BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING JUNE 18, 2024

CASE NO. 23782

IGGLES BS 123H & 133H WELLS

Lea County, New Mexico



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

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

CASE NO. 23782

HEARING PACKAGE TABLE OF CONTENTS

- Compulsory Pooling Application Checklist
- Filed Application
- MRC Exhibit A: Self-Affirmed Statement of Clay Wooten, Landman
 - MRC Exhibit A-1: Draft C-102s
 - o MRC Exhibit A-2: Tract Map
 - MRC Exhibit A-3: Working Interest Owners
 - o MRC Exhibit A-4: Sample Well Proposal Letter & AFEs
 - o MRC Exhibit A-5: Chronology of Contacts
- MRC Exhibit B: Self-Affirmed Statement of Andrew Parker, Geologist
 - MRC Exhibit B-1: Locator Map
 - o MRC Exhibit B-2: Subsea Structure Map
 - o MRC Exhibit B-3: Structural Cross Section
- MRC Exhibit C: Self-Affirmed Statement of Notice
- MRC Exhibit D: Affidavit of Publication

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 23782	APPLICANT'S RESPONSE		
Date: June 18, 2024			
Applicant	MRC Permian Company		
Designated Operator & OGRID (affiliation if applicable)	Matador Production Company [OGRID 228937]		
Applicant's Counsel:	Holland & Hart LLP		
Case Title:	Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico		
Entries of Appearance/Intervenors:			
Well Family	Iggles		
Formation/Pool			
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:	Vaccum; Bone Spring, West Pool (61910)		
Well Location Setback Rules:	Statewide Rules		
Spacing Unit			
Type (Horizontal/Vertical)	Horizontal		
Size (Acres)	320-acres		
Building Blocks:	Quarter-Quarter sections		
Orientation:	South-North		
Description: TRS/County	W2E2 of Sections 16 and 21, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico.		
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in the application?	Yes		
Other Situations			
Depth Severance: Y/N. If yes, description	No		
Proximity Tracts: If yes, description	No		
Proximity Defining Well: if yes, description	N/A		
Applicant's Ownership in Each Tract	Exhibit A-3		
Well(s)			
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)			
Well #1	Iggles State Com 123H (API No. pending) SHL: 405' FSL & 1385' FEL (Unit O) of Sec. 21, T18S, R34E BHL: 110' FNL & 1980' FEL (Unit B) of Sec. 16, T18S, R34E Completion Target: Bone Spring formation Well Orientation: South-North Completion Location expected to be: Standard		

Received by OCD: 6/11/2024 1:50:15 PM		Page 4 of
Well #2	Iggles State Com 133H (API No. pending) SHL: 405' FSL & 1165' FEL (Unit P) of Sec. 21, T18S, R34E BHL: 110' FNL & 1980' FEL (Unit B) of Sec. 16, T18S, R34E Completion Target: Bone Spring formation Well Orientation: South-North	
	Completion Location expected to be: Standard	
Horizontal Well First and Last Take Points	Exhibit A-1	
Completion Target (Formation, TVD and MD)	Exhibit A-4	
AFE Capex and Operating Costs		
Drilling Supervision/Month \$	\$8,000	
Production Supervision/Month \$	\$800	
Justification for Supervision Costs	Exhibit A	
Requested Risk Charge	200%	
Notice of Hearing		
Proposed Notice of Hearing	Exhibit C	
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C	
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D	
Ownership Determination		
Land Ownership Schematic of the Spacing Unit	Exhibit A-2	
Tract List (including lease numbers and owners)	Exhibits A-2 and A-3	
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A	
Pooled Parties (including ownership type)	Exhibit A-3	
Unlocatable Parties to be Pooled	N/A	
Ownership Depth Severance (including percentage above & below)	N/A	
Joinder		
Sample Copy of Proposal Letter	Exhibit A-4	
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3	
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5	
Overhead Rates In Proposal Letter	Exhibit A-4	
Cost Estimate to Drill and Complete	Exhibit A-4	
Cost Estimate to Equip Well	Exhibit A-4	
Cost Estimate for Production Facilities	Exhibit A-4	
Geology		
Summary (including special considerations)	Exhibit B	
Spacing Unit Schematic	Exhibit B-2	
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-2	
Well Orientation (with rationale)	Exhibit B	
Taleget for manging: 6/11/2024 2:29:48 PM	Exhibit B	

Received by OCD: 6/11/2024 1:50:15 PM	Page 5 o
HSU Cross Section	Exhibit B-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
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	Exhibits A-1, B-2
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-3
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information pr	ovided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Michael H. Feldewert
Signed Name (Attorney or Party Representative):	
Date:	Tichal & Followers 11-Jun-24

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

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

CASE NO. <u>23782</u>

APPLICATION

MRC Permian Company ("MRC" or "Applicant"), through undersigned attorneys, files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling a standard 320-acre, more or less, horizontal well spacing unit in the Bone Spring formation underlying the W2E2 of Sections 16 and 21, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico. In support of its application, MRC states:

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

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

3. Applicant seeks to initially dedicate the above-referenced horizontal well spacing unit to the proposed **Iggles State Com 123H** and the **Iggles State Com 133H** wells to be horizontally drilled from surface locations in the SE4 of Section 21, with first take points in the SW4SE4 (Unit O) of Section 21 and last take points in the NW4NE4 (Unit B) of Section 16.

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. Pooling this horizontal well spacing unit will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on October 5, 2023, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the proposed horizontal well spacing unit;
- B. Designating Matador Production Company as operator of this horizontal well spacing unit and the 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,

HOLLAND & HART LLP

attel By:_ +

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

ATTORNEYS FOR MRC PERMIAN COMPANY

CASE :

Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling a 320-acre, more or less, standard horizontal well spacing unit in the Bone Spring formation underlying the W2E2 of Sections 16 and 21, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico. This unit will be initially dedicated to the proposed **Iggles State Com 123H** and **Iggles State Com 133H** wells to be horizontally drilled from surface locations in the SE4 of Section 21, with first take points in the SW4SE4 (Unit O) of Section 21 and last take points in the NW4NE4 (Unit B) of Section 16. Also, to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the wells, and a 200% charge for risk involved in drilling and completing said wells. The subject area is located approximately 15 miles northeast of Halfway, New Mexico.

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

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

CASE NOS. 23782

SELF-AFFIRMED STATEMENT OF CLAY WOOTEN

Clay Wooten, of lawful age and being first duly sworn, declares as follows:

1. My name is Clay Wooten. I work for MRC Energy Company, an affiliate of MRC Permian Company ("MRC"), as a Landman.

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 application filed by MRC in this case, and I am familiar with the status of the lands in the subject area.

4. In this case, MRC is seeking an order pooling all uncommitted interests in the Bone Spring formation in the standard 320-acre, more or less, horizontal well spacing unit comprised of the W/2 E/2 of Sections 16 and 21, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico, and initially dedicate this Bone Spring spacing unit to the proposed **Iggles State Com 123H** and **Iggles State Com 133H** wells to be horizontally drilled from surface locations in the SE/4 of Section 21, with first take points in the SW/4 SE/4 (Unit O) of Section 21 and last take points in the NW/4 NE/4 (Unit B) of Section 16.

> BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. A Submitted by: Matador Production Company Hearing Date: June 18, 2024 Case No. 23782

5. MRC understands these wells will be placed in the Vacuum; Bone Spring, West (61910) pool.

6. **MRC Exhibit A-1** contains the Form C-102 for the proposed wells.

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

8. MRC Exhibit A-2 identifies the tracts of land comprising the proposed horizontal spacing unit. The land in the proposed spacing unit is comprised of state lands.

9. MRC Exhibit A-3 identifies the working interest owner that MRC is seeking to pool along with its ownership interest in the proposed horizontal spacing unit. MRC Exhibit A-3 also includes a list of the overriding royalty interest owners that MRC seeks to pool in this case.

10. There are no depth severances within the Bone Spring formation for this acreage.

11. While MRC was working to put this unit together, MRC proposed the above well to the working interest parties it seeks to pool. **MRC Exhibit A-4** contains a copy of the well proposal letter that was sent to that party, along with the AFE that was sent for each well. The costs reflected in the AFE are consistent with what other operators have incurred for drilling similar horizontal wells in the area.

12. In addition to sending well proposal letters and AFEs, I have made contact with the working interest owner MRC seeks to pool and have had multiple discussions about this acreage. **MRC Exhibit A-5** contains a summary of MRC's contacts with the uncommitted working interest owner we seek to pool in this case. In my opinion, MRC has undertaken good faith efforts to reach an agreement with the uncommitted working interest owner that MRC seeks to pool in this case.

2

13. MRC has made an estimate of overhead and administrative costs for drilling and producing the proposed well. It is \$8,000/month while drilling, and \$800/month while producing. These costs are consistent with what other operators are charging in this area for these types of wells. MRC respectfully requests that these administrative and overhead costs be incorporated into any order entered by the Division in this case.

14. I provided MRC's outside counsel, Holland & Hart, a list of names and addresses for the parties that MRC is seeking to pool. In compiling this notice list, MRC conducted a diligent search of all public records in the county where the proposed wells are locate, including computer searches.

15. MRC Exhibits A-1 through A-5 were either prepared by me or compiled under my direction and supervision.

16. 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.

Clay Woon

Clay Wooten

6/10/24

Date

Exhibit A-1

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. A-1 Submitted by: Matador Production Company Hearing Date: June 18, 2024 Case No. 23782

 District I

 1633 N. French Dr., 11obbs, NM 88240

 Phone (575) 393-6161

 Bill S. First SL, Artesia, NM 88210

 Phone (575) 748-1283

 Phone (503) 134-6178

 Phone (505) 314-6178

 Phone (505) 314-6178

 Phone (505) 3476-3460

 Phone (505) 3476-3460

 Phone (505) 3476-3460

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

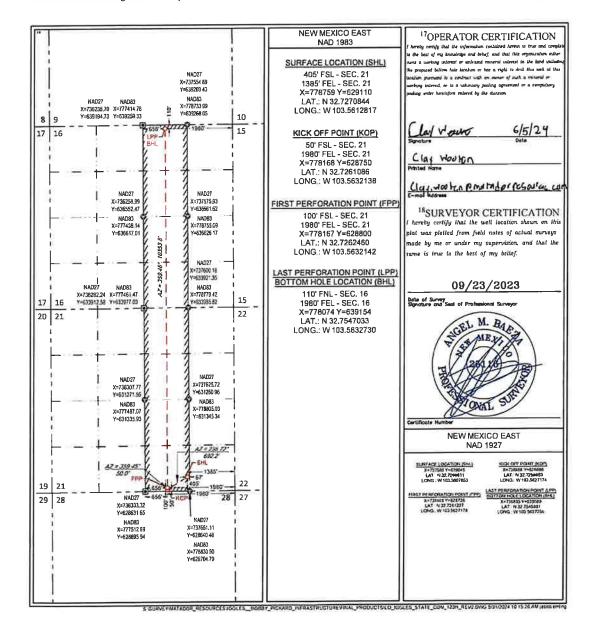
WELL LOCIETON AND A ODEA OF DEDICATION DI AT

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

AMENDED REPORT

API Number			Pool Code			Pool Name	2		
			6	1910		Vacuum	n' Bone	Spring.	West
Property Cade				Property Name			JW0	PWcll Number	
				IG	GLES STA	TE COM		1	23H
OGRID	No.				[®] Operator Na				Sevation
2289	37		M	ATADOR	PRODUCT	ION COMPAN	Y	4	.025'
					¹⁰ Surface Lo	cation			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	21	18-S	34-E	=	405'	SOUTH	1385'	EAST	LEA
			11B	ttom Hole	Location If Di	fferent From Surf	ace		
UL or lat ho.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feel from the	East/West line	County
B	16	18-S	34-E	-	110'	NORTH	1980'	EAST	LEA
Dedicated Acres 320	¹³ Jaint or l	n1111 **Co	nsolidation Code	"Order	Na			1112	

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.



Diatrici1 1625 N French Dr., Hobbs, NM 88240 Phone (575) 393-6161 Fax (575) 393-0720 Diatrici11 811 S First St, Antesia, NM 88210 Phone: (575) 748-1281 Fax (575) 748-9720 Diatrici111 1000 Rin Brazos Road, Arate, NM 87410 Phone: (505) 334-6178 Fax (505) 334-6170 Diatrici1 V 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

	AFI Number	r		Pool Code			Pool Nam			
			6	61910		Vacuum; Bone Spring,			West	
*Property Code				191-1	Property National STAT	me /		יין ינ	Vell Number 133H	
⁷ 0GRID 2289			м	*Operator Name MATADOR PRODUCTION COMPANY				'Elevation 4024'		
					¹⁰ Surface Loc	ation				
UL or lot m. P	Section 21	Township 18–S	Range 34-E	Lot Idn	Feet from the	North/South Rac SOUTH	Feet from the 1165'	East/West line	LEA	
			11B	ottom Hole	Location If Di	fferent From Surf	face			
UL or Jot no. B	Section 16	Township 18-S	Range 34-E	Lot Idn —	Feet from the 110'	North/South line NORTH	Feet from the 1980 ³	East/West line EAST	Count LEA	
Dedicated Acres 320	Juint or	Infill ¹⁴ Co	nsolidation Code	15Order	No.					

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

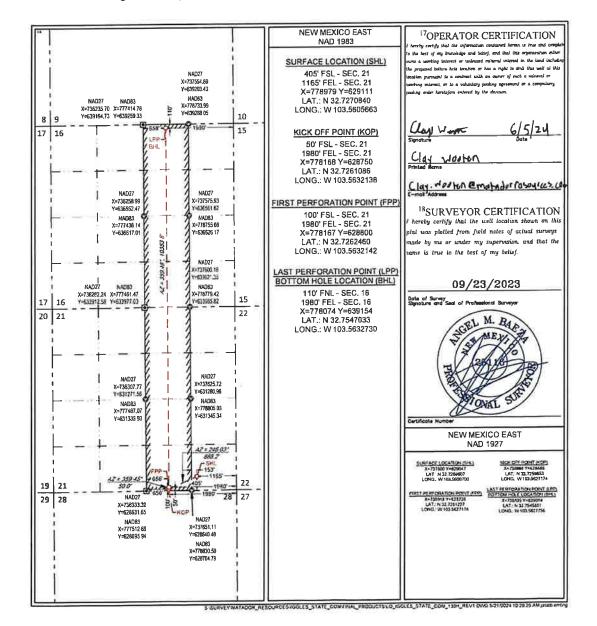


Exhibit A-2

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. A-2 Submitted by: Matador Production Company Hearing Date: June 18, 2024 Case No. 23782

Received by OCD: 6/11/2024 1:50:15 PM



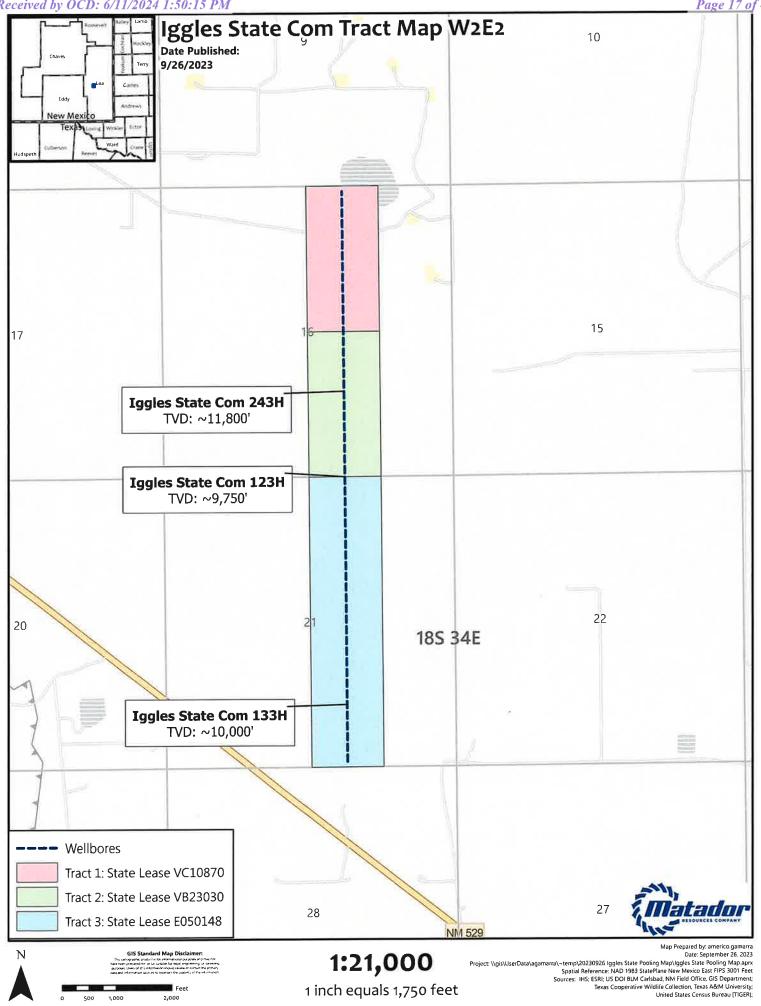


Exhibit A-3

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. A-3 Submitted by: Matador Production Company Hearing Date: June 18, 2024 Case No. 23782

20.00000%	30.00000%	0.00000%	Interest:	30.00000%
		のための	Tract:	ę
npany:	Pool:	oinder:	Description:	Uncommitted Working Interest Owner
MRC Permian Company:	Compulsory Pool:	Voluntary Joinder:	Interest Owner:	Marathon Oil Permian, LLC

Summary of Interests



Page 19 of 42

•

E2 ORRI Owners

E2 ORRI Owners
Burlington Resources Oil & Gas Company, LP
Good News Minerals
Crump Energy Partners II, LLC
Sitio Permian, LLC
Post Oak Crown IV, LLC
Post Oak Mavros II, LLC
Sortida Resources, LLC
Oak Valley Mineral and Land, LP
Crown Oil Partners, LP
Collins and Jones Investments, LLC
MCT Energy Ltd.
H. Jason Wacker
David W. Cromwell
Post Oak Crown IV-B, LLC
LMC Energy LLC
Kaleb Smith
Deanne Durham
Mike Moylett

Exhibit A-4

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. A-4 Submitted by: Matador Production Company Hearing Date: June 18, 2024 Case No. 23782

MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240 Voice 972.587.4624 • Fax 214.866.4930 clay.wooten@matadorresources.com

Clay Wooten Landman

March 31, 2023

VIA CERTIFIED RETURN RECEIPT MAIL

Marathon Oil Permian, LLC 990 Town & Country Blvd Houston, Texas 77024

 Re: Iggles State Com #123H, #124H, #133H, #134H, #243H & #244H (the "Wells") Participation Proposal Sections 16 & 21, Township 18 South, Range 34 East Lea County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Iggles State Com #123H, Iggles State Com #124H, Iggles State Com #133H, Iggles State Com #134H, Iggles State Com #243H & Iggles State Com #244H wells, located in Sections 16 & 21, Township 18 South, Range 34 East, Lea County, New Mexico.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping of each Well is itemized on the six (6) enclosed Authority for Expenditures ("AFE") dated March 28, 2023.
- Iggles State Com #123H: to be drilled from a legal location with a proposed surface hole location SW/4SE/4 of Section 21-18S-34E, a proposed first take point located at 100' FSL and 1,980' FEL of Section 21-18S-34E, and a proposed last take point located at 100' FNL and 1,980' FEL of Section 16-18S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~9,750' TVD) to a Measured Depth of approximately 19,500'.
- Iggles State Com #124H: to be drilled from a legal location with a proposed surface hole location SE/4SE/4 of Section 21-18S-34E, a proposed first take point located at 100' FSL and 660' FEL of Section 21-18S-34E, and a proposed last take point located at 100' FNL and 660' FEL of Section 16-18S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~9,750' TVD) to a Measured Depth of approximately 19,500'.
- Iggles State Com #133H: to be drilled from a legal location with a proposed surface hole location SW/4SE/4 of Section 21-18S-34E, a proposed first take point located at 100' FSL and 1,980' FEL of Section 21-18S-34E, and a proposed last take point located at 100' FNL and 1,980' FEL of Section 16-18S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,000' TVD) to a Measured Depth of approximately 19,937'.

- Iggles State Com #134H: to be drilled from a legal location with a proposed surface hole location SE/4SE/4 of Section 21-18S-34E, a proposed first take point located at 100' FSL and 660' FEL of Section 21-18S-34E, and a proposed last take point located at 100' FNL and 660' FEL of Section 16-18S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,000' TVD) to a Measured Depth of approximately 19,937'.
- Iggles State Com #243H: to be drilled from a legal location with a proposed surface hole location SW/4SE/4 of Section 21-18S-34E, a proposed first take point located at 100' FSL and 1,980' FEL of Section 21-18S-34E, and a proposed last take point located at 100' FNL and 1,980' FEL of Section 16-18S-34E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~11,800' TVD) to a Measured Depth of approximately 21,737'.
- Iggles State Com #244H: to be drilled from a legal location with a proposed surface hole location SE/4SE/4 of Section 21-18S-34E, a proposed first take point located at 100' FSL and 660' FEL of Section 21-18S-34E, and a proposed last take point located at 100' FNL and 660' FEL of Section 16-18S-34E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~11,800' TVD) to a Measured Depth of approximately 21,737'.

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 mailed at a later date, and has the following general provisions:

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

If your election is to participate in the drilling and completion of the Wells, please sign and return a copy of the enclosed 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

Law Woot

Clay Wooten

Marathon Oil Permian, LLC hereby elects to:

 _Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Iggles State Com #123H well.
 _Not to participate in the Iggles State Com #123H
 _Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador
Production Company's Iggles State Com #124H well.
 _Not to participate in the Iggles State Com #124H
 _Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador
Production Company's Iggles State Com #133H well.
 _Not to participate in the Iggles State Com #133H
 _Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador
Production Company's Iggles State Com #134H well.
 _Not to participate in the Iggles State Com #134H
 _Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador
Production Company's Iggles State Com #243H well.
 _Not to participate in the Iggles State Com #243H
_Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador
 Production Company's Iggles State Com #244H well.
_Not to participate in the Iggles State Com #244H

Marathon Oil Permian, LLC

Ву: _____

Title: _____

Date: ______

Contact Number: _____

MATADOR PRODUCTION COMPANY

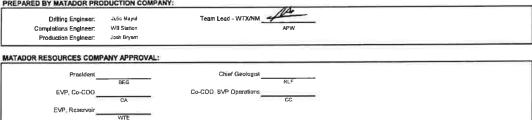
ONE LINCOLN CENTRE + 5400 LBJ FREEWAY + SUITE 1500 + DALLAS, TEXAS 75240 Phone (972) 371-5200 - Fax (972) 371-5201

ESTIMATE OF COSTS AND AUTOMIT EOD EVE

DATE:	3/28/2023	AFE NO.:	0
WELL NAME:	Iggles State Com 123H	FIELD:	0
LOCATION:	Sections 16&21 18S-34E	MD/TVD:	19500'/9750'
COUNTY/STATE:	Lea	LATERAL LENGTH:	about 10,000'
MRC WI:			
GEOLOGIC TARGET:	2nd Bone Spring		
REMARKS:			

	DRILLING COSTS	COMPLETION	PRODUCTION	FACILITY	TOTAL
INTANGIBLE COSTS		CUSTS	cosis		
Land / Legal / Regulatory	\$ 17,500	\$	\$	\$ 10,000	\$ 27,500
Location, Surveys & Damages	134,500	13,000	15.000	20,000	182,50
Drilling	894,926				894,92
Cementing & Float Equip	307,000				307,000
Logging / Formation Evaluation		8,000			8,00
Mud Logging	24,750				24,750
Mud Circulation System	84,020				94,020
Mud & Chemicals	332,445	65,000			397,44
Mud / Wastewater Disposal	235,000	•		1,000	235,000
Freight / Transportation	22,500	36,500			59,000
Rig Supervision / Engineering	139,200	96,400	7,500	3,600	246,700
Drift Bits	130,000				130,000
Fuel & Power	168,000	732,405			900,405
Water	76,250	485,625	<u> </u>	1.000	562,875
Drig & Completion Overhead	12,000				12,000
Plugging & Abandonment					
Directional Drilling, Surveys	318,750				318,750
Completion Unit, Swab, CTU		170,000	25,000		195,000
Perforating, Wireline, Slickline		233,024	-		233,024
High Pressure Pump Truck		122,000		<u> </u>	122,000
Stimulation		2,782,057	<u> </u>		2,782.057
Stimulation Flowback & Disp	· · · · ·	15,500	250.000		265,500
		15,500	230,000		12,285
insurance Labor	12,285	60,250	85,000	5,000	353,250
Rental - Surface Equipment	117,059	334,410	50,000	5,000	515,469
Rental - Downhole Equipment	172,450	91,000			263,450
Rental - Living Quarters	44,634	55,040		5,000	104,674
Contingency	173,973	188.862	22,125	5,060	390,019
Operations Center	23,184				23,184
TOTAL INTANGIBLES	> 3,653,425	5,489,073	454,625	55,660	9,662,783
	DRILLING	COMPLETION	PRODUCTION	FACILITY	TOTAL.
TANGIBLE COSTS	COSTS	COSTS	COSTS	COSTS	COSTS
			/+		
	\$ 159,945	\$	\$	s	\$ 159,845
Surface Casing Intermediate Casing	\$ <u>159,945</u> 604,215	\$	\$		\$ 159,845
	604,215	\$	\$		\$
Intermediate Casing		* <u></u>	\$		\$
Intermediate Casing Drilling Liner	604,215	\$	\$		\$ 159,845 604,215 975,074
Intermediate Casing Drilling Liner Production Casing	975,074	\$	\$ 		\$ 158,845 604,215 975,074 183,750
Intermediate Casing Driffing Liner Production Casing Production Liner	604,215 975,074	\$	\$		\$ 158,845 604,215 975,074 183,750
Intermediate Casing Orffling Liner Production Cesing Production Liner Tubing	975,074	\$ 55,255	\$ 	\$	\$ 159,845 604,215 975,074 183,750 128,500 70,265
Intermediate Casing Orifing Liner Production Casing Production Liner Tubing Veilinead	604,215 975,074 83,500	\$	\$ 		\$ 159,845 604,215 975,074 183,750 128,500 70,265
Intermediata Casing Driffing Liner Production Cosing Production Liner Tubing Wellhead Packers, Liner Hangers Tankis	604,215 975,074 83,500	\$	\$ 183.750 45,000 5,000	\$	\$ 159,945 604,215 975,074 183,750 128,500 70,265 120,000
Intermediate Casing Drilling Liner Production Casing Production Liner Tubing Wellinead Packers, Liner Hangers Tanks Production Vessels	<u>604,215</u> 975,074 83,500	\$	\$ 183,750 45,000 5,000	\$ 120.000	\$ 158,845 604,215 975,074 183,750 128,500 70,265 120,000 186,700
Intermediate Casing Drilling Liner Production Cosing Production Liner Tubing Wellhead Packers, Liner Hangers Tanks Production Vessels Flow Lines	604,215 975,074 83,500	\$	\$ 183,750 45,000 5,000	\$ 120.000 189.700	\$ 158,845 604,215 975,074 183,750 128,500 70,265 120,000 186,700
Intermediate Casing Driffing Liner Production Cosing Production Liner Turbing Weißhead Packers, Liner Hangers Tanks Production Vessels Flow Lines Rod string	604,215 975,074 83,500	\$	\$ 183.750 45.000 5.000 	\$ 120.000 189.700	\$ 158,845 664,215 183,750 183,750 128,500 70,265 120,000 166,700
Intermediate Casing Drilling Liner Production Cosing Production Liner Tubing Weilhead Packars, Liner Hangers Tanks Production Vessels Flow Lines Rod string Artificial LIR Equipment	604.215 975.074 83,500	\$	\$ 183.750 45.000 5.000 	\$ 	\$ 159,845 604,215 183,750 128,500 70,265 120,000 160,000 160,000
Intermediate Casing Driffing Liner Production Cosing Production Cosing Wellihead Packors, Liner Hangers Tarks Production Vessels Flow Lines Rod statag Artificial LIII Equipment Compressor	604,215 975,074 83,500 	\$	\$	\$ 120.000 159.700 120.000 20.833	\$ 159,845 664,215 975,074 183,750 70,265 128,500 70,265 120,000 166,700 166,700 166,700 275,000 20,833
Intermediate Casing Drilling Liner Production Cosing Production Liner Tubing Weilhead Packers, Liner Hangers Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Casis	604,215 975,074 83,500 	\$	\$ 163.750 45.000 5.000 	\$ 	\$ 159,442 604,215 975,074 183,750 128,500 70,265 120,000 106,700 160,000 20,833 104,000
Intermediate Casing Driffing Liner Production Cesing Production Cesing Verlinead Packers, Liner Hangers Tarks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Casis Surface Purps	604,215 975,074 83,500 	\$	\$	\$ 120,000 189,700 120,000 20,833 104,000 28,750	\$ 159,845 664,215 183,750 70,265 120,000 169,700 169,700 20,833 104,000 28,750
Intermediate Casing Driffing Liner Production Cosing Production Cosing Weilhead Packers, Liner Hangers Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Compressor Installation Cosits Surface Pumpa	604,215 975,074 83,500 	\$	\$	\$ 	\$ 159 845 604,215 975,074 163,750 172,500 70,255 120,000 166,700 150,000 275,000 20,833 104,000 28,750 28,460 28,750 28,460 28,750 28,460 28,750 28,7
Intermediate Casing Drilling Liner Production Cosing Production Cosing Verlinead Packers, Liner Hangers Tanks Production Vessels From Lines Forw Lines Antificial Line Equipment Artificial Line Equipment Compressor Installation Casts Surface Pumps Non-controllable Surface	604,215 975,074 	\$	\$	\$ 120,000 189,700 120,000 20,833 104,000 28,750	\$ 159,845 664,215 183,750 70,265 120,000 169,700 169,700 20,833 104,000 28,750
Intermediate Casing Driffing Liner Production Cosing Production Cosing Weilbead Packers, Liner Hangers Tanks Production Vessels Production Vessels Flow Lines Compressor Installation Cosis Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps	604,215 975,074 83,500 	\$	\$ 183,750 45,000 5,000 	\$ 120,000 189,700 120,000 20,833 104,000 28,730 2,000	\$ 159 845 604,215 77,025 163,750 172,850 70,255 120,000 168,700 150,000 275,000 20,033 104,000 28,750 2,460 -
Intermediate Casing Drilling Liner Production Cosing Production Cosing Production Cosing Production Vessels Production Vessels Finar Lines Add string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controliable Surface Non-controliable Surface Downhole Pumps	604,215 975,074 	\$	\$ 183.750 45.000 5.000 	\$ 120,000 189,700 120,000 20,833 104,000 28,750	\$ 5 159,442 604,215 7 163,750 128,500 70,265 120,000 166,700 20,833 104,000 28,750 2,400 24,400 129,500
Intermediate Casing Driffing Liner Production Cesing Production Cesing Production Cesing Vetilhead Packers, Liner Hangers Tarks Production Vessels Flow Lines Flow Lines Flow Lines Compressor Compressor Composition Casis Surface Pumps Non-controllable Surface Non-controllable Surface Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installation Gas Conditioning / Dehydration	604,215 975,074 83,500 	\$	\$	\$ 120,000 189,700 120,000 20,833 104,000 28,750 2,000 113,500	\$ 158,e43 664,215 975,074 183,750 128,500 70,265 120,000 168,700 169,700 169,700 164,000 275,000 275,000 28,750 2,400 129,500 129,500
Intermediate Casing Drifling Liner Production Cosing Production Cosing Production Cosing Wellhead Packers, Liner Hangers Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controliable Surface Non-controliable Surface Non-controliable Surface Non-controliable Downhole Downhole Pumps Measurement & Meter Installation Gas Conditioning / Dehydration Interconnecting Facility Plping	604,215 975,074 83,500 	\$	\$ 183.750 45.000 5.000 	\$ 120,000 189,700 120,000 20,833 104,000 28,730 2,000	\$ 159,45 604,215 975,074 183,750 70,265 120,000 169,700 120,000 169,700 1275,000 275,000 275,000 28,750 24,750 2
Intermediate Casing Drilling Liner Production Cosing Production Cosing Production Cosing Verlinead Packers, Liner Hangers Tanks Production Vessels Flow Lines Flow Lines Flow Lines Artificial Line Equipment Compressor Artificial Line Equipment Compressor Installation Cosits Surface Pumps Non-controllable Downhole Downhole Pumps Measurement & Meter Installation Gas Conditioning / Dehydration Intercommecting Facility Piping Gasterting / Sullis Lines	604,215 975,074 83,500 	\$	\$	\$	\$ 5 158,44215 875,074 183,750 128,500 70,265 120,000 166,700 160,000 20,833 104,000 20,833 104,000 20,835 2,450 20,20 20
Intermediate Casing Driffing Liner Production Cosing Production Cosing Production Cosing Wellhead Packers, Liner Hangers Tarks Production Vessels Flow Lines Rod string Artificial LIII Equipment Compressor Gompressor Installation Cosis Surface Pumps Non-controllable Surface Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installation Gas Conditioning / Dehydration Interconnecting Facility Piping Gasthering / Builk Lines	604,215 975,074 83,500 	\$	\$ 183,750 45,000 5,000 	\$ 120,000 189,700 120,000 120,000 20,833 104,000 28,750 2,000 113,500 137,500	\$ 5 159 445 604,215 975,074 163,750 128,500 128,500 128,500 160,000 160,000 275,000 20,833 104,000 28,750 2,400 129,500 137,500 137,500
Intermediate Casing Drilling Liner Production Cosing Production Cosing Production Cosing Verlinead Packers, Liner Hangers Tanks Production Vessels Frow Lines Rod string Artificial LIR Equipment Compressor Installation Costs Surface Pumps Non-controliable Surface Non-controliable Surface Non-controliable Surface Non-controliable Downhole Downhole Pumps Measurement & Meter Installation Gas Conditioning / Dehydration Interconnecting Facility Piping Gastering / Built Lines Valves, Dumps, Controllers	604,215 975,074 83,500 	\$	\$	\$ 	\$ 159,44 604,215 975,074 183,750 128,500 70,265 120,000 106,700 160,000 20,833 104,000 247,500 24,400 149,500 139,500 137,500 137,500 11,500 1
Intermediate Casing Driffing Liner Production Cosing Production Cosing Production Cosing Wellhead Packers, Liner Hangers Tarks Production Vessels Flow Lines Rod string Artificial LIII Equipment Compressor Gompressor Installation Cosis Surface Pumps Non-controllable Surface Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installation Gas Conditioning / Dehydration Interconnecting Facility Piping Gasthering / Builk Lines	604,215 975,074 83,500 	\$	\$	\$ 	\$ 159 445 604,215 075,074 163,750 172,500 160,000 160,000 275,000 26,750 2,460 137,500 17,500
Intermediate Casing Drilling Liner Production Cosing Production Cosing Production Cosing Verlinead Packers, Liner Hangers Tanks Production Vessels Frow Lines Rod string Artificial LIR Equipment Compressor Installation Costs Surface Pumps Non-controliable Surface Non-controliable Surface Non-controliable Surface Non-controliable Downhole Downhole Pumps Measurement & Meter Installation Gas Conditioning / Dehydration Interconnecting Facility Piping Gastering / Built Lines Valves, Dumps, Controllers	604,215 975,074 83,500 	\$	\$ 	\$ 	\$ 159,442 604,215 975,074 163,750 128,500 70,265 120,000 106,700 166,700 275,000 20,833 104,000 28,750 2,400 129,500 137,500 137,500 137,500 17,500 12,2300 17,500 12,2300 17,500 12,2300 12,2300 155,000 155,
Intermediate Casing Driffing Liner Production Cesing Production Cesing Production Cesing Weilhead Packers, Liner Hangers Tanks Production Vessels Flow Lines Flow Lines Flow Lines Flow Lines Compressor Compressor Compressor Rod string Artificial Lift Equipment Compressor Compressor Rod string Artificial Lift Equipment Compressor Compressor Rod String Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installation Gas Conditioning / Dehydration Intercomnecting Facility Pipling Gastering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment Flare Stack	604,215 975,074 83,500 	\$	\$	\$ 	\$ 5 159,442 604,215 7 163,750 163,750 160,000 160,000 160,000 20,833 104,000 20,833 104,000 20,750 20,833 104,000 129,500 129,500 122,500 137,500 137,500 137,500 137,500 18,750 122,300 18,750 122,300 18,750 122,300 18,750 122,300 18,750 122,300 18,750 122,300 18,750 122,300 18,750 122,300 18,750 122,300 18,750 122,300 18,750 122,300 18,750 122,300 18,750 122,300 18,750 122,300 18,750 122,300 18,750 152,300 18,750 122,300 18,750 18,750 122,300 18,750 18,
Intermediate Casing Drilling Liner Production Cosing Production Cosing Production Cosing Verbins Perclement Production Vessels From Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Surface Non-controllable Surface Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installation Gas Conditioning / Dehydration Intervonnecting Fieldiky Piping Gasthering / Buik Lines Valves, Dumps, Controllers Tank / Facility Containment Fiare Stack	604,215 975,074 83,500 	\$	\$ 183,750 45,000 5,000 	\$ 120,000 159,700 120,000 120,000 20,833 104,000 28,750 2,000 113,500 113,500 137,500 137,500 15,250 97,300 16,250 57,300 16,250 57,300	\$ 5 604,215 604,215 7 183,750 128,500 70,265 120,000 160,000 20,833 104,000 28,750 2,400 122,500 137,500 137,500 137,500 137,500 13,750 12,300 18,750 12,300 18,750 12,300 18,750 18,750 12,300 18,750 12,300 18,750 18,750 12,300 18,750
Intermediate Casing Drilling Liner Production Cosing Production Cosing Production Cosing Verlinead Packers, Liner Hangers Tanks Production Vessels Flow Lines Flow Lines Flow Lines Flow Lines Flow Lines Artificial Line Equipment Compressor Installation Cosits Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installation Gas Conditioning / Dehydration Gasterting / Sulli Lines Valves, Dumps, Controllers Tank / Facility Containment Flare Stack Electrical / Grounding Communications / SCADA	604,215 975,074 83,500 	\$	\$	\$ 	\$ 5 159,042 604,215 975,074 183,750 128,500 70,265 120,000 160,000 20,333 104,000 20,333 104,000 20,750 2,430 129,500 137,500 43,750 122,300 18,750 18

PREPARED BY MATADOR PRODUCTION COMPANY:



NON OPERATING PARTNER APPROVAL:

Company Name:	Working Interest (%):	Tax ID:	
Signed by:	Dale:		
Tide:	Approval:	YesNo (mark	k one)
The party are the AVE are estimated with and rules that in persistent as a face, surplus, regulatory downings and rules or or the series of the lower and the series of th	onlegs, en ers onder sen at mittal som at the priori. Tuary matatan nammet inder tre MT mei te betynd at til pres afor In aufkunde per avertige gravenet, replacely other a atter gravenet soverig the web. Per caarts wal be menned to are abort	na wali kasi kawa ngrapismi. Ia manuling tani AFC, tan Parkapart ngrani ta maji pi pinantanaka Ukasi di antud data m Manulinanaka ka Guargori andi untud ang garand katifa murana ataka pilakapini pinamat Guargori a tambiana a	nest strate

AFE - Version 3

MATADOR PRODUCTION COMPANY

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

	ESTIMATE OF COS	IS AND AUTHORIZATION FOR EXPENDITURE	
DATE:	3/28/2023	AFE NO.:	0
WELL NAME:	Iggles State Com #133H	FIELD:	0
LOCATION:	Section 18&21-18S-34E	MD/TVD;	19937'/10000'
COUNTY/STATE:	Lea	LATERAL LENGTH:	about 10,000'
MRC WI:	A second s		
GEOLOGIC TARGET:	3rd Bone Spring		
REMARKS:			

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION	PRODUCTION	FACILITY	TOTAL
Land / Legal / Regulatory	\$ 17,500			\$ 10,000	27,50
Location, Surveys & Damages	134 500	13,000	15,000	20.000	182.50
		13,000	15,000	20,000	
Inilia	928,155				928,1
Cementing & Float Equip	307,000				307,0
Logging / Formation Evaluation		8,000			8,0
Mud Logging	24,750				24,7
Hud Circulation System	97,250				97.2
Mud & Chemicals	332,445	65,000			397.44
Mud / Wastewater Disposal	235,000			1,000	236,0
Freight / Transportation	22,500	36,500		1,000	59.0
		95,400	7,500		251,50
Rig Supervision / Engineering	144,000	30.400	7,900	3,600	
Driff Bits	130,000				130,0
Fuel & Power	175,000	732,405		·	907,4
Water	76,250	485,625		1,000	562,8
Drig & Completion Overhead	12,500	-		•	12,5
Plugging & Abandonment	· · · · ·				
Directional Drilling, Surveys	324,650				324,6
		170.000	25,000		195.00
Completion Unit, Swab, CTU	·				
Perforating, Wireline, Silckline		233,024	<u> </u>		233,0
High Pressure Pump Truck		122,000			122.0
Stimulation	•	2,945,763			2,945,70
Stimulation Flowback & Disp		15,500	250,000		265,50
Insurance	12,560				12.5
Labor	203.000	60,250	85.000	5.000	353.2
		334,410	60,000	5,000	520,54
Rental - Surface Equipment	121,135		60,000	5,000	
Rental - Downhole Equipment	175,950	91,000			266,9
Rental - Living Quarters	45,829	55,040	-	5,000	105,88
Contingency	177,206	188,852	22,125	5,060	393,2
Operations Contor	24,150				24,1
TOTAL INTANGIBLES	5 > 3,721,329	5.653,779	454,625	55,660	9,895,3
TANGIBLE COSTS	COSTS	COSTS	COSTS	COSTS	COSTS
		00313		5 5	159.94
Surface Casing		•	*	· ·	610,37
Intermediate Casing	610,377				510,31
Drilling Liner					
Production Casing	855,128				856,12
-robuction casing	030,120				
Production Liner					-
Tubing			192,500		192.5
Welthead	63,500		45,000		128,50
		65.265	5,000		70,20
Packers, Liner Hangers		05.205		120.000	120.00
(anka					
Production Vessels	2.5		<u> </u>	189,700	189,70
Flow Lines			40,000	120,000	160,00
Rod string					
Artificial Lift Equipment			275,000		275,0
Compressor	· · · ·		•	20,833	20,83
nstallation Costs			·	104.000	104.0
				28,750	28,7
Surface Pumps	i				
Non-controllable Surface	400		•	2,000	2.4
Non-controllable Downhole					
Downhole Pumps	:000				-
Measurement & Meter Installation			16,000	113,500	129,50
Sas Conditioning / Dehydration					
			<u> </u>	137.500	137.5
nterconnecting Facility Piping					137.5
Sathering / Bulk Lines			· ·		
Alves, Dumps, Controllers					
Fank / Facility Containment				17,500	17,50
lare Stack				43,750	43,75
			25,000	97,300	122,30
	and the second sec		2,500	16,250	15.75
Electrical / Grounding					
Electrical / Grounding Constaulications / SCADA					76 60
Electrical / Grounding Communications / SCADA Instrumentation / Safety			12,500	63,300	
Electrical / Grounding		65,265 5,719,044			75,60

PREPARED	BY	MATADOR PRODUCTION COMPANY:	

Signed by. Title:

FREPARED OF MATADOR FRE	JODCHON COMPA		
Drilling Engineer: Completions Engineer: Production Engineer:	Julio Mayol Will Station Josh Bryani,	Team Lead - WTX/NM	
MATADOR RESOURCES COMP	PANY APPROVAL:		
President	BEG	Chief Geologist	
EVP, Co-COO	CA	Co-COO, SVP Operations	
EVP, Reservoir	Wite		
NON OPERATING PARTNER A	PROVAL:		
		Marking Indefent (%)	Tax (C)

ο μέτα ματαλ. Το δηματικά και ματικά καλα δα Μζ του το οδομά σε ές χρα στο Παταλομίου και ματαλομία. Ο το πολομαί το το Έργη Πυτ Ο μέτα ματαλογραφικά χρογια το Τρόμματο ματά το στοκή έχι το δολαμογραφικού το Έργητας το Ευργή το Εργοποί Τολιο ander alland all and an and an and all and an and all and all and an and all and all and all and all and all an The point on the MT are redrived only out may not bold continue regulating trace-region and well seems under the ter-er-ment as applicable to the Question to the factor and

Date:

Approval _____Yes

AFE - Version 3

No (mark one)

Exhibit A-5

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. A-5 Submitted by: Matador Production Company Hearing Date: June 18, 2024 Case No. 23782

Summary of Communications - Iggles

Working Interest Owner:

1. Marathon Oil Permian, LLC

In addition to sending well proposals, Matador has had communications with Marathon Oil Permian, LLC

regarding their interest and continue to discuss voluntary joinder.

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

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

CASE NO. 23782

APPLICATION OF MRC PERMIAN COMPANY FOR APPROVAL OF AN OVERLAPPING SPACING UNIT AND FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 23783

SELF-AFFIRMED STATEMENT OF ANDREW PARKER

Andrew Parker, of lawful age and being first duly sworn, declares as follows:

1. My name is Andrew Parker. I work for MRC Energy Company, an affiliate of MRC Permian Company ("MRC"), as a Senior Vice President of Geoscience.

- 2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.
- 3. I am familiar with the applications filed by MRC in these cases, and I have conducted a geologic study of the lands in the subject area.
- 4. MRC Exhibit B-1 is a locator map outlining the horizontal spacing units with a black box shaded in yellow, with the larger area identified in a red box.
- 5. In these cases, MRC intends to develop the Second Bone Spring of the Bone Spring formation.

6. MRC Exhibit B-2 is a subsea structure map prepared off the top of the Bone Spring formation. The contour interval is 250 feet. The structure map shows the Bone Spring formation gently dipping to the south. The structure appears consistent across the proposed wellbore paths. I do not observe any faulting, pinchouts, or other geologic impediments to horizontal drilling.

7. Also included on MRC Exhibit D-2 is a line of cross section from A to A'.

8. 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, resistivity, and porosity. The proposed target intervals for each of the respective proposed wells is labeled and marked with a yellow shaded area. The logs in the cross-section demonstrate that the targeted intervals, within the Bone Spring formation, are consistent in thickness, across the entirety of the proposed spacing units.

9. In my opinion, the standup orientation is the preferred orientation for development in this area for Bone Spring wells because the maximum horizontal stress is east-west in this area.

10. 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.

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

12. 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.

Released to Imaging: 6/11/2024 2:29:48 PM

2

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

14. MRC Exhibits B-1 through B-3 were either prepared by me or compiled under my direction and supervision.

I affirm under penalty of perjury under the laws of the State of New Mexico that 15. 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

6/10/2024 Date

Locator Map

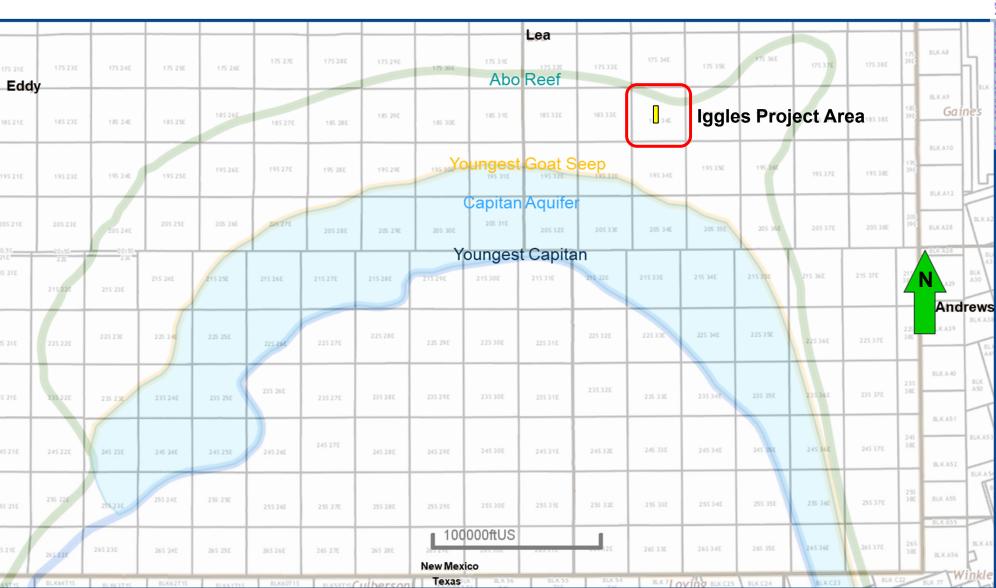
Released

:Sungr

2

1/2024 2:29:48

P

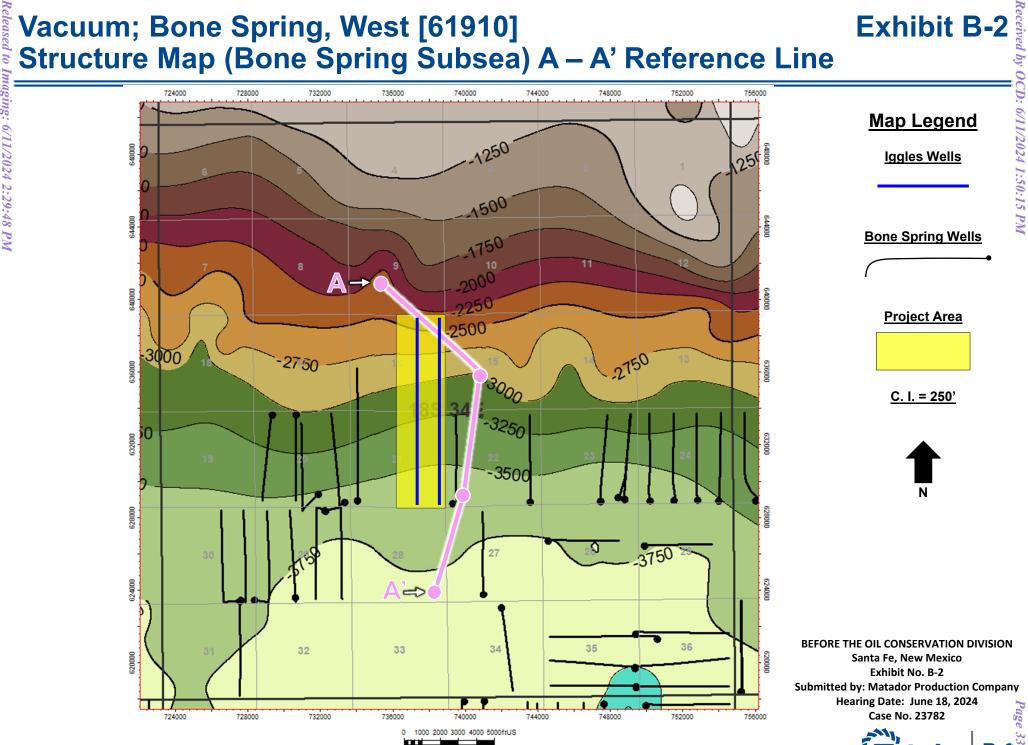


BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. B-1 Submitted by: Matador Production Company Hearing Date: June 18, 2024 Case No. 23782



· iggles State 16/21-18S-34E RN #123H & #124H

Exhibit B-1



1:40000

ë

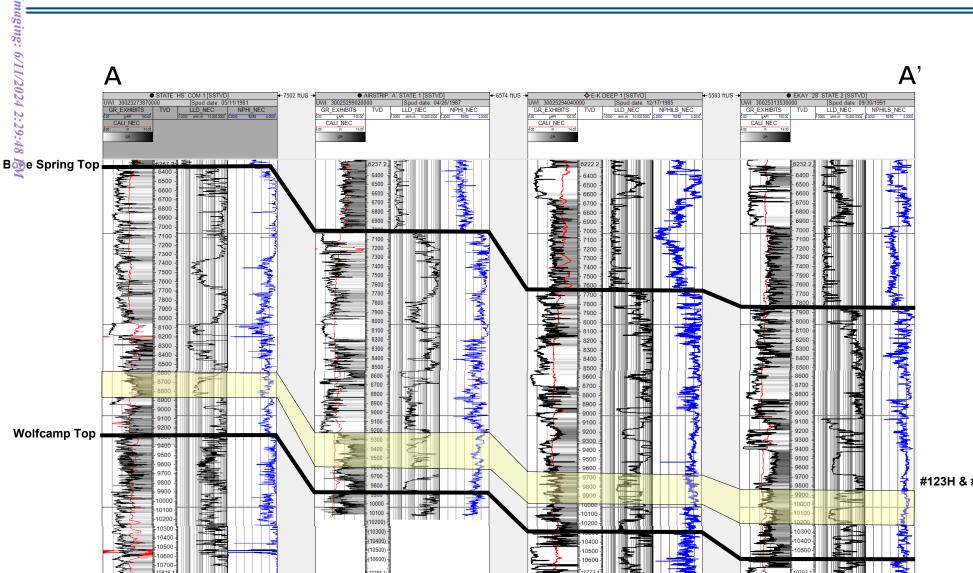
6/11/2024 1:50:15 PM

Page

Riann

Vacuum; Bone Spring, West [61910] Structural Cross-Section A – A'

Released



#123H & #124H Target

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. B-3 Submitted by: Matador Production Company Hearing Date: June 18, 2024



iggles State 16/21-18S-34E RN #123H & #124H

Case No. 23782

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

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

CASE NO. 23782

<u>SELF-AFFIRMED STATEMENT OF</u> <u>MICHAEL H. FELDEWERT</u>

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

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

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

4. The spreadsheet attached hereto contains the information provided by the United States Postal Service on the status of the delivery of this notice as of June 10, 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.

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

> BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. C Submitted by: Matador Production Company Hearing Date: June 18, 2024 Case No. 23782

•

Michael H. Feldewert

June 11, 2024 Date



September 15, 2023

VIA CERTIFIED MAIL CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico: *Iggles State Com 123H and 133H 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 October 5, 2023, and the status of the hearing can be monitored through the Division's website at <u>https://www.emnrd.nm.gov/ocd/</u>.

Due to the remodeling of the state building where the New Mexico Oil Conservation Division is located, hearings will be conducted remotely beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <u>https://www.emnrd.nm.gov/ocd/hearing-info/</u>.

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 Clay Wooten at (972) 587-4624 or at clay.wooten@matadorresources.com.

Sincerely,

Tichal + Fillevers

Michael H. Feldewert ATTORNEY FOR MRC PERMIAN COMPANY

T 505.988.4421 F 505.983.6043 110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849 Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208 www.hollandhart.com

Alaska Montana Colorado Nevada Idaho New Mexic

Montana Utah Nevada Washington, D.C. New Mexico Wyoming

9414811898765413394306	Marathon Oil Permian LLC	5555 San Felipe St	Houston	TX	77056-2701	Your item was picked up at a postal facility at 10:53 am on October 26, 2023 in SANTA FE, NM 87501.
9414811898765413394344	ConocoPhillips Company	600 W Illinois Ave	Midland	ТХ	79701-4882	Your item was delivered to the front desk, reception area, or mail room at 8:10 am on September 21, 2023 in MIDLAND, TX 79701.
9414811898765413394337	Burlington Resources Oil & Gas Company, LP	600 W Illinois Ave	Midland	ТХ	79701-4882	Your item was delivered to the front desk, reception area, or mail room at 8:10 am on September 21, 2023 in MIDLAND, TX 79701.
9414811898765413394375	Good News Minerals	PO Box 50820	Midland	ТХ	79710-0820	Your item was picked up at a postal facility at 10:23 am on September 19, 2023 in MIDLAND, TX 79705.
9414811898765413394016	Crump Energy Partners II, LLC	PO Box 50820	Midland	ТХ	79710-0820	Your item was picked up at a postal facility at 10:23 am on September 19, 2023 in MIDLAND, TX 79705.
9414811898765413394061	Sitio Permian, LLC	1401 Lawrence St Ste 1750	Denver	со	80202-3074	Your item was delivered to an individual at the address at 10:54 am on September 18, 2023 in DENVER, CO 80202.

MRC - Iggles 123H_133	H and 243H _ Case nos 23782 and 23784								
Ро	stal Delivery Report								

9414811898765413394023	Post Oak Crown IV, LLC	5200 San Felipe St	Houston	тх	77056-3606	Your item has been delivered to the original sender at 10:11 am on October 19, 2023 in SANTA FE, NM 87501.
9414811898765413394009	Post Oak Mavros II, LLC	34 S Wynden Dr Ste 210	Houston	ТХ	77056-2531	-
9414811898765413394092	Sortida Resources, LLC	PO Box 50820	Midland	ТХ	79710-0820	Your item was picked up at a postal facility at 10:23 am on September 19, 2023 in MIDLAND, TX 79705.
9414811898765413394085	Oak Valley Mineral and Land, LP	PO Box 50820	Midland	ТХ	79710-0820	Your item was picked up at a postal facility at 10:22 am on September 19, 2023 in MIDLAND, TX 79705.
9414811898765413394030	Crown Oil Partners, LP	PO Box 50820	Midland	ТХ	79710-0820	Your item was picked up at a postal facility at 10:22 am on September 19, 2023 in MIDLAND, TX 79705.
9414811898765413394450	Collins and Jones Investments, LLC	508 W Wall St Ste 1200	Midland	ТХ	79701-5076	Your item was delivered to an individual at the address at 3:05 pm on September 19, 2023 in MIDLAND, TX 79701.

.

Received by OCD: 6/11/2024 1:50:15 PM

Postal Delivery Report						
9414811898765413394467	MCT Energy Ltd.	550 W Texas Ave Ste 945	Midland	ТХ	79701-4233	Your item has been delivered to the original sender at 10:45 am on October 5, 2023 in SANTA FE, NM 87501.
9414811898765413394429	H. Jason Wacker	5601 Hillcrest	Midland	ТХ	79707-9113	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765413394405	David W. Cromwell	2008 Country Club Dr	Midland	тх	79701-5719	Your item was delivered to an individual at the address at 9:54 am on September 19, 2023 in MIDLAND, TX 79701.
9414811898765413394498	Post Oak Crown IV-B, LLC	5200 San Felipe St	Houston	ТХ	77056-3606	Your item has been delivered to the original sender at 9:13 am on November 9, 2023 in SANTA FE, NM 87501.
9414811898765413394481		550 W Texas Ave Ste 945		ТХ	79701-4233	This is a reminder to arrange for redelivery of your item or your item will be returned to sender.
						Your item was picked up at a postal facility at 10:23 am on September 19, 2023 in MIDLAND, TX

PO Box 50820

Midland TX

79710-0820 79705.

MRC - Iggles 123H_133H and 243H _ Case nos 23782 and 23784 Postal Delivery Report

9414811898765413394436 Kaleb Smith

Received by OCD: 6/11/2024 1:50:15 PM

.

						Your item was picked up
						at a postal facility at
						10:23 am on September
						19, 2023 in MIDLAND, TX
9414811898765413394474	Deanne Durham	PO Box 50820	Midland	ТΧ	79710-0820	79705.
						Your item was picked up
						at a postal facility at
						10:23 am on September
						19, 2023 in MIDLAND, TX
9414811898765413394511	Mike Moylett	PO Box 50820	Midland	ТΧ	79710-0820	79705.

Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated September 17, 2023 and ending with the issue dated September 17, 2023.

Kussell

Publisher

Sworn and subscribed to before me this 17th day of September 2023.

wh Black

Business Manager

My commission expires January 29, 2027 (Seal) STATE OF NEW MEXICO NOTARY PUBLIC GUSSIE RUTH BLACK COMMISSION # 1087526 COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

LEGAL NOTICE September 17, 2023

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 cases. The hearings will be conducted remotely on Thursday, October 5, 2023, 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 Marlene Salvidrez, at Marlene.Salvidrez@emnrd.nm.gov. Documents filled 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 Marlene Salvidrez at Marlene.Salvidrez@emnrd.nm.gov, or the New Mexico Relay Network at 1-800-659-1779, no later than September 25, 2023.

Persons may view and participate in the hearings through the following link: https://nmemnrd.webex.com/nmemnrd/j.php?MTID=m020a671a1f0dca6e32980a

Webinar number: 2488 867 1311

Join by video system: 24888671311@nmemnrd.webex.com You can also dial 173.243.2.68 and enter your webinar number

Join by phone: 1-844-992-4726 United States Toll Free +1-408-418-9388 United States Toll

Access code: 2488 867 1311 Panelist password: EiMmNJYA667 (34666592 from phones and video systems)

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: Marathon Oil Permian LLC; ConocoPhillips Company; Burlington Resources Oil & Gas Company, LP; Good News Minerals; Crump Energy Partners II, LLC; Sitio Permian, LLC; Post Oak Crown IV, LLC; Post Oak Mavros II, LLC; Sortida Resources, LLC; Oak Valley Mineral and Land, LP; Crown Oil Partners, LP; Collins and Jones Investments, LLC; MCT Energy Ltd.; H. Jason Wacker, his or her heirs and devisees; David W. Cromwell, his heirs and devisees; Post Oak Crown IV-B, LLC; LMC Energy LLC; Kaleb Smith, his heirs and devisees; Deanne Durham, her heirs and devisees; Mike Moylett, his heirs and devisees.

Case No. 23782: Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling a 320-acre, more or less, standard horizontal well spacing unit in the Bone Spring formation underlying the W2E2 of Sections 16 and 21. Township 18 South, Range 34 East, NMPM, Lea County, New Mexico. This unit will be initially dedicated to the proposed **Iggles State Com 123H** and **Iggles State Com 133H** wells to be horizontally drilled from surface locations in the SE4 of Section 21, with first take points in the SW4SE4 (Unit O) of Section 21 and last take points in the NW4NE4 (Unit B) of Section 16. Also, to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the wells, and a 200% charge for risk involved in drilling and completing said wells. The subject area is located approximately 15 miles northeast of Halfway, New Mexico. #00282823

67100754

00282823

HOLLAND & HART LLC PO BOX 2208 SANTA FE, NM 87504-2208

> BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. D Submitted by: Matador Production Company Hearing Date: June 18, 2024 Case No. 23782