# 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. 24614** 

#### **NOTICE OF AMENDED EXHIBIT**

MRC Permian Company, applicant in the above-referenced case, gives notice that it is refiling the exhibits for this matter to include a revised **Exhibit C-3** summary of interests.

Respectfully submitted,

**HOLLAND & HART LLP** 

Michael H. Feldewert

Adam G. Rankin

Paula M. Vance

Post Office Box 2208

Santa Fe, New Mexico 87504-2208

(505) 988-4421

(505) 983-6043 Facsimile

mfeldewert@hollandhart.com

agrankin@hollandhart.com

pmvance@hollandhart.com

ATTORNEYS FOR MRC PERMIAN COMPANY

# BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING JULY 25, 2024

**CASE No. 24614** 

K. STEWART FED COM 211H WELL

## **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. 24614** 

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  - o MRC Exhibit D-3: Structural Cross Section
- MRC Exhibit E: Self-Affirmed Statement of Notice
- MRC Exhibit F: Affidavit of Publication

## **COMPULSORY POOLING APPLICATION CHECKLIST**

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS							
Case: 24614	APPLICANT'S RESPONSE						
Date: July 25, 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	K. Stewart						
Formation/Pool							
Formation Name(s) or Vertical Extent:	Wolfcamp						
Primary Product (Oil or Gas):	Oil						
Pooling this vertical extent:	N/A						
Pool Name and Pool Code:	Jal; Wolfcamp, West (33813)						
Well Location Setback Rules:	Statewide Rules						
Spacing Unit							
Type (Horizontal/Vertical)	Horizontal						
Size (Acres)	480-acres						
Building Blocks:	Quarter-Quarter sections						
Orientation:	South-North						
Description: TRS/County	W2W2 of Sections 20, 29 and 32, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico.						
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in the application?	Yes						
Other Situations							
Depth Severance: Y/N. If yes, description	No						
Proximity Tracts: If yes, description	N/A						
Proximity Defining Well: if yes, description	N/A						
Applicant's Ownership in Each Tract	Exhibit C-3						
Well(s)							
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	REFORE THE OIL CONSERVATION DIVISION						

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A
Submitted by: Matador Production Company

Hearing Date: July 25, 2024 Case No. 24614

Exhibit D

Exhibit D

Well Orientation (with rationale)

Ralegoed or thatiging: 7/30/2024 9:59:16 AM

HSU Cross Section	Exhibit D-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit C-1
Tracts	Exhibit C-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-3
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibits C-1, D-2
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D-2
Cross Section (including Landing Zone)	Exhibit D-3
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information pr	rovided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Michael H. Feldewert
Signed Name (Attorney or Party Representative):	- Ser 10 11 24
Date:	18-Jul-2

Received by OCD: 7/30/2024/8954201PAM

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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. 24614

**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 all uncommitted interests in a standard 480-acre, more or less,

horizontal well spacing unit in the Wolfcamp formation comprised of the W/2 W/2 of Sections 20,

29, and 32, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico. In support of

its application, MRC states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and

has the right to drill thereon.

2. Applicant seeks to designate Matador Production Company (OGRID No. 228937)

as the operator of the proposed horizontal well spacing unit.

3. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit

to the proposed K. Stewart Fed Com #211H well, to be horizontally drilled from a surface

location in the S/2 SW/4 of Section 32, with a first take point in the SW/4 SW/4 (Unit M) of

Section 32 and a last take point in the NW/4 NW/4 (Unit D) of Section 20.

4. Applicant has sought and been unable to obtain voluntary agreement for the

development of these lands from all interest owners in the subject spacing unit.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B
Submitted by: Matador Production Company

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

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on July 11, 2024, and, after notice and hearing as required by law, the Division enter an order:

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

Respectfully submitted,

**HOLLAND & HART LLP** 

By:

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
pmvance@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 standard 480-acre, more or less, horizontal well spacing unit in the Wolfcamp formation comprised of the W/2 W/2 of Sections 20, 29, and 32, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed K. Stewart Fed Com #211H well, to be horizontally drilled from a surface location in the S/2 SW/4 of Section 32, with a first take point in the SW/4 SW/4 (Unit M) of Section 32 and a last take point in the NW/4 NW/4 (Unit D) of Section 20. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling said well. The subject area is located approximately 7 miles northwest of Jal, New Mexico.

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

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

**CASE NO. 24614** 

SELF-AFFIRMED STATEMENT OF DAVID JOHNS

David Johns, of lawful age and being first duly sworn, declares as follows:

1. My name is David Johns. I work for MRC Energy Company, an affiliate of MRC

Permian Company ("MRC") as a Senior Landman

2. I have previously testified before the New Mexico Oil Conservation Division as an

expert witness in petroleum land matters.

3. I am familiar with the application filed by MRC in this case, and 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

Wolfcamp formation in the standard 480-acre, more or less, horizontal well spacing unit in the

Wolfcamp formation underlying the W/2 W/2 of Sections 20, 29, and 32, Township 24 South,

Range 36 East, NMPM, Lea County, New Mexico, and initially dedicate this Wolfcamp

spacing unit to the proposed K. Stewart Fed Com #211H well to be horizontally drilled from

a surface hole location in the S/2 SW/4 of Section 32, T24S-R36E with a first take point in the

SW/4 SW/4 of Section 32, T24S-R36E and a last take point in the NW/4 NW/4 of Section 20,

T24S-R36E.

5. MRC understands this well will be placed in the Jal; Wolfcamp, West

[33813] pool.

- 6. MRC Exhibit C-1 contains the D draft Form C-102 for the proposed well.
- 7. The completed intervals for the proposed well will remain within the standard setbacks required by the statewide rules set forth in 19.15.16.15 NMAC.
- 8. MRC Exhibit C-2 identifies the tracts of land comprising the proposed horizontal spacing units. The land in the proposed spacing unit is comprised of fee and federal lands.
- 9. MRC Exhibit C-3 identifies for the working interest owners that MRC is seeking to pool along with their respective ownership interest in the proposed horizontal spacing unit. Exhibit C-3 also identifies the overriding royalty interest owners that MRC is seeking to pool.
  - 10. There are no depth severances within the Wolfcamp formation for this acreage.
- 11. While MRC was working to put this unit together, MRC proposed the above well to each of the working interest parties it seeks to pool. **MRC Exhibit C-4** contains a sample well proposal letter that was sent to those parties, along with the AFE sent to working interest owners. The costs reflected in the AFE are consistent with what other operators have incurred for drilling similar horizontal wells in the area.
- attempted contacts with the uncommitted working interest owners. In addition to sending the well proposal letters, MRC has attempted to call or email each of the uncommitted working interest owners for whom MRC has been able to find contact information. In my opinion, MRC has undertaken good faith efforts to reach an agreement with the uncommitted working interest owners that MRC seeks to pool in this case.
- 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 located, including computer searches.
- 15. MRC Exhibits C-1 through C-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.

David Johns

Date

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, Aziec, NM 87410

#### BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. C-1

Submitted by: Matador Production Company
FORM C-102

State of New Mexico Hearing Date: July 25, 2024

Case No. 24614 Revised August 1, 2011 Energy, Minerals & Natural Resources Department

Submit one copy to appropriate District Office

OIL CONSERVATION DIVISION 1220 South St. Francis Dr.

AMENDED REPORT

Phone (505) 334-6178 Fax (505) 334-6170 District IV 1220 S St Francis Dr , Santa Fe, NM 87505 Phone (505) 476-3460 Fux (505) 476-3462 Santa Fe, NM 87505 WELL LOCATION AND ACREAGE DEDICATION PLAT API Number

Property Code KEN STEWART FED COM 211H Onerator Name Elevation MATADOR PRODUCTION COMPANY 3244 OSurface Location East/West li N 32 24-S 36-E 451' SOUTH 1533' WEST LEA Bottom Hole Location If Different From Surface UL or let no Township Lot Id Feet from th 20 24-S 110' NORTH 331' D 36-E WEST **LEA** 480

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.

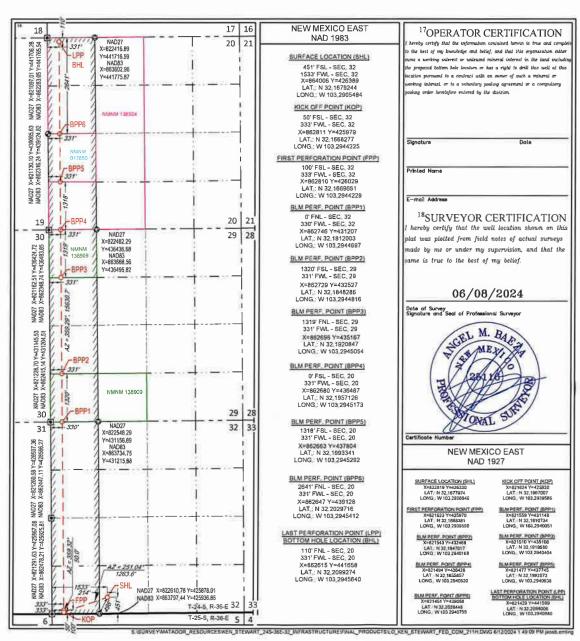
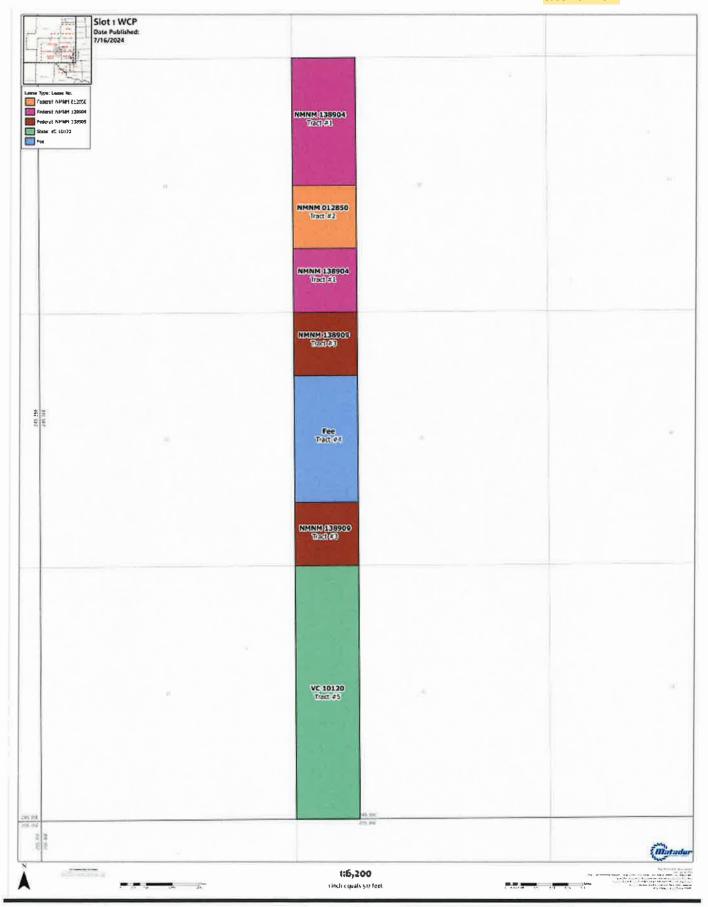


Exhibit No. C-2

**Submitted by: Matador Production Company** 

Hearing Date: July 25, 2024 Case No. 24614



K. Stewart W2 W2 (WCP)								
Summary of Interests								
Matador Working Interes	· · ·							
Voluntary Joinder		11.1111%						
Anticipated Voluntary Join	nder	0.0000%						
Compulsory Pool Interest		2.0260%						
Interest Owners:	Description:	Tract:	Interest:					
Wellbark Resources LLC*	Uncommited WI Owner	4	1.3889%					
Royalty Holding Co.*	Unleased MI Owner	4	0.5208%					
The Roy D. Benningfield			0.0372%					
Family Revocable Trust			0.007.270					
dtd 9/16/1996*	Unleased MI Owner	4						
Afton Lee Gille*	Unleased MI Owner	4	0.0372%					
Billy G. Morris*	Unleased MI Owner	4	0.0047%					
Heirs of Jewel Don Bray*	Unleased MI Owner	4	0.0186%					
Heirs of Charles Bray*	Unleased MI Owner	4	0.0186%					
Jimmie Eden Jr. Trust	ORRI	2	-					
John F. Special	ORRI	2	-					
Justin T. Crum	ORRI	2	-					
Larry Bond Living Trust								
5/14/2015	ORRI	2	_					
Legat LLC	ORRI	2	_					
LuAnn Youngman	ORRI	2	_					
Marjam Energy LLC	ORRI	2	_					
Milagro Resources LP	ORRI	2	_					
MLE LLC	ORRI	2	_					
Mountain Lion Oil & Gas								
LLC	ORRI	2	_					
Penasco Petroleum LLC	ORRI	2	_					
Richard C. Deason	ORRI	2	_					
Rolla R. Hinkle, III	ORRI	2						
SAP LLC	ORRI	2						
The Lisa M. Enfield Trust	· · · · ·	2						
	ORRI	2	_					
1/23/2015 The McDaniel Company	Ontil	2	-					
The McDaniel Company	ORRI	2	_					
The Robert N. Enfield	Ontil	2	_					
Irrevocable								
	ORRI	2						
Trust B	OMM	2	-					
The Ronald H. Mayer & Martha M.								
Mayer Revocable Trust								
dtd								
3/19/1990	ORRI	2	-					
Thomas D. Deason	ORRI	2	<u>-</u>					

<sup>\*</sup>These are the uncommitted working interest owners that we are seeking to force pool.

# MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240 Voice 972.619.1259 • Fax 214.866.4946

djohns@matadorresources.com

David Johns Senior Staff Landman

May 7, 2024

#### VIA CERTIFIED RETURN RECEIPT MAIL

Billy G. Morris Billy G. Morris 1041 Black Champ Rd. Waxahachie, TX 75167

Re: K. Stewart Fed Com #135H, #211H & #212H (the "Wells")

Participation Proposal

Section 32, 29, & 20, Township 24 South, Range 36 East

Lea County, New Mexico

#### Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's K. Stewart Fed Com #135H, K. Stewart Fed Com #211H & K. Stewart #212H wells, located in 32, 29, & 20, Township 24 South, Range 36 East, Lea County, New Mexico.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping of each Well is itemized on the three (3) enclosed Authority for Expenditures ("AFE") dated April 23, 2024.
- K. Stewart Fed Com #135H: to be drilled from a legal location with a proposed surface hole location located in the S2 SW4 of Section 32-24S, 36E, a proposed first take point located at 100' FSL and 1310' FWL of Section 32-24S-36E and a proposed last take point located at 110' FNL and 1310' FWL of Section 20-24S-36E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~ 11,'500'TVD) to a Measured Depth of approximately 26,927'.
- K. Stewart Fed Com #211H: to be drilled from a legal location with a proposed surface hole location located in the S2 SW4 of Section 32-24S, 36E, a proposed first take point located at 100' FSL and 330' FWL of Section 32-24S-36E and a proposed last take point located at 110' FNL and 330' FWL of Section 20-24S-36E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~11,600'TVD) to a Measured Depth of approximately 27,027'.
- K. Stewart Fed Com #212H: to be drilled from a legal location with a proposed surface hole location located in the S2 SW4 of Section 32-24S, 36E, a proposed first take point located at 100' FSL and 2310' FWL of Section 32-24S-36E and a proposed last take point located at 110' FNL and 2310' FWL of Section 20-24S-36E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~ 11,600'TVD) to a Measured Depth of approximately 27,027'.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-4
Submitted by: Matador Production Company
Hearing Date: July 25, 2024
Case No. 24614

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 is enclosed for your review. The proposed Operating Agreement dated May 1, 2024, by and between Matador Production Company, as Operator and MRC Permian Company et al as Non-Operators, covers certain depths in the W/2 of Sections 32, 29, & 20, Township 24 South, Range 36, Eddy County, Lea Mexico, and has the following general provisions:

100/300/300 Non-consenting penalty

Billy G. Morrishereby elects to:

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

- \$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

D.w.g.

David Johns

# Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's K. Stewart Fed Com #135H well. Not to participate in the K. Stewart Fed Com #135H. Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's K. Stewart Fed Com #211H well. Not to participate in the K. Stewart Fed Com #211H. Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's K. Stewart Fed Com #212H well. Not to participate in the K. Stewart Fed Com #212H. Billy G. Morris By: Title: Date: Date:

#### MATADOR PRODUCTION COMPANY

		ESTIMATE OF COSTS A	IND AUTHORIZATION FO			
ATE:	April 23, 2024			AFE NO :	-	
VELL NAME:	K. Stewart Fed Com 2			FIELD:	_	070071// 40001
OCATION:	Sections 32,29,&20-24	IS-36E		MD/TVD:	_	27027'/11600'
OUNTY/STATE:	Lea, NM			LATERAL LENGTH:	_	14,500
IRC WI:						
EOLOGIC TARGET:	Wolfcamp A			1001		
REMARKS:	Drill and complete a ho	orizontal 3 mile long Wo	Ircamp A target with ab	out 60 frac stages		
		DRILLING	COMPLETION	PRODUCTION		TOTAL
INTANGIBLE	COSTS	COSTS 58,000	COSTS	COSTS 10,000	FACILITY COSTS \$ 10,000	COSTS \$ 78,000
and / Legal / Regulatory ocation, Surveys & Dam	anes	128.333	13,000	15,000	25,000	181,333
rilling	-9	1,401,470				1,401,470
ementing & Float Equip		366,000	2.750	3,000		356,000 6,750
ogging / Formation Eval	aation		3,750	18,160		18,160
lowback - Labor lowback - Surface Renta	ıls		<del></del>	171,950		171,950
lowback - Rental Living				20,000		20,000
lud Logging		51,490				51,490 181,967
Mud Circulation System  Mud & Chemicals		161,967 530,000	71,000	21,500		622,500
fud / Wastewater Dispos	al	235,000	11,000	2,000	1,000	235,000
reight / Transportation		25,300	37,250	3,000		65,550
tig Supervision / Engine	ering	198,000	100,800	10,000	1,800	310,600 163,900
rill Bits		163,900 210,600	752,294	2,000		964.894
uel & Power Vater		60,000	1,004,850	2,000	1,000	1,067,850
rig & Completion Overh	ead	10,000				10,000
lugging & Abandonmen	t					380,838
Directional Drilling, Surve		380,838	202,500	9,000		211,500
Completion Unit, Swab, C Perforating, Wireline, Slice			282,585	7,000		289,585
High Pressure Pump True			102,000	5,000	50.0	107,000
Stimulation		- 20	4,099,523			4,099,523 315,500
Stimulation Flowback & D	qaic	21,622	15,500	300,000		21,622
nsurance Labor		219,500	64,500	20,000	5,000	309,000
Rental - Surface Equipme	ent	178,468	343,350	10.000	5,000	536,818
Rental - Downhole Equip		275,600	111,500	-	· ·	387,100
Rental - Living Quarters		60,420	44,880	62,961	5,000 5,380	110,300 527,091
Contingency Operations Center		143,774 35,958	314,976	02,501	3,300	35,958
operations center	TOTAL INTANGIBLES:		7,564,258	692,571	59,180	13,252,248
	TOTAL INTANOIDELD	DRILLING	COMPLETION	PRODUCTION		TOTAL
TANGIBLE	COSTS	COSTS	costs	COSTS	FACILITY COSTS	COSTS
Surface Casing	3	97,396	\$	\$	\$	\$ 97,395 367,292
ntermediate Casing Drilling Liner		367,292 463,653				483,653
Production Casing		1,050,558				1,050,558
Production Liner						
Tubing		-		131,100		131,100
Wellhead		158,000	69,529	55,000		75,529
Packers, Liner Hangers Tanks			00,020		68 400	68,400
Production Vessels					186,363	186,363
Flow Lines		(6.			150,000	150,000
Rod string				51,000		51,000
Artificial Lift Equipment Compressor				31,000	32,650	32,650
Installation Costs				-	60,000	80,000
Surface Pumps		(V)		10,000	19,800	29,800
Non-controllable Surface					2,000	2,000
Non-controllable Downho Downhole Pumps	)le			<del></del>		
Measurement & Meter ins	stallation	(4)		11,000	102,300	113,300
Gas Conditioning / Dehyo				-		1000-000
Interconnecting Facility F	<sup>a</sup> iping			: <del>:</del>	198,000	198,000
Gathering / Bulk Lines	are .			2,000		2,000
Valves, Dumps, Controlle Tank / Facility Containme				-	14,850	14,850
Flare Stack					54,450	54,450
Electrical / Grounding				2,000 5,000	95,700 13,200	97,700 16,200
Communications / SCAD.	д	-	· —	5,000	73,500	73,500
instrumentation / salety	TOTAL TANGIBLES	> 2,156,899	69,529	273,100	1,091,213	3,590,74
	TOTAL COSTS		7,633,788	965,671	1,150,393	16,842,98
PARED BY MATADOR	R PRODUCTION COMPA	NY:	- 7			
Drilling Engine	eer; Perry Hawks	Team Lead - WTX/	NM /-/			
Completions Engine			csc			
	Ber: Jan Fredrik Mosnes		15552			
. rouselon Englis						
ADOR RESOURCES	COMPANY APPROVAL:					
Executive VP, COO/C				EVP COO- Drilli	ing, Completion and Produ	ctionBG
Executive VP, Le		SVP Geoscie				99
	CA.		ELF			
Presid	fent					
	MVD					
OPERATING PARTNI			Working Interest (%).		Та	x ID

#### Summary of Communications K. Stewart W2 W2 (WCP)

#### Uncommitted Working Interest Owner

#### 1. Gulf Coast Western LLC

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

#### 2. Royalty Holding Corp.

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

#### 3. Afton Lee Gille

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

#### 4. The Roy D. Benningfield Family Revocable Trust dtd 9/16/1996

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

#### 5. Billy G. Morris

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

#### 6. Wellbark Resources LLC

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

#### 7. Heirs of Jewel Don Bray

In addition to sending well proposals, Matador has been working to determine the heirship of Jewel Don Bray and discuss voluntary joinder with all the heirs.

#### 8. Heirs of Charles Bray

In addition to sending well proposals, Matador has been working to determine the heirship of Charles Bray and discuss voluntary joinder with all the heirs.

Hearing Date: July 25, 2024 Case No. 24614 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 NO. 24614 & 24615

AFFIDAVIT OF BLAKE HERBER

Blake Herber, of lawful age and being first duly sworn, declares as follows:

1. My name is Blake Herber. I work for MRC Energy Company, an affiliate of

Matador Production Company ("Matador"), as a Senior Staff Geologist.

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 D-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 Upper Wolfcamp of the Wolfcamp

formation.

6. MRC Exhibit D-2 is a subsea structure map prepared off the top of the Wolfcamp

formation. The contour interval is 50 feet. The structure map shows the Wolfcamp formation

gently dipping to the west. 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'.

BEFORE THE OIL CONSERVATION DIVISION

- 8. MRC Exhibit D-3 is a structural cross-section prepared displaying open-hole logs run over the Wolfcamp formation (when available) from the three 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, where available. The proposed target intervals for 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 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 Wolfcamp 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 Wolfcamp 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.
- 13. Approving MRC's application will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.
- 14. MRC Exhibits D-1 through D-3 were either prepared by me or compiled under my direction and supervision.

#### FURTHER AFFIANT SAYETH NOT.

	BLAKE HERBER
CTATE OF TEVAC	
STATE OF TEXAS	
COUNTY OF DALLAS	)
SUBSCRIBED and SWOR	N to before me thisday of July 2024 by Blake
Herber.	
	Mary Public Hainge
My Commission Expires:	JAIME JAKEWAY GRAINGER Notary ID #131259323
8.24.2025	My Commission Expires August 24, 2025

Received by OCD: 7/30/2024 8:54:01 AM

# **Locator Map**

# **Exhibit D-1**

Eddy	175,23E	175 24E	175 250	175 26E	175.276	175 785	175.29€	175 306	175 31E Abo	<b>Lea</b> Reef	175 33E	175 346	175.1%	P75 36E	175 37E	175 3 II E	175 39£3	BLK AS
185 2 1 E	185 23E	185 246	185 250	185267	185.27E	185 28E	185 295	185 30E	185 316	185 326	185 33E	1834	185350	185 368	185 37E	105 30E	185 390	Gaines
95 21E	195 236	195 2-€	195258	195 268	195 27E	195 286	195 295	195 301 YO	ungest	Goat S	eep	195 34E	1953%	195,060	195 37E	195386	1953 3963	SLK A10
									Capitar	Aquife	1							BLK A12
05 216	205.238	205246	205 256	205 265	MITH	205 285	205 29E	205 305	205 31E	205 32E	20533E	205 3 4€	205 358	205 34E	205 37E	205 3 NE	205 396	SLK AZB
12	20,55 22E	20:55 2.H						Yo	ounges	t Capita	in							SCK X28
215	215/220	215 200	215 24E	£15.25E	215 265	215 276	215.285	215 29E	215 300	215 316	201.221	215 33E	215 34E	215356	215 36E	215 37E	4	A29 A3
216	225 228	225 236	225 246	225 25€	225264	225 27E	225 265	225 29€	225 30E	225 31E	225 32E	235 336	225 34E	225.3%	225 365	225 37E	225 380	Andre
215	103,221	215 232	235 246	235 256	235 26E	235 27E	235 Z8E	235.29€	23530E	≥23531€	235 326	235 3 M	235 247	235 351	235345	235 37E	235 386 =	BLK A 40 BL A3
216	245 22E	245 23E	246 245	245 256	245 26E	245 27E	245 28E	245.29E	245 30E	245316	:245326	245 338	:24534E	245 25E	245 6E	245 37E	2-6 3/6	BLK A52
216	255 228	25\$,231	255 246	255 250	255 26E	255 27E	255 28E	255-296	255 30E	255 31E	255 126	255 335	253 34E	Ken Stev	/art	255 17%	255 3 HE	BLK ASS
215	265,428	265 23E	265 245	265 256	265 26E	265 276	265 286	100 New Mexi	000ftUS	203310	172	265-33E		Project A	100	265 37E	265 38E	BLK A56
Yes A	BLX64T15	BLWATTS	BUGGETTS	BERRITIS	BLK60T1S	BUSSETSE	ulherson	Texas	K B.X.56	8UK 35	8LK 5-1	B.K7[0	vina succes	BUK C24	DLK C23	SUK	C22 8	Wink

**BEFORE THE OIL CONSERVATION DIVISION** 

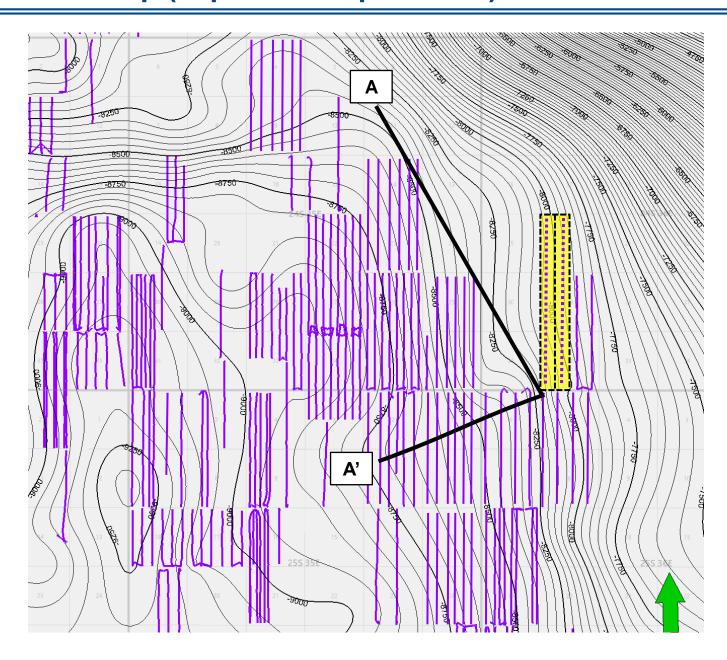
Santa Fe, New Mexico Exhibit No. D-1

Submitted by: Matador Production Company

Hearing Date: July 25, 2024 Case No. 24614



# JAL;WOLFCAMP, WEST [33813] Exhibit D-2 Structure Map (Top Wolfcamp Subsea) A – A' Reference Line



**Map Legend** 

**Wolfcamp A Wells** 

Ken Stewart #211H and #212H

**Project Area** 

\_\_\_\_\_

C. I. = 50'

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D-2
Submitted by: Matador Production Company
Hearing Date: July 25, 2024
Case No. 24614



Santa Fe, New Mexico
Exhibit No. D-3
Submitted by: Matador Production Company

Hearing Date: July 25, 2024 Case No. 24614 **Exhibit D-3** 

# JAL; WOLFCAMP, WEST [33813] Structural Cross-Section A – A'

GR Res Shallow NPHI GR MD Α Caliper Res Deep Caliper Res Deep PINE STRAW 25 36 05 FED COM 101H 11000 **Wolfcamp Top** 

A'

Ken Stewart #211H and #212H Target

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. 24614** 

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 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 July 16, 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. E

Michael H. Feldewert

July 17, 2024

Date



Paula M. Vance Associate **Phone** (505) 988-4421 Email pmvance@hollandhart.com

July 5, 2024

#### VIA CERTIFIED MAIL CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of MRC Permian Company for Compulsory Pooling, Lea County,

New Mexico: K. Stewart Fed Com #211H well

Ladies & Gentlemen:

This letter is to advise you that MRC Permian Company has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on July 25, 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 St., Santa Fe, New Mexico. To participate virtually in the hearing, see the instructions posted on the OCD Hearings website: https://www.emnrd.nm.gov/ocd/hearing-info/.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

If you have any questions about this matter, please contact David Johns at (972) 619-1259 or at djohns@matadorresources.com.

Sincerely,

Paula M. Vance

ATTORNEY FOR MRC PERMIAN COMPANY

#### MRC - K Stewart 135H, 211H, 212H wells - Case nos. 24613-24615 Postal Delivery Report

						Your item was delivered to an
						individual at the address at 2:43
	1.6				70111 7000	pm on July 11, 2024 in OKLAHOMA
9414811898765460887134	Afton Lee Gille	6512 N Missouri Ave	Oklahoma City	ОК	/3111-/928	CITY, OK 73111.
						Your package will arrive later than
						expected, but is still on its way. It is
						currently in transit to the next
9414811898765460887172	Billy G. Morris	1041 Black Champ Rd	Waxahachie	TX	75167-9331	,
						Your item was delivered to an
						individual at the address at 10:31
						am on July 11, 2024 in DALLAS, TX
9414811898765460887318	Gulf Coast Western, LLC	14160 Dallas Pkwy Fifth Floor	Dallas	TX	75254-4319	75254.
						We attempted to deliver your item
						at 12:32 pm on July 11, 2024 in
						NORMAN, OK 73072 and a notice
						was left because an authorized
9414811898765460887356	Hoirs of Charles Pray	PO Box 1987	Norman	ОК	72072 2020	recipient was not available.
9414611696703400667330	neils of Charles Bray	PO BOX 1987	NOTITIALI	UK	73072-3030	recipient was not available.
						Your item arrived at the
						OKLAHOMA CITY, OK 73159 post
						office at 6:38 pm on July 11, 2024
9414811898765460887363	Heirs of Jewel Don Brav	1513 SW 72nd St	Oklahoma City	ОК	73159-3419	and is ready for pickup.
	,					Your item was picked up at the
						post office at 3:28 pm on July 12,
9414811898765460887325	Roy D. Benningfield, Trustee of the Roy	12708 W 104th St	Perkins	ОК	74059-4166	2024 in PERKINS, OK 74059.
						Your item was delivered to an
						individual at the address at 10:53
						am on July 11, 2024 in OKLAHOMA
9414811898765460887301	Royalty Holding Company	3535 NW 58th St Suite 720	Oklahoma City	ОК	73112-4801	CITY, OK 73112.
						Your item arrived at the FRISCO, TX
						75034 post office at 11:32 am on
						July 11, 2024 and is ready for
9414811898765460887394	Wellbark Resources, LLC	PO Box 1987	Frisco	TX	75034-0034	pickup.

9414811898765460881767	Jimmie Eden Jr. Trust	PO Box 17	Stillwater	ОК	74076-0017	Your item arrived at the STILLWATER, OK 74076 post office at 8:55 am on July 11, 2024 and is ready for pickup.
9414811898765460881705	John F. Special	PO Box 369	Stillwater	ОК	74076-0369	Your item was picked up at the post office at 10:05 am on July 11, 2024 in STILLWATER, OK 74074.
9414811898765460881743	Justin T. Crum	PO Box 3390	Roswell	NM	88202-3390	Your item arrived at the ROSWELL, NM 88202 post office at 8:36 am on July 12, 2024 and is ready for pickup.
9414811898765460881736	Larry Bond Living Trust dtd5/14/2015	1615 Drakestone Ave	Nichols Hills	ОК	73120-1206	Your item arrived at the OKLAHOMA CITY, OK 73120 post office at 7:48 am on July 12, 2024 and is ready for pickup.
9414811898765460881774		6114 W Canterbury St	Stillwater	ОК		Your item was delivered to an individual at the address at 12:54 pm on July 11, 2024 in STILLWATER, OK 74074.

9414811898765460881965	LuAnn Youngman	12374 Lawndell St SW	Beach City	ОН	44608-9771	Your item arrived at our AKRON OH DISTRIBUTION CENTER destination facility on July 14, 2024 at 3:24 pm. The item is currently in transit to the destination.
9414811898765460881903	Marjam Energy LLC	8150 N Central Expy Ste 1525	Dallas	TX	75206-1852	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765460881941	Milagro Resources LP	415 W Wall St Ste 1118	Midland	TX	79701-4439	Your item was delivered to an individual at the address at 2:21 pm on July 11, 2024 in MIDLAND, TX 79701.
9414811898765460881934	MLE LLC	1211 W Muirlands Dr	La Jolla	CA	92037-5506	We attempted to deliver your item at 12:43 pm on July 12, 2024 in LA JOLLA, CA 92037 and a notice was left because an authorized recipient was not available.
9414811898765460881613	Mountain Lion Oil & Gas LLC	7941 Katy Fwy PMB 117	Houston	TX	77024-1924	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.

Received by OCD: 7/30/2024 8:54:01 AM

				1		
9414811898765460881651	Penasco Petroleum LLC	PO Box 4168	Roswell	NM	88202-4168	Your item was picked up at the post office at 10:49 am on July 12, 2024 in ROSWELL, NM 88201.
						Your item was delivered
						to an individual at the
						address at 4:52 pm on July 11, 2024 in LOS
9414811898765460881620	Richard C. Deason	1301 Havenhurst Dr Apt 217	West Hollywood	CA	90046-4546	ANGELES, CA 90046.
						Your item was picked up
						at the post office at 10:38 am on July 12, 2024 in
9414811898765460881699	Rolla R Hinkle III	PO Box 2292	Roswell	NM	88202-2292	ROSWELL, NM 88201.
5414011050705400001055	Nona R. Fillikie, III	I O BOX 2232	NOSWEII	14141	00202 2232	NOSVVELE, IVIVI GOZOT.
						Your item is back at the
						ROSWELL, NM 88201
						post office following a
						delivery attempt at 8:37
						am on July 13, 2024 and is available for redelivery
9414811898765460881682	SAP LLC	4901 Whitney Ln	Roswell	NM	88203-9002	or pickup.
						Your item was forwarded
						to a different address at
						9:24 am on July 11, 2024 in SANTA FE, NM. This
						was because of
						forwarding instructions
						or because the address or
	The Lisa M. Enfield Trust					ZIP Code on the label was
9414811898765460881118	dtd1/23/2015	465 Camino Manzano	Santa Fe	NM	87505-2833	incorrect.

9414811898765460881132	Thomas D. Deason	6402 Cr 7240	Lubbock	TX	79424	because of an incomplete address.
						LUBBOCK, TX 79464
						2024 at 10:15 am in
						to the sender on July 13,
						Your item was returned
9414811898765460881149	Trust dtd 3/19/1990	PO Box 2391	Roswell	NM	88202-2391	
	Martha M. Mayer Revocable					further information was
	The Ronald H. Mayer &					at the location and no
						was no longer operating
						vacant or the business
						ROSWELL, NM 88201 because the address was
						2024 at 9:57 am in
						to the sender on July 12,
						Your item was returned
9414811898765460881101	IrrevocableTrust B	PO Box 2431	Santa Fe	NM	87504-2431	tor pickup.
	The Robert N. Enfield					July 12, 2024 and is ready
	<u>.</u>					post office at 9:22 am on
						SANTA FE, NM 87501
						Your item arrived at the
9414811898765460881163	The McDaniel Company Inc	12900 Preston Rd Ste 415	Dallas	TX	75230-1353	destination.
						currently in transit to the
						6:42 pm. The item is
						facility on July 13, 2024 at
						CENTER destination
						DALLAS TX DISTRIBUTION
						Your item arrived at our

## **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 July 11, 2024 and ending with the issue dated July 11, 2024.

Publisher

Sworn and subscribed to before me this 11th day of July 2024.

Business Manager

My commission expires

Sanuary 28129270F NEW MEXICO
(Seal) 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

LEGAL

LEGAL NOTICE July 11, 2024

Case No. 24614: Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico. Notice to all affected interest owners, including all heirs, devisees, and successors of: Afton Lee Gille; Billy G. Morris; Gulf Coast Western, LLC; Heirs of Charles Bray; Heirs of Jewel Don Bray; Roy D. Benningfield, Trustee of the Roy D. Benningfield Family Revocable Trust dated 9/16/1996; Royalty Holding Company; Wellbark Resources, LLC; Jimmie Eden Jr. Trust; John F. Special; Justin T. Crum; Larry Bond Living Trust dtd 5/14/2015; Legat LLC; LuAnn Youngman; Marjam Energy LLC; Milagro Resources LP; MLE LLC; Mountain Lion Oil & Gas LLC; Penasco Petroleum LLC; Richard C. Deason; Rolia R. Hinkle, III; SAP LLC; The Lisa M. Enfield Trust dtd 1/23/2015; The McDaniel Company Inc.; The Robert N. Enfield Irrevocable Trust B; The Ronald H. Mayer & Martha M. Mayer Revocable Trust dtd 3/19/1990; Thomas D. Deason. The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearing 8:30 a.m. on July 25, 2024, to consider this application. The hearing 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. To participate in the hearings electronically, see the instructions posted on the docket for the hearing-info/ or c o n t a c t S he il a A p o d a c a, a t Sheila Apodaca@emnrd.nm.gov/ocd/hearing-info/ or c o n t a c t S he il a A p o d a c a, a t Sheila Apodaca@emnrd.nm.gov. Applicant in the above-styled cause saeks an order. Case No. 24614: Application of MRC Permian https://www.emnrd.nm.gov/ocd/hearing-info/ or contact Sheila Apodaca, at Sheila. Apodaca@emnrd.nm.gov. Applicant in the above-styled cause seeks an order pooling a standard 480-acre, more or less, horizontal well spacing unit in the Wolfcamp formation comprised of the W/2 W/2 of Sections 20, 29, and 32, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed K. Stewart Fed Com #211H well, to be horizontally drilled from a surface location in the S/2 SW/4 of Section 32, with a first take point in the SW/4 SW/4 (Unit M) of Section 32 and a last take point in the NW/4 NW/4 (Unit D) of Section 20. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling said well. The subject area is located approximately 7 miles northwest of tal. New Maying miles northwest of Jal, New Mexico. #00292165

67100754

00292165

HOLLAND & HART LLC 110 N GUADALUPE ST., STE. 1 SANTA FE, NM 87501

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. F
Submitted by: Matador Production Company
Hearing Date: July 25, 2024

Case No. 24614