

**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. 24615**

**NOTICE OF AMENDED EXHIBIT**

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

Respectfully submitted,

HOLLAND & HART LLP



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**ATTORNEYS FOR MRC PERMIAN COMPANY**

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

**CASE No. 24615**

*K. STEWART FED COM 212H 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. 24615**

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- **MRC Exhibit C:** Self-Affirmed Statement of David Johns, Landman
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  - MRC Exhibit C-2: Tract Map
  - MRC Exhibit C-3: Summary of Interests
  - MRC Exhibit C-4: Sample Well Proposal Letter & AFEs
  - MRC Exhibit C-5: Chronology of Contacts
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  - MRC Exhibit D-2: Subsea Structure Map
  - 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**

<b>Case: 24615</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date: July 25, 2024</b>	
Applicant	<b>MRC Permian Company</b>
Designated Operator & OGRID (affiliation if applicable)	<b>Matador Production Company [OGRID 228937]</b>
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
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Jal; Wolfcamp, West (33813)
Well Location Setback Rules:	Statewide Rules
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	480-acres
Building Blocks:	Quarter-Quarter sections
Orientation:	South-North
Description: TRS/County	E2W2 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
<b>Other Situations</b>	
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
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

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

Submitted by: Matador Production Company  
Hearing Date: July 25, 2024  
Case No. 24615

Well #1	<b>K. Stewart Fed Com 212H</b> (API No. pending) SHL: 421' FSL & 1563' FWL (Unit N) of Sec. 32, T24S, R36E BHL: 110' FNL & 2310' FWL (Unit C) of Sec. 20, T24S, R36E Completion Target: Wolfcamp formation Well Orientation: South-North Completion Location expected to be: Standard
Horizontal Well First and Last Take Points	Exhibit C-1
Completion Target (Formation, TVD and MD)	Exhibit C-4
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit C
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit A
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit C-2
Tract List (including lease numbers and owners)	Exhibits C-2 and C-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 C-3
Unlocatable Parties to be Pooled	Exhibit C-5
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit C-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-3
Chronology of Contact with Non-Joined Working Interests	Exhibit C-5
Overhead Rates In Proposal Letter	Exhibit C-4
Cost Estimate to Drill and Complete	Exhibit C-4
Cost Estimate to Equip Well	Exhibit C-4
Cost Estimate for Production Facilities	Exhibit C-4
<b>Geology</b>	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-2
Gunbarrel/Lateral Trajectory Schematic	Exhibit D-2
Well Orientation (with rationale)	Exhibit D
Release for Drilling:	Exhibit D

HSU Cross Section	Exhibit D-3
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
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
<b>Additional Information</b>	
Special Provisions/Stipulations	N/A
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Michael H. Feldewert
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	18-Jul-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. 24615**

**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 E/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 #212H** 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 SE/4 SW/4 (Unit N) of Section 32 and a last take point in the NE/4 NW/4 (Unit C) 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  
Hearing Date: July 25, 2024  
Case No. 24615**

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:  \_\_\_\_\_

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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 E/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 #212H** 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 SE/4 SW/4 (Unit N) of Section 32 and a last take point in the NE/4 NW/4 (Unit C) 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  
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LEA COUNTY, NEW MEXICO.**

**CASE NO. 24615**

**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 E/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 #212H** 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 SE/4 SW/4 of Section 32, T24S-R36E and a last take point in the NE/4 NW/4 of Section 20, T24S-R36E.
5. MRC understands this well will be placed in the Jal; Wolfcamp, West [33813] pool.

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C  
Submitted by: Matador Production Company  
Hearing Date: July 25, 2024  
Case No. 24615**

6. **MRC Exhibit C-1** contains the 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. MRC Exhibit C-3 also identifies the overriding royalty interest owners that MRC seeks 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.

12. **MRC Exhibit C-5** contains a summary chronology of MRC's contacts and 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

Submitted by: Matador Production Company

Hearing Date: July 25, 2024

FORM C-102

Case No. 24615

Revised August 1, 2011

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

Submit one copy to appropriate  
District Office

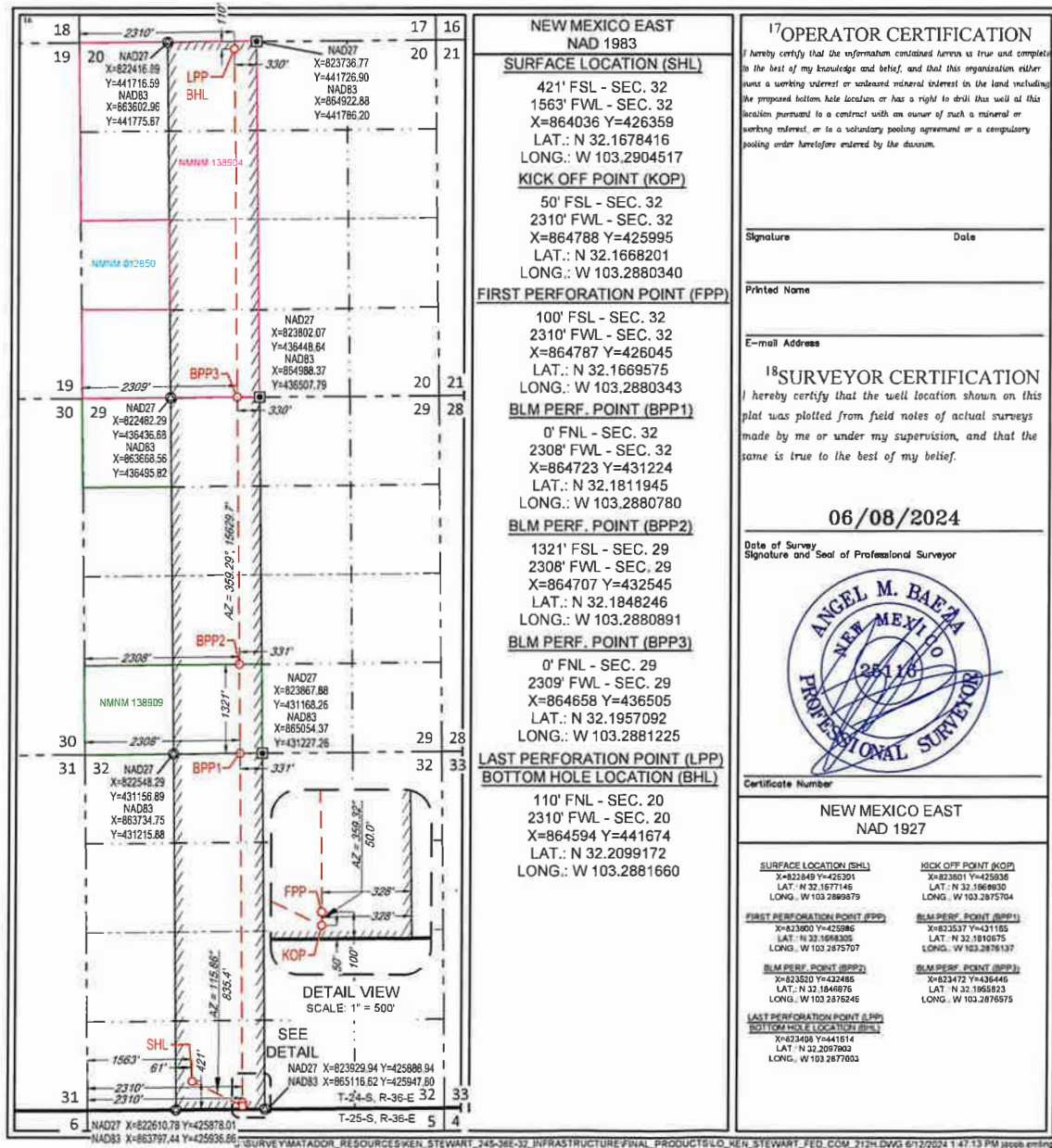
AMENDED REPORT

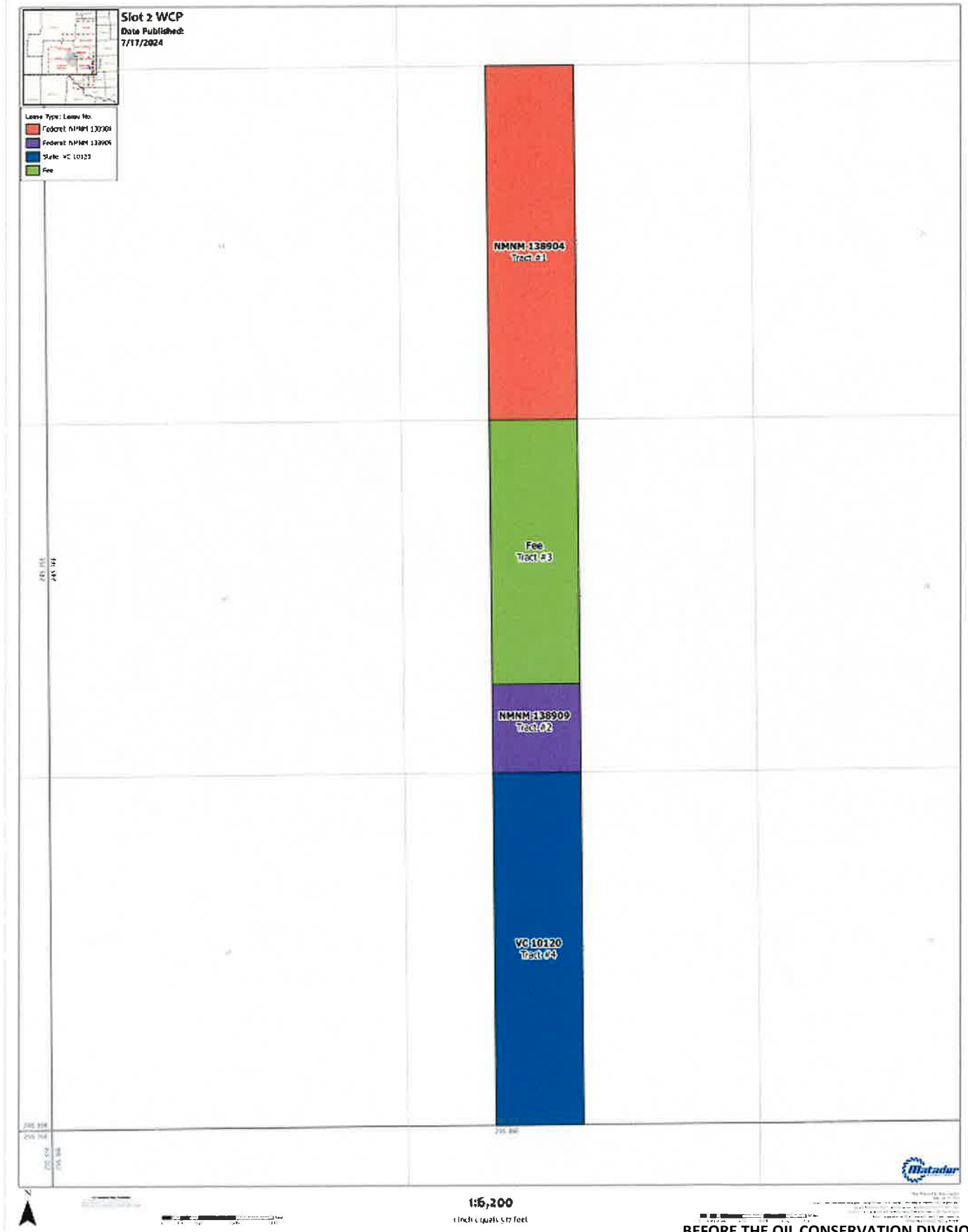
District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone (575) 393-6161 Fax (575) 393-0720  
District II  
811 S First St., Artesia, NM 88210  
Phone (575) 748-1283 Fax (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone (505) 334-6178 Fax (505) 334-6170  
District IV  
1220 S St. Francis Dr., Santa Fe, NM 87505  
Phone (505) 476-3460 Fax (505) 476-3462

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number	<sup>2</sup> Well Code	<sup>3</sup> Well Name							
	338213	Jali, Wolfcamp West							
<sup>4</sup> Property Code	<sup>5</sup> Property Name	<sup>6</sup> Well Number							
	KEN STEWART FED COM	212H							
<sup>7</sup> OGRID No.	<sup>8</sup> Operator Name	<sup>9</sup> Elevation							
228937	MATADOR PRODUCTION COMPANY	3244'							
<sup>10</sup> Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	32	24-S	36-E	-	421'	SOUTH	1563'	WEST	LEA
<sup>11</sup> Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	20	24-S	36-E	-	110'	NORTH	2310'	WEST	LEA
<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.						
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.





BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico

Exhibit No. C-2  
Submitted by: Matador Production Company

Hearing Date: July 25, 2024  
Case No. 24615



<b>K. Stewart E2 W2 (WCP)</b>			
Summary of Interests			
Matador Working Interest		92.7944%	
Voluntary Joinder		4.1666%	
Anticipated Voluntary Joinder		0.0000%	
Compulsory Pool Interest		3.0390%	
<b>Interest Owners:</b>	<b>Description:</b>	<b>Tract:</b>	<b>Interest:</b>
Wellbark Resources LLC*	Uncommitted WI Owner	3	2.0833%
Royalty Holding Co.*	Unleased MI Owner	3	0.7813%
The Roy D. Benningfield Family Revocable Trust dtd 9/16/1996*	Unleased MI Owner	3	0.0558%
Afton Lee Gille*	Unleased MI Owner	3	0.0558%
Billy G. Morris*	Unleased MI Owner	3	0.0070%
Heirs of Jewel Don Bray*	Unleased MI Owner	3	0.0279%
Heirs of Charles Bray*	Unleased MI Owner	3	0.0279%

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



# MRC Permian Company

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Voice 972.619.1259 • Fax 214.866.4946  
[djohns@matadorresources.com](mailto: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. 24615

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
- \$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



David Johns

**Billy G. Morrishereby elects to:**

\_\_\_\_\_ 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: \_\_\_\_\_

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

**MATADOR PRODUCTION COMPANY**

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

**ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE**

DATE:	April 23, 2024	AFE NO.:	
WELL NAME:	K Stewart Fed Com 212H	FIELD:	
LOCATION:	Sections 32, 29, & 20-24S-36E	MD/TVD:	27027/11600'
COUNTY/STATE:	Lea, NM	LATERAL LENGTH:	14,500
MRC WI:			
GEOLOGIC TARGET:	Wolfcamp A		
REMARKS:	Drill and complete a horizontal 3 mile long Wolfcamp A target with about 60 frac stages		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
<b>INTANGIBLE COSTS</b>					
Land / Legal / Regulatory	\$ 58,000	\$ -	\$ 10,000	\$ 10,000	\$ 78,000
Location, Surveys & Damages	128,333	13,000	15,000	25,000	181,333
Drilling	1,401,470	-	-	-	1,401,470
Cementing & Float Equip	366,000	-	-	-	366,000
Logging / Formation Evaluation	-	3,750	3,000	-	6,750
Flowback - Labor	-	-	18,160	-	18,160
Flowback - Surface Rentals	-	-	171,950	-	171,950
Flowback - Rental Living Quarters	-	-	20,000	-	20,000
Mud Logging	51,490	-	-	-	51,490
Mud Circulation System	181,967	-	-	-	181,967
Mud & Chemicals	530,000	71,000	21,500	-	622,500
Mud / Wastewater Disposal	235,000	-	2,000	1,000	238,000
Freight / Transportation	25,300	37,250	3,000	-	65,550
Rig Supervision / Engineering	192,000	100,800	10,000	1,800	310,600
Drill Bits	163,900	-	-	-	163,900
Fuel & Power	210,600	752,294	2,000	-	964,894
Water	60,000	1,004,850	2,000	1,000	1,067,850
Drig & Completion Overhead	10,000	-	-	-	10,000
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	380,838	-	-	-	380,838
Completion Unit, Swab, CTU	-	202,500	9,000	-	211,500
Perforating, Wireline, Slickline	-	282,585	7,000	-	289,585
High Pressure Pump Truck	-	102,000	5,000	-	107,000
Stimulation	-	4,099,523	-	-	4,099,523
Stimulation Flowback & Disp	-	15,500	300,000	-	315,500
Insurance	21,622	-	-	-	21,622
Labor	219,500	64,500	20,000	5,000	309,000
Rental - Surface Equipment	178,468	343,350	10,000	5,000	536,818
Rental - Downhole Equipment	275,600	111,500	-	-	387,100
Rental - Living Quarters	60,420	44,880	-	5,000	110,300
Contingency	143,774	314,976	62,961	5,380	527,091
Operations Center	35,958	-	-	-	35,958
<b>TOTAL INTANGIBLES &gt;</b>	<b>4,936,239</b>	<b>7,564,258</b>	<b>692,571</b>	<b>59,180</b>	<b>13,252,248</b>
<b>TANGIBLE COSTS</b>					
Surface Casing	\$ 97,396	\$ -	\$ -	\$ -	\$ 97,396
Intermediate Casing	367,292	-	-	-	367,292
Drilling Liner	483,653	-	-	-	483,653
Production Casing	1,050,558	-	-	-	1,050,558
Production Liner	-	-	-	-	-
Tubing	-	-	132,250	-	132,250
Wellhead	155,000	-	55,000	-	210,000
Packers, Liner Hangers	-	69,529	6,000	-	75,529
Tanks	-	-	-	68,400	68,400
Production Vessels	-	-	-	186,363	186,363
Flow Lines	-	-	-	150,000	150,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	51,000	-	51,000
Compressor	-	-	-	32,650	32,650
Installation Costs	-	-	-	80,000	80,000
Surface Pumps	-	-	10,000	-	10,000
Non-controllable Surface	-	-	-	2,000	2,000
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	11,000	102,300	113,300
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	158,000	158,000
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	2,000	-	2,000
Tank / Facility Containment	-	-	-	14,850	14,850
Flare Stack	-	-	-	54,450	54,450
Electrical / Grounding	-	-	2,000	95,700	97,700
Communications / SCADA	-	-	5,000	13,200	18,200
Instrumentation / Safety	-	-	-	73,500	73,500
<b>TOTAL TANGIBLES &gt;</b>	<b>2,156,889</b>	<b>89,529</b>	<b>274,250</b>	<b>1,091,213</b>	<b>3,591,881</b>
<b>TOTAL COSTS &gt;</b>	<b>7,093,138</b>	<b>7,633,788</b>	<b>966,821</b>	<b>1,150,393</b>	<b>16,844,139</b>

**PREPARED BY MATADOR PRODUCTION COMPANY:**

Drilling Engineer:	Blake Hermes	Team Lead - WTX/NM	
Completions Engineer:	Garrett Hunt		CSC
Production Engineer:	Jan Fredrik Masnes		

**MATADOR RESOURCES COMPANY APPROVAL:**

Executive VP, COO/CFO	DEL	EVP COO- Drilling, Completion and Production	BG
Executive VP, Legal	CA	SVP Geoscience	ELF
President	MVH		

**NON OPERATING PARTNER APPROVAL:**

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

This AFE is for informational purposes only and does not constitute an offer or solicitation of securities. It is not intended to be used for the purpose of raising capital. This AFE is not a contract and does not constitute an offer or solicitation of securities. It is not intended to be used for the purpose of raising capital. This AFE is not a contract and does not constitute an offer or solicitation of securities. It is not intended to be used for the purpose of raising capital.

Summary of Communications K. Stewart E2 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.

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  
Santa Fe, New Mexico  
Exhibit No. D  
Submitted by: Matador Production Company  
Hearing Date: July 25, 2024  
Case No. 24615



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 more-or-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.

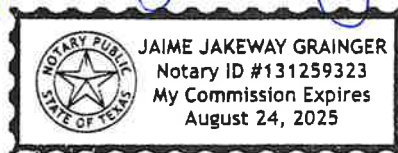
Blake Herber  
BLAKE HERBER

STATE OF TEXAS            )  
  )  
COUNTY OF DALLAS        )

SUBSCRIBED and SWORN to before me this 9<sup>th</sup> day of July 2024 by Blake Herber.

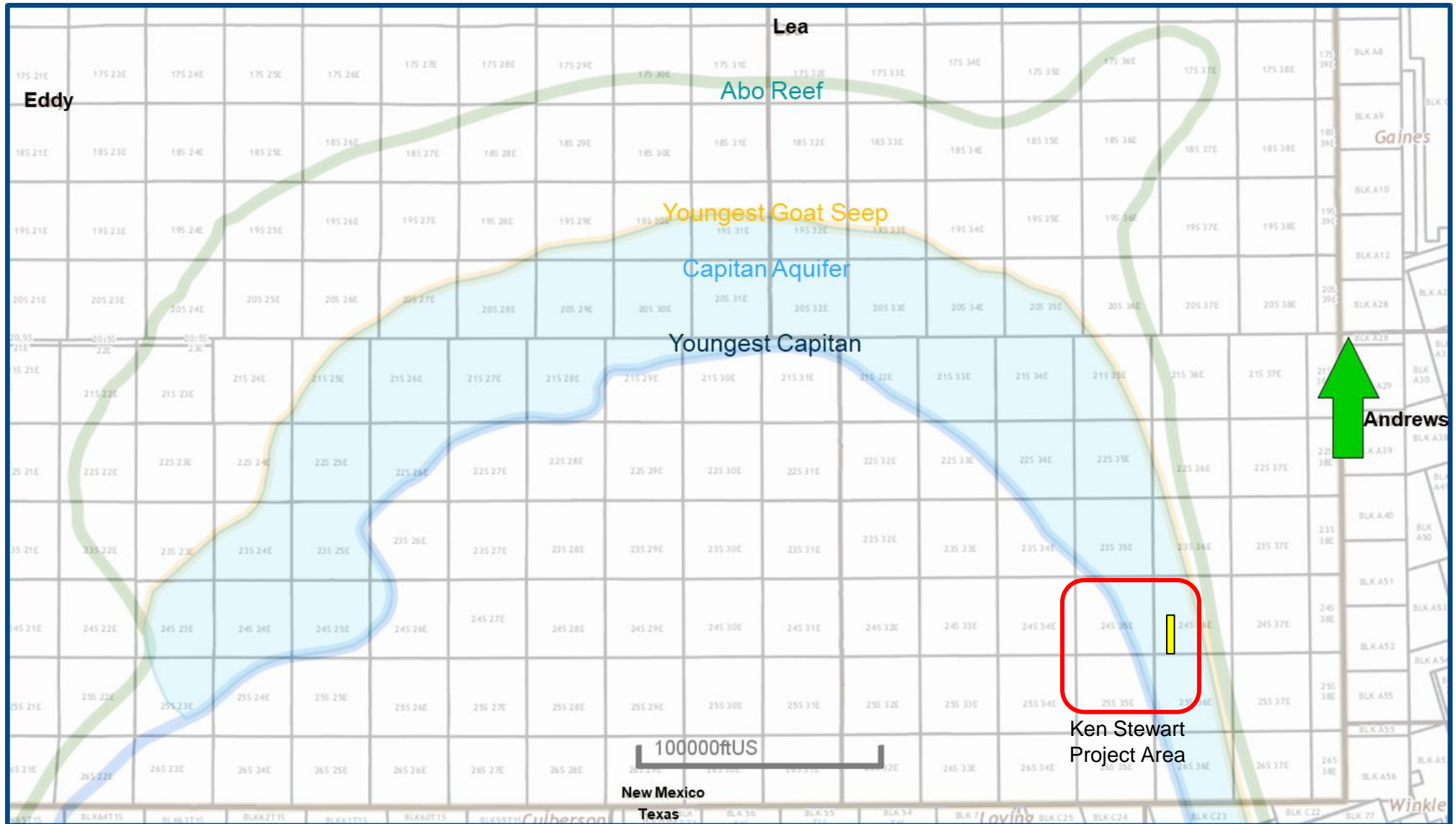
Jaime Jakeway Grainger  
NOTARY PUBLIC

My Commission Expires:  
8.24.2025



# Locator Map

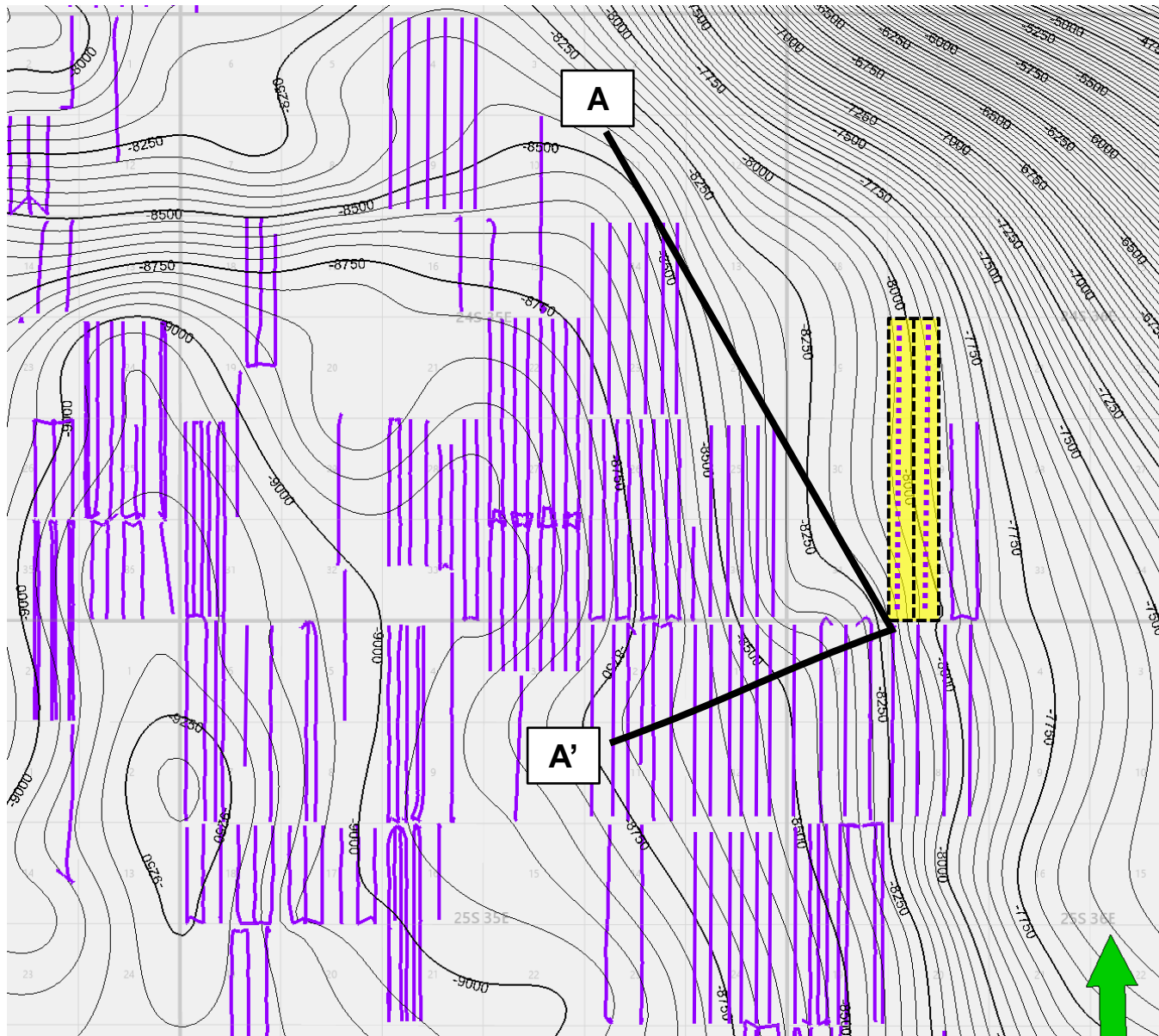
# Exhibit D-1





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

## Exhibit D-2



### 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. 24615

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

Santa Fe, New Mexico

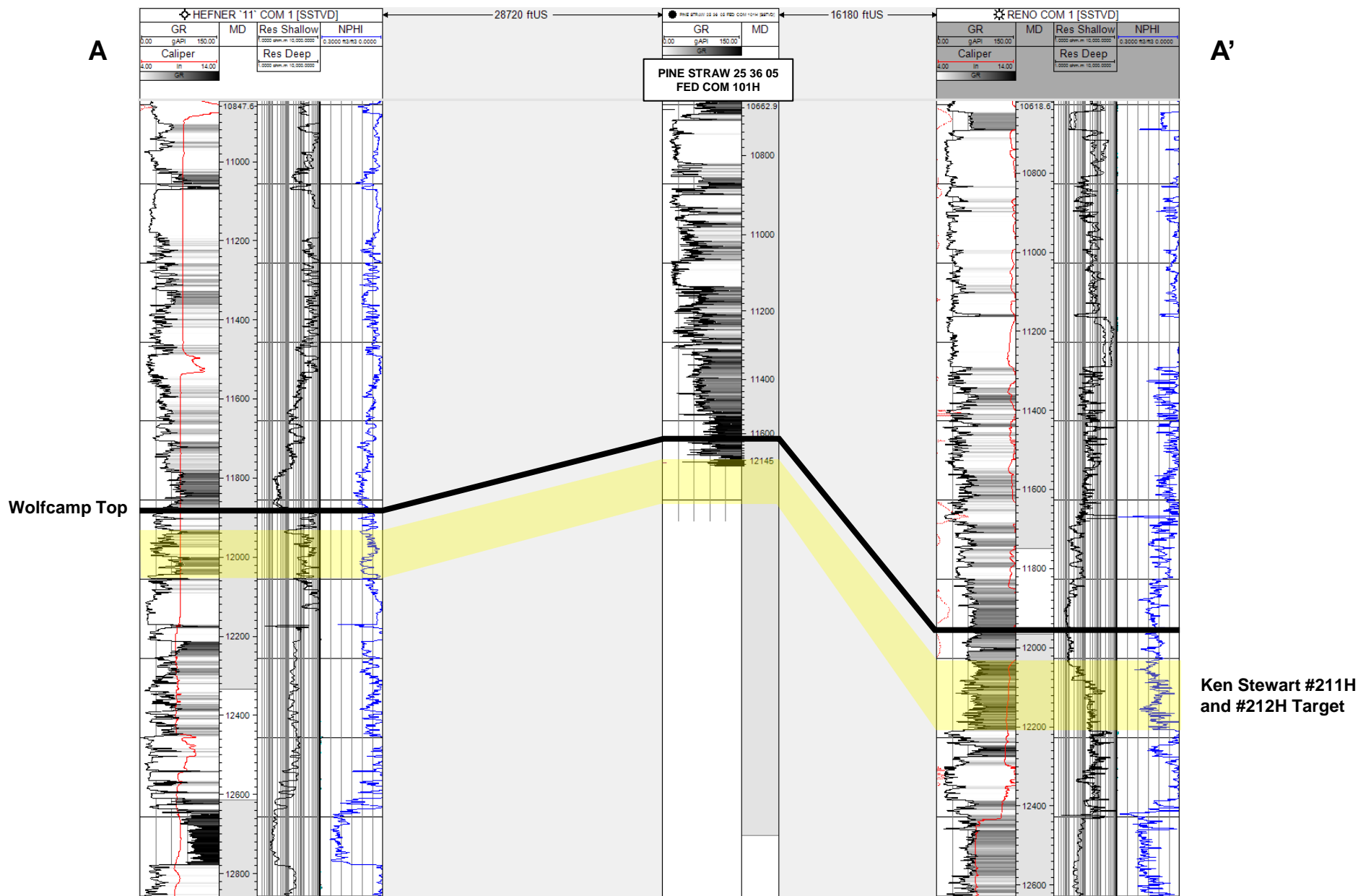
Exhibit No. D-3

Submitted by: Matador Production Company

Hearing Date: July 25, 2024

Case No. 24615

## Exhibit D-3



**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. 24615**

**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  
Submitted by: Matador Production Company  
Hearing Date: July 25, 2024  
Case No. 24615**



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 #212H 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](mailto:djohns@matadorresources.com).

Sincerely,

Paula M. Vance  
**ATTORNEY FOR MRC PERMIAN COMPANY**

T 505.988.4421  
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849  
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208  
[www.hollandhart.com](http://www.hollandhart.com)

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

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

9414811898765460887134	Afton Lee Gille	6512 N Missouri Ave	Oklahoma City	OK	73111-7928	Your item was delivered to an individual at the address at 2:43 pm on July 11, 2024 in OKLAHOMA CITY, OK 73111.
9414811898765460887172	Billy G. Morris	1041 Black Champ Rd	Waxahachie	TX	75167-9331	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765460887318	Gulf Coast Western, LLC	14160 Dallas Pkwy Fifth Floor	Dallas	TX	75254-4319	Your item was delivered to an individual at the address at 10:31 am on July 11, 2024 in DALLAS, TX 75254.
9414811898765460887356	Heirs of Charles Bray	PO Box 1987	Norman	OK	73072-3030	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 recipient was not available.
9414811898765460887363	Heirs of Jewel Don Bray	1513 SW 72nd St	Oklahoma City	OK	73159-3419	Your item arrived at the OKLAHOMA CITY, OK 73159 post office at 6:38 pm on July 11, 2024 and is ready for pickup.
9414811898765460887325	Roy D. Benningfield, Trustee of the Roy	2708 W 104th St	Perkins	OK	74059-4166	Your item was picked up at the post office at 3:28 pm on July 12, 2024 in PERKINS, OK 74059.
9414811898765460887301	Royalty Holding Company	3535 NW 58th St Suite 720	Oklahoma City	OK	73112-4801	Your item was delivered to an individual at the address at 10:53 am on July 11, 2024 in OKLAHOMA CITY, OK 73112.
9414811898765460887394	Wellbark Resources, LLC	PO Box 1987	Frisco	TX	75034-0034	Your item arrived at the FRISCO, TX 75034 post office at 11:32 am on July 11, 2024 and is ready for pickup.

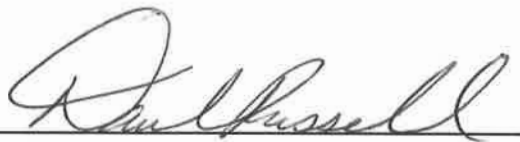


# Affidavit of Publication

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

January 29, 2027  
**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                      LEGAL**

**LEGAL NOTICE**  
July 11, 2024

**Case No. 24615: 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.** 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 date: <https://www.emnrd.nm.gov/ocd/hearing-info/> or contact Sheila Apodaca, at [Sheila.Apodaca@emnrd.nm.gov](mailto: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 E/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 #212H** 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 SE/4 SW/4 (Unit N) of Section 32 and a last take point in the NE/4 NW/4 (Unit C) 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.  
#00292167

67100754

00292167

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. 24615