO.:	
WELL NAME:	Wayne Gaylord 2930 Fed Com #202H	FIELD:	Wolfcamp
LOCATION:	Section 29&30 20S 28E	MD/TVD:	19154/8850'
COUNTY/STATE:	Eddy, NM	LATERAL LENGTH:	9,837
MRC WI:			
GEOLOGIC TARGET:	Wolfcamp		
REMARKS:	Drill and complete a horizontal 2 mile long Wolfcamp A-XY sand target.		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
<b>INTANGIBLE COSTS</b>					
Land / Legal / Regulatory	\$ 58,000	\$ -	\$ -	\$ 10,000	\$ 68,000
Location, Surveys & Damages	157,500	13,000	15,000	16,867	202,167
Drilling	898,295	-	-	-	898,295
Cementing & Float Equip	357,000	-	-	-	357,000
Logging / Formation Evaluation	-	3,750	3,000	-	6,750
Flowback - Labor	-	-	18,160	-	18,160
Flowback - Surface Rentals	-	-	127,850	-	127,850
Flowback - Rental Living Quarters	-	-	-	-	-
Mud Logging	21,388	-	-	-	21,388
Mud Circulation System	125,553	-	-	-	125,553
Mud & Chemicals	330,000	63,000	25,000	-	418,000
Mud / Wastewater Disposal	195,000	-	-	1,000	196,000
Freight / Transportation	19,500	40,500	7,000	-	67,000
Rig Supervision / Engineering	128,250	94,400	6,000	1,800	230,450
Drill Bits	107,000	-	-	-	107,000
Fuel & Power	164,500	414,073	15,000	-	593,573
Water	45,000	562,328	3,000	1,000	611,328
Drig & Completion Overhead	10,000	-	-	-	10,000
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	302,094	-	-	-	302,094
Completion Unit, Swab, CTU	-	222,500	9,000	-	231,500
Perforating, Wireline, Stickline	-	162,240	-	-	162,240
High Pressure Pump Truck	-	127,800	6,000	-	133,800
Stimulation	-	2,421,475	-	-	2,421,475
Stimulation Flowback & Disp	-	15,500	50,400	-	65,900
Insurance	34,477	-	-	-	34,477
Labor	197,500	81,500	15,000	5,000	279,000
Rental - Surface Equipment	68,648	305,880	10,000	20,000	434,528
Rental - Downhole Equipment	213,750	94,500	-	-	308,250
Rental - Living Quarters	58,125	40,125	-	5,000	103,250
Contingency	141,713	222,109	31,041	6,047	400,910
Operations Center	21,252	-	-	-	21,252
<b>TOTAL INTANGIBLES &gt;</b>	<b>3,684,544</b>	<b>4,864,679</b>	<b>341,451</b>	<b>66,513</b>	<b>8,957,187</b>
<b>TANGIBLE COSTS</b>					
Surface Casing	\$ 48,091	\$ -	\$ -	\$ -	\$ 48,091
Intermediate Casing	59,183	-	-	-	59,183
Drilling Liner	151,909	-	-	-	151,909
Production Casing	639,399	-	-	-	639,399
Production Liner	-	-	-	-	-
Tubing	-	-	125,100	-	125,100
Wellhead	125,500	-	45,000	-	170,500
Packers, Liner Hangers	-	49,072	6,000	-	55,072
Tanks	-	-	-	84,167	84,167
Production Vessels	-	-	-	178,500	178,500
Flow Lines	-	-	-	120,000	120,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	80,000	-	80,000
Compressor	-	-	-	40,000	40,000
Installation Costs	-	-	-	80,000	80,000
Surface Pumps	-	-	5,000	23,333	28,333
Non-controllable Surface	-	-	-	2,000	2,000
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	11,000	82,667	103,667
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	118,333	118,333
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	-	-	-
Tank / Facility Containment	-	-	-	16,667	16,667
Flare Stack	-	-	-	29,167	29,167
Electrical / Grounding	-	-	30,000	80,000	110,000
Communications / SCADA	-	-	12,000	15,000	27,000
Instrumentation / Safety	-	-	-	33,667	33,667
<b>TOTAL TANGIBLES &gt;</b>	<b>1,024,082</b>	<b>49,072</b>	<b>314,100</b>	<b>914,500</b>	<b>2,301,753</b>
<b>TOTAL COSTS &gt;</b>	<b>4,708,626</b>	<b>4,913,750</b>	<b>655,551</b>	<b>981,013</b>	<b>11,298,941</b>

**PREPARED BY MATADOR PRODUCTION COMPANY:**

Drilling Engineer:	Perry Hawks	Team Lead - WTX/NM	<i>[Signature]</i>
Completions Engineer:	Jack Hmcir		TW
Production Engineer:	Garrett Littrell		

**MATADOR RESOURCES COMPANY APPROVAL:**

Executive VP, Res	WTE	EVP Geoscience	NLF	COO- Drilling, Completion and Production	CC
Executive VP, Legal	CA				
President	BG				

**NON OPERATING PARTNER APPROVAL:**

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

The AFE on this AFE is valid only if it is submitted on or before the date of the last day of the month. Taking final approval under the AFE does not constitute an agreement to lease after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including, but not limited to, drilling, completion and abandonment costs, under the terms of the applicable lease agreement, including any other agreement covering the well. Participants shall be deemed to have agreed to the terms and general liability insurance unless participant provides Operator a certificate evidencing its own treatment in an amount acceptable to the Operator by the date of sign.

# EXHIBIT A-6

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A-6  
Submitted by: Matador Production Company  
Hearing Date: May 23, 2024  
Case Nos. 24074-24076 & 24101-24102**

## **Summary of Communications with Uncommitted Working Interest Owners: Wayne Gaylord**

### **1. EOG Resources, Inc.**

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

- Sent Wolfcamp proposal: 6/6/2023
- Sent Bone Spring proposal: 11/7/2023
- Chris Carleton, Hanna Bollenbach and Hawks Holder have had conversations with EOG Resources, Inc. between December 2023 and May 2024 via in-person meetings, phone calls and email.

### **2. Frances Bunn Revocable Living Trust dated May 18, 1982**

In addition to sending well proposals, Matador has had discussions with Frances Bunn Revocable Living Trust dated May 18, 1982 regarding their interest and we are continuing to discuss voluntary joinder.

- Sent Wolfcamp proposal: 6/6/2023
- Sent Bone Spring proposal: 11/7/2023
- Hanna Bollenbach has had conversations with a representative of the Frances Bunn Revocable Living Trust dated May 18, 1982 between December 2023 to May 2024 via email.

### **3. OXY-1 Company**

In addition to sending well proposals, Matador has had discussions with OXY-1 Company regarding their interest and we are continuing to discuss voluntary joinder.

- Sent Wolfcamp proposal: 6/13/2023
- Sent Bone Spring proposal: 4/30/2024
- Hanna Bollenbach has had conversations with OXY-1 Company between November 2023 to May 2024 via phone calls and email.

### **4. Karen V. and William H. Martin Energy, Ltd**

In addition to sending well proposals, Matador has had discussions with Karen V. and William H. Martin Energy, Ltd regarding their interest and we are continuing to discuss voluntary joinder.

- Sent Wolfcamp proposal: 6/6/2023
- Sent Bone Spring proposal: 11/7/2023
- Hanna Bollenbach has had conversations with Karen V. and William H. Martin Energy, Ltd between December 2023 to May 2024 via email.

### 5. Shumana Exploration, LP

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

- Sent Wolfcamp proposal: 6/6/2023
- Sent Bone Spring proposal: 11/7/2023
- Hanna Bollenbach has had conversations with Shumana Exploration, LP between November 2023 to May 2024 via email.

### 6. Taffrail Investments, LP

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

- Sent Wolfcamp proposal: 6/6/2023
- Sent Bone Spring proposal: 11/7/2023
- Hanna Bollenbach has had conversations with Taffrail Investments, LP between November 2023 to May 2024 via email.

### 7. XTO Holdings, LLC

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

- Sent Wolfcamp proposal: 6/6/2023
- Sent Bone Spring proposal: 11/7/2023
- Chris Carleton, Hanna Bollenbach and Nick Weeks have had conversations with XTO Holdings, LLC between June 2023 to May 2024 via in-person meetings, phone calls, and emails.

### 8. Pride Energy Company

In addition to sending well proposals, Matador has had discussions with Pride Energy Company regarding their interest and we are interested in continuing those discussions.

- Sent Wolfcamp proposal: 6/6/2023
  - Sent Bone Spring proposal: 11/7/2023
  - Hanna Bollenbach and Nick Weeks have had conversations with Pride Energy Company between November 2023 to May 2024 via in-person meetings, phone calls and email. MRC also recently met with Pride in Pride's offices to further discuss a potential joint operating agreement.
-

**9. Anges Cluthe Oliver Trust, c/o Brown Brothers Harriman Trust Company of Delaware, National Association 4900 Trammell Crow Center**

Matador's well proposal to Anges Cluthe Oliver Trust, c/o Brown Brothers Harriman Trust Company of Delaware, National Association 4900 Trammell Crow Center was apparently delivered, but we have not heard from this interest owner or otherwise been able to contact them. MRC is continuing to research additional ways to contact this owner.

- MRC well proposal was sent on November 7, 2023 and was apparently delivered.
- MRC attempted to locate heirs of Trust, but has been unable to locate a phone number or other contact information.
- MRC sent a follow up letter to this owner on May 2, 2024

**10. Adolph P. Schuman**

Matador's well proposal to Adolph P. Schuman was apparently delivered, but we have not heard from this interest owner or otherwise been able to contact them. MRC is continuing to research additional ways to contact this owner.

- MRC's first proposal sent on November 16, 2023 to this owner went undelivered; however, we resent that proposal to a second address on or about December 19, 2023 which was apparently delivered
- MRC has been unable to find additional contact information for this owner.
- MRC sent a follow up letter to this owner on May 2, 2024

**11. Betsy H. Keller**

Matador's well proposal to Betsy H. Keller was apparently delivered, but we have not heard from this interest owner or otherwise been able to contact them. MRC is continuing to research additional ways to contact this owner.

- MRC's first proposal was sent on June 6, 2023 to this owner and went undelivered; however, we resent that proposal to a second address on or about November 7, 2023 which was apparently delivered
- MRC has been unable to find additional contact information for this owner.
- MRC sent a follow up letter to this owner on May 2, 2024

**12. Diamond Head Properties, LP**

Matador's well proposal to Diamond Head Properties, LP was apparently delivered, but we have not heard from this interest owner or otherwise been able to contact them. MRC is continuing to research additional ways to contact this owner.

- MRC's well proposal was sent on November 7, 2023, to this owner and was apparently delivered
- MRC has been unable to find additional contact information for this owner.
- MRC sent a follow up letter to this owner on May 2, 2024

### 13. E.G. Holden Testamentary Trust

Matador's well proposal to E.G. Holden Testamentary Trust was apparently delivered, but we have not heard from this interest owner or otherwise been able to contact them. MRC is continuing to research additional ways to contact this owner.

- MRC's well proposal was sent on November 7, 2023 to this owner and was apparently delivered
- MRC has been unable to find additional contact information for this owner.
- MRC sent a follow up letter to this owner on May 2, 2024

### 14. Ernie Bello

Matador's well proposal to Ernie Bello was apparently delivered, but we have not heard from this interest owner or otherwise been able to contact them. MRC is continuing to research additional ways to contact this owner.

- MRC's well proposal was sent on November 7, 2023 to this owner and was apparently delivered
- MRC has been unable to find additional contact information for this owner.
- MRC sent a follow up letter to this owner on May 2, 2024

### 15. Judith C. Devine Trust u/w of William B. Oliver, c/o Brown Brothers Harriman Trust Company of Delaware, National Association

Matador's well proposal to Judith C. Devine Trust u/w of William B. Oliver, c/o Brown Brothers Harriman Trust Company of Delaware, National Association was apparently delivered, but we have not heard from this interest owner or otherwise been able to contact them. MRC is continuing to research additional ways to contact this owner.

- MRC well proposal was sent on November 7, 2023, and was apparently delivered.
- MRC attempted to locate heirs of Trust, but has been unable to locate a phone number or other contact information.
- MRC sent a follow up letter to this owner on May 2, 2024

### 16. Judson Exploration, LP

Matador's well proposal to Judson Exploration, LP was apparently delivered, but we have not heard from this interest owner or otherwise been able to contact them. MRC is continuing to research additional ways to contact this owner.

- MRC's well proposal was sent on November 7, 2023, to this owner and was apparently delivered
- MRC has been unable to find additional contact information for this owner.
- MRC sent a follow up letter to this owner on May 2, 2024



#### 17. Pennzoil Exploration and Production Company

Matador's well proposal to Pennzoil Exploration and Production Company was apparently delivered, but we have not heard from this interest owner or otherwise been able to contact them. MRC is continuing to research additional ways to contact this owner.

- MRC's first proposal sent on April 30, 2024, to this owner went undelivered; however, we resent that proposal to a second address, which was apparently delivered
- MRC has been unable to find additional contact information for this owner.

#### 18. Robert A. Oliver Trust u/w of William B. Oliver, c/o Brown Brothers Harriman Trust Company of Delaware, National Association

Matador's well proposal to Robert A. Oliver Trust u/w of William B. Oliver, c/o Brown Brothers Harriman Trust Company of Delaware, National Association was apparently delivered, but we have not heard from this interest owner or otherwise been able to contact them. MRC is continuing to research additional ways to contact this owner.

- MRC well proposal was sent on November 7, 2023, was apparently delivered.
- MRC attempted to locate heirs of Trust, but was unable to locate a phone number or other contact information.
- MRC sent a follow up letter to this owner on May 2, 2024

#### 19. Royalty Trust Corp.

Matador's well proposal to contact Royalty Trust Corp. was apparently delivered, but we have not heard from this interest owner or otherwise been able to contact them. MRC is continuing to research additional ways to contact this owner.

- MRC's well proposal sent on April 30, 2024, to this owner was apparently delivered
- MRC has been unable to find additional contact information for this owner.

#### 20. Dr. Isaac A Kawasaki

Matador well proposal to Dr. Isaac A Kawasaki was apparently delivered, but we have not heard from this interest owner or otherwise been able to contact them. MRC is continuing to research additional ways to contact this owner.

- MRC well proposal sent November 16, 2023, was apparently delivered.
- MRC sent a follow up letter to this owner on May 2, 2024
- MRC has been unable to find additional contact information for this owner.

**21. Brian D. Woehler Trust u/w of William B. Oliver, c/o Brown Brothers Harriman Trust Company of Delaware, National Association**

Matador well proposal to Brian D. Woehler Trust u/w of William B. Oliver, c/o Brown Brothers Harriman Trust Company of Delaware, National Association was apparently delivered, but we have not heard from this interest owner or otherwise been able to contact them. MRC is continuing to research additional ways to contact this owner.

- MRC well proposal sent on April 30, 2024, was apparently delivered.
  - MRC sent a follow up letter to this owner on May 2, 2024
  - MRC has been unable to find additional contact information for this owner.
- 

**22. Tronox Worldwide, LLC**

Matador has tried to contact Tronox Worldwide, LLC but have not yet been able to connect. We are continuing to research various ways to contact this owner.

- MRC's first proposal sent April 30, 2024, to this owner went undelivered; however, we resent that proposal to a second address on or about May 13, 2024, and are waiting to see if it is delivered
- MRC has been unable to find additional contact information for this owner.

**23. Atlantic Richfield Company**

Matador has tried to contact Atlantic Richfield Company but have not yet been able to connect. We are continuing to research various ways to contact this owner

- MRC's first proposal sent April 30, 2024, to this owner went undelivered; however, we have identified a second potential address and will be mailing a proposal to that address
- MRC has been unable to find additional contact information for this owner.

**24. Frederick Van Vranken**

Matador has tried to contact Frederick Van Vranken but have not yet been able to connect. We are continuing to research various ways to contact this owner

- MRC's first proposal sent August 1, 2023, went undelivered. MRC is in the process of researching a second potential address for this owner.
- MRC has been unable to find additional contact information for this owner.

**25. J.W. Gendron**

Matador has tried to contact J.W. Gendron but have not yet been able to connect. We are continuing to research various ways to contact this owner

- MRC's first proposal sent November 16, 2023, to this owner went undelivered; however, we have identified a second potential address and will be mailing a proposal to that address
- MRC has been unable to find additional contact information for this owner.

**26. Charles Cline Moore**

Matador has tried to contact Charles Cline Moore but have not yet been able to connect. We are continuing to research various ways to contact this owner

- MRC's first proposal sent on April 30, 2024, to this owner went undelivered; however, we have identified a second potential address and will be mailing a proposal to that address
- MRC has been unable to find additional contact information for this owner.

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

**APPLICATIONS OF PRIDE ENERGY COMPANY FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO**

**Case Nos. 23944-23945**

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

**Case Nos. 24074-24076**

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

**Case Nos. 24101-24102**

**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 Geosciences. 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 24074-24076 and 24101-24102 for the proposed Wayne Gaylord wells and the applications filed by Pride Energy Company (“Pride”) in Cases 23944-23945 for its proposed Burton Flat wells. These consolidated cases seek to create spacing units in the Bone Spring and Wolfcamp formations underlying the N/2 of Sections 29 and 30, Township 20 South, Range 28 East, Eddy County, New Mexico. I have conducted a geologic study of the Bone Spring and Wolfcamp formations underlying the subject area in these cases.

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. B  
Submitted by: Matador Production Company  
Hearing Date: May 23, 2024  
Case Nos. 24074-24076 & 24101-24102**

3. **MRC Exhibit B-1** is a locator map with a large red box near the middle of the map. The yellow shaded rectangle within this larger red box identifies the acreage MRC seeks to pool for its proposed Wayne Gaylord wells.

#### **Bone Spring Formation**

4. **MRC Exhibit B-2** is a subsea structure map prepared off the top of the Bone Spring formation. The contour interval is 100 feet. The structure map shows the Bone Spring formation gently dipping to the east/southeast. The structure appears consistent across the proposed wellbore paths. I do not observe any faulting, pinchouts, or other geologic impediments to horizontal drilling.

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

6. **MRC Exhibit B-3** is a structural cross-section prepared displaying open-hole logs run over the Bone Spring formation from the four representative wells denoted from A to A'. For each well in the cross-section, the following logs are included: gamma ray, caliper, porosity, and resistivity. The proposed target intervals for each of the proposed wells is labeled and marked with a yellow shaded area. Specifically, Matador's proposed target for its First Bone Spring wells (the #111H and #112H) and its Second Bone Spring wells (the #121H and #122H) are each highlighted and labeled. The logs in the cross-section demonstrate that the targeted interval, within the Bone Spring formation, is consistent across the entirety of the proposed spacing units and that the acreage will contribute proportionately to the proposed wells.

7. In my opinion, the laydown orientation is the preferred orientation for development in this area for Bone Spring wells because the maximum horizontal stress is north-south in this area.

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 in the area of the spacing units proposed in these cases.

9. In my opinion, each quarter-quarter section will be productive and contribute more-or-less equally to production from each horizontal spacing unit.

10. 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.

### **Wolfcamp Formation**

11. **MRC Exhibit B-4** is a subsea structure map prepared off the top of the Wolfcamp formation. The contour interval is 100 feet. The structure map shows the Wolfcamp formation gently dipping to the east/southeast. The structure appears consistent across the proposed wellbore paths. I do not observe any faulting, pinchouts, or other geologic impediments to horizontal drilling.

12. Also included on Matador Exhibit B-4 is a line of cross section from A to A'.

13. **MRC Exhibit B-5** is a structural cross-section prepared displaying open-hole logs run over the Wolfcamp formation from the four representative wells denoted from A to A'. For each well in the cross-section, the following logs are included: gamma ray, caliper, porosity, and resistivity. The proposed target intervals for each of the proposed wells is labeled and marked with a yellow shaded area. The logs in the cross-section demonstrate that the targeted interval, within the Wolfcamp formation, is consistent across the entirety of the proposed spacing units and that the acreage will contribute proportionately to the proposed wells.

14. In my opinion, the laydown orientation is the preferred orientation for development in this area for Wolfcamp wells because the maximum horizontal stress is north-south in this area.

15. Based on my geologic study of the area, I have not identified any geologic impediments to drilling horizontal wells within the Wolfcamp formation in the area of the spacing units proposed in these cases.

16. In my opinion, each quarter-quarter section will be productive and contribute more-or-less equally to production from each horizontal spacing unit.

17. 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.

**My Analysis of the Competing Development Plans**

18. Both MRC and Pride have proposed development of the same, directly overlapping spacing units comprised of the N/2 of Sections 29 and 30, Township 20 South, Range 28 East, Eddy County, New Mexico.

19. **MRC Exhibit B-6** is a side by side comparison showing the well locations and targets of each of MRC's and Pride's proposed development plans based on the well proposals that MRC received from Pride. MRC's proposed development is shown on the left and Pride's proposed development is shown on the right.

20. As shown on Exhibit B-6, MRC and Pride have both proposed two wells in the First Bone Spring formation at roughly the same TVDs. Likewise, MRC and Pride have both proposed two Upper Wolfcamp wells at roughly the same TVDs. Although the competing development plans vary slightly on the location of the wells, I do not consider those variances to be material and believe MRC's and Pride's proposed development of the First Bone Spring and Upper Wolfcamp are essentially the same.

21. Also shown on Exhibit B-6, however, is that MRC's and Pride's proposed development of the Second Bone Spring formation does differ. MRC proposed two Second Bone

Spring wells, similar to the two wells per half section spacing that both MRC and Pride proposed in the First Bone Spring and Upper Wolfcamp. However, Pride proposed three wells in the Second Bone Spring using a wine racking pattern.

22. Because the only material difference between MRC's and Pride's proposed development is with respect to the Second Bone Spring, I have analyzed the original oil in place for the Second Bone Spring to allow MRC reservoir engineers to determine recovery factors and to predict the ultimate recoverable volumes of oil for the Second Bone Spring wells in this project.

23. **MRC Exhibit B-7** shows two example wells within the project area where MRC has performed a petrophysical analysis to obtain estimated original oil-in-place for the Second Bone Spring, and a reference map denoting the well locations for the B to B' cross-section relative to the project area. For each well in the cross-section, the following logs are included: gamma ray, caliper, porosity, resistivity, and water saturation. Water saturation is calculated using the industry-standard Archie equation and is expressed as a percentage from 0 to 100%. On Exhibit B-7, the water saturation is shown on the far right track of each well's logs. Oil saturation is the remaining percentage, or 1 minus water saturation. Once calculated, the product of oil saturation and porosity (shown in the second track of the two logs on Exhibit B-7) can be integrated over a given interval to determine original oil-in-place for a given reservoir.

24. In this case, MRC calculated the original oil-in-place for the gross Second Bone Spring in a number of nearby wells with appropriate openhole datasets. Those values were then gridded in the project area to obtain an oil-in-place map, which can then be used to extract the volume of oil in the Second Bone Spring in the 640 acre project area.



25. In this case, I calculated that there are approximately 13 million barrels of oil in the Second Bone Spring in the 640 acre project area. This number was provided to MRC's reservoir engineering expert witness, Tanner Schulz, to predict the ultimate oil recovery for this project.

26. Based on my geologic review of this acreage, I think that three wells per half section in the Second Bone Spring formation is too tight of spacing and that MRC's proposed development using two Bone Spring wells is better.

27. Approving Matador's applications will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

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

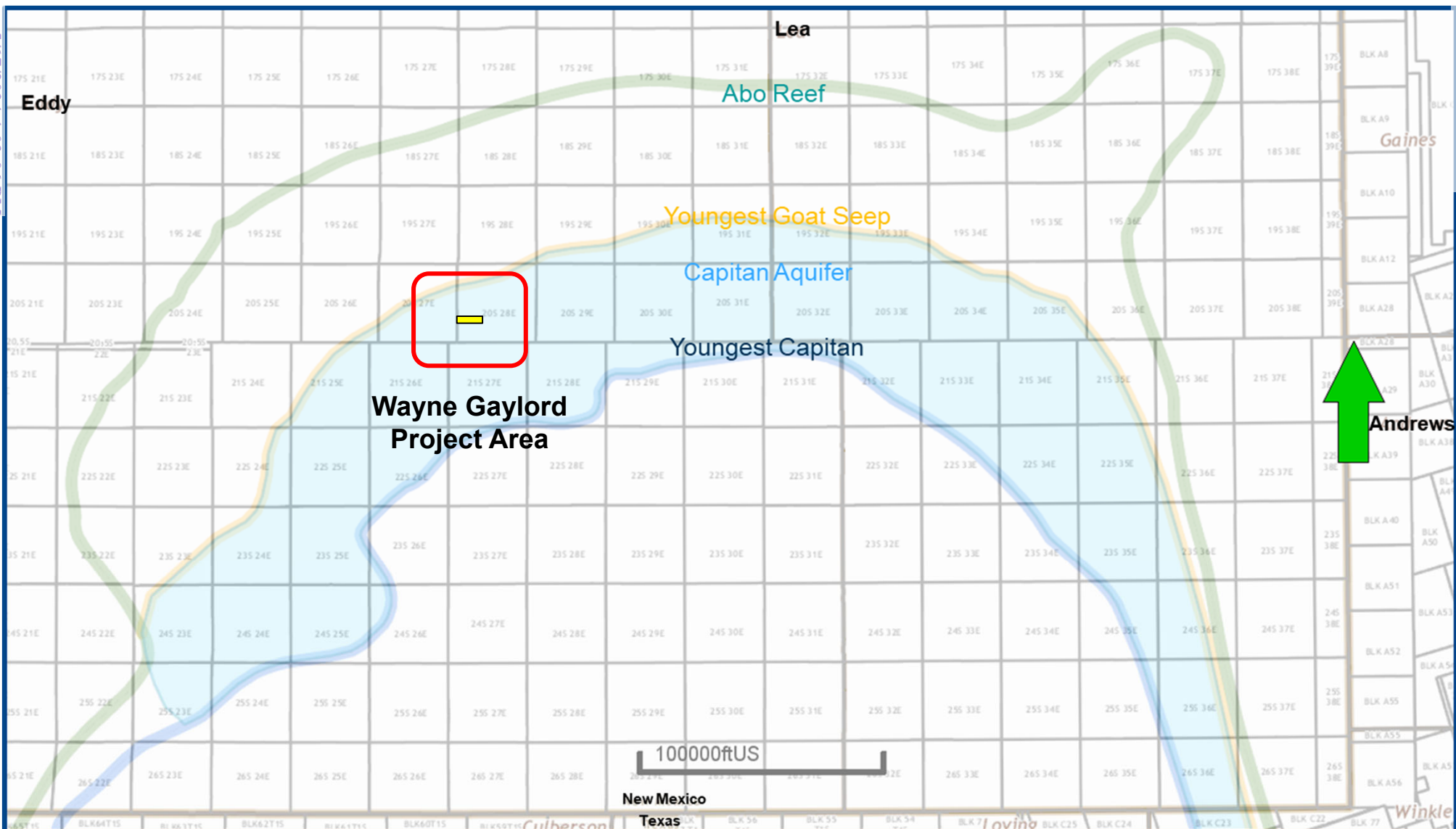
29. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

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

MAY 15, 2024  
Date

# Locator Map

# Exhibit B-1



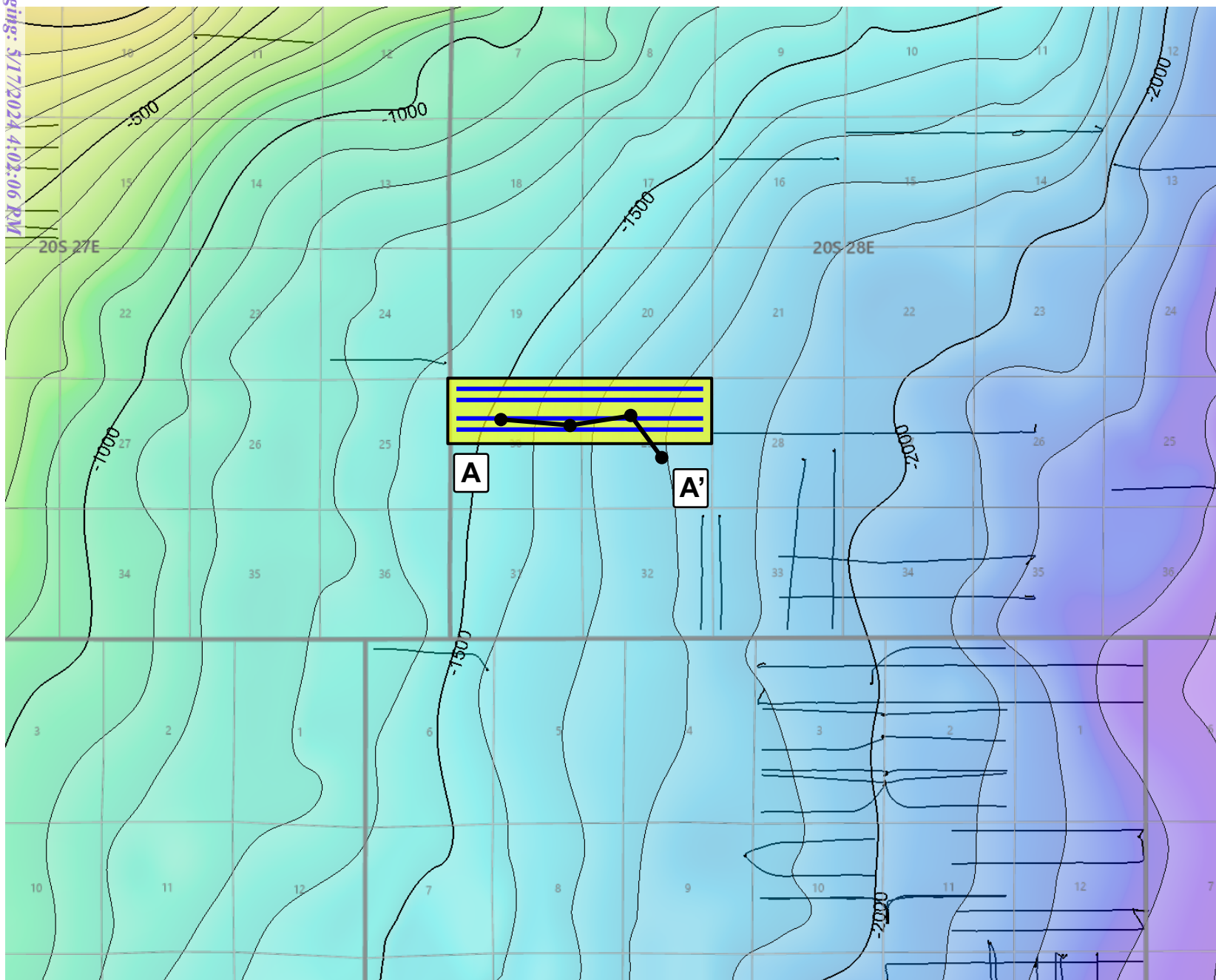
# Avalon; Bone Spring, East [3713]

## Structure Map (Top Bone Spring Subsea) A – A' Reference Line

### Exhibit B-2

Released to Imaging: 5/17/2024 4:02:06 PM

Received by OCD: 5/16/2024 4:49:31 PM



### Map Legend

#### Wayne Gaylord Wells



#### Bone Spring Wells



#### Project Area



C. I. = 100'

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. B-2  
Submitted by: Matador Production Company  
Hearing Date: May 23, 2024  
Case Nos. 24074-24076 & 24101-24102



B-2

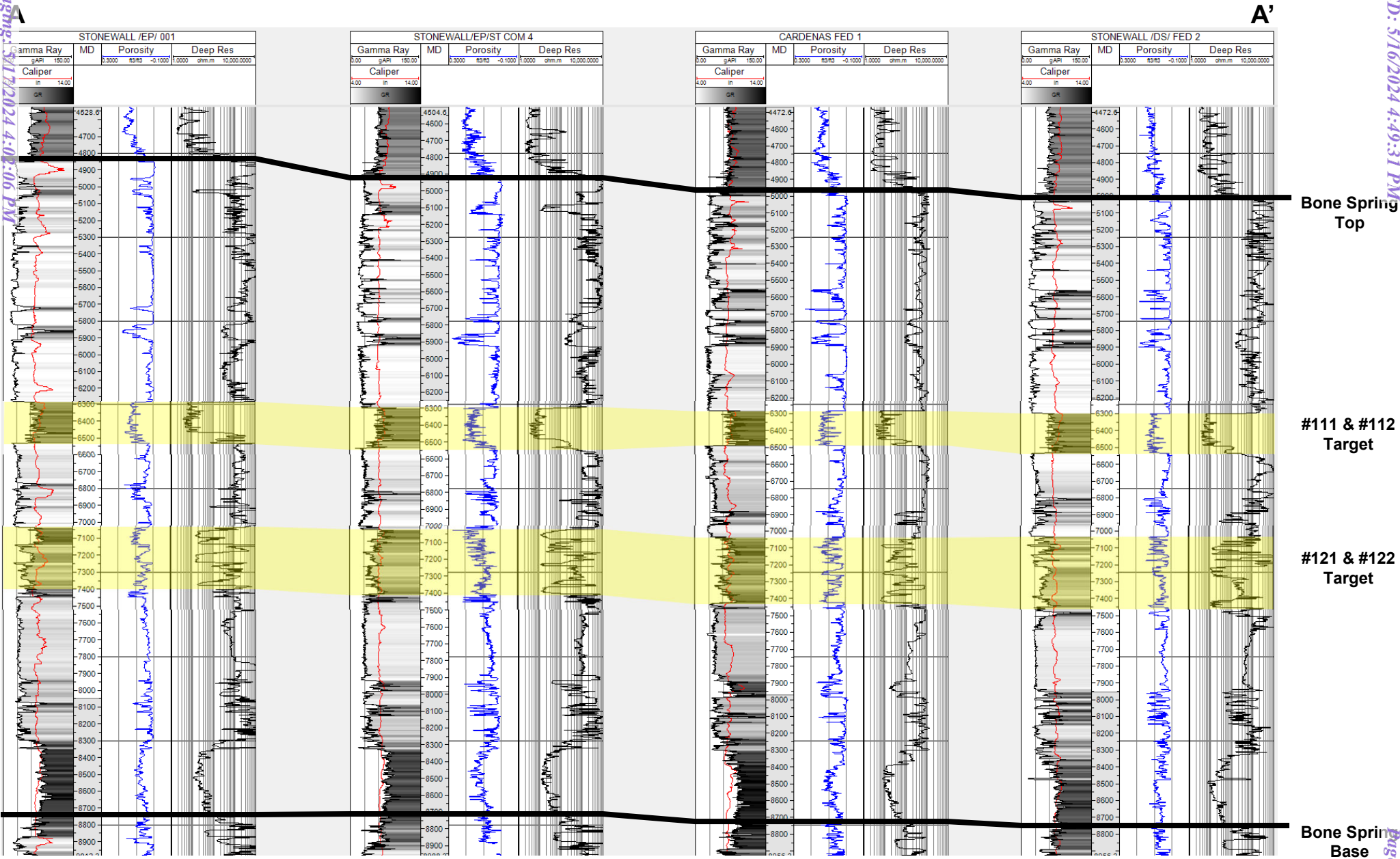
Page 83 of 152

# Avalon; BONE SPRING, East [3713] Structural Cross-Section A – A'

Exhibit B-3

Released to Imaging: 5/17/2024 4:06:06 PM

Received by OCD: 5/16/2024 4:49:31 PM



Wayne Gaylord 2930 Fed Com #111H, #112H, #121H, & #122H

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. B-3  
Submitted by: Matador Production Company  
Hearing Date: May 23, 2024  
Case Nos. 24074-24076 & 24101-24102



B-3

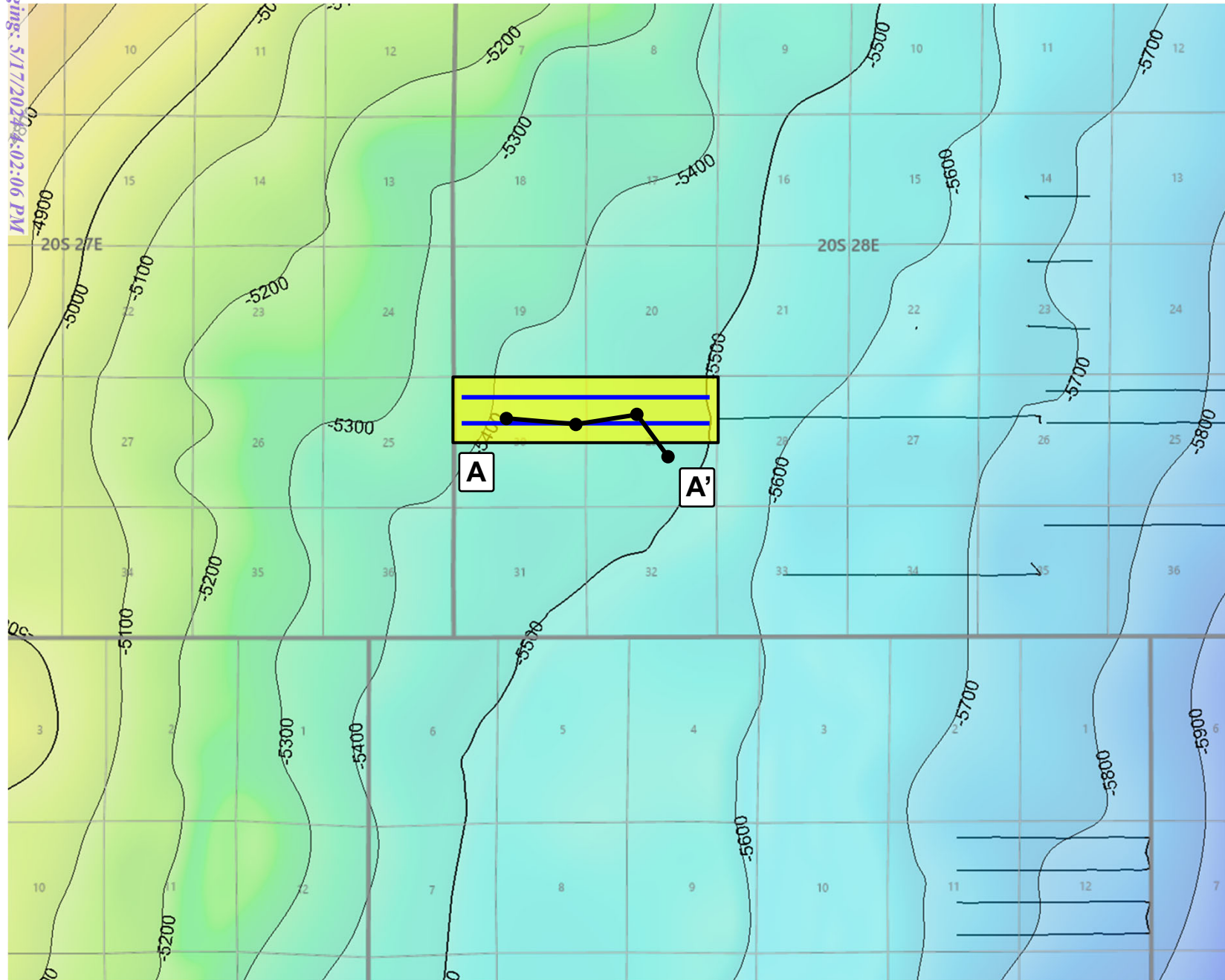
Page 84 of 152

# Burton Flats; Wolfcamp North (Gas) [73520] Structure Map (Top Wolfcamp Subsea) A – A' Reference Line

Exhibit B-4

Received by OCD: 5/16/2024 4:49:31 PM

Released to Imaging: 5/17/2024 4:02:06 PM

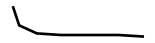


## Map Legend

### Wayne Gaylord Wells



### Wolfcamp Wells



### Project Area



C. I. = 100'

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. B-4  
Submitted by: Matador Production Company  
Hearing Date: May 23, 2024  
Case Nos. 24074-24076 & 24101-24102



B-4

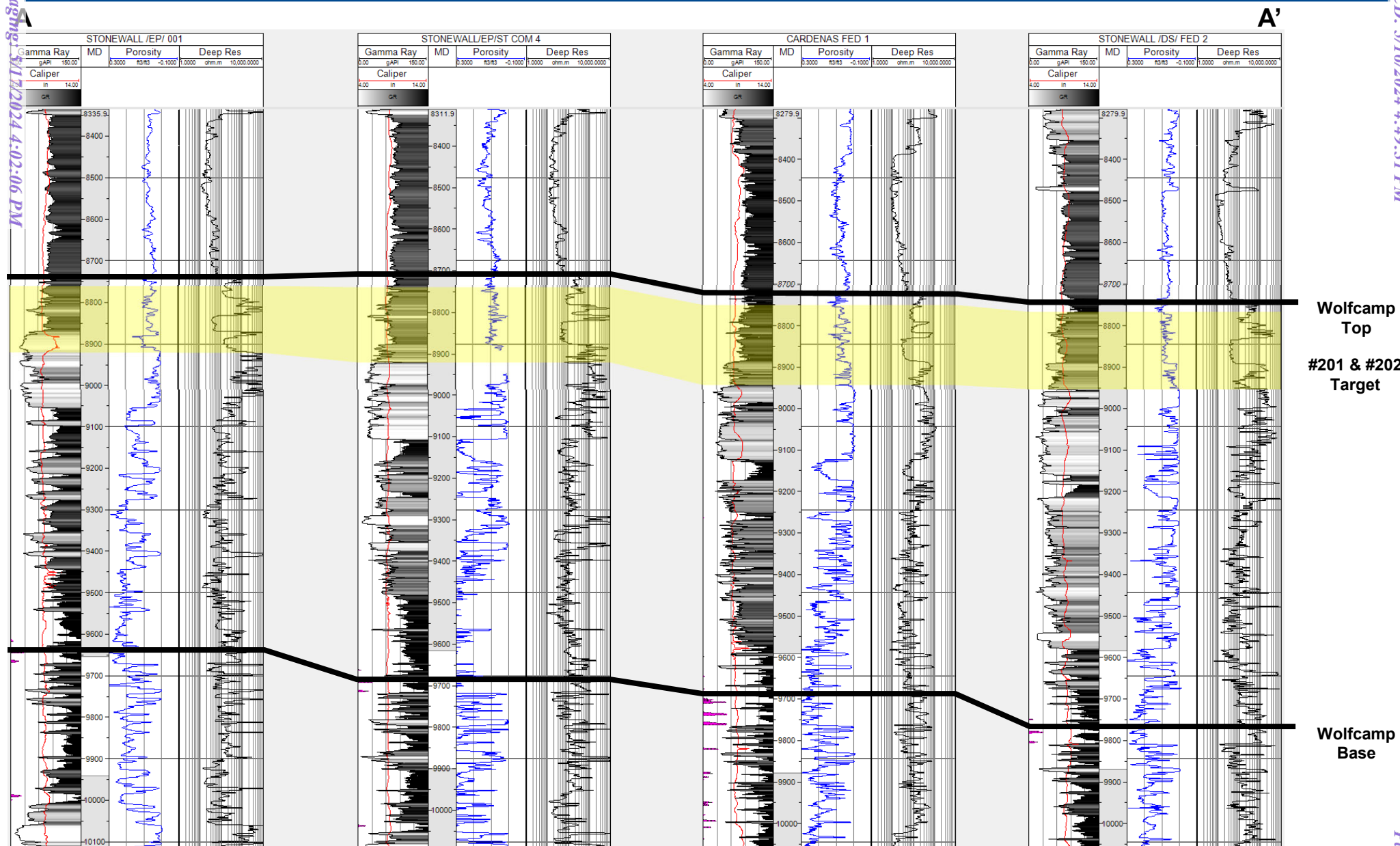
Page 85 of 152

# Burton Flats; Wolfcamp North (Gas) [73520] Structural Cross-Section A – A'

Exhibit B-5

Released to Imaging: 5/17/2024 4:02:06 PM

Received by OCD: 5/16/2024 4:49:31 PM



Wolfcamp  
Top  
#201 & #202  
Target

Wolfcamp  
Base

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. B-5  
Submitted by: Matador Production Company  
Hearing Date: May 23, 2024  
Case Nos. 24074-24076 & 24101-24102



B-5

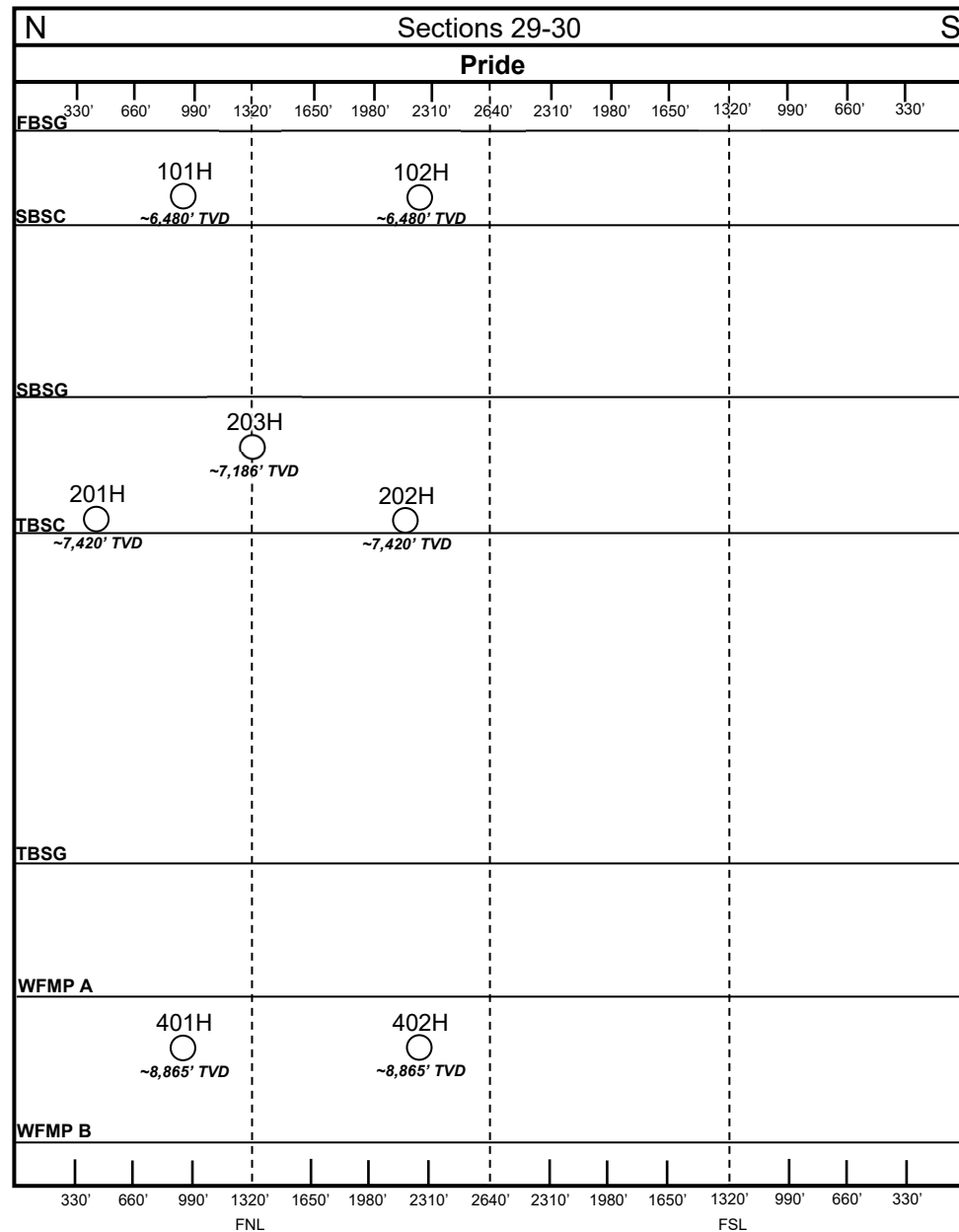
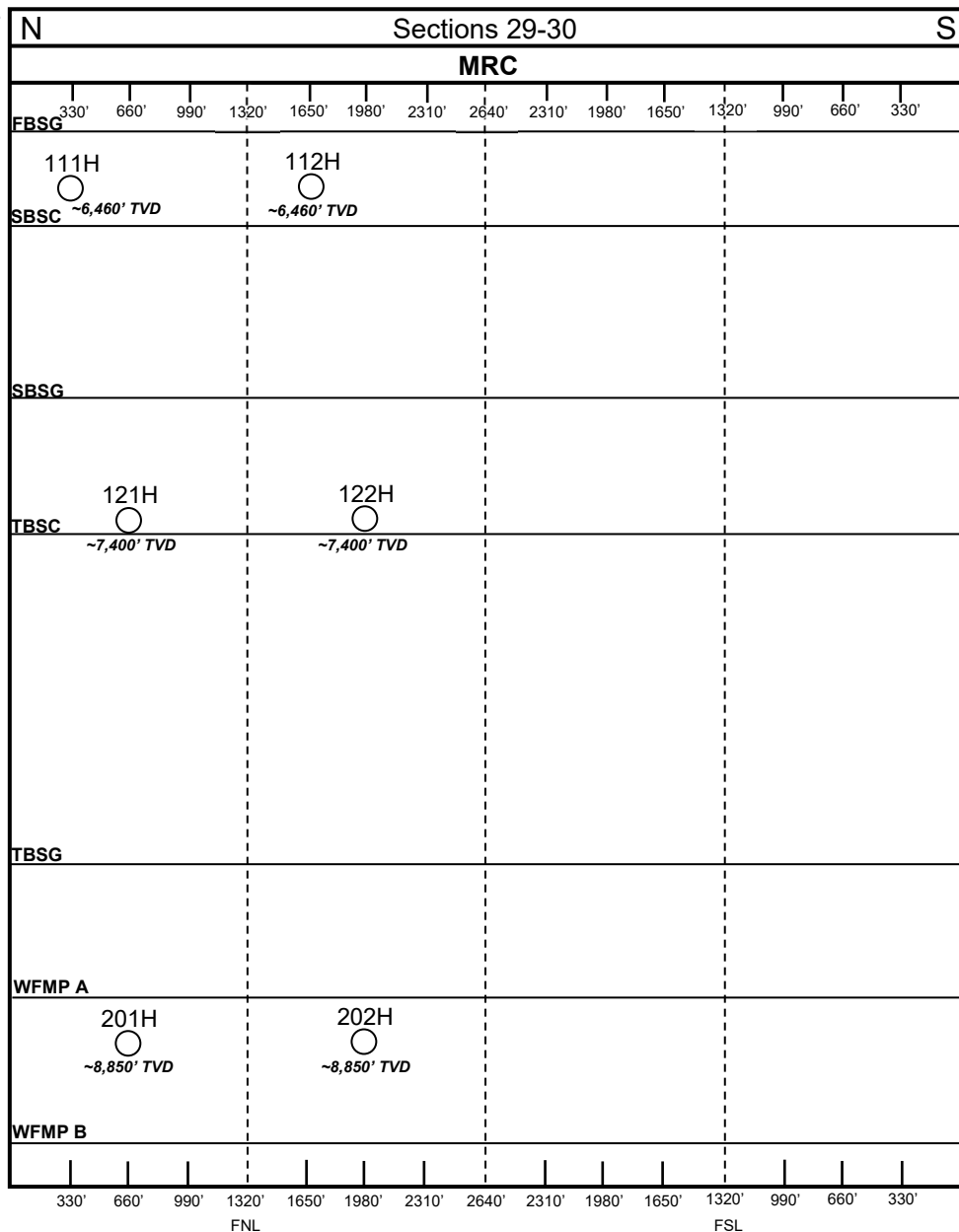
Page 86 of 152

# MRC vs. Pride – Side by Side Development Plans

# Exhibit B-6

Released to Imaging: 5/17/2024 4:02:06 PM

Received by OCD: 5/16/2024 4:49:31 PM



○ Proposed Target

Wayne Gaylord 2930 Fed Com #111H, #112H, #121H, #122H, #201H, & #202H

BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit No. B-6  
 Submitted by: Matador Production Company  
 Hearing Date: May 23, 2024  
 Case Nos. 24074-24076 & 24101-24102



B-6

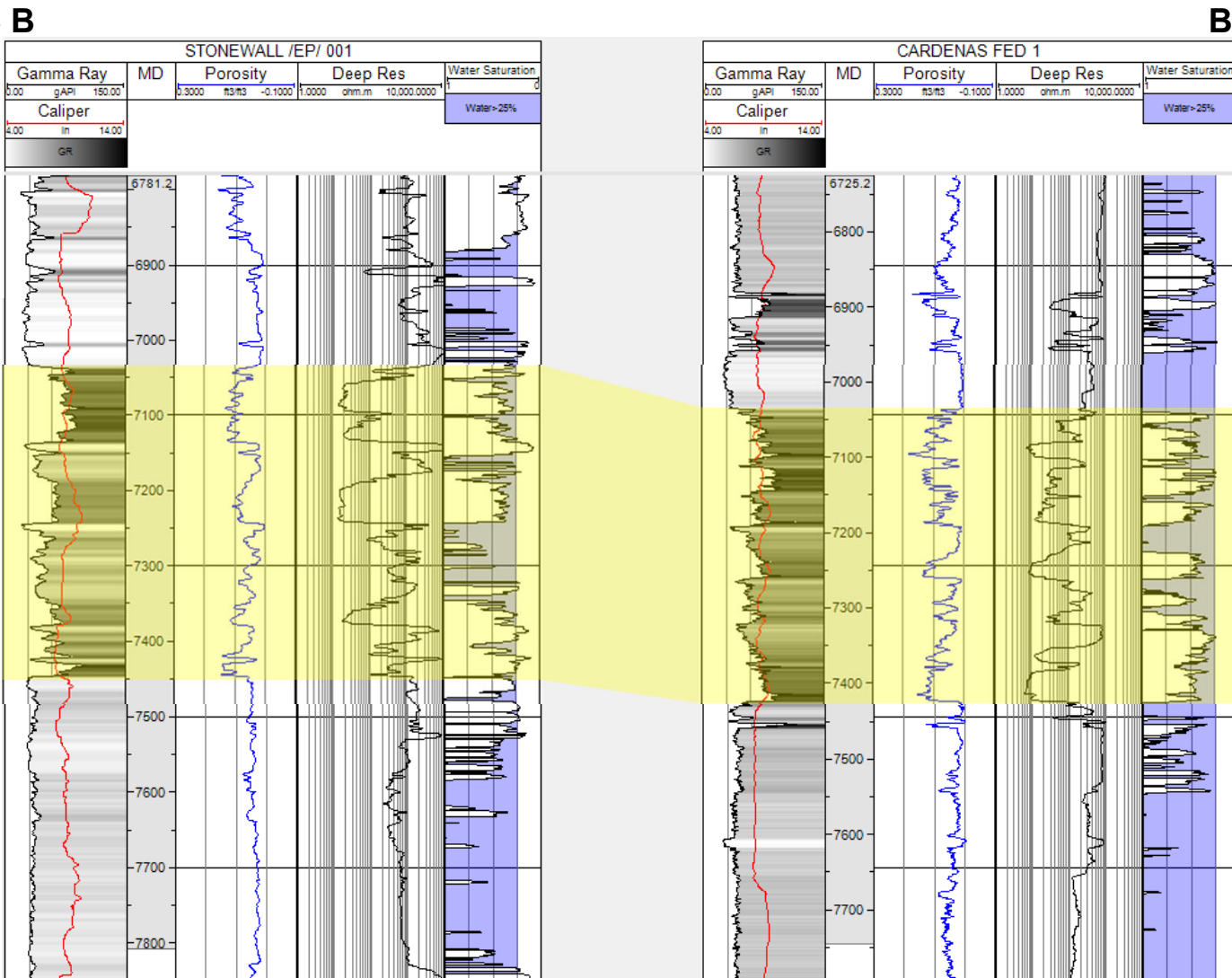
Page 87 of 152

# Second Bone Spring Original Oil-in-Place

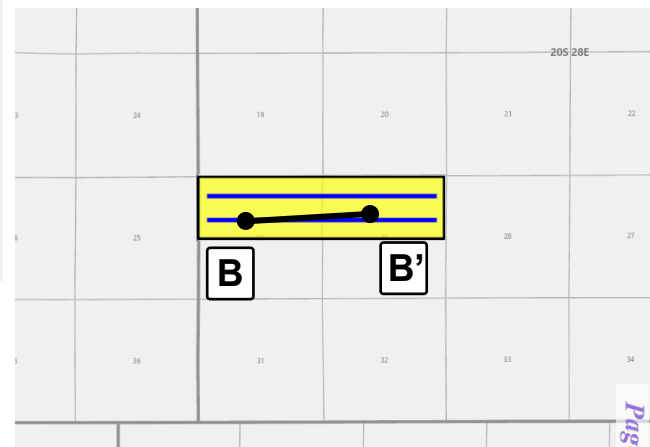
# Exhibit B-7

Released to Imaging: 5/17/2024 4:02:06 PM

Received by OCD: 5/16/2024 4:49:31 PM



#121 & #122  
Target



BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. B-7  
Submitted by: Matador Production Company  
Hearing Date: May 23, 2024  
Case Nos. 24074-24076 & 24101-24102



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

**APPLICATIONS OF PRIDE ENERGY COMPANY FOR COMPULSORY  
POOLING, EDDY COUNTY, NEW MEXICO**

**Case Nos. 23944-23945**

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

**Case Nos. 24074-24076**

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

**Case Nos. 24101-24102**

**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”) and Matador Production Company (“Matador”), as the Vice President of Reservoir Engineering and the Reserves Team.

2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum engineering. My credentials as a petroleum engineer have been accepted by the Division and made a matter of public record.

3. I am familiar with the applications filed by MRC in Cases 24074-24076 and 24101-24102 for the proposed Wayne Gaylord wells and the applications filed by Pride Energy Company (“Pride”) in Cases 23944-23945 for its proposed Burton Flat wells. These consolidated cases seek to create spacing units in the Bone Spring and Wolfcamp formations underlying the N/2 of Sections 29 and 30, Township 20 South, Range 28 East, Eddy County, New Mexico. I have conducted a reservoir study of the Bone Spring and Wolfcamp formations underlying the subject area in these cases.

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

**Submitted by: Matador Production Company  
Hearing Date: May 23, 2024  
Case Nos. 24074-24076 & 24101-24102**

4. **MRC Exhibit C-1** is a side-by-side comparison showing the competing development plans by MRC and Pride in these cases, with MRC's proposed development shown on the left and Pride's proposed development shown on the right. As shown on Exhibit C-1, MRC and Pride have both proposed two First Bone Spring wells and two Wolfcamp A wells with nearly identical proposed TVDs. Although Pride's proposed bottomhole locations for these wells are slightly different than MRC's proposed bottomhole locations, I do not think these variances are material and MRC's and Pride's proposed development for the First Bone Spring and Wolfcamp are essentially the same.

5. Exhibit C-1 also shows that MRC has proposed two wells in the Second Bone Spring formation, whereas Pride has proposed three wells in the Second Bone Spring formation using a wine racking pattern. Accordingly, the development plans for the Second Bone Spring are the primary difference between MRC's and Pride's proposed plans.

6. In my opinion, MRC's development plan for the Second Bone Spring is the optimal plan and Pride's addition of a third well is too tight of spacing that will lead to waste.

7. In analyzing the competing development spacing in the Second Bone Spring, I first obtained MRC's original oil in place (OOIP) volumetric calculations from MRC's geology department. As described in more detail in Mr. Parker's testimony in these cases, MRC's geology group calculated an estimated OOIP of 13 MMBO/sec for this project.

8. I then determined the expected barrels of oil recovered, or estimate of ultimate recovery (EUR), per well using third-party public data. **MRC Exhibit C-2** contains a chart showing the EUR data from the Second Bone Spring wells located in the area of review (with such area of review being shown on **MRC Exhibit C-3**). On Exhibit C-2, all Second Bone Spring wells within the area of review are listed, but in calculating the estimated EUR I only considered wells

that were turned-in-line after 2016 to account for modern completion designs. Those post-2016 wells are highlighted in a green boundary. I used the production data from those wells and calculated a per-foot well EUR to account for varying lengths of wells. This calculation arrived at an approximately 55 Bo/ft EUR for those post-2016 wells in the area of review.

9. The length of MRC's proposed wells is approximately 10,000 feet, which using the production data described above would mean that we would expect MRC's wells to each produce approximately 550,000 barrels of oil. The table on Exhibit C-2 titled; "Expected Results Based on Area Study" shows this P50 value for the oil EUR for 2-mile horizontal well spaced at 4 wells per section in the area of interest being 550,000 barrels of oil. Although we used third party to calculate EURs for purposes of objectivity, the results we achieved are generally consistent with MRC's internal analysis.

10. Using the OOIP and area of interest's EUR, I then calculated a recovery factor for MRC's proposed Second Bone Spring development at approximately 8.5%. The estimated recovery factors are calculated using original oil in place (OOIP) volumetric calculations along with estimated ultimate recovery values. Specifically, the recovery factor is determined by summing the OOIP and the per well EURs per area of interest. The ratio between the area of interest's EUR and the corresponding OOIP determines the recovery factor.

11. Conversely, running this analysis in reverse, using the recovery factor of 8.5% with the estimated OOIP of 13 MMBO/sec, the EUR for a 2-mile horizontal well spaced at 6 wells per section (like Pride's proposed spacing), would amount to an expected EUR of 370,000 barrels of oil per well. This is also shown on the chart at the bottom of Exhibit C-2.

12. Understanding that the recovery factors as described in MRC Exhibit C-2 are similar in nature, it is my opinion that the development pattern, and in particular the well density

(4 wells per section spacing) used in the area are efficiently and effectively draining the contacted reservoir. Furthermore, assuming the OOIP observed at the Wayne Gaylord well log is 13MMBO/sec and assuming an 8.5% recovery factor is achieved, there are approximately 1.1 million barrels of total technical recoverable oil under the subject project area (13MMBO/sec (OOIP) x 2 (Number of sections in DSU) / 2 (Contemplates only the north half being developed) x 8.50% (Recovery Factor).

13. As described above, my calculations concluded an approximately 8.5% recovery factor for MRC's proposed Second Bone Spring wells. This 8.5% recovery factor is in line with recovery factors achieved by other Second Bone Spring wells in the area. **MRC Exhibit C-3** is a subsea structure map prepared for the top of the Third Bone Spring carbonate, which was prepared by MRC's geology department. The contour interval is 50 feet. Also shown on MRC Exhibit C-3 are all of the horizontal wells that MRC was able to locate that have been drilled in the Second Bone Spring formation in this area.

14. Also shown on MRC Exhibit C-3 is the hydrocarbon recovery factors, as calculated per development unit, in or around each group of Second Bone Spring developments in this area. The development areas that were used to calculate each recovery factory average are shown in blue dashes around each referenced development. I did not consider the wells going north-south or single unbounded wells when calculating these averages because such wells would not be directly analogous to the laydown development scenarios proposed by both parties in these cases. 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, or development, will drain.

15. As shown on MRC Exhibit C-3, the hydrocarbon recovery factors for Second Bone Spring wells in this area range from approximately 4% to 10%, which is in line with the 8.5% calculated by MRC.

16. MRC Exhibit C-3 also has yellow text boxes around each of Second Bone Spring developments in this area showing the number of wells per section used for such projects. As shown in MRC Exhibit C-3, with the exception of one Matador development discussed below, it appears every operator in this area has developed the Second Bone Spring using four wells per section (consistent with MRC's plan). The one exception is MRC's Stebbins development highlighted in red (on MRC Exhibit C-3) in which MRC tested a six well per section development. Based on the poorer performance from this tighter six wells per-section spacing, and considering the performance of the other four wells per section projects, it is my opinion that four wells per section effectively drains the contacted reservoir.

17. My opinion that MRC's proposed spacing is superior to Pride's plan is further demonstrated on **MRC Exhibit C-4**, which is a table comparing my calculations of the estimated recoveries and economic results between MRC's proposed two well Second Bone Spring development plan on the left side (or first column), and Pride's proposed three well Second Bone Spring development plan, on the right side (or second and third columns). MRC's capital outlay to drill, complete and equip each well is assumed to be \$10.9M while Pride's is \$8.4M based on Pride's AFEs. MRC's Team Lead, Travis Wolf, is submitting an affidavit in this case with respect to his opinion that Pride's AFEs are too low and unachievable. Accordingly, I have also included a separate column on Exhibit C-3, titled "Pride Energy (MTDR CapEx)," which illustrates the performance of Pride's proposed three well Second Bone Spring development plan (6-well

equivalent spacing) with MRC's estimated capital expenditures. This analysis is shown in the middle column (or second column).

18. As discussed in MRC Exhibit C-2, the total technical recoverable oil used in row two is 1.1 million barrels . Each economic scenario utilizes the same NYMEX strip pricing model as of April 2024 along with the same expense model.

19. As shown on MRC Exhibit C-3, the results of this analysis confirm my opinion that MRC's proposed development plan within the Second Bone Spring is superior to Pride's plan:

- a. The Total CapEx Spend row shows that MRC's Second Bone Spring development plan is estimated to cost (i) \$3 million less than Pride's plan based on Pride's AFEs (compare first column with third column), or (ii) \$11 million less than Pride's plan assuming Matador's estimated per well CapEx (compare first column with second column).
- b. The next two rows show that Matador's Second Bone Spring development plan is estimated to economically recover 40,000 barrels of oil, or 74,000 BOE, more than Pride's plan.
- c. The remaining rows show that MRC's Second Bone Spring development plan is expected to generate:
  - i. approximately \$20 million in undiscounted cashflow,
  - ii. yield a 1.92 ROI and 29% rate-of-return (RoR),
  - iii. payout in 3.9 years,
  - iv. and have an economic life of 31 years.
- d. Pride's Second Bone Spring development plan, on the other hand, is expected to generate either:
  - (i) using Pride's AFE amounts, approximately \$13 million in undiscounted cashflow, yield a 1.51 ROI and 21% (RoR), payout in 4.4 years, and have an economic life of 23 years, or
  - (ii) using MRC estimated per-well CapEx, approximately \$6 million in undiscounted cashflow, yield a 1.17 ROI and 6% (RoR), payout in 8.42 years, and have an economic life of 23 years.

20. In short, it is my opinion that MRC's development plan will cost the working interest owners significantly less money than Pride's proposed plan, while at the same time

economically recovering more hydrocarbon reserves than Pride's proposed development plan. Accordingly, in my opinion, Pride's proposed development plan will 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.

### **Matador's Ability to Prudently Operate**

21. Matador has consistently proven its ability to prudently operate. Matador has drilled over 600 horizontal wells in Eddy or Lea County, New Mexico, including over 250 horizontal wells that are two miles or longer.

22. Among other things, part of the reason for Matador's operating success is our 24 hours / 7 days a week MaxCom room located within our Dallas headquarters where we have both geologists and drilling engineers constantly monitoring our drilling operations. One of the primary benefits of our MaxCom room is that it enables us to have geologists monitoring and assisting with the steering of our wells at all times to ensure we maximize the percentage of the wellbore that is in our targeted interval.

23. On the other hand, based on NMOCD records, Matador was able to identify only 14 horizontal wells that Pride has drilled in Eddy or Lea County, New Mexico (being its Go State and Grama Ridge projects)—each of which are only 1 mile in length. The production history for these wells are not yet posted on the NMOCD records so I was unable to evaluate the performance of these one-mile horizontal wells.

24. Based on available public records, it does not appear that Pride has ever drilled a two-mile lateral in Eddy or Lea County, New Mexico, as they propose to do in these cases.

25. It is my opinion Matador has the ability to prudently operate and execute on its development plans, but I have concerns about Pride being able to prudently drill and operate its

proposed seven 2-mile laterals when it apparently has never drilled wells with over 1-mile in lateral length in New Mexico before.

26. **MRC Exhibits C-1 through C-4** 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.

27. 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

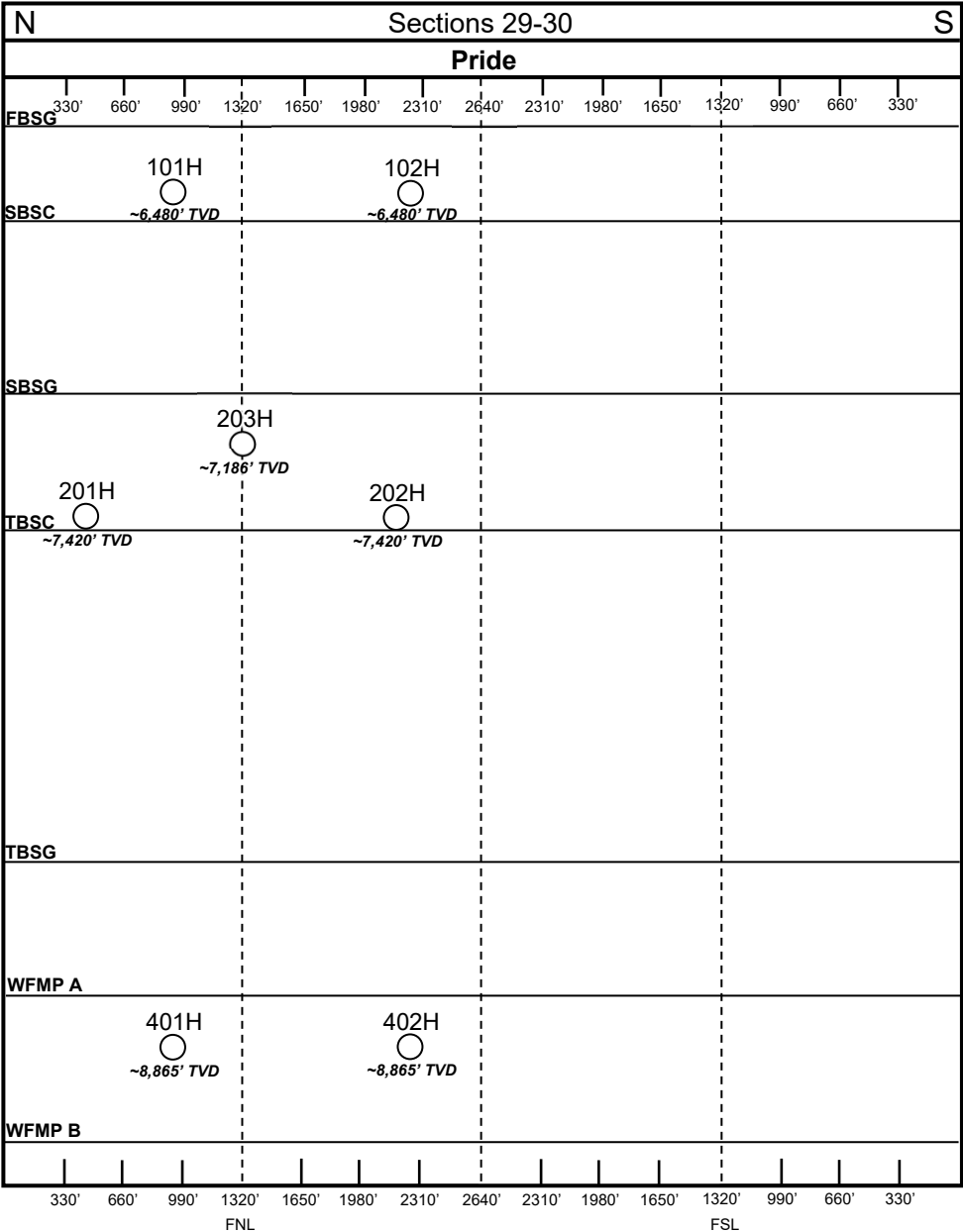
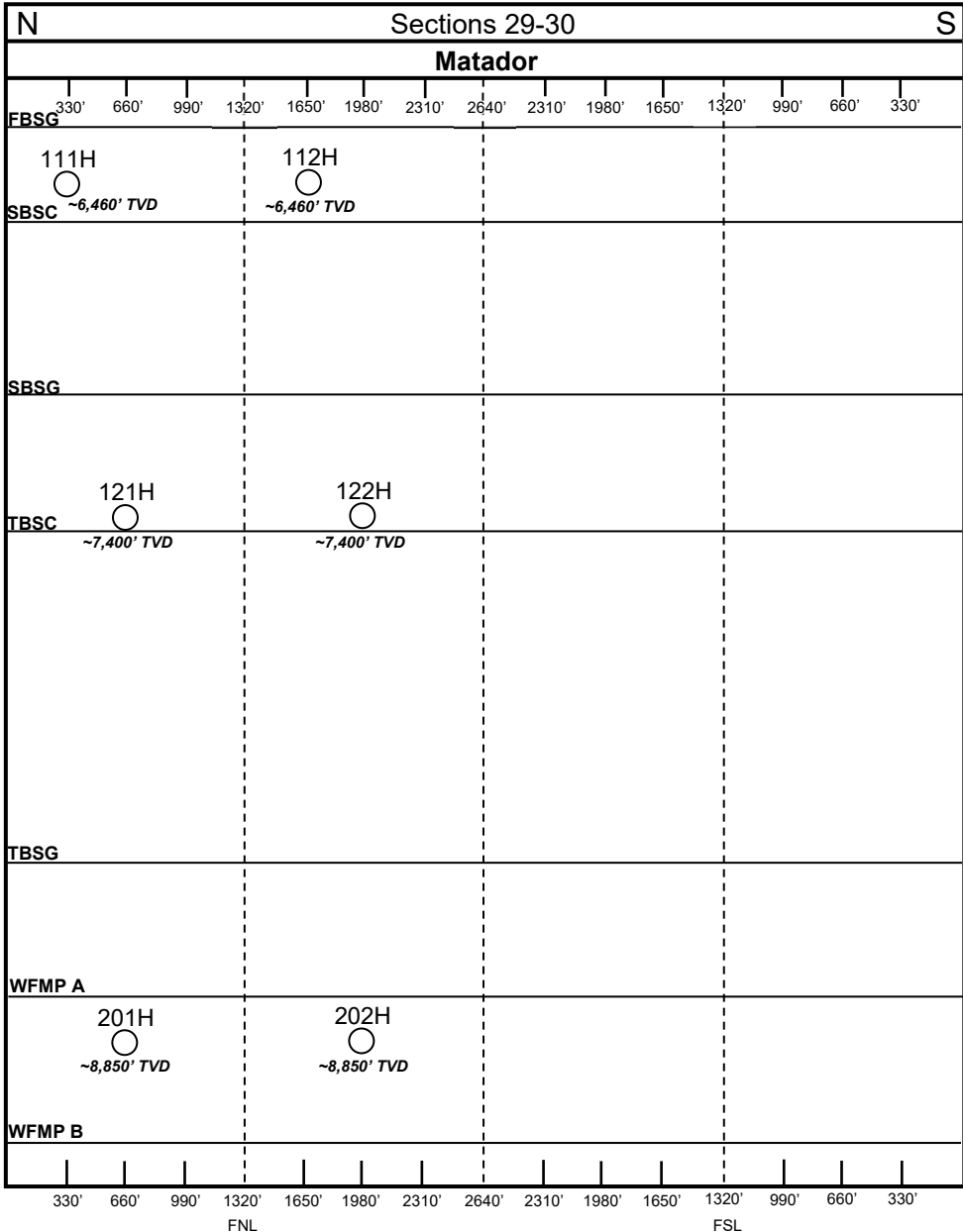
5/15/2024  
Date



# Matador and Pride Side by Side Comparison

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○ Proposed Target



# Second Bone Spring Oil EUR

# Exhibit C-2

Analog Data Supports 550 MBO Oil EUR for a 2-mile Horizontal Well at 4 wells Per Section

API14	Well Name	Operator	First Production Date	Enverus Lateral Length (ft)	Enverus Oil EUR (bb)	BO/r
30015542230000	BO HOWARD 1211 FEDERAL COM 124H	MATADOR OPERATING, LLC	12/1/2023	7,344	359,641	49
30015497710000	DUNDEE 4 FEDERAL COM 121H	PERMIAN RESOURCES	3/1/2023	10,585	566,101	53
30015497720000	DUNDEE 4 FEDERAL COM 123H	PERMIAN RESOURCES	3/1/2023	10,620	499,176	47
30015497440000	DUNDEE 4 FEDERAL COM 124H	PERMIAN RESOURCES	3/1/2023	10,701	467,483	44
30015497450000	DUNDEE 4 FEDERAL COM 122H	PERMIAN RESOURCES	3/1/2023	10,691	460,117	43
30015488000000	SIG 6 5 B2DA FEDERAL COM 001H	MEWBOURNE OIL	12/1/2022	9,977	796,536	80
30015496390000	SIG 6 5 B2EH FEDERAL COM 001H	MEWBOURNE OIL	12/1/2022	9,932	909,360	92
30015494270000	BO HOWARD 1211 FEDERAL COM 121H	MATADOR OPERATING, LLC	11/1/2022	7,054	591,278	84
30015494280000	BO HOWARD 1211 FEDERAL COM 122H	MATADOR OPERATING, LLC	11/1/2022	7,243	474,642	66
30015477320000	BOLANDER 32 STATE FEDERAL COM 121H	PERMIAN RESOURCES	9/1/2022	9,878	551,536	56
30015477340000	BOLANDER 32 STATE FEDERAL COM 122H	PERMIAN RESOURCES	9/1/2022	9,741	520,294	53
30015477390000	DAKOTA 32 STATE FEDERAL COM 123H	PERMIAN RESOURCES	9/1/2022	10,133	740,706	73
30015477420000	DAKOTA 32 STATE FEDERAL COM 133H	PERMIAN RESOURCES	9/1/2022	10,045	466,345	46
30015477040000	DAWSON 34 FEDERAL COM 123H	PERMIAN RESOURCES	5/1/2022	9,855	489,411	50
30015477060000	SHAMROCK 34 FEDERAL COM 121	PERMIAN RESOURCES	5/1/2022	10,463	975,284	93
30015477070000	SHAMROCK 34 FEDERAL COM 122H	PERMIAN RESOURCES	5/1/2022	9,880	673,369	68
30015477400000	DAKOTA 32 STATE FEDERAL COM 124H	PERMIAN RESOURCES	10/1/2021	9,952	647,342	65
30015460020000	LEATHERNECK 3029 FEDERAL COM 126H	MATADOR OPERATING, LLC	10/1/2021	9,868	216,071	22
30015468940000	LEATHERNECK 3029 FEDERAL COM 127H	MATADOR OPERATING, LLC	6/1/2021	9,830	402,576	41
30015469030000	LEATHERNECK 3029 FEDERAL COM 128H	MATADOR OPERATING, LLC	6/1/2021	10,011	365,460	37
30015449240000	TED PAUP 32-31 FED COM #125H	MATADOR OPERATING, LLC	6/1/2021	10,213	309,066	30
30015445740000	TED PAUP 32-31 FED COM #126H	MATADOR OPERATING, LLC	6/1/2021	10,329	268,600	26
30015476030000	DAWSON 34 FEDERAL COM 124H	PERMIAN RESOURCES	2/1/2021	9,937	749,854	75
30015460000000	LEATHERNECK 3029 FEDERAL COM 125H	MATADOR OPERATING, LLC	9/1/2019	9,832	463,599	47
30015441740000	STEBBINS 19 FEDERAL COM 127H	MATADOR OPERATING, LLC	9/1/2019	4,423	147,787	33
30015439020000	DERRINGER 18 B2MP FEDERAL 001H	MEWBOURNE OIL	9/1/2018	4,179	390,136	93
30015441720000	STEBBINS 19 FEDERAL 124H	MATADOR OPERATING, LLC	3/1/2018	4,299	235,621	55
30015441700000	STEBBINS 19 FEDERAL COM 123H	MATADOR OPERATING, LLC	12/1/2017	4,221	230,006	54
30015441850000	STEBBINS 20 FEDERAL 124H	MATADOR OPERATING, LLC	10/1/2017	4,431	435,869	98
30015432010000	STEBBINS 20 FEDERAL 123H	MATADOR OPERATING, LLC	4/1/2017	4,310	613,137	142
30015426290000	BURTON FLAT DEEP UNIT 062H	DEVON	10/1/2015	4,553	188,321	41
30015431360000	BURTON FLAT DEEP UNIT 061H	DEVON	10/1/2015	4,548	155,465	34
30015426060000	WINCHESTER 36 B2LI STATE 001H	MEWBOURNE OIL	3/1/2015	4,288	129,091	30
30015424740000	RUGER 31 B2EH FEDERAL 001H	MEWBOURNE OIL	12/1/2014	4,338	176,092	41
30015426640000	GLOCK 17 B2EH FEDERAL 001H	MEWBOURNE OIL	11/1/2014	4,140	277,467	67
30015419510000	DERRINGER 18 LI FEDERAL 001H	MEWBOURNE OIL	7/1/2014	4,196	269,808	64
30015421150000	GLOCK 17 LI FED 001H	MEWBOURNE OIL	5/1/2014	4,255	173,096	41
30015419550000	HENRY 8 PM FEDERAL COM 001H	MEWBOURNE OIL	5/1/2014	4,271	187,187	44
30015419520000	RUGER 31 DA FEDERAL COM 001H	MEWBOURNE OIL	4/1/2014	4,087	287,679	70
30015417470000	WINCHESTER 36 HE STATE 001H	MEWBOURNE OIL	4/1/2014	4,237	154,152	36
30015417810000	HENRY 8 IL FEDERAL 001H	MEWBOURNE OIL	2/1/2014	4,334	112,375	26
30015405030000	BURTON FLAT DEEP UNIT 054H	DEVON	1/1/2014	4,904	244,132	50
30015414170000	GLOCK 17 MP FEDERAL 001H	MEWBOURNE OIL	11/1/2013	4,374	301,544	69
30015414310000	DERRINGER 18 DA FEDERAL 001H	MEWBOURNE OIL	8/1/2013	4,204	166,050	39
30015413540000	WINCHESTER 36 AD STATE 001H	MEWBOURNE OIL	8/1/2013	4,298	146,837	34
30015410400000	THOMPSON 8 FEDERAL 003H	MEWBOURNE OIL	4/1/2013	4,379	145,602	33
30015397580000	DERRINGER 18 FEDERAL COM 002H	MEWBOURNE OIL	1/1/2013	4,024	184,256	46
30015392950000	THOMPSON 8 FEDERAL 002H	MEWBOURNE OIL	6/1/2012	4,233	260,736	62

## Legend

Total Dataset P50  
50 Bo/ft

TIL Post 2016 Dataset P50  
55 Bo/ft

EUR Oil Equivalent for a  
10,000' Lateral



550,000 Barrel of Oil

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C-2  
Submitted by: Matador Production Company  
Hearing Date: May 23, 2024  
Case Nos. 24074-24076 & 24101-24102

## Expected Results Based on Area Study

Proposal	Estimated OOIP (MMBO/sec)	Recovery Factor	Proposed Wells per Section (Equivalent)	Oil Recovery Per Well (MBO)	Project ROI	Years to Capital Repayment
MTDR Proposal	13	8.50%	4	550	1.92	3.94
Pride Proposal	13	8.50%	6	370	1.51	4.42

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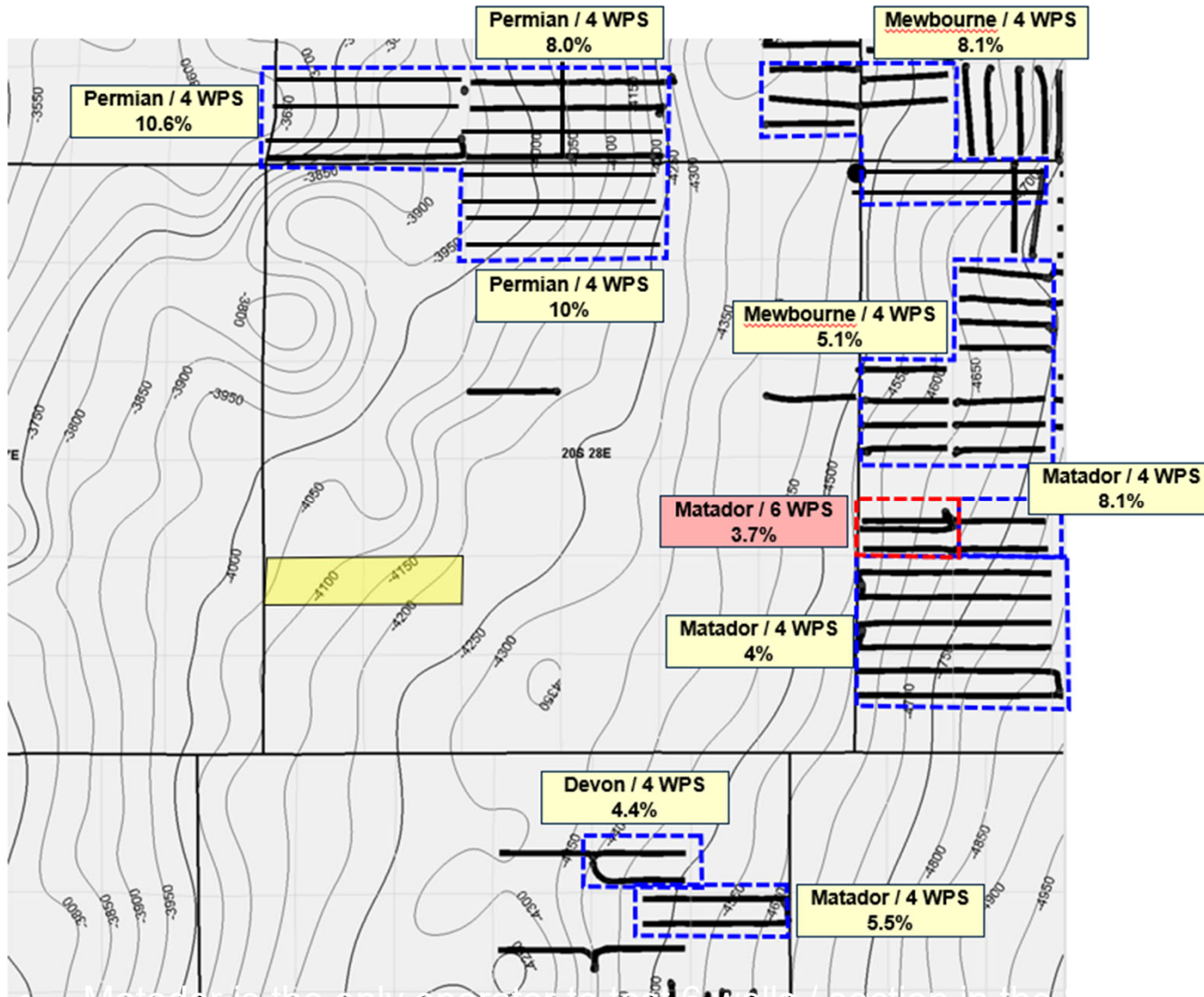
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# Second Bone Spring Recovery Factors

## Historical Recovery Factors Support 4 Wells Per Section

# Exhibit C-3



### Map Legend

Second Bone Spring Lateral Well



Project Area



Average Recovery Factor



TBSC Depth Structure C.I. = 50'

BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit No. C-3  
 Submitted by: Matador Production Company  
 Hearing Date: May 23, 2024  
 Case Nos. 24074-24076 & 24101-24102



# Matador vs. Pride Economic Comparison

## Exhibit C-4

Operator	Matador	Pride Energy (MTDR CapEx)	Pride Energy (Pride CapEx)
Proposed Wells per Section (Equivalent)	4	6	6
Total Technical Recoverable Oil (Mbbbl)	1,100		
Estimated Oil Recovery Per Well (Mbbbl)	550	370	370
Total CapEx Spend (\$MM)	22	33	25
Total Economic Oil Recovered (Mbbbl)	1,002	962	962
Total Economic BOE Recovered (MBOE)	1,741	1,667	1,667
Pricing / LNRI Scenario	Q2 2024 Strip / 100% WI   75% NRI		
Cum. Undiscounted Cashflow (\$M)	20,237	5,706	12,701
Cum. Discounted Cashflow (10%) (\$M)	7,134	(2,394)	4,006
Project Undisc. Return on Investment	1.92	1.17	1.51
Project Rate of Return (%)	28.5	6.07	21.0
Years to Payout of Capital Investment (Years)	3.94	8.42	4.42
Project Life (Years)	30.7	23.2	23.2



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

**APPLICATIONS OF PRIDE ENERGY COMPANY FOR COMPULSORY  
POOLING, EDDY COUNTY, NEW MEXICO**

**Case Nos. 23944-23945**

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

**Case Nos. 24074-24076**

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

**Case Nos. 24101-24102**

**SELF-AFFIRMED STATEMENT OF TRAVIS WOLF**

1. My name is Travis Wolf, and I am employed by MRC Energy Company, an affiliate of MRC Permian Company (“MRC”), as a Senior Vice President and Area Asset Manager.

2. I graduated from Texas A&M University in 2015 with a bachelor’s degree majoring in Petroleum Engineering and minoring in Geology. Following graduation, I was employed by MRC as an Operations Engineer. This consisted of a combination of field supervision at the well site and office engineering roles through a rotation of drilling, completions and production operations. After one year, I became a Drilling Engineer overseeing several of MRC’s drilling rig operations in New Mexico, West Texas and South Texas for the next 5 years. I was responsible for the planning, budgeting and execution for the drilling of over 60 horizontal wells from 2016 through 2021. Following the Drilling Engineering role, I became a Senior Production Engineer for approximately one year, and in this role I was responsible for the production operations in multiple areas of the Delaware Basin, which included over 75 operated wells in Eddy County, New Mexico and over 100 operated wells in Loving County, Texas. At the end of 2021, I became the Asset Manager for MRC’s assets in West Texas, South Texas, East Texas/Louisiana and Matador’s Non-Operated properties throughout all areas, including the Delaware Basin. As an Asset Manager, I

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

**Submitted by: Matador Production Company  
Hearing Date: May 23, 2024  
Case Nos. 24074-24076 & 24101-24102**

am responsible for the development of each of these assets in the most efficient, economic and prudent manner to fit into Matador's corporate strategy. This includes exploration, evaluation and acquisition of certain leaseholds within the asset area as well as overseeing the development plans and execution of Matador's acreage in these areas. This responsibility includes working alongside all departments such as Land, Regulatory, Legal, Accounting, Geology, Drilling, Completions, Production, Facilities, Marketing and Midstream. Since February 2024, I now manage our Arrowhead asset and transitioned out of West Texas. The Arrowhead asset includes northern Eddy County, New Mexico. As part of my employment at Matador, I am also required to complete at least 40 hours of continuing education per year. I am also a member of the Society of Petroleum Engineers, American Association of Drilling Engineers, and American Association of Petroleum Landmen.

3. I am generally familiar with the applications filed by MRC in Cases 24074-24076 and 24101-24102 for the proposed Wayne Gaylord wells and the applications filed by Pride Energy Company ("Pride") in Cases 23944-23945 for its proposed Burton Flat wells. These consolidated cases seek to create spacing units in the Bone Spring and Wolfcamp formations underlying the N/2 of Sections 29 and 30, Township 20 South, Range 28 East, Eddy County, New Mexico.

4. I am currently the Team Lead for MRC's Arrowhead team and, in that role, I am responsible for the development of MRC's proposed Wayne Gaylord project. In my role as Team Lead, one of my responsibilities is to coordinate with the various groups within MRC to compile our estimated costs for drilling, completing and producing the wells that MRC drills and operates in my area and to prepare our AFEs that we send when proposing the wells to other working interest partners. Attached as **MRC Exhibit D-1** are copies of the current AFEs for each of Matador's proposed Wayne Gaylord wells.

5. Attached as **MRC Exhibit D-2** are copies of the AFEs that MRC received from Pride Energy Company (“Pride”) for its proposed Burton Flat wells. Pride’s AFE amounts for its wells are less than MRC’s AFE amounts for its wells. However, it is my opinion that Pride’s AFEs are likely lower than is actually achievable for a development plan of wells of this length in this area if prudently drilled and operated.

6. For starters, I recently spent approximately 2.5 years as the Team Lead for MRC’s non-operated team, and in that role I oversaw a team that reviewed and analyzed over seven hundred well proposals and AFEs that MRC received from approximately 30 different operators in New Mexico in connection with their wells proposals to MRC. Based on my experience, it is my opinion that MRC’s AFE amounts are in line with the other experienced operators in New Mexico. I therefore believe that Pride cannot actually drill, complete and produce their development plan of wells for costs that are that much less than MRC’s AFEs.

7. Pride’s AFEs do not contain sufficient detail for me to do a complete comparison of the exact differences between MRC’s and Pride’s AFEs, but I have made the following observations in connection with my and my team’s review of Pride’s AFEs:

- a. Pride’s AFEs appear to include only a three-string casing design, because they list out three strings: surface casing, intermediate casing and production casing. MRC’s understanding is that the acreage in these cases is included in an area where the Bureau of Land Management will require a four-string casing design to approve a drilling permit. Attached as **MRC Exhibit D-3** is a map that MRC received from the Bureau of Land Management showing the four-string area boundary. The subject acreage is within this boundary. MRC’s AFEs therefore include the costs of a four-string casing design. To the extent Pride’s AFEs are for a three-string casing design, the addition of the fourth string of casing would add significant costs to their AFEs.
- b. Certain of the listed costs, such as drilling rig and directional drilling, appear to either assume below market rates for current costs in the industry or assume faster drilling of the development plan for these wells than MRC believes is achievable for their development plan.
- c. The cost for water in Pride’s AFEs for their development plan of seven wells appears to assume either below market water rates or a smaller completion size than MRC is planning and believes is optimal.

- d. MRC’s AFEs include certain costs to be incurred in the early life of the well, such as artificial lift, but it is unclear whether Pride included those costs in the AFEs or would later bill those costs to partners as LOE after the well was drilled.
- e. Pride’s AFEs do not appear to include any detail on the components and breakdown of their facility costs, but list only a general “tank battery” charge. Based on Pride’s estimated \$3.5 million to build the facility for this project, and given the lack of specifics in the AFEs, MRC is concerned Pride’s proposed facility may not meet the quality standards proposed by MRC that also comply with applicable regulations.

8. In reviewing the NMOCD website, it did not appear that Pride has ever drilled and completed two-mile wells in New Mexico, as they propose to do here. On the other hand, Matador has drilled over 250 two-mile wells and has significant experience creating AFEs based on recent actual costs of similar well designs in similar targets to arrive at AFE estimates that reflect the actual anticipated costs of the well.

9. In short, it is my opinion that Pride’s AFEs are lower than is actually achievable for a development plan of wells of this length in this area if prudently drilled and operated. It is also my opinion that MRC’s AFEs reflect an accurate estimate of the costs to prudently drill, complete and produce wells of this length in this area in the current service cost environment.

10. 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.

  
 \_\_\_\_\_  
 Travis Wolf

5/15/2024  
 \_\_\_\_\_  
 Date



# **EXHIBIT D-1**



**MATADOR PRODUCTION COMPANY**

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

**ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE**

DATE:	January 30, 2024	A/E NO.:	
WELL NAME:	Wayne Gaylord 2930 Fed Com #112H	FIELD:	Bone Spring
LOCATION:	Section 29&30 20S 28E	MD/TVD:	16764'/6460'
COUNTY/STATE:	Eddy, NM	LATERAL LENGTH:	9,837
MRC WI:			
GEOLOGIC TARGET:	First Bone Spring Sand		
REMARKS:	Drill and complete a horizontal 2.0 mile long First Bone Spring sand target with about 57 frac stages		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
<b>INTANGIBLE COSTS</b>					
Land / Legal / Regulatory	\$ 58,000	\$ -	\$ -	\$ 10,000	\$ 68,000
Location, Surveys & Damages	127,500	13,000	15,000	16,667	202,167
Drilling	832,045	-	-	-	832,045
Cementing & Float Equip	337,000	-	-	-	337,000
Logging / Formation Evaluation	-	3,750	3,000	-	6,750
Flowback - Labor	-	-	18,160	-	18,160
Flowback - Surface Rentals	-	-	127,850	-	127,850
Flowback - Rental Living Quarters	-	-	-	-	-
Mud Logging	21,388	-	-	-	21,388
Mud Circulation System	116,469	-	-	-	116,469
Mud & Chemicals	305,000	56,000	25,000	-	386,000
Mud / Wastewater Disposal	180,000	-	-	1,000	181,000
Freight / Transportation	19,500	40,500	7,000	-	67,000
Rig Supervision / Engineering	119,250	92,800	6,000	1,800	219,850
Drill Bits	107,000	-	-	-	107,000
Fuel & Power	150,500	383,012	15,000	-	548,512
Water	45,000	510,547	3,000	1,000	559,547
Drig & Completion Overhead	10,000	-	-	-	10,000
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	267,893	-	-	-	267,893
Completion Unit, Swab, CTU	-	200,000	9,000	-	209,000
Perforating, Wireline, Slickline	-	162,240	-	-	162,240
High Pressure Pump Truck	-	123,400	6,000	-	129,400
Stimulation	-	2,132,892	-	-	2,132,892
Stimulation Flowback & Disp	-	15,500	50,400	-	65,900
Insurance	30,175	-	-	-	30,175
Labor	197,500	60,250	15,000	5,000	277,750
Rental - Surface Equipment	90,598	297,110	10,000	20,000	417,708
Rental - Downhole Equipment	198,750	86,000	-	-	284,750
Rental - Living Quarters	55,625	38,540	-	5,000	99,165
Contingency	132,818	208,265	31,041	6,047	378,171
Operations Center	21,252	-	-	-	21,252
<b>TOTAL INTANGIBLES &gt;</b>	<b>3,453,283</b>	<b>4,423,806</b>	<b>341,451</b>	<b>66,513</b>	<b>8,285,033</b>
<b>TANGIBLE COSTS</b>					
Surface Casing	\$ 48,091	\$ -	\$ -	\$ -	\$ 48,091
Intermediate Casing	58,183	-	-	-	58,183
Drilling Liner	151,909	-	-	-	151,909
Production Casing	561,924	-	-	-	561,924
Production Liner	-	-	-	-	-
Tubing	-	-	104,250	-	104,250
Wellhead	125,500	-	70,000	-	195,500
Packers, Liner Hangers	-	49,072	-	-	49,072
Tanks	-	-	-	84,167	84,167
Production Vessels	-	-	-	179,500	179,500
Flow Lines	-	-	-	120,000	120,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	335,000	-	335,000
Compressor	-	-	-	40,000	40,000
Installation Costs	-	-	-	80,000	80,000
Surface Pumps	-	-	5,000	23,333	28,333
Non-controllable Surface	-	-	-	2,000	2,000
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	11,000	92,667	103,667
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	118,333	118,333
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	-	-	-
Tank / Facility Containment	-	-	-	16,667	16,667
Flare Stack	-	-	-	29,167	29,167
Electrical / Grounding	-	-	30,000	80,000	110,000
Communications / SCADA	-	-	12,000	15,000	27,000
Instrumentation / Safety	-	-	-	33,667	33,667
<b>TOTAL TANGIBLES &gt;</b>	<b>946,607</b>	<b>49,072</b>	<b>567,250</b>	<b>914,500</b>	<b>2,477,429</b>
<b>TOTAL COSTS &gt;</b>	<b>4,399,870</b>	<b>4,472,877</b>	<b>908,701</b>	<b>981,013</b>	<b>10,762,462</b>

**PREPARED BY MATADOR PRODUCTION COMPANY:**

Drilling Engineer:	Peny Hawks	Team Lead - WTX/NM	<i>TW</i>
Completions Engineer:	Jack Hmcir		TW
Production Engineer:	Garrett Littrell		

**MATADOR RESOURCES COMPANY APPROVAL:**

Executive VP, Res	WTE	SVP Geoscience	NLF	COO- Drilling, Completion and Production	CC
Executive VP, Legal	CA				
President	BG				

**NON OPERATING PARTNER APPROVAL:**

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

This estimate and this AFE are estimates only and may not be realized as intended. It is intended to be used for the initial stages of the project. Liability shall not be approved under the AFE until the well has been completed. In accordance with the AFE, the non-operating partner shall be responsible for all costs, including but not limited to, rig, completion, production, and other costs, including but not limited to, the cost of the well, the cost of the completion, the cost of the production, and the cost of the operations. The non-operating partner shall be responsible for all costs, including but not limited to, the cost of the well, the cost of the completion, the cost of the production, and the cost of the operations. The non-operating partner shall be responsible for all costs, including but not limited to, the cost of the well, the cost of the completion, the cost of the production, and the cost of the operations.

**MATADOR PRODUCTION COMPANY**

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

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	January 30, 2024	AFE NO.:	
WELL NAME:	Wayne Gaylord 2930 Fed Com #121H	FIELD:	Bone Spring
LOCATION:	Section 29&30 20S 28E	MD/TVD:	17704/77400'
COUNTY/STATE:	Eddy, NM	LATERAL LENGTH:	9,837
MRC WI:			
GEOLOGIC TARGET:	Second Bone Spring Sand		
REMARKS:	Drill and complete a horizontal 2.0 mile long Second Bone Spring sand target with about 57 frac stages		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
<b>INTANGIBLE COSTS</b>					
Land / Legal / Regulatory	\$ 58,000	\$ -	\$ -	\$ 10,000	\$ 68,000
Location, Surveys & Damages	157,500	13,000	15,000	16,667	202,167
Drilling	832,045	-	-	-	832,045
Cementing & Float Equip	347,000	-	-	-	347,000
Logging / Formation Evaluation	-	3,750	3,000	-	6,750
Flowback - Labor	-	-	18,160	-	18,160
Flowback - Surface Rentals	-	-	127,850	-	127,850
Flowback - Rental Living Quarters	-	-	-	-	-
Mud Logging	21,388	-	-	-	21,388
Mud Circulation System	116,469	-	-	-	116,469
Mud & Chemicals	315,000	56,000	25,000	-	396,000
Mud / Wastewater Disposal	180,000	-	-	1,000	181,000
Freight / Transportation	19,500	40,500	7,000	-	67,000
Rig Supervision / Engineering	119,250	92,800	6,000	1,800	219,850
Drill Bits	107,000	-	-	-	107,000
Fuel & Power	150,500	414,073	15,000	-	579,573
Water	45,000	510,547	3,000	1,000	559,547
Drig & Completion Overhead	10,000	-	-	-	10,000
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	281,344	-	-	-	281,344
Completion Unit, Swab, CTU	-	200,000	9,000	-	209,000
Perforating, Wireline, Slickline	-	162,240	-	-	162,240
High Pressure Pump Truck	-	123,400	6,000	-	129,400
Stimulation	-	2,196,466	-	-	2,196,466
Stimulation Flowback & Disp	-	15,500	50,400	-	65,900
Insurance	31,867	-	-	-	31,867
Labor	197,500	60,250	15,000	5,000	277,750
Rental - Surface Equipment	90,598	297,110	10,000	20,000	417,706
Rental - Downhole Equipment	198,750	86,000	-	-	284,750
Rental - Living Quarters	55,625	38,540	-	5,000	99,165
Contingency	134,224	211,371	31,041	6,047	382,682
Operations Center	21,252	-	-	-	21,252
<b>TOTAL INTANGIBLES &gt;</b>	<b>3,489,812</b>	<b>4,521,546</b>	<b>341,451</b>	<b>68,513</b>	<b>8,419,322</b>
<b>TANGIBLE COSTS</b>					
Surface Casing	\$ 46,091	\$ -	\$ -	\$ -	\$ 46,091
Intermediate Casing	59,183	-	-	-	59,183
Drilling Liner	151,909	-	-	-	151,909
Production Casing	590,999	-	-	-	590,999
Production Liner	-	-	-	-	-
Tubing	-	-	104,250	-	104,250
Wellhead	125,500	-	70,000	-	195,500
Packers, Liner Hangers	-	49,072	-	-	49,072
Tanks	-	-	-	84,167	84,167
Production Vessels	-	-	-	179,500	179,500
Flow Lines	-	-	-	120,000	120,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	315,000	-	315,000
Compressor	-	-	-	40,000	40,000
Installation Costs	-	-	-	80,000	80,000
Surface Pumps	-	-	5,000	23,333	28,333
Non-controllable Surface	-	-	-	2,000	2,000
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	11,000	92,667	103,667
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	118,333	118,333
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	-	18,667	18,667
Tank / Facility Containment	-	-	-	29,167	29,167
Flare Stack	-	-	-	80,000	80,000
Electrical / Grounding	-	-	30,000	-	30,000
Communications / SCADA	-	-	12,000	15,000	27,000
Instrumentation / Safety	-	-	-	33,667	33,667
<b>TOTAL TANGIBLES &gt;</b>	<b>975,882</b>	<b>49,072</b>	<b>547,250</b>	<b>914,500</b>	<b>2,486,504</b>
<b>TOTAL COSTS &gt;</b>	<b>4,465,494</b>	<b>4,570,617</b>	<b>888,701</b>	<b>981,013</b>	<b>10,905,826</b>

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Perry Hawks	Team Lead - WTX/NM	<i>TW</i>
Completions Engineer:	Jack Hmcir		TW
Production Engineer:	Garrett Littrell		

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, Res	WTE	SVP Geoscience	NLF	COO- Drilling, Completion and Production	CC
Executive VP, Legal	CA				
President	BG				

NON OPERATING PARTNER APPROVAL:

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

This estimate and AFE are estimates only and may not be accurate as a percentage of the actual cost of the project. The total cost of the project is not known until the project is completed. In executing this AFE, the Proponent agrees to the 80% non-controllable share of total costs incurred including rigging, materials, equipment, services and other costs under the terms of the AFE. The AFE shall be subject to the terms and conditions of the AFE. Participants shall be deemed to have agreed to the AFE and to the terms and conditions of the AFE. Participants shall be deemed to have agreed to the AFE and to the terms and conditions of the AFE. Participants shall be deemed to have agreed to the AFE and to the terms and conditions of the AFE.

**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:	January 30, 2024	AFE NO.:	
WELL NAME:	Wayne Gaylord 2930 Fed Com #122H	FIELD:	Bone Spring
LOCATION:	Section 29&30 20S 28E	MD/TVD:	17704/77400'
COUNTY/STATE:	Eddy, NM	LATERAL LENGTH:	9,837
MRC WI:			
GEOLOGIC TARGET:	Second Bone Spring Sand		
REMARKS:	Drill and complete a horizontal 2.0 mile long Second Bone Spring sand target with about 57 frac stages		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
<b>INTANGIBLE COSTS</b>					
Land / Legal / Regulatory	\$ 58,000	\$ -	\$ -	\$ 10,000	\$ 68,000
Location, Surveys & Damages	157,500	13,000	15,000	16,567	202,167
Drilling	832,045	-	-	-	832,045
Cementing & Float Equip	347,000	-	-	-	347,000
Logging / Formation Evaluation	-	3,750	3,000	-	6,750
Flowback - Labor	-	-	18,160	-	18,160
Flowback - Surface Rentals	-	-	127,850	-	127,850
Flowback - Rental Living Quarters	-	-	-	-	-
Mud Logging	21,388	-	-	-	21,388
Mud Circulation System	116,469	-	-	-	116,469
Mud & Chemicals	315,000	56,000	25,000	-	396,000
Mud / Wastewater Disposal	180,000	-	-	1,000	181,000
Freight / Transportation	19,500	40,500	7,000	-	67,000
Rig Supervision / Engineering	119,250	92,800	6,000	1,800	219,850
Drill Bits	107,000	-	-	-	107,000
Fuel & Power	150,500	414,073	15,000	-	579,573
Water	45,000	510,547	3,000	1,000	559,547
Drig & Completion Overhead	10,000	-	-	-	10,000
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	281,344	-	-	-	281,344
Completion Unit, Swab, CTU	-	200,000	9,000	-	209,000
Perforating, Wireline, Slickline	-	162,240	-	-	162,240
High Pressure Pump Truck	-	123,400	6,000	-	129,400
Stimulation	-	2,196,466	-	-	2,196,466
Stimulation Flowback & Disp	-	15,500	50,400	-	65,900
Insurance	31,867	-	-	-	31,867
Labor	187,500	60,250	15,000	5,000	277,750
Rental - Surface Equipment	90,596	297,110	10,000	20,000	417,706
Rental - Downhole Equipment	198,750	86,500	-	-	285,250
Rental - Living Quarters	55,625	38,540	-	5,000	99,165
Contingency	134,224	211,371	31,041	6,047	382,682
Operations Center	21,252	-	-	-	21,252
<b>TOTAL INTANGIBLES &gt;</b>	<b>3,489,812</b>	<b>4,521,546</b>	<b>341,451</b>	<b>66,513</b>	<b>8,419,322</b>
<b>TANGIBLE COSTS</b>					
Surface Casing	\$ 48,091	\$ -	\$ -	\$ -	\$ 48,091
Intermediate Casing	59,183	-	-	-	59,183
Drilling Liner	151,909	-	-	-	151,909
Production Casing	590,999	-	-	-	590,999
Production Liner	-	-	-	-	-
Tubing	-	-	104,250	-	104,250
Wellhead	125,500	-	70,000	-	195,500
Packers, Liner Hangers	-	49,072	-	-	49,072
Tanks	-	-	-	84,167	84,167
Production Vessels	-	-	-	179,500	179,500
Flow Lines	-	-	-	120,000	120,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	315,000	-	315,000
Compressor	-	-	-	40,000	40,000
Installation Costs	-	-	-	80,000	80,000
Surface Pumps	-	-	5,000	23,333	28,333
Non-controllable Surface	-	-	-	2,000	2,000
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	11,000	92,667	103,667
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	118,333	118,333
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	-	-	-
Tank / Facility Containment	-	-	-	16,667	16,667
Flare Stack	-	-	-	29,167	29,167
Electrical / Grounding	-	-	30,000	80,000	110,000
Communications / SCADA	-	-	12,000	15,000	27,000
Instrumentation / Safety	-	-	-	33,667	33,667
<b>TOTAL TANGIBLES &gt;</b>	<b>975,682</b>	<b>49,072</b>	<b>547,250</b>	<b>914,500</b>	<b>2,486,504</b>
<b>TOTAL COSTS &gt;</b>	<b>4,465,494</b>	<b>4,570,617</b>	<b>888,701</b>	<b>981,013</b>	<b>10,905,826</b>

**PREPARED BY MATADOR PRODUCTION COMPANY:**

Drilling Engineer:	Perry Hawks	Team Lead - WTX/NM	
Completions Engineer:	Jack Hmcir		TW
Production Engineer:	Garrett Ullrell		

**MATADOR RESOURCES COMPANY APPROVAL:**

Executive VP, Res	WTE	SVP Geoscience	NLF	COO- Drilling, Completion and Production	CC
Executive VP, Legal	CA				
President	BG				

**NON OPERATING PARTNER APPROVAL:**

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

The costs on this AFE are estimates and they may be estimated by analogy and may vary from the actual costs of the project. Funding mechanism approved under the AFE may be subject to a year after the well has been completed. Drilling, completion, production, and other costs are estimates and they may vary from the actual costs of the project. The costs on this AFE are estimates and they may be estimated by analogy and may vary from the actual costs of the project. The costs on this AFE are estimates and they may be estimated by analogy and may vary from the actual costs of the project. The costs on this AFE are estimates and they may be estimated by analogy and may vary from the actual costs of the project.



**MATADOR PRODUCTION COMPANY**

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**ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE**

DATE:	January 30, 2024	AFE NO.:	
WELL NAME:	Wayne Gaylard 2930 Fed Com #202H	FIELD:	Wolfcamp
LOCATION:	Section 29&30 20S 28E	MD/TVD:	19154/8850
COUNTY/STATE:	Eddy, NM	LATERAL LENGTH:	9,837
MRC WI:			
GEOLOGIC TARGET:	Wolfcamp		
REMARKS:	Drill and complete a horizontal 2 mile long Wolfcamp A-XY sand target		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
<b>INTANGIBLE COSTS</b>					
Land / Legal / Regulatory	\$ 58,000	\$ -	\$ -	\$ 10,000	\$ 68,000
Location, Surveys & Damages	157,500	13,000	15,000	16,667	202,167
Drilling	898,295	-	-	-	898,295
Cementing & Float Equip	357,000	-	-	-	357,000
Logging / Formation Evaluation	-	3,750	3,000	-	6,750
Flowback - Labor	-	-	18,160	-	18,160
Flowback - Surface Rentals	-	-	127,850	-	127,850
Flowback - Rental Living Quarters	-	-	-	-	-
Mud Logging	21,388	-	-	-	21,388
Mud Circulation System	125,553	-	-	-	125,553
Mud & Chemicals	330,000	63,000	25,000	-	418,000
Mud / Wastewater Disposal	195,000	-	-	1,000	196,000
Freight / Transportation	19,500	40,500	7,000	-	67,000
Rtg Supervision / Engineering	128,250	94,400	6,000	1,800	230,450
Drill Bits	107,000	-	-	-	107,000
Fuel & Power	194,500	414,073	15,000	-	593,573
Water	45,000	562,328	3,000	1,000	611,328
Drig & Completion Overhead	10,000	-	-	-	10,000
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	302,094	-	-	-	302,094
Completion Unit, Swab, CTU	-	222,500	9,000	-	231,500
Perforating, Wireline, Slickline	-	162,240	-	-	162,240
High Pressure Pump Truck	-	127,800	6,000	-	133,800
Stimulation	-	2,421,475	-	-	2,421,475
Stimulation Flowback & Disp	-	15,500	50,400	-	65,900
Insurance	34,477	-	-	-	34,477
Labor	197,500	61,500	15,000	5,000	279,000
Rental - Surface Equipment	98,648	305,880	10,000	20,000	434,528
Rental - Downhole Equipment	213,750	94,500	-	-	308,250
Rental - Living Quarters	58,125	40,125	-	5,000	103,250
Contingency	141,713	222,109	31,041	6,047	400,910
Operations Center	21,252	-	-	-	21,252
<b>TOTAL INTANGIBLES &gt;</b>	<b>3,684,544</b>	<b>4,864,679</b>	<b>341,451</b>	<b>66,513</b>	<b>8,957,187</b>
<b>TANGIBLE COSTS</b>					
Surface Casing	\$ 48,091	\$ -	\$ -	\$ -	\$ 48,091
Intermediate Casing	59,183	-	-	-	59,183
Drilling Liner	151,909	-	-	-	151,909
Production Casing	639,399	-	-	-	639,399
Production Liner	-	-	-	-	-
Tubing	-	-	125,100	-	125,100
Wellhead	125,500	-	45,000	-	170,500
Packers, Liner Hangers	-	49,072	6,000	-	55,072
Tanks	-	-	-	84,167	84,167
Production Vessels	-	-	-	179,500	179,500
Flow Lines	-	-	-	120,000	120,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	80,000	-	80,000
Compressor	-	-	-	40,000	40,000
Installation Costs	-	-	-	60,000	60,000
Surface Pumps	-	-	5,000	23,333	28,333
Non-controllable Surface	-	-	-	2,000	2,000
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	11,000	92,667	103,667
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	118,333	118,333
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	-	18,667	18,667
Tank / Facility Containment	-	-	-	29,167	29,167
Flare Stack	-	-	-	80,000	80,000
Electrical / Grounding	-	-	12,000	15,000	27,000
Communications / SCADA	-	-	-	33,667	33,667
Instrumentation / Safety	-	-	-	-	-
<b>TOTAL TANGIBLES &gt;</b>	<b>1,024,082</b>	<b>49,072</b>	<b>314,100</b>	<b>914,500</b>	<b>2,301,753</b>
<b>TOTAL COSTS &gt;</b>	<b>4,708,626</b>	<b>4,913,750</b>	<b>655,551</b>	<b>961,013</b>	<b>11,258,941</b>

**PREPARED BY MATADOR PRODUCTION COMPANY:**

Drilling Engineer:	Perry Hawks	Team Lead - WTX/NM	<i>PH</i>
Completions Engineer:	Jack Hmcir		TW
Production Engineer:	Garrett Littrell		

**MATADOR RESOURCES COMPANY APPROVAL:**

Executive VP, Res	WTE	EVP Geoscience	NLF	COO- Drilling, Completion and Production	CC
Executive VP, Legal	CA				
President	BG				

**NON OPERATING PARTNER APPROVAL:**

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

The user of this AFE is responsible for ensuring that all information is correct and complete as shown on this estimate and for the true and accurate use of the funds. Funding obligations are based on the AFE only, not on any other documents or agreements. The user of this AFE is responsible for ensuring that all information is correct and complete as shown on this estimate and for the true and accurate use of the funds. Funding obligations are based on the AFE only, not on any other documents or agreements. The user of this AFE is responsible for ensuring that all information is correct and complete as shown on this estimate and for the true and accurate use of the funds. Funding obligations are based on the AFE only, not on any other documents or agreements.

## **EXHIBIT D-2**



**AUTHORITY FOR EXPENDITURE  
WELL COST ESTIMATE**

**PRIDE  
ENERGY COMPANY**  
P.O. Box 701950, Tulsa, OK 74170-1950  
(918) 524-9200 (O); (918) 524-9292 (F)


<b>WELL NAME &amp; NUMBER:</b> Burton Flat Federal State Com 29_30-205-28E #402H	<b>PROPOSED DEPTH (ft):</b> 19,169' TMD	<b>AFE #</b>	<b>SHL:</b> E2 NE - Sect. 29	<b>Date</b> 8/18/2023
<b>OPERATOR:</b> Pride Energy Company	<b>COUNTY OR PARISH:</b> Eddy	<b>PROJECT</b>	<b>BHL:</b> SW NW - Sect. 30	<b>PROSPECT</b>
<b>OBJECTIVE:</b> Drill and Complete horizontal well to the Wolfcamp formation, estimated TVD 8,865', Estimated TMD 19,169'.		<b>STATE</b> NM	<b>LEGAL LOCATION (SEC / TOWNSHIP / RANGE)</b> N2 Sec. 29 & 30-205-28E	
<b>REMARKS:</b> TVD: True Vertical Depth TMD: Measured Depth SHL: Surface Hole Location; BHL: Bottom Hole Location				

INTANGIBLES	DRILLING	COMPLETION	TOTAL
	\$	\$	
Drilling Rig	600,000.00	0.00	600,000.00
Drilling Mobilization	200,000.00	0.00	200,000.00
Rig Fuel	150,000.00	0.00	150,000.00
Drill Bits	100,000.00	0.00	100,000.00
Clean, Drift, Tally Casing	7,500.00	0.00	7,500.00
On-Site Consultants	85,000.00	0.00	85,000.00
Cellar, Conductor, and Mousehole	25,000.00	0.00	25,000.00
Directional Drilling	200,000.00	0.00	200,000.00
Solids Control	65,000.00	0.00	65,000.00
Water	15,000.00	330,000.00	345,000.00
Water Transfer	5,000.00	35,000.00	40,000.00
Casing Crew	15,000.00	22,000.00	37,000.00
Cement	40,000.00	85,000.00	125,000.00
Cellar Pumps to Drill Surface Hole	7,500.00	0.00	7,500.00
Centralizers and Float Equipment	7,000.00	16,000.00	23,000.00
Frac Plugs	0.00	30,000.00	30,000.00
Casing Thread Representative	0.00	8,000.00	8,000.00
Location	80,000.00	0.00	80,000.00
Solids Haul Off and Disposal	20,000.00	0.00	20,000.00
Liquids Haul Off and Disposal	105,000.00	0.00	105,000.00
Drilling Instrumentation	10,000.00	0.00	10,000.00
Drill Pipe Inspection	15,000.00	0.00	15,000.00
Miscellaneous Equipment Rental (Portable Toilets, Forklift, etc.)	5,000.00	5,000.00	10,000.00
Frac Tanks	5,000.00	3,000.00	8,000.00
Mudlogging & Geosteering	50,000.00	0.00	50,000.00
H2S Monitoring	3,000.00	0.00	3,000.00
Hydraulic Choke with Panel	4,000.00	0.00	4,000.00
Drilling Mud	80,000.00	0.00	80,000.00
BOP Services	10,000.00	0.00	10,000.00
Rotating Head	2,000.00	0.00	2,000.00
Shaker Screens	6,000.00	0.00	6,000.00
Toe Sleeve	0.00	5,000.00	5,000.00
Housing, Water System, Intercoms, etc.	16,000.00	10,000.00	26,000.00
Welding	5,000.00	0.00	5,000.00
Frac	0.00	2,500,000.00	2,500,000.00
Fuel for Frac and Frac Fueling System	0.00	350,000.00	350,000.00
Consultants for Frac and Drill Out	0.00	49,000.00	49,000.00
Wireline Perforating	0.00	160,000.00	160,000.00
Toe Prep Work	0.00	50,000.00	50,000.00
Workover Rig, etc. for Drill Out	0.00	120,000.00	120,000.00
Flowback Equipment	0.00	25,000.00	25,000.00
Consultants for Flowback	0.00	30,000.00	30,000.00
Frac Stack	0.00	45,000.00	45,000.00
Crane	0.00	40,000.00	40,000.00
Flowback Water From Frac	0.00	500,000.00	500,000.00
Trucking	20,000.00	20,000.00	40,000.00
<b>SUB-TOTAL INTANGIBLES</b>	<b>1,958,000.00</b>	<b>4,438,000.00</b>	<b>6,396,000.00</b>
Contingency at 10%	195,800.00	443,800.00	639,600.00
<b>TOTAL INTANGIBLES</b>	<b>2,153,800.00</b>	<b>4,881,800.00</b>	<b>7,035,600.00</b>

CASING	TANGIBLES						DRILLING	COMPLETION	TOTAL
	FOOTAGE	SIZE	WIEGHT	GRADE	THREAD	CROST/FT	\$	\$	
Surface Casing	318	13.375	54.5	J-55	BTC	34.96	11,117.28	0.00	11,117.28
Intermediate Casing	3,061	9.625	40	J-55	LTC	26.41	80,841.01	0.00	80,841.01
Production Casing	19,169	5.5	20	HCP-110	GBCD	23	0.00	440,887.00	440,887.00
Tubing	8,500	2.875	6.5	L-80	8rd	10	0.00	85,000.00	85,000.00
Wellhead							17,000.00	20,000.00	37,000.00
Gas Pipeline Installation							0.00	100,000.00	100,000.00
Tank Battery							0.00	500,000.00	500,000.00
<b>SUB-TOTAL TANGIBLES</b>							<b>\$ 108,958.29</b>	<b>\$ 1,145,887.00</b>	<b>\$ 1,254,845.29</b>
Contingency at 10%							\$ 10,895.83	\$ 114,588.70	\$ 125,484.53
<b>TOTAL TANGIBLES</b>							<b>\$ 119,854.12</b>	<b>\$ 1,260,475.70</b>	<b>\$ 1,380,329.82</b>

<b>Approval:</b>	<b>TOTAL WELL COSTS</b>	<b>DRILLING</b>	<b>COMPLETION</b>	<b>TOTAL</b>
		\$ 2,273,654.12	\$ 6,142,275.70	\$ 8,415,929.82

PRIDE ENERGY COMPANY,  
AN OKLAHOMA GENERAL PARTNERSHIP

X 

By: Pride Oil & Gas Co., Inc.  
Title: General Partner  
By: John W. Pride  
Title: President

P.O. Box 701950  
Tulsa, OK 74170-1950  
E-mail: johnp@pride-energy.com

Phone # (918) 524-9200  
Fax # (918) 524-9292

Date: 9/14/2023

<b>Working Interest Owner:</b>		
<b>8/ths AFE Amount</b>	<b>WI Declmal</b>	<b>Working Interest Owner's Proportionate Costs</b>
\$ 8,415,929.82		
<b>Approved By:</b>		
<b>Signature:</b>		
<b>Date:</b>		

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. In executing this AFE, the participant agrees to pay its proportionate share of the actual costs incurred, including legal, curative, regulatory, brokerage and well costs under the terms of the applicable Joint operating agreement, regulatory order or other agreement covering this well.

**AUTHORITY FOR EXPENDITURE  
WELL COST ESTIMATE**

**PRIDE  
ENERGY COMPANY**  
P.O. Box 701950, Tulsa, OK 74170-1950  
(918) 524-9200 (O); (918) 524-9292 (F)


<b>WELL NAME &amp; NUMBER:</b> Burton Flat Federal State Com 29_30-20S-28E #101H	<b>PROPOSED DEPTH (ft):</b> 17,240' TMD	<b>AFE #</b>	<b>SHL:</b> E2 NE - Sect. 29	<b>Date</b> 8/18/2023
<b>OPERATOR:</b> Pride Energy Company	<b>COUNTY OR PARISH:</b> Eddy	<b>PROJECT</b>	<b>BHL:</b> NW NW - Sect. 30	<b>PROSPECT</b>
<b>OBJECTIVE:</b> Drill and Complete horizontal well to the 1st Bone Spring formation, estimated TVD 6,480', Estimated TMD 17,240'.		<b>STATE</b> NM	<b>LEGAL LOCATION (SEC / TOWNSHIP / RANGE)</b> N2 Sec. 29 & 30-20S-28E	
<b>REMARKS:</b> TVD: True Vertical Depth TMD: Total Measured Depth SHL: Surface Hole Location; BHL: Bottom Hole Location				

INTANGIBLES	DRILLING	COMPLETION	TOTAL
	\$	\$	
Drilling Rig	600,000.00	0.00	600,000.00
Drilling Mobilization	200,000.00	0.00	200,000.00
Rig Fuel	150,000.00	0.00	150,000.00
Drill Bits	100,000.00	0.00	100,000.00
Clean, Drift, Tally Casing	7,500.00	0.00	7,500.00
On-Site Consultants	85,000.00	0.00	85,000.00
Cellar, Conductor, and Mousehole	25,000.00	0.00	25,000.00
Directional Drilling	200,000.00	0.00	200,000.00
Solids Control	65,000.00	0.00	65,000.00
Water	15,000.00	330,000.00	345,000.00
Water Transfer	5,000.00	35,000.00	40,000.00
Casing Crew	15,000.00	22,000.00	37,000.00
Cement	40,000.00	85,000.00	125,000.00
Cellar Pumps to Drill Surface Hole	7,500.00	0.00	7,500.00
Centralizers and Float Equipment	7,000.00	16,000.00	23,000.00
Frac Plugs	0.00	30,000.00	30,000.00
Casing Thread Representative	0.00	8,000.00	8,000.00
Location	80,000.00	0.00	80,000.00
Solids Haul Off and Disposal	20,000.00	0.00	20,000.00
Liquids Haul Off and Disposal	105,000.00	0.00	105,000.00
Drilling Instrumentation	10,000.00	0.00	10,000.00
Drill Pipe Inspection	15,000.00	0.00	15,000.00
Miscellaneous Equipment Rental (Portable Toilets, Forklift, etc.)	5,000.00	5,000.00	10,000.00
Frac Tanks	5,000.00	3,000.00	8,000.00
Mudlogging & Geosteering	50,000.00	0.00	50,000.00
H2S Monitoring	3,000.00	0.00	3,000.00
Hydraulic Choke with Panel	4,000.00	0.00	4,000.00
Drilling Mud	80,000.00	0.00	80,000.00
BOP Services	10,000.00	0.00	10,000.00
Rotating Head	2,000.00	0.00	2,000.00
Shaker Screens	6,000.00	0.00	6,000.00
Toe Sieve	0.00	5,000.00	5,000.00
Housing, Water System, Intercoms, etc.	16,000.00	10,000.00	26,000.00
Welding	5,000.00	0.00	5,000.00
Frac	0.00	2,500,000.00	2,500,000.00
Fuel for Frac and Frac Fueling System	0.00	350,000.00	350,000.00
Consultants for Frac and Drill Out	0.00	49,000.00	49,000.00
Wireline Perforating	0.00	160,000.00	160,000.00
Toe Prep Work	0.00	50,000.00	50,000.00
Workover Rig, etc. for Drill Out	0.00	120,000.00	120,000.00
Flowback Equipment	0.00	25,000.00	25,000.00
Consultants for Flowback	0.00	30,000.00	30,000.00
Frac Stack	0.00	45,000.00	45,000.00
Crane	0.00	40,000.00	40,000.00
Flowback Water From Frac	0.00	500,000.00	500,000.00
Trucking	20,000.00	20,000.00	40,000.00
<b>SUB-TOTAL INTANGIBLES</b>	<b>1,958,000.00</b>	<b>4,438,000.00</b>	<b>6,396,000.00</b>
Contingency at 10%	195,800.00	443,800.00	639,600.00
<b>TOTAL INTANGIBLES</b>	<b>2,153,800.00</b>	<b>4,881,800.00</b>	<b>7,035,600.00</b>

CASING	TANGIBLES						DRILLING	COMPLETION	TOTAL
	FOOTAGE	SIZE	WIEGHT	GRADE	THREAD	CROST/FT	\$	\$	
Surface Casing	318	13.375	54.5	J-55	BTC	34.96	11,117.28	0.00	11,117.28
Intermediate Casing	3,061	9.625	40	J-55	LTC	26.41	80,841.01	0.00	80,841.01
Production Casing	17,240	5.5	20	HCP-110	GBCD	23	0.00	396,520.00	396,520.00
Tubing	6,115	2.875	6.5	L-80	8rd	10	0.00	61,150.00	61,150.00
Wellhead							17,000.00	20,000.00	37,000.00
Gas Pipeline Installation							0.00	100,000.00	100,000.00
Tank Battery							0.00	500,000.00	500,000.00
<b>SUB-TOTAL TANGIBLES</b>							<b>\$ 108,958.29</b>	<b>\$ 1,077,670.00</b>	<b>\$ 1,186,628.29</b>
Contingency at 10%							\$ 10,895.83	\$ 107,767.00	\$ 118,662.83
<b>TOTAL TANGIBLES</b>							<b>\$ 119,854.12</b>	<b>\$ 1,185,437.00</b>	<b>\$ 1,305,291.12</b>

<b>Approval:</b>	<b>TOTAL WELL COSTS</b>	<b>DRILLING</b>	<b>COMPLETION</b>	<b>TOTAL</b>
		\$ 2,273,654.12	\$ 6,067,237.00	\$ 8,340,891.12

**PRIDE ENERGY COMPANY,  
AN OKLAHOMA GENERAL PARTNERSHIP**

X 

By: Pride Oil & Gas Co., Inc.  
Title: General Partner P.O. Box 701950 Phone # (918) 524-9200  
By: John W. Pride Tulsa, OK 74170-1950 Fax # (918) 524-9292  
Title: President E-mail: johnp@pride-energy.com

Date: 9/14/2023

<b>Working Interest Owner:</b>		
8/8ths AFE Amount	WI Decimal	Working Interest Owner's Proportionate Costs
\$ 8,340,891.12		
<b>Approved By:</b> _____		
<b>Signature:</b> _____		
<b>Date:</b> _____		

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. In executing this AFE, the participant agrees to pay its proportionate share of the actual costs incurred, including legal, curative, regulatory, brokerage and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well.

**AUTHORITY FOR EXPENDITURE  
WELL COST ESTIMATE**

**PRIDE  
ENERGY COMPANY**  
P.O. Box 701950, Tulsa, OK 74170-1950  
(918) 524-9200 (O); (918) 524-9292 (F)


<b>WELL NAME &amp; NUMBER:</b> Burton Flat Federal State Com 29_30-20S-28E #102H	<b>PROPOSED DEPTH (ft):</b> 17,240' TMD	<b>AFE #</b>	<b>SHL:</b> E2 NE - Sect. 29	<b>Date</b> 8/18/2023
<b>OPERATOR:</b> Pride Energy Company	<b>COUNTY OR PARISH:</b> Eddy	<b>PROJECT</b>	<b>BHL:</b> SW NW - Sect. 30	<b>PROSPECT</b>
<b>OBJECTIVE:</b> Drill and Complete horizontal well to the 1st Bone Spring formation, estimated TVD 6,490', Estimated TMD 17,240'.	<b>STATE</b> NM	<b>LEGAL LOCATION (SEC / TOWNSHIP / RANGE)</b> N2 Sec. 29 & 30-20S-28E		
<b>REMARKS:</b> TVD: True Vertical Depth TMD: Total Measured Depth SHL: Surface Hole Location; BHL: Bottom Hole Location				

INTANGIBLES	DRILLING	COMPLETION	TOTAL
	\$	\$	
Drilling Rig	600,000.00	0.00	600,000.00
Drilling Mobilization	200,000.00	0.00	200,000.00
Rig Fuel	150,000.00	0.00	150,000.00
Drill Bits	100,000.00	0.00	100,000.00
Clean, Drift, Tally Casing	7,500.00	0.00	7,500.00
On-Site Consultants	85,000.00	0.00	85,000.00
Cellar, Conductor, and Mousehole	25,000.00	0.00	25,000.00
Directional Drilling	200,000.00	0.00	200,000.00
Solids Control	65,000.00	0.00	65,000.00
Water	15,000.00	330,000.00	345,000.00
Water Transfer	5,000.00	35,000.00	40,000.00
Casing Crew	15,000.00	22,000.00	37,000.00
Cement	40,000.00	85,000.00	125,000.00
Cellar Pumps to Drill Surface Hole	7,500.00	0.00	7,500.00
Centralizers and Float Equipment	7,000.00	16,000.00	23,000.00
Frac Plugs	0.00	30,000.00	30,000.00
Casing Thread Representative	0.00	8,000.00	8,000.00
Location	80,000.00	0.00	80,000.00
Solids Haul Off and Disposal	20,000.00	0.00	20,000.00
Liquids Haul Off and Disposal	105,000.00	0.00	105,000.00
Drilling Instrumentation	10,000.00	0.00	10,000.00
Drill Pipe Inspection	15,000.00	0.00	15,000.00
Miscellaneous Equipment Rental (Portable Toilets, Forklift, etc.)	5,000.00	5,000.00	10,000.00
Frac Tanks	5,000.00	3,000.00	8,000.00
Mudlogging & Geosteering	50,000.00	0.00	50,000.00
H2S Monitoring	3,000.00	0.00	3,000.00
Hydraulic Choke with Panel	4,000.00	0.00	4,000.00
Drilling Mud	80,000.00	0.00	80,000.00
BOP Services	10,000.00	0.00	10,000.00
Rotating Head	2,000.00	0.00	2,000.00
Shaker Screens	6,000.00	0.00	6,000.00
Toe Sleeve	0.00	5,000.00	5,000.00
Housing, Water System, Intercoms, etc.	15,000.00	10,000.00	25,000.00
Welding	5,000.00	0.00	5,000.00
Frac	0.00	2,500,000.00	2,500,000.00
Fuel for Frac and Frac Fueling System	0.00	350,000.00	350,000.00
Consultants for Frac and Drill Out	0.00	49,000.00	49,000.00
Wireline Perforating	0.00	160,000.00	160,000.00
Toe Prep Work	0.00	50,000.00	50,000.00
Workover Rig, etc. for Drill Out	0.00	120,000.00	120,000.00
Flowback Equipment	0.00	25,000.00	25,000.00
Consultants for Flowback	0.00	30,000.00	30,000.00
Frac Stack	0.00	45,000.00	45,000.00
Crane	0.00	40,000.00	40,000.00
Flowback Water From Frac	0.00	500,000.00	500,000.00
Trucking	20,000.00	20,000.00	40,000.00
<b>SUB-TOTAL INTANGIBLES</b>			
	1,958,000.00	4,438,000.00	6,396,000.00
<b>Contingency at 10%</b>			
	195,800.00	443,800.00	639,600.00
<b>TOTAL INTANGIBLES</b>			
	2,153,800.00	4,881,800.00	7,035,600.00

CASING	TANGIBLES						DRILLING	COMPLETION	TOTAL
	FOOTAGE	SIZE	WIEGHT	GRADE	THREAD	CROST/FT	\$	\$	
Surface Casing	318	13.375	54.5	J-55	8TC	34.96	11,117.28	0.00	11,117.28
Intermediate Casing	3,061	9.625	40	J-55	LTC	26.41	80,841.01	0.00	80,841.01
Production Casing	17,240	5.5	20	HCP-110	GBCD	23	0.00	396,520.00	396,520.00
Tubing	6,115	2.875	6.5	L-80	8rd	10	0.00	61,150.00	61,150.00
Wellhead							17,000.00	20,000.00	37,000.00
Gas Pipeline Installation							0.00	100,000.00	100,000.00
Tank Battery							0.00	500,000.00	500,000.00
<b>SUB-TOTAL TANGIBLES</b>									
							\$ 108,958.29	\$ 1,077,670.00	\$ 1,186,628.29
<b>Contingency at 10%</b>									
							\$ 10,895.83	\$ 107,767.00	\$ 118,662.83
<b>TOTAL TANGIBLES</b>									
							\$ 119,854.12	\$ 1,185,437.00	\$ 1,305,291.12

<b>Approval:</b>	<b>TOTAL WELL COSTS</b>	<b>DRILLING</b>	<b>COMPLETION</b>	<b>TOTAL</b>
		\$ 2,273,654.12	\$ 6,067,237.00	\$ 8,340,891.12

**PRIDE ENERGY COMPANY,  
AN OKLAHOMA GENERAL PARTNERSHIP**

X 

By: Pride Oil & Gas Co., Inc.  
Title: General Partner P.O. Box 701950 Phone # (918) 524-9200  
By: John W. Pride Tulsa, OK 74170-1950 Fax # (918) 524-9292  
Title: President E-mail: johnp@pride-energy.com

Date: 9/14/2023

<b>Working Interest Owner:</b>		
<b>8/8ths AFE Amount</b>	<b>WI Decimal</b>	<b>Working Interest Owner's Proportionate Costs</b>
\$ 8,340,891.12		
<b>Approved By:</b> _____		
<b>Signature:</b> _____		
<b>Date:</b> _____		

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. In executing this AFE, the participant agrees to pay its proportionate share of the actual costs incurred, including legal, curative, regulatory, brokerage and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well.

**AUTHORITY FOR EXPENDITURE  
WELL COST ESTIMATE**

**PRIDE  
ENERGY COMPANY**  
P.O. Box 701950, Tulsa, OK 74170-1950  
(918) 524-9200 (O); (918) 524-9292 (F)

<b>WELL NAME &amp; NUMBER:</b> Burton Flat Federal State Com 29_30-205-28E #201H	<b>PROPOSED DEPTH (ft):</b> 18,280' TMD	<b>AFE #</b>	<b>SHL:</b> E2 NE - Sec. 29	<b>Date</b> 8/18/2023
<b>OPERATOR:</b> Pride Energy Company	<b>COUNTY OR PARISH:</b> Eddy	<b>PROJECT</b>	<b>BHL:</b> NW NW - Sec. 30	<b>PROSPECT</b>
<b>OBJECTIVE:</b> Drill and Complete horizontal well to the 2nd Bone Spring formation, estimated TVD 7,420', Estimated TMD 18,280'.	<b>STATE</b> NM	<b>LEGAL LOCATION (SEC / TOWNSHIP / RANGE)</b> N2 Sec. 29 & 30-205-28E		
<b>REMARKS:</b> TVD: True Vertical Depth TMD: Total Measured Depth SHL: Surface Hole Location; BHL: Bottom Hole Location				

INTANGIBLES	DRILLING	COMPLETION	TOTAL
	\$	\$	
Drilling Rig	600,000.00	0.00	600,000.00
Drilling Mobilization	200,000.00	0.00	200,000.00
Rig Fuel	150,000.00	0.00	150,000.00
Drill Bits	100,000.00	0.00	100,000.00
Clean, Drift, Tail Casing	7,500.00	0.00	7,500.00
On-Site Consultants	85,000.00	0.00	85,000.00
Cellar, Conductor, and Mousehole	25,000.00	0.00	25,000.00
Directional Drilling	200,000.00	0.00	200,000.00
Solids Control	65,000.00	0.00	65,000.00
Water	15,000.00	330,000.00	345,000.00
Water Transfer	5,000.00	35,000.00	40,000.00
Casing Crew	15,000.00	22,000.00	37,000.00
Cement	40,000.00	85,000.00	125,000.00
Cellar Pumps to Drill Surface Hole	7,500.00	0.00	7,500.00
Centralizers and Float Equipment	7,000.00	16,000.00	23,000.00
Frac Plugs	0.00	30,000.00	30,000.00
Casing Thread Representative	0.00	8,000.00	8,000.00
Location	80,000.00	0.00	80,000.00
Solids Haul Off and Disposal	20,000.00	0.00	20,000.00
Liquids Haul Off and Disposal	105,000.00	0.00	105,000.00
Drilling Instrumentation	10,000.00	0.00	10,000.00
Drill Pipe Inspection	15,000.00	0.00	15,000.00
Miscellaneous Equipment Rental (Portable Toilets, Forklift, etc.)	5,000.00	5,000.00	10,000.00
Frac Tanks	5,000.00	3,000.00	8,000.00
Mudlogging & Geosteering	50,000.00	0.00	50,000.00
H2S Monitoring	3,000.00	0.00	3,000.00
Hydraulic Choke with Panel	4,000.00	0.00	4,000.00
Drilling Mud	80,000.00	0.00	80,000.00
BOP Services	10,000.00	0.00	10,000.00
Rotating Head	2,000.00	0.00	2,000.00
Shaker Screens	6,000.00	0.00	6,000.00
Toe Sleeve	0.00	5,000.00	5,000.00
Housing, Water System, Intercoms, etc.	16,000.00	10,000.00	26,000.00
Welding	5,000.00	0.00	5,000.00
Frac	0.00	2,500,000.00	2,500,000.00
Fuel for Frac and Frac Fueling System	0.00	350,000.00	350,000.00
Consultants for Frac and Drill Out	0.00	49,000.00	49,000.00
Wireline Perforating	0.00	160,000.00	160,000.00
Toe Prep Work	0.00	50,000.00	50,000.00
Workover Rig, etc. for Drill Out	0.00	120,000.00	120,000.00
Flowback Equipment	0.00	25,000.00	25,000.00
Consultants for Flowback	0.00	30,000.00	30,000.00
Frac Stack	0.00	45,000.00	45,000.00
Crane	0.00	40,000.00	40,000.00
Flowback Water From Frac	0.00	500,000.00	500,000.00
Trucking	20,000.00	20,000.00	40,000.00
<b>SUB-TOTAL INTANGIBLES</b>	<b>1,958,000.00</b>	<b>4,438,000.00</b>	<b>6,396,000.00</b>
<b>Contingency at 10%</b>	<b>195,800.00</b>	<b>443,800.00</b>	<b>639,600.00</b>
<b>TOTAL INTANGIBLES</b>	<b>2,153,800.00</b>	<b>4,881,800.00</b>	<b>7,035,600.00</b>

CASING	TANGIBLES						DRILLING	COMPLETION	TOTAL
	FOOTAGE	SIZE	WIEGHT	GRADE	THREAD	CROST/FT	\$	\$	
Surface Casing	318	13.375	54.5	J-55	BYC	34.96	11,117.28	0.00	11,117.28
Intermediate Casing	3,061	9.625	40	J-55	LTC	26.41	80,841.01	0.00	80,841.01
Production Casing	18,280	5.5	20	HCP-110	GBCD	23	0.00	420,440.00	420,440.00
Tubing	7,055	2.875	6.5	L-80	8rd	10	0.00	70,550.00	70,550.00
Wellhead							17,000.00	20,000.00	37,000.00
Gas Pipeline Installation							0.00	100,000.00	100,000.00
Tank Battery							0.00	500,000.00	500,000.00
<b>SUB-TOTAL TANGIBLES</b>							<b>\$ 108,958.29</b>	<b>\$ 1,110,990.00</b>	<b>\$ 1,219,948.29</b>
<b>Contingency at 10%</b>							<b>\$ 10,895.83</b>	<b>\$ 111,099.00</b>	<b>\$ 121,994.83</b>
<b>TOTAL TANGIBLES</b>							<b>\$ 119,854.12</b>	<b>\$ 1,222,089.00</b>	<b>\$ 1,341,943.12</b>

<b>Approval:</b>	<b>TOTAL WELL COSTS</b>	<b>DRILLING</b>	<b>COMPLETION</b>	<b>TOTAL</b>
	\$	\$	\$	\$
	2,273,654.12	2,273,654.12	4,109,335.00	6,383,000.00

**PRIDE ENERGY COMPANY,  
AN OKLAHOMA GENERAL PARTNERSHIP**

X John W. Pride  
By: Pride Oil & Gas Co., Inc.  
Title: General Partner  
By: John W. Pride  
Title: President  
Date: 8/14/2023

P.O. Box 701950  
Tulsa, OK 74170-1950  
E-mail: johnp@pride-energy.com

Phone # (918) 524-9200  
Fax # (918) 524-9292

<b>Working Interest Owner:</b>		
<b>8/8ths AFE Amount</b>	<b>WI Decimal</b>	<b>Working Interest Owner's Proportionate Costs</b>
\$ 8,377,543.12		
<b>Approved By:</b>		
<b>Signature:</b>		
<b>Date:</b>		

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. In executing this AFE, the participant agrees to pay its proportionate share of the actual costs incurred, including legal, curative, regulatory, brokerage and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well.

**AUTHORITY FOR EXPENDITURE  
WELL COST ESTIMATE**

**PRIDE  
ENERGY COMPANY**  
P.O. Box 701950, Tulsa, OK 74170-1950  
(918) 524-9200 (O); (918) 524-9292 (F)

<b>WELL NAME &amp; NUMBER:</b> Burton Flat Federal State Com 29_30-205-28E #203H	<b>PROPOSED DEPTH (ft):</b> 18,046' TMD	<b>AFE #</b>	<b>SHL:</b> E2 NE - Sec. 29	<b>Date</b> 8/18/2023
<b>OPERATOR:</b> Pride Energy Company	<b>COUNTY OR PARISH:</b> Eddy	<b>PROJECT</b>	<b>BHL:</b> W2 W2 NW - Sec. 30	<b>PROSPECT</b>
<b>OBJECTIVE:</b> Drill and Complete horizontal well to the 2nd Bone Spring Formation, estimated TVD 7,186', Estimated TMD 18,046'.		<b>STATE</b> NM	<b>LEGAL LOCATION (SEC / TOWNSHIP / RANGE)</b> N2 Sec. 29 & 30-205-28E	
<b>REMARKS:</b> TVD: True Vertical Depth TMD: Total Measured Depth SHL: Surface Hole Location; BHL: Bottom Hole Location				

INTANGIBLES	DRILLING	COMPLETION	TOTAL
	\$	\$	
Drilling Rig	600,000.00	0.00	600,000.00
Drilling Mobilization	200,000.00	0.00	200,000.00
Rig Fuel	150,000.00	0.00	150,000.00
Drill Bits	100,000.00	0.00	100,000.00
Clean, Drift, Tally Casing	7,500.00	0.00	7,500.00
On-Site Consultants	85,000.00	0.00	85,000.00
Cellar, Conductor, and Mousehole	25,000.00	0.00	25,000.00
Directional Drilling	200,000.00	0.00	200,000.00
Solids Control	65,000.00	0.00	65,000.00
Water	15,000.00	330,000.00	345,000.00
Water Transfer	5,000.00	35,000.00	40,000.00
Casing Crew	15,000.00	22,000.00	37,000.00
Cement	40,000.00	85,000.00	125,000.00
Cellar Pumps to Drill Surface Hole	7,500.00	0.00	7,500.00
Centralizers and Float Equipment	7,000.00	16,000.00	23,000.00
Frac Plugs	0.00	30,000.00	30,000.00
Casing Thread Representative	0.00	8,000.00	8,000.00
Location	80,000.00	0.00	80,000.00
Solids Haul Off and Disposal	20,000.00	0.00	20,000.00
Liquids Haul Off and Disposal	105,000.00	0.00	105,000.00
Drilling Instrumentation	10,000.00	0.00	10,000.00
Drill Pipe Inspection	15,000.00	0.00	15,000.00
Miscellaneous Equipment Rental (Portable Toilets, Forklift, etc.)	5,000.00	5,000.00	10,000.00
Frac Tanks	5,000.00	3,000.00	8,000.00
Mudlogging & Geosteering	50,000.00	0.00	50,000.00
H2S Monitoring	3,000.00	0.00	3,000.00
Hydraulic Choke with Panel	4,000.00	0.00	4,000.00
Drilling Mud	80,000.00	0.00	80,000.00
BOP Services	10,000.00	0.00	10,000.00
Rotating Head	2,000.00	0.00	2,000.00
Shaker Screens	6,000.00	0.00	6,000.00
Toe Sleeve	0.00	5,000.00	5,000.00
Housing, Water System, Intercoms, etc.	16,000.00	10,000.00	26,000.00
Welding	5,000.00	0.00	5,000.00
Frac	0.00	2,500,000.00	2,500,000.00
Fuel for Frac and Frac Fueling System	0.00	350,000.00	350,000.00
Consultants for Frac and Drill Out	0.00	49,000.00	49,000.00
Wireline Perforating	0.00	160,000.00	160,000.00
Toe Prep Work	0.00	50,000.00	50,000.00
Workover Rig, etc. for Drill Out	0.00	120,000.00	120,000.00
Flowback Equipment	0.00	25,000.00	25,000.00
Consultants for Flowback	0.00	30,000.00	30,000.00
Frac Stack	0.00	45,000.00	45,000.00
Crane	0.00	40,000.00	40,000.00
Flowback Water From Frac	0.00	500,000.00	500,000.00
Trucking	20,000.00	20,000.00	40,000.00
<b>SUB-TOTAL INTANGIBLES</b>	<b>1,958,000.00</b>	<b>4,438,000.00</b>	<b>6,396,000.00</b>
Contingency at 10%	195,800.00	443,800.00	639,600.00
<b>TOTAL INTANGIBLES</b>	<b>2,153,800.00</b>	<b>4,881,800.00</b>	<b>7,035,600.00</b>

CASING	TANGIBLES					DRILLING	COMPLETION	TOTAL	
	FOOTAGE	SIZE	WIEGHT	GRADE	THREAD	CROST/FT	\$		\$
Surface Casing	318	13.375	54.5	J-55	BTC	34.96	11,117.28	0.00	11,117.28
Intermediate Casing	3,061	9.625	40	J-55	LTC	26.41	80,841.01	0.00	80,841.01
Production Casing	18,046	5.5	20	HCP-110	GBCD	23	0.00	415,058.00	415,058.00
Tubing	7,135	2.875	6.5	L-80	8rd	10	0.00	71,350.00	71,350.00
Wellhead							17,000.00	20,000.00	37,000.00
Gas Pipeline Installation							0.00	100,000.00	100,000.00
Tank Battery							0.00	500,000.00	500,000.00
<b>SUB-TOTAL TANGIBLES</b>							<b>\$ 108,958.29</b>	<b>\$ 1,106,408.00</b>	<b>\$ 1,215,366.29</b>
Contingency at 10%							\$ 10,895.83	\$ 110,640.80	\$ 121,536.63
<b>TOTAL TANGIBLES</b>							<b>\$ 119,854.12</b>	<b>\$ 1,217,048.80</b>	<b>\$ 1,336,902.92</b>

<b>Approval:</b>	<b>TOTAL WELL COSTS</b>	<b>DRILLING</b>	<b>COMPLETION</b>	<b>TOTAL</b>
	\$	\$ 2,273,654.12	\$ 6,098,848.80	\$ 8,372,502.92

PRIDE ENERGY COMPANY,  
AN OKLAHOMA GENERAL PARTNERSHIP

X 

By: Pride Oil & Gas Co., Inc.  
Title: General Partner  
By: John W. Pride  
Title: President

P.O. Box 701950  
Tulsa, OK 74170-1950  
E-mail: johnp@pride-energy.com

Phone # (918) 524-9200  
Fax # (918) 524-9292

Date: 9/14/2023

<b>Working Interest Owner:</b>		
<b>8/8ths AFE Amount</b>	<b>WI Decimal</b>	<b>Working Interest Owner's Proportionate Costs</b>
\$ 0,372,502.92		
<b>Approved By:</b> _____		
<b>Signature:</b> _____		
<b>Date:</b> _____		

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. In executing this AFE, the participant agrees to pay its proportionate share of the actual costs incurred, including legal, curative, regulatory, brokerage and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well.

AUTHORITY FOR EXPENDITURE  
WELL COST ESTIMATE

# PRIDE ENERGY COMPANY

P.O. Box 701950, Tulsa, OK 74170-1950  
(918) 524-9200 (O); (918) 524-9292 (F)

WELL NAME & NUMBER: Burton Flat Federal State Com 29_30-205-28E #202H	PROPOSED DEPTH (ft): 18,280' TMD	AFE #	SHL: E2 NE - Sec. 29	Date 8/18/2023
OPERATOR: Pride Energy Company	COUNTY OR PARISH: Eddy	PROJECT	BHL: SW NW - Sec. 30	PROSPECT
OBJECTIVE: Drill and Complete horizontal well to the 2nd Bone Spring formation, estimated TVD 7,420', Estimated TMD 18,280'.		STATE NM	LEGAL LOCATION (SEC / TOWNSHIP / RANGE) N2 Sec. 29 & 30-205-28E	
REMARKS: TVD: True Vertical Depth TMD: Total Measured Depth SHL: Surface Hole Location; BHL: Bottom Hole Location				

INTANGIBLES	DRILLING	COMPLETION	TOTAL
	\$	\$	
Drilling Rig	600,000.00	0.00	600,000.00
Drilling Mobilization	200,000.00	0.00	200,000.00
Rig Fuel	150,000.00	0.00	150,000.00
Drill Bits	100,000.00	0.00	100,000.00
Clean, Drift, Tally Casing	7,500.00	0.00	7,500.00
On-Site Consultants	85,000.00	0.00	85,000.00
Cellar, Conductor, and Mousehole	25,000.00	0.00	25,000.00
Directional Drilling	200,000.00	0.00	200,000.00
Solids Control	65,000.00	0.00	65,000.00
Water	15,000.00	330,000.00	345,000.00
Water Transfer	5,000.00	35,000.00	40,000.00
Casing Crew	15,000.00	22,000.00	37,000.00
Cement	40,000.00	85,000.00	125,000.00
Cellar Pumps to Drill Surface Hole	7,500.00	0.00	7,500.00
Centralizers and Float Equipment	7,000.00	16,000.00	23,000.00
Frac Plugs	0.00	30,000.00	30,000.00
Casing Thread Representative	0.00	8,000.00	8,000.00
Location	80,000.00	0.00	80,000.00
Solids Haul Off and Disposal	20,000.00	0.00	20,000.00
Liquids Haul Off and Disposal	105,000.00	0.00	105,000.00
Drilling Instrumentation	10,000.00	0.00	10,000.00
Drill Pipe Inspection	15,000.00	0.00	15,000.00
Miscellaneous Equipment Rental (Portable Toilets, Forklift, etc.)	5,000.00	5,000.00	10,000.00
Frac Tanks	5,000.00	3,000.00	8,000.00
Mudlogging & Geosteering	50,000.00	0.00	50,000.00
H2S Monitoring	3,000.00	0.00	3,000.00
Hydraulic Choke with Panel	4,000.00	0.00	4,000.00
Drilling Mud	80,000.00	0.00	80,000.00
BOP Services	10,000.00	0.00	10,000.00
Rotating Head	2,000.00	0.00	2,000.00
Shaker Screens	6,000.00	0.00	6,000.00
Toe Sleeve	0.00	5,000.00	5,000.00
Housing, Water System, Intercoms, etc.	16,000.00	10,000.00	26,000.00
Welding	5,000.00	0.00	5,000.00
Frac	0.00	2,500,000.00	2,500,000.00
Fuel for Frac and Frac Fueling System	0.00	350,000.00	350,000.00
Consultants for Frac and Drill Out	0.00	49,000.00	49,000.00
Wireline Perforating	0.00	160,000.00	160,000.00
Toe Prep Work	0.00	50,000.00	50,000.00
Workover Rig, etc. for Drill Out	0.00	120,000.00	120,000.00
Flowback Equipment	0.00	25,000.00	25,000.00
Consultants for Flowback	0.00	30,000.00	30,000.00
Frac Stack	0.00	45,000.00	45,000.00
Crane	0.00	40,000.00	40,000.00
Flowback Water From Frac	0.00	500,000.00	500,000.00
Trucking	20,000.00	20,000.00	40,000.00
<b>SUB-TOTAL INTANGIBLES</b>	<b>1,958,000.00</b>	<b>4,436,000.00</b>	<b>6,396,000.00</b>
Contingency at 10%	195,800.00	443,600.00	639,600.00
<b>TOTAL INTANGIBLES</b>	<b>2,153,800.00</b>	<b>4,881,800.00</b>	<b>7,035,600.00</b>

CASING	TANGIBLES				GRADE	THREAD	CROST/FT	DRILLING	COMPLETION	TOTAL
	FOOTAGE	SIZE	WIEGHT	SIZE				\$	\$	
Surface Casing	318	13.375	54.5	J-55	BTC	34.96	11,117.28	0.00	11,117.28	
Intermediate Casing	3,061	9.625	40	J-55	LTC	26.41	80,841.01	0.00	80,841.01	
Production Casing	18,280	5.5	20	HCP-110	GBCD	23	0.00	420,440.00	420,440.00	
Tubing	7,055	2.875	6.5	L-80	8rd	10	0.00	70,550.00	70,550.00	
Wellhead							17,000.00	20,000.00	37,000.00	
Gas Pipeline Installation							0.00	100,000.00	100,000.00	
Tank Battery							0.00	500,000.00	500,000.00	
<b>SUB-TOTAL TANGIBLES</b>							<b>\$ 108,958.29</b>	<b>\$ 1,110,990.00</b>	<b>\$ 1,219,948.29</b>	
Contingency at 10%							\$ 10,895.83	\$ 111,099.00	\$ 121,994.83	
<b>TOTAL TANGIBLES</b>							<b>\$ 119,854.12</b>	<b>\$ 1,222,089.00</b>	<b>\$ 1,341,943.12</b>	

	<b>TOTAL WELL COSTS</b>	<b>DRILLING</b>	<b>COMPLETION</b>	<b>TOTAL</b>
	\$	\$	\$	\$
	2,273,654.12	6,103,889.00	8,377,543.12	8,377,543.12

Approval:  
**PRIDE ENERGY COMPANY,**  
**AN OKLAHOMA GENERAL PARTNERSHIP**

*John W. Pride*

By: Pride Oil & Gas Co., Inc.  
 Title: General Partner  
 By: John W. Pride  
 Title: President

P.O. Box 701950  
 Tulsa, OK 74170-1950  
 E-mail: johnp@pride-energy.com

Phone # (918) 524-9200  
 Fax # (918) 524-9292

Date: 9/14/2023

Working Interest Owner:		
&/ths AFE Amount	WI Decimal	Working Interest Owner's Proportionate Costs
\$ 8,377,543.12		
Approved By: _____		
Signature: _____		
Date: _____		

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. In executing this AFE, the participant agrees to pay its proportionate share of the actual costs incurred, including legal, curative, regulatory, brokerage and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well.

AUTHORITY FOR EXPENDITURE  
WELL COST ESTIMATE

# PRIDE ENERGY COMPANY

P.O. Box 701950, Tulsa, OK 74170-1950  
(918) 524-9200 (D); (918) 524-9292 (F)

WELL NAME & NUMBER: Burton Flat Federal State Com 29_30-205-28E #401H	PROPOSED DEPTH (ft): 19,169' TMD	AFE #	SHL: E2 NE - Sect. 29	Date 8/18/2023
OPERATOR: Pride Energy Company	COUNTY OR PARISH: Eddy	PROJECT	BHL: NW NW - Sect. 30	PROSPECT
OBJECTIVE: Drill and Complete horizontal well to the Wolfcamp formation, estimated TVD 8,865', Estimated TMD 19,169'.		STATE NM	LEGAL LOCATION (SEC / TOWNSHIP / RANGE) N2 Sec. 29 & 30-205-28E	
REMARKS: TVD: True Vertical Depth TMD: Total Measured Depth SHL: Surface Hole Location; BHL: Bottom Hole Location				

INTANGIBLES	DRILLING	COMPLETION	TOTAL
	\$	\$	
Drilling Rig	600,000.00	0.00	600,000.00
Drilling Mobilization	200,000.00	0.00	200,000.00
Rig Fuel	150,000.00	0.00	150,000.00
Drill Bits	100,000.00	0.00	100,000.00
Clean, Drift, Tally Casing	7,500.00	0.00	7,500.00
On-Site Consultants	85,000.00	0.00	85,000.00
Cellar, Conductor, and Mousehole	25,000.00	0.00	25,000.00
Directional Drilling	200,000.00	0.00	200,000.00
Solids Control	65,000.00	0.00	65,000.00
Water	15,000.00	330,000.00	345,000.00
Water Transfer	5,000.00	35,000.00	40,000.00
Casing Crew	15,000.00	22,000.00	37,000.00
Cement	40,000.00	85,000.00	125,000.00
Cellar Pumps to Drill Surface Hole	7,500.00	0.00	7,500.00
Centralizers and Float Equipment	7,000.00	16,000.00	23,000.00
Frac Plugs	0.00	30,000.00	30,000.00
Casing Thread Representative	0.00	8,000.00	8,000.00
Location	80,000.00	0.00	80,000.00
Solids Haul Off and Disposal	20,000.00	0.00	20,000.00
Liquids Haul Off and Disposal	105,000.00	0.00	105,000.00
Drilling Instrumentation	10,000.00	0.00	10,000.00
Drill Pipe Inspection	15,000.00	0.00	15,000.00
Miscellaneous Equipment Rental (Portable Toilets, Forklift, etc.)	5,000.00	5,000.00	10,000.00
Frac Tanks	5,000.00	3,000.00	8,000.00
Mudlogging & Geosteering	50,000.00	0.00	50,000.00
H2S Monitoring	3,000.00	0.00	3,000.00
Hydraulic Choke with Panel	4,000.00	0.00	4,000.00
Drilling Mud	80,000.00	0.00	80,000.00
BOP Services	10,000.00	0.00	10,000.00
Rotating Head	2,000.00	0.00	2,000.00
Shaker Screens	6,000.00	0.00	6,000.00
Toe Sleeve	0.00	5,000.00	5,000.00
Housing, Water System, Intercoms, etc.	16,000.00	10,000.00	26,000.00
Welding	5,000.00	0.00	5,000.00
Frac	0.00	2,500,000.00	2,500,000.00
Fuel for Frac and Frac Fueling System	0.00	350,000.00	350,000.00
Consultants for Frac and Drill Out	0.00	49,000.00	49,000.00
Wireline Perforating	0.00	160,000.00	160,000.00
Toe Prep Work	0.00	50,000.00	50,000.00
Workover Rig, etc. for Drill Out	0.00	120,000.00	120,000.00
Flowback Equipment	0.00	25,000.00	25,000.00
Consultants for Flowback	0.00	30,000.00	30,000.00
Frac Stack	0.00	45,000.00	45,000.00
Crane	0.00	40,000.00	40,000.00
Flowback Water From Frac	0.00	500,000.00	500,000.00
Trucking	20,000.00	20,000.00	40,000.00
SUB-TOTAL INTANGIBLES			
	1,958,000.00	4,438,000.00	6,396,000.00
Contingency at 10%			
	195,800.00	443,800.00	639,600.00
TOTAL INTANGIBLES			
	2,153,800.00	4,881,800.00	7,035,600.00

CASING	TANGIBLES						DRILLING	COMPLETION	TOTAL
	FOOTAGE	SIZE	WIEIGHT	GRADE	THREAD	CROST/FT	\$	\$	
Surface Casing	318	13.375	54.5	J-55	BTC	34.96	11,117.28	0.00	11,117.28
Intermediate Casing	3,061	9.625	40	J-55	LTC	26.41	80,841.01	0.00	80,841.01
Production Casing	19,169	5.5	20	HCP-110	GBCD	23	0.00	440,887.00	440,887.00
Tubing	8,500	2.875	6.5	L-80	8rd	10	0.00	85,000.00	85,000.00
Wellhead							17,000.00	20,000.00	37,000.00
Gas Pipeline Installation							0.00	100,000.00	100,000.00
Tank Battery							0.00	500,000.00	500,000.00
SUB-TOTAL TANGIBLES									
							\$ 108,958.29	\$ 1,145,887.00	\$ 1,254,845.29
Contingency at 10%									
							\$ 10,895.83	\$ 114,588.70	\$ 125,484.53
TOTAL TANGIBLES									
							\$ 119,854.12	\$ 1,260,475.70	\$ 1,380,329.82

	<b>TOTAL WELL COSTS</b>		<b>DRILLING</b>		<b>COMPLETION</b>		<b>TOTAL</b>
		\$	2,273,654.12	\$	6,142,275.70	\$	8,415,929.82

Approval:  
PRIDE ENERGY COMPANY,  
AN OKLAHOMA GENERAL PARTNERSHIP

*John W. Pride*

X \_\_\_\_\_  
By: Pride Oil & Gas Co., Inc.  
Title: General Partner P.O. Box 701950 Phone # (918) 524-9200  
By: John W. Pride Tulsa, OK 74170-1950 Fax # (918) 524-9292  
Title: President E-mail: johnp@pride-energy.com  
Date: 9/14/2023

Working Interest Owner:		
E/8ths AFE Amount	WI Decimal	Working Interest Owner's Proportionate Costs
\$ 8,415,929.82		
Approved By: _____		
Signature: _____		
Date: _____		

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. In executing this AFE, the participant agrees to pay its proportionate share of the actual costs incurred, including legal, curative, regulatory, brokerage and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well.

## **EXHIBIT D-3**





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

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

**CASE NOS. 24074-24076**

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

**CASE NOS. 24101-24102**

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

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

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


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

4. The spreadsheets attached hereto contains the information provided by the United States Postal Service on the status of the delivery of this notice as of May 15, 2024.

5. I caused a notice to be published to all parties subject to these proceedings. An affidavit of publication from the publication’s legal clerk with a copy of the notice publication is attached herein.

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. E  
Submitted by: Matador Production Company  
Hearing Date: May 23, 2024  
Case Nos. 24074-24076 & 24101-24102**

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

05/16/24  
\_\_\_\_\_  
Date



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

May 3, 2024

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

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

**Re: Application of MRC Permian Company for Compulsory Pooling, Eddy County, New Mexico: *Wayne Gaylord 2930 Fed Com 201H 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 May 23, 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 Dr., 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 Hanna Bollenbach at (972) 619-4341 or at [hanna.bollenbach@matadorresources.com](mailto:hanna.bollenbach@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)



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

May 3, 2024

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

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

**Re: Application of MRC Permian Company for Compulsory Pooling, Eddy County, New Mexico: *Wayne Gaylord 2930 Fed Com 202H 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 May 23, 2024, and the status of the hearing can be monitored through the Division’s website at <https://www.emnrd.nm.gov/ocd/>.

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Sincerely,

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

May 3, 2024

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

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

**Re: Application of MRC Permian Company for Compulsory Pooling, Eddy County, New Mexico: Wayne Gaylord 2930 Fed Com 201H and 202H wells**

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 May 23, 2024, and the status of the hearing can be monitored through the Division’s website at <https://www.emnrd.nm.gov/ocd/>.

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Sincerely,

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

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

May 3, 2024

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

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS AND ALL WORKING INTEREST OWNERS AFFECTED BY THE PROPOSED OVERLAPPING SPACING UNIT**

**Re: Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico: *Wayne Gaylord 2930 Fed Com 111H and 121H wells***

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 May 23, 2024, and the status of the hearing can be monitored through the Division’s website at <https://www.emnrd.nm.gov/ocd/>.

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Sincerely,

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



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

May 3, 2024

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

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS AND ALL WORKING INTEREST OWNERS AFFECTED BY THE PROPOSED OVERLAPPING SPACING UNIT**

**Re: Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico: *Wayne Gaylord 2930 Fed Com 112H and 122H wells***

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 May 23, 2024, and the status of the hearing can be monitored through the Division’s website at <https://www.emnrd.nm.gov/ocd/>.

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



MRC - Wayne Gaylord 201H, 202H and 201H-202H (Alternative) - Case nos. 24074-24076  
Postal Delivery Report

9414811898765403694034	Abuelo, LLC	21 Crook Dr	Artesia	NM	88210-9227	Your item was delivered to an individual at the address at 4:33 pm on May 10, 2024 in ARTESIA, NM 88210.
9414811898765403694416	Ergodic Resources, Inc.	22003 Castlewind Cir	Katy	TX	77450-8639	Your item departed our USPS facility in OKLAHOMA CITY OK DISTRIBUTION CENTER on May 14, 2024 at 8:24 am. The item is currently in transit to the destination.
9414811898765403694461	Jackie Sue Jones	21 Crook Dr	Artesia	NM	88210-9227	Your item was delivered to an individual at the address at 4:33 pm on May 10, 2024 in ARTESIA, NM 88210.
9414811898765403694409	Pennzoil Exploration and Production Company	PO Box 2967	Houston	TX	77252-2967	This is a reminder to pick up your item before May 21, 2024 or your item will be returned on May 22, 2024. Please pick up the item at the HOUSTON, TX 77252 Post Office.
9414811898765403694447	Rado Royalties, LLC	5 Inverness Dr E	Englewood	CO	80112-5519	Your item was delivered to an individual at the address at 2:15 pm on May 6, 2024 in ENGLEWOOD, CO 80112.

MRC - Wayne Gaylord 201H, 202H and 201H-202H (Alternative) - Case nos. 24074-24076  
Postal Delivery Report

9414811898765403694478	Savannah Morgan Boling	4917 Cypress Ave	Wichita Falls	TX	76310-3419	Your item arrived at the SANTA FE, NM 87501 post office at 9:18 am on May 14, 2024 and is ready for pickup.
9414811898765403694553	Stacy Moore-Boling	PO Box 1617	Artesia	NM	88211-1617	Your item arrived at our LUBBOCK TX DISTRIBUTION CENTER destination facility on May 14, 2024 at 5:42 pm. The item is currently in transit to the destination.
9414811898765403694560	The Mark Wilson Family Partnership	PO Box 2145	Midland	TX	79702-2145	This is a reminder to pick up your item before May 24, 2024 or your item will be returned on May 25, 2024. Please pick up the item at the MIDLAND, TX 79702 Post Office.
9414811898765403694508	Adolph P. Schuman	2701 16th St	San Francisco	CA	94103-4215	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765403694546	Anges Cluthe Oliver Trust c/o Brown Brothers Harriman Trust Company Of Delaware, National Association	4900 Trammell Crow Center 2001 Ross Avenue	Dallas	TX	75201-2911	Your item has been delivered to an agent for final delivery in DALLAS, TX 75201 on May 14, 2024 at 9:30 am.

MRC - Wayne Gaylord 201H, 202H and 201H-202H (Alternative) - Case nos. 24074-24076  
Postal Delivery Report

9414811898765403694577	Atlantic Richfield Company	515 S Flower St	Los Angeles	CA	90071-2201	Your item departed our USPS facility in ALBUQUERQUE, NM 87101 on May 14, 2024 at 6:46 pm. The item is currently in transit to the destination.
9414811898765403695253	Betsy H. Keller	2524 Union St	San Francisco	CA	94123-3833	Your item was delivered to the front desk, reception area, or mail room at 6:47 pm on May 7, 2024 in SAN FRANCISCO, CA 94123.
9414811898765403695222	Brian D. Woehler Trust U/W Of William B Oliver c/o Brown Brothers Harriman Trust Company Of Delaware, National Association	4900 Trammell Crow Center 2001 Ross Avenue	Dallas	TX	75201-2911	Your item has been delivered to an agent for final delivery in DALLAS, TX 75201 on May 14, 2024 at 9:30 am.
9414811898765403695284	Charles Cline Moore	605 Market St Fl 9	San Francisco	CA	94105-3219	Your item is being held at the SAN FRANCISCO, CA 94105 post office at 9:45 am on May 7, 2024. This is at the request of the customer.
9414811898765403695277	Diamond Head Properties, LP	PO Box 2127	Midland	TX	79702-2127	Your item was picked up at a postal facility at 9:59 am on May 13, 2024 in MIDLAND, TX 79702.
9414811898765403695826	Dr. Isaac A Kawasaki	734 Kalanipuu St	Honolulu	HI	96825-2420	We attempted to deliver your item at 2:50 pm on May 14, 2024 in HONOLULU, HI 96825 and a notice was left because an authorized recipient was not available.

MRC - Wayne Gaylord 201H, 202H and 201H-202H (Alternative) - Case nos. 24074-24076  
Postal Delivery Report

9414811898765403695840	E.G. Holden Testamentary Trust	2524 Union St	San Francisco	CA	94123-3833	Your item was delivered to the front desk, reception area, or mail room at 6:47 pm on May 7, 2024 in SAN FRANCISCO, CA 94123.
9414811898765403695833	EOG Resources, Inc.	PO Box 4362	Houston	TX	77210-4362	Your item was delivered to an individual at the address at 6:36 am on May 14, 2024 in HOUSTON, TX 77002.
9414811898765403695710	Ernie Bello	3325 Ala Akulikuli St	Honolulu	HI	96818-2215	Your item was delivered to an individual at the address at 1:03 pm on May 13, 2024 in HONOLULU, HI 96818.
9414811898765403695765	Estate of Edward R Hudson, Jr.616 Texas Street	616 Texas St	Fort Worth	TX	76102-4612	Your item was delivered to the front desk, reception area, or mail room at 1:11 pm on May 7, 2024 in FORT WORTH, TX 76102.
9414811898765403695703	Frances Bunn Revocable Living Trust Dated May 18, 1982	2493 Makiki Heights Dr	Honolulu	HI	96822-2542	Your item was delivered to the front desk, reception area, or mail room at 3:37 pm on May 13, 2024 in HONOLULU, HI 96822.
9414811898765403695741	Frederick Van Vranken	PO Box 264	Jericho	NY	11753-0264	Your item has been delivered and is available at a PO Box at 10:41 am on May 10, 2024 in JERICO, NY 11753.

MRC - Wayne Gaylord 201H, 202H and 201H-202H (Alternative) - Case nos. 24074-24076  
Postal Delivery Report

9414811898765403695734	J.W. Gendron	1280 Encino Dr	San Marino	CA	91108-1008	Your item arrived at the SANTA FE, NM 87501 post office at 9:18 am on May 14, 2024 and is ready for pickup.
9414811898765403695918	Judith C. Devine Trust U/W Of William B Oliver c/o Brown Brothers Harriman Trust Company Of Delaware, National Association	4900 Trammell Crow Center 2001 Ross Avenue	Dallas	TX	75201-2911	Your item has been delivered and is available at a PO Box at 9:54 am on May 9, 2024 in DALLAS, TX 75201.
9414811898765403695925	Judson Exploration, LP	3736 Bee Caves Rd Ste 1 PMB 181	West Lake Hills	TX	78746-5378	Your item was returned to the sender at 1:50 pm on May 13, 2024 in AUSTIN, TX 78746 because the forwarding order for this address is no longer valid.
9414811898765403695949	Karen V. and William H. Martin Energy, Ltd	400 N Marienfeld St Ste 100	Midland	TX	79701-4350	Your item was delivered to an individual at the address at 8:42 am on May 10, 2024 in MIDLAND, TX 79701.
9414811898765403695932	Magic Dog Oil & Gas, Ltd.	PO Box 10708	Midland	TX	79702-7708	This is a reminder to pick up your item before May 24, 2024 or your item will be returned on May 25, 2024. Please pick up the item at the MIDLAND, TX 79702 Post Office.

MRC - Wayne Gaylord 201H, 202H and 201H-202H (Alternative) - Case nos. 24074-24076  
Postal Delivery Report

9414811898765403695611	OXY-1 Company	PO Box 27570	Houston	TX	77227-7570	Your item has been delivered and is available at a PO Box at 8:49 am on May 7, 2024 in HOUSTON, TX 77227.
9414811898765403695666	Pennzoil Exploration and Production Company	PO Box 2967	Houston	TX	77252-2967	This is a reminder to pick up your item before May 21, 2024 or your item will be returned on May 22, 2024. Please pick up the item at the HOUSTON, TX 77252 Post Office.
9414811898765403695697	Pride Energy Corporation	PO Box 701950	Tulsa	OK	74170-1950	Your item was picked up at a postal facility at 9:47 am on May 9, 2024 in TULSA, OK 74136.
9414811898765403695680	Robert A. Oliver Trust U/W Of William B Oliver c/o Brown Brothers Harriman Trust Company Of Delaware, National Association	4900 Trammell Crow Center 2001 Ross Avenue	Dallas	TX	75201-2911	Your item has been delivered to an agent for final delivery in DALLAS, TX 75201 on May 14, 2024 at 9:30 am.
9414811898765403695673	Royalty Trust Corp.	PO Box 22577	Hialeah	FL	33002-2577	Your item has been delivered and is available at a PO Box at 1:38 pm on May 8, 2024 in HIALEAH, FL 33002.
9414811898765403695154	Shumana Exploration, LP	PO Box 11245	Midland	TX	79702-8245	This is a reminder to pick up your item before May 24, 2024 or your item will be returned on May 25, 2024. Please pick up the item at the MIDLAND, TX 79702 Post Office.

MRC - Wayne Gaylord 201H, 202H and 201H-202H (Alternative) - Case nos. 24074-24076  
 Postal Delivery Report

9414811898765403695161	Taffrail Investments, LP	PO Box 11025	Midland	TX	79702-8025	This is a reminder to pick up your item before May 24, 2024 or your item will be returned on May 25, 2024. Please pick up the item at the MIDLAND, TX 79702 Post Office.
9414811898765403695109	Tronox Worldwide, LLC	PO Box 268859	Oklahoma City	OK	73126-8859	Your item arrived at the SANTA FE, NM 87501 post office at 9:18 am on May 14, 2024 and is ready for pickup.
9414811898765403695147	XTO Holdings, LLC	810 Houston St	Fort Worth	TX	76102-6203	Your item arrived at the SANTA FE, NM 87501 post office at 9:18 am on May 14, 2024 and is ready for pickup.

MRC - Wayne Gaylord 111H, 121H, 112H and 122H wells - Case nos. 24101-24102  
Postal Delivery Report

9414811898765403627766	Abuelo, LLC	21 Crook Dr	Artesia	NM	88210-9227	Your item was delivered to an individual at the address at 4:33 pm on May 10, 2024 in ARTESIA, NM 88210.
9414811898765403627704	Ergodic Resources, Inc.	22003 Castlewind Cir	Katy	TX	77450-8639	Your item departed our USPS facility in OKLAHOMA CITY OK DISTRIBUTION CENTER on May 14, 2024 at 8:24 am. The item is currently in transit to the destination.
9414811898765403627742	Jackie Sue Jones	21 Crook Dr	Artesia	NM	88210-9227	Your item was delivered to an individual at the address at 4:33 pm on May 10, 2024 in ARTESIA, NM 88210.
9414811898765403627919	Pennzoil Exploration and Production Company	PO Box 2967	Houston	TX	77252-2967	This is a reminder to pick up your item before May 21, 2024 or your item will be returned on May 22, 2024. Please pick up the item at the HOUSTON, TX 77252 Post Office.
9414811898765403627964	Rado Royalties, LLC	5 Inverness Dr E	Englewood	CO	80112-5519	Your item was delivered to an individual at the address at 2:15 pm on May 6, 2024 in ENGLEWOOD, CO 80112.



MRC - Wayne Gaylord 111H, 121H, 112H and 122H wells - Case nos. 24101-24102  
Postal Delivery Report

9414811898765403627902	Savannah Morgan Boling	4917 Cypress Ave	Wichita Falls	TX	76310-3419	Your item arrived at the SANTA FE, NM 87501 post office at 9:18 am on May 14, 2024 and is ready for pickup.
9414811898765403627940	Stacy Moore-Boling	PO Box 1617	Artesia	NM	88211-1617	Your item arrived at our LUBBOCK TX DISTRIBUTION CENTER destination facility on May 14, 2024 at 5:42 pm. The item is currently in transit to the destination.
9414811898765403627933	The Mark Wilson Family Partnership	PO Box 2145	Midland	TX	79702-2145	This is a reminder to pick up your item before May 24, 2024 or your item will be returned on May 25, 2024. Please pick up the item at the MIDLAND, TX 79702 Post Office.
9414811898765403627971	Adolph P. Schuman	2701 16th St	San Francisco	CA	94103-4215	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765403627650	Anges Cluthe Oliver Trustc/o Brown Brothers Harriman Trust Company Of Delaware, National Association	4900 Trammell Crow Center 2001 Ross Avenue	Dallas	TX	75201-2911	Your item has been delivered to an agent for final delivery in DALLAS, TX 75201 on May 14, 2024 at 9:30 am.

MRC - Wayne Gaylord 111H, 121H, 112H and 122H wells - Case nos. 24101-24102  
Postal Delivery Report

9414811898765403627605	Atlantic Richfield Company	515 S Flower St	Los Angeles	CA	90071-2201	Your item was delivered to an individual at the address at 10:25 am on May 7, 2024 in LOS ANGELES, CA 90057.
9414811898765403627643	Betsy H. Keller	2524 Union St	San Francisco	CA	94123-3833	Your item was delivered to the front desk, reception area, or mail room at 6:47 pm on May 7, 2024 in SAN FRANCISCO, CA 94123.
9414811898765403627636	Brian D. Woehler Trust U/W Of William B Oliver c/o Brown Brothers Harriman Trust Company Of Delaware, National Association	4900 Trammell Crow Center 2001 Ross Avenue	Dallas	TX	75201-2911	Your item has been delivered to an agent for final delivery in DALLAS, TX 75201 on May 14, 2024 at 9:30 am.
9414811898765403627117	Charles Cline Moore	605 Market St Fl 9	San Francisco	CA	94105-3219	Your item is being held at the SAN FRANCISCO, CA 94105 post office at 9:45 am on May 7, 2024. This is at the request of the customer.
9414811898765403627162	Diamond Head Properties, LP	PO Box 2127	Midland	TX	79702-2127	Your item was picked up at a postal facility at 9:59 am on May 13, 2024 in MIDLAND, TX 79702.

MRC - Wayne Gaylord 111H, 121H, 112H and 122H wells - Case nos. 24101-24102  
Postal Delivery Report

9414811898765403627193	Dr. Isaac A Kawasaki	734 Kalanipuu St	Honolulu	HI	96825-2420	We attempted to deliver your item at 2:50 pm on May 14, 2024 in HONOLULU, HI 96825 and a notice was left because an authorized recipient was not available.
9414811898765403627186	E.G. Holden Testamentary Trust	2524 Union St	San Francisco	CA	94123-3833	Your item was delivered to the front desk, reception area, or mail room at 6:47 pm on May 7, 2024 in SAN FRANCISCO, CA 94123.
9414811898765403627315	EOG Resources, Inc.	PO Box 4362	Houston	TX	77210-4362	Your item was delivered to an individual at the address at 6:36 am on May 14, 2024 in HOUSTON, TX 77002.
9414811898765403627322	Ernie Bello	3325 Ala Akulikuli St	Honolulu	HI	96818-2215	Your item was delivered to an individual at the address at 1:03 pm on May 13, 2024 in HONOLULU, HI 96818.
9414811898765403627391	Estate of Edward R Hudson, Jr.616 Texas Street	616 Texas St	Fort Worth	TX	76102-4612	Your item was delivered to the front desk, reception area, or mail room at 1:11 pm on May 7, 2024 in FORT WORTH, TX 76102.

MRC - Wayne Gaylord 111H, 121H, 112H and 122H wells - Case nos. 24101-24102  
Postal Delivery Report

9414811898765403627384	Frances Bunn Revocable Living Trust dated May 18, 1982	2493 Makiki Heights Dr	Honolulu	HI	96822-2542	Your item was delivered to the front desk, reception area, or mail room at 3:37 pm on May 13, 2024 in HONOLULU, HI 96822.
9414811898765403627018	Frederick Van Vranken	PO Box 264	Jericho	NY	11753-0264	Your item has been delivered and is available at a PO Box at 10:41 am on May 10, 2024 in JERICO, NY 11753.
9414811898765403627063	J.W. Gendron	1280 Encino Dr	San Marino	CA	91108-1008	Your item arrived at the SANTA FE, NM 87501 post office at 9:18 am on May 14, 2024 and is ready for pickup.
9414811898765403627001	Judith C. Devine Trust U/W Of William B Oliver c/o Brown Brothers Harriman Trust Company Of Delaware, National Association	4900 Trammell Crow Center 2001 Ross Avenue	Dallas	TX	75201-2911	Your item has been delivered to an agent for final delivery in DALLAS, TX 75201 on May 14, 2024 at 9:30 am.
9414811898765403627087	Judson Exploration, LP	3736 Bee Caves Rd Ste 1 PMB 181	West Lake Hills	TX	78746-5378	Your item was returned to the sender at 1:12 pm on May 7, 2024 in AUSTIN, TX 78746 because the forwarding order for this address is no longer valid.

MRC - Wayne Gaylord 111H, 121H, 112H and 122H wells - Case nos. 24101-24102  
Postal Delivery Report

9414811898765403627070	Karen V. and William H. Martin Energy, Ltd	400 N Marienfeld St Ste 100	Midland	TX	79701-4350	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765403627469	Magic Dog Oil & Gas, Ltd.	PO Box 10708	Midland	TX	79702-7708	This is a reminder to pick up your item before May 24, 2024 or your item will be returned on May 25, 2024. Please pick up the item at the MIDLAND, TX 79702 Post Office.
9414811898765403627407	OXY-1 Company	PO Box 27570	Houston	TX	77227-7570	Your item has been delivered and is available at a PO Box at 8:49 am on May 7, 2024 in HOUSTON, TX 77227.
9414811898765403627445	Pennzoil Exploration and Production Company	PO Box 2967	Houston	TX	77252-2967	This is a reminder to pick up your item before May 21, 2024 or your item will be returned on May 22, 2024. Please pick up the item at the HOUSTON, TX 77252 Post Office.
9414811898765403627438	Pride Energy Corporation	PO Box 701950	Tulsa	OK	74170-1950	Your item was picked up at a postal facility at 9:47 am on May 9, 2024 in TULSA, OK 74136.

MRC - Wayne Gaylord 111H, 121H, 112H and 122H wells - Case nos. 24101-24102  
Postal Delivery Report

9414811898765403627513	Robert A. Oliver Trust U/W Of William B Oliver c/o Brown Brothers Harriman Trust Company Of Delaware, National Association	4900 Trammell Crow Center 2001 Ross Avenue	Dallas	TX	75201-2911	Your item has been delivered to an agent for final delivery in DALLAS, TX 75201 on May 14, 2024 at 9:30 am.
9414811898765403627568	Royalty Trust Corp.	PO Box 22577	Hialeah	FL	33002-2577	Your item has been delivered and is available at a PO Box at 1:38 pm on May 8, 2024 in HIALEAH, FL 33002.
9414811898765403627520	Shumana Exploration, LP	PO Box 11245	Midland	TX	79702-8245	This is a reminder to pick up your item before May 24, 2024 or your item will be returned on May 25, 2024. Please pick up the item at the MIDLAND, TX 79702 Post Office.
9414811898765403627599	Taffrail Investments, LP	PO Box 11025	Midland	TX	79702-8025	Your item arrived at the MIDLAND, TX 79702 post office at 4:04 pm on May 14, 2024 and is ready for pickup.
9414811898765403627537	Tronox Worldwide, LLC	PO Box 268859	Oklahoma City	OK	73126-8859	Your item arrived at the SANTA FE, NM 87501 post office at 9:18 am on May 14, 2024 and is ready for pickup.

MRC - Wayne Gaylord 111H, 121H, 112H and 122H wells - Case nos. 24101-24102  
Postal Delivery Report

9414811898765403626264	XTO Holdings, LLC	810 Houston St	Fort Worth	TX	76102-6203	Your item arrived at the SANTA FE, NM 87501 post office at 9:18 am on May 14, 2024 and is ready for pickup.
9414811898765403626202	New Mexico State Land Office	310 Old Santa Fe Trl	Santa Fe	NM	87501-2708	Your item was picked up at a postal facility at 7:50 am on May 8, 2024 in SANTA FE, NM 87501.



PO Box 631667 Cincinnati, OH 45263-1667

**AFFIDAVIT OF PUBLICATION**

Joe Stark  
Joe Stark EENR Specialist  
Holland & Hart  
222 South Main Street  
Suite 2200  
Salt Lake City UT 84101

STATE OF WISCONSIN, COUNTY OF BROWN

The Carlsbad Current Argus, a newspaper published in the city of Carlsbad, Eddy County, State of New Mexico, and personal knowledge of the facts herein state and that the notice hereto annexed was Published in said newspapers in the issue:

05/07/2024

and that the fees charged are legal.  
Sworn to and subscribed before on 05/07/2024

\_\_\_\_\_  
Legal Clerk

\_\_\_\_\_  
Notary, State of WI, County of Brown

1-7-25  
\_\_\_\_\_  
My commission expires

Publication Cost: \$263.00  
Order No: 10147496 # of Copies:  
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PO #: Case No. 24074

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**KATHLEEN ALLEN**  
Notary Public  
State of Wisconsin

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 Hill, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform (sign-in information below) on Thursday, May 23, 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, of [Sheila.Apodaca@emnrd.nm.gov](mailto:Sheila.Apodaca@emnrd.nm.gov). Documents filed in these cases may be viewed at <https://ocdimoge.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 May 13, 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: Abuelo, LLC; Ergodic Resources, Inc.; Jackie Sue Jones, her heirs and devisees; Pennzoil Exploration and Production Company; Rado Royalties, LLC; Savannah Morgan Boling, her heirs and devisees; Stacy Moore-Boling, her heirs and devisees; The Mark Wilson Family Partnership; Adolph P. Schuman, his heirs and devisees; Anges Cluette Oliver Trust c/o Brown Brothers Harriman Trust Company of Delaware, National Association; Atlantic Richfield Company; Betsy H. Keller, her heirs and devisees; Brian D. Woehler Trust w/w of William B. Oliver c/o Brown Brothers Harriman Trust Company of Delaware, National Association; Charles Cline Moore, his heirs and devisees; Diamond Head Properties, LP; Dr. Isaac A Kawasaki, his heirs and devisees; E.G. Halden Testamentary Trust; EOG Resources, Inc.; Ernie Bello, his heirs and devisees; Estate of Edward R Hudson, Jr., his heirs and devisees; Frances Bunn Revocable Living Trust dated May 18, 1982; Frederick Van Vranken, his heirs and devisees; J.W. Gendron, his heirs and devisees; Judith C. Devine Trust w/w of William B. Oliver c/o Brown Brothers Harriman Trust Company of Delaware, National Association; Judson Exploration, LP; Karen V. and William H. Martin Energy, Ltd; Magic Dog Oil & Gas, Ltd.; OXY-1 Company; Pennzoil Exploration and Production Company; Pride Energy Corporation; Robert A. Oliver Trust w/w of William B. Oliver c/o Brown Brothers Harriman Trust Company of Delaware, National Association; Royalty Trust Corp.; Shumana Exploration, LP; Taffrail Investments, LP; Tronox Worldwide, LLC, and XTO Holdings, LLC.

Case No. 24074: 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 oil well spacing unit in the Wolfcamp formation underlying the N2N2 of Sections 29 & 30, Township 29 South, Range 28 East, NMPM, Eddy County, New Mexico. Said unit will be initially dedicated to the proposed Wayne Gaylord 2936 Fed Com 201H well to be horizontally drilled from a surface hole location in the NE4 of Section 29, with first take points located in the NE4NE4 (Unit A) of Section 29 and last take points located in the NW4NW4 (Unit D) of Section 30. 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 the wells. The subject area is located approximately 7 miles north of La Huerta, New Mexico.  
#10147496, Current Argus, May 7, 2024

**BEFORE THE OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico  
Exhibit No. F  
Submitted by: Matador Production Company  
Hearing Date: May 23, 2024  
Case Nos. 24074-24076 & 24101-24102





PO Box 631667 Cincinnati, OH 45263-1667

**AFFIDAVIT OF PUBLICATION**

Joe Stark  
Joe Stark EENR Specialist  
Holland & Hart  
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Suite 2200  
Salt Lake City UT 84101

STATE OF WISCONSIN, COUNTY OF BROWN

The Carlsbad Current Argus, a newspaper published in the city of Carlsbad, Eddy County, State of New Mexico, and personal knowledge of the facts herein state and that the notice hereto annexed was Published in said newspapers in the issue:

05/07/2024

and that the fees charged are legal.  
Sworn to and subscribed before on 05/07/2024

  
\_\_\_\_\_  
Legal Clerk

  
\_\_\_\_\_  
Notary, State of WI, County of Brown

My commission expires 1-7-25

Publication Cost: \$263.00  
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PO #: Case No. 24075

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**KATHLEEN ALLEN**  
Notary Public  
State of Wisconsin

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, 1720 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform (sign-in information below) on Thursday, May 23, 2024, beginning at 9:15 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, of [Sheila.Apodaca@emnrd.nm.gov](mailto:Sheila.Apodaca@emnrd.nm.gov). Documents filed in these cases may be viewed at <https://ocdimoge.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 at [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 May 13, 2024.

STATE OF NEW MEXICO: 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: Abuelo, LLC; Ergodic Resources, Inc.; Jackie Sue Jones, her heirs and devisees; Pennzoil Exploration and Production Company; Rode Royalties, LLC; Savannah Morgan Boling, her heirs and devisees; Stacy Moore-Boling, her heirs and devisees; The Mark Wilson Family Partnership; Adolph P. Schuman, his heirs and devisees; Angus Clueth Oliver Trust c/o Brown Brothers Harriman Trust Company of Delaware, National Association; Atlantic Richfield Company; Betsy H. Keller, her heirs and devisees; Brian D. Woehler Trust u/w of William B. Oliver c/o Brown Brothers Harriman Trust Company of Delaware, National Association; Charles Cline Moore, his heirs and devisees; Diamond Head Properties, LP; Dr. Isaac A. Kawasaki, his heirs and devisees; E.G. Holden Testamentary Trust; EOG Resources, Inc.; Ernie Bello, his heirs and devisees; Estate of Edward R. Hudson, Jr., his heirs and devisees; Frances Bunn Revocable Living Trust dated May 18, 1982; Frederick Van Vranken, his heirs and devisees; J.W. Gendron, his heirs and devisees; Judith C. Devine Trust u/w of William B. Oliver c/o Brown Brothers Harriman Trust Company of Delaware, National Association; Judson Exploration, LP; Karen V. and William H. Martin Energy, Ltd; Magic Dog Oil & Gas, Ltd.; OXY-1 Company; Pennzoil Exploration and Production Company; Pride Energy Corporation; Robert A. Oliver Trust u/w of William B. Oliver c/o Brown Brothers Harriman Trust Company of Delaware, National Association; Royalty Trust Corp.; Shumana Exploration, LP; Taffrail Investments, LP; Tronox Worldwide, LLC, and XTO Holdings, LLC.

Case No. 24075: 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 oil well spacing unit in the Wolfcamp formation underlying the S2N2 of Sections 29 & 30, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico. Said unit will be initially dedicated to the proposed Wayne Gaylord 2930 Fed Com 202H well to be horizontally drilled from a surface hole location in the NE1/4 of Section 29 and lost lake points located in the SE4NE4 (Unit H) of Section 29 and lost lake points located in the SW4NW4 (Unit E) of Section 30. 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 Molador Production Company as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling the wells. The subject area is located approximately 7 miles north of La Huerta, New Mexico. #10147380, Current Argus, May 7, 2024





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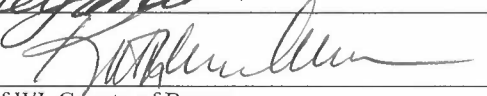
STATE OF WISCONSIN, COUNTY OF BROWN

The Carlsbad Current Argus, a newspaper published in the city of Carlsbad, Eddy County, State of New Mexico, and personal knowledge of the facts herein state and that the notice hereto annexed was Published in said newspapers in the issue:

05/07/2024

and that the fees charged are legal.  
Sworn to and subscribed before on 05/07/2024

  
\_\_\_\_\_  
Legal Clerk

  
\_\_\_\_\_  
Notary, State of WI, County of Brown

1-7-25

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State of Wisconsin

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, May 23, 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 May 13, 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: Abuelo, LLC; Ergodic Resources, Inc.; Jackie Sue Jones, her heirs and devisees; Pennzoil Exploration and Production Company; Rado Royalties, LLC; Savannah Morgan Boling, her heirs and devisees; Stacy Moore-Boling, her heirs and devisees; The Mark Wilson Family Partnership; Adolph P. Schuman, his heirs and devisees; Anges Cluthe Oliver Trust c/o Brown Brothers Harriman Trust Company of Delaware, National Association; Atlantic Richfield Company; Betsy H. Keller, her heirs and devisees; Brian D. Woehler Trust u/w of William B. Oliver c/o Brown Brothers Harriman Trust Company of Delaware, National Association; Charles Cline Moore, his heirs and devisees; Diamond Head Properties, LP; Dr. Isaac A Kawasaki, his heirs and devisees; E.G. Holden Testamentary Trust; EOG Resources, Inc.; Ernie Bello, his heirs and devisees; Estate of Edward R Hudson, Jr., his heirs and devisees; Frances Bunn Revocable Living Trust dated May 18, 1982; Frederick Van Vranken, his heirs and devisees; J.W. Gendron, his heirs and devisees; Judith C. Devine Trust u/w of William B. Oliver c/o Brown Brothers Harriman Trust Company of Delaware, National Association; Judson Exploration, LP; Karen V. and William H. Martin Energy, Ltd; Magic Dog Oil & Gas, Ltd.; OXY-1 Company; Pennzoil Exploration and Production Company; Pride Energy Corporation; Robert A. Oliver Trust u/w of William B. Oliver c/o Brown Brothers Harriman Trust Company of Delaware, National Association; Royalty Trust Corp.; Shumana Exploration, LP; Taffrail Investments, LP; Tronox Worldwide, LLC, and XTO Holdings, LLC.

Case No. 24076: Application of MRC Permian Company for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling a standard 640-acre, more or less, horizontal well spacing unit in the Wolfcamp formation underlying the N2 of Sections 29 & 30, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico. Said unit will be initially dedicated to the to the following proposed wells:

- Wayne Gaylord 2930 Fed Com 201H well to be horizontally drilled from a surface hole location in the NE/4 of Section. 29, with a first take point in the NE4NE4 (Unit A) of Section 29 and a last take point in the NW4NW4 (Unit D) of Section 30, and
- Wayne Gaylord 2930 Fed Com 202H well to be horizontally drilled from a surface hole location in the NE/4 of Section. 29, with a first take point in the SE4NE4 (Unit H) of Section 29 and a last take point in the SW4NW4 (Unit E) of Section 30.

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 the wells. The subject area is located approximately 7 miles north of La Huerta, New Mexico.



PO Box 631667 Cincinnati, OH 45263-1667

**AFFIDAVIT OF PUBLICATION**


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Joe Stark EENR Specialist  
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Salt Lake City UT 84101

STATE OF WISCONSIN, COUNTY OF BROWN

The Carlsbad Current Argus, a newspaper published in the city of Carlsbad, Eddy County, State of New Mexico, and personal knowledge of the facts herein state and that the notice hereto annexed was Published in said newspapers in the issue:

05/07/2024

and that the fees charged are legal.  
Sworn to and subscribed before on 05/07/2024

  
\_\_\_\_\_  
Legal Clerk

  
\_\_\_\_\_  
Notary, State of WI, County of Brown

My commission expires 1-7-25

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**KATHLEEN ALLEN  
Notary Public  
State of Wisconsin**

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, May 23, 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 May 13, 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: Abuelo, LLC; Ergodic Resources, Inc.; Jackie Sue Jones, her heirs and devisees; Pennzoil Exploration and Production Company; Rado Royalties, LLC; Savannah Morgan Boling, her heirs and devisees; Stacy Moore-Boling, her heirs and devisees; The Mark Wilson Family Partnership; Adolph P. Schuman, his heirs and devisees; Anges Cluthe Oliver Trust c/o Brown Brothers Harriman Trust Company of Delaware, National Association; Atlantic Richfield Company; Betsy H. Keller, her heirs and devisees; Brian D. Woehler Trust u/w of William B. Oliver c/o Brown Brothers Harriman Trust Company of Delaware, National Association; Charles Cline Moore, his heirs and devisees; Diamond Head Properties, LP; Dr. Isaac A Kawasaki, his heirs and devisees; E.G. Holden Testamentary Trust; EOG Resources, Inc.; Ernie Bello, his heirs and devisees; Estate of Edward R Hudson, Jr., his heirs and devisees; Frances Bunn Revocable Living Trust dated May 18, 1982; Frederick Van Vranken, his heirs and devisees; J.W. Gendron, his heirs and devisees; Judith C. Devine Trust u/w of William B. Oliver c/o Brown Brothers Harriman Trust Company of Delaware, National Association; Judson Exploration, LP; Karen V. and William H. Martin Energy, Ltd; Magic Dog Oil & Gas, Ltd.; OXY-1 Company; Pennzoil Exploration and Production Company; Pride Energy Corporation; Robert A. Oliver Trust u/w of William B. Oliver c/o Brown Brothers Harriman Trust Company of Delaware, National Association; Royalty Trust Corp.; Shumana Exploration, LP; Taffrail Investments, LP; Tronox Worldwide, LLC; XTO Holdings, LLC, and New Mexico State Land Office.

Case No. 24101: Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (a) approving a standard, overlapping 320-acre, more or less, horizontal well spacing unit in the Bone Spring formation, Avalon; Bone Spring, East [Pool Code 3713], underlying the N2N2 of Sections 29 & 30, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico, and (b) pooling the uncommitted interests in this proposed unit. Said unit will be initially dedicated to the proposed Wayne Gaylord 2930 Fed Com 111H and the Wayne Gaylord 2930 Fed Com 121H wells to be horizontally drilled from a surface hole location in the NE/4 of Section. 29, with first take points located in the NE4NE4 (Unit A) of Section 29 and last take points located in the NW4NW4 (Unit D) of Section 30. This proposed horizontal well spacing unit will overlap a 160-acre vertical well spacing unit comprised of the NW4 of Section 30 dedicated to the Stonewall EP State No. 6 [30-015-24657], a gas well producing from the East Avalon Bone Spring Gas Pool [Code 3278] and currently operated by EOG Resources, Inc. 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 Mafador Production Company as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling the wells. The subject area is located approximately 7 miles north of La Huerta, New Mexico.



PO Box 631667 Cincinnati, OH 45263-1667

**AFFIDAVIT OF PUBLICATION**


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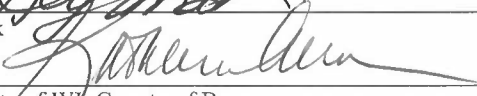
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Legal Clerk

  
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Notary, State of WI, County of Brown

  
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My commission expires

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**KATHLEEN ALLEN**  
Notary Public  
State of Wisconsin



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

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Case No. 24102: Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (a) approving a standard, overlapping 320-acre, more or less, horizontal well spacing unit in the Bone Spring formation, Avalon; Bone Spring, East [Pool Code 3713], underlying the S2N2 of Sections 29 & 30, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico, and (b) pooling the uncommitted interests in this proposed unit. Said unit will be initially dedicated to the proposed Wayne Gaylord 2930 Fed Com 112H and the Wayne Gaylord 2930 Fed Com 122H wells to be horizontally drilled from a surface hole location in the NE/4 of Section. 29, with first take points located in the SE4NE4 (Unit H) of Section 29 and last take points located in the SW4NW4 (Unit E) of Section 30. This proposed horizontal well spacing unit will overlap a 160-acre vertical well spacing unit comprised of the NW4 of Section 30 dedicated to the Stonewall EP State No. 6 [30-015-24657], a gas well producing from the East Avalon Bone Spring Gas Pool [Code 3278] and currently operated by EOG Resources, Inc. 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 the wells. The subject area is located approximately 7 miles north of La Huerta, New Mexico.

**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**

QUESTIONS

Action 345312

**QUESTIONS**

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 345312
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

**QUESTIONS**

<b>Testimony</b>	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	<i>Not answered.</i>
Testimony time (in minutes)	<i>Not answered.</i>