

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING AUGUST 22, 2024**

**CASE No. 24308**

*JIM ROLFE BS 131H WELL*

*LEA COUNTY, NEW MEXICO*



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

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

CASE NO. 24308

**HEARING PACKAGE**  
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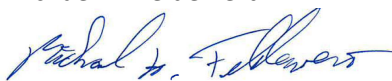
- Compulsory Pooling Application Checklist
- Filed Application
- **Matador Exhibit A:** Self-Affirmed Statement of Isaac Evans, Landman
  - Matador Exhibit A-1: Draft C-102s
  - Matador Exhibit A-2: Tract Map
  - Matador Exhibit A-3: Working Interest Owners
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  - Matador Exhibit B-2: Subsea Structure Map
  - Matador Exhibit B-3: Structural Cross Section
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- **Matador Exhibit D:** Affidavit of Publication

# COMPULSORY POOLING APPLICATION CHECKLIST

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

<b>Case: 24308</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date: August 22, 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 Approval of Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	PBEX, LLC; E.G.L. Resources, Inc.
Well Family	Jim Rolfe
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Airstrip; Bone Spring (960)
Well Location Setback Rules:	Statewide Rules
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	160-acres
Building Blocks:	Quarter-Quarter sections
Orientation:	South-North
Description: TRS/County	W2W2 of Section 27, T18S, R34E, NMPPM, 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 A-3
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

Well #1	<b>Jim Rolfe Fed Com 131H</b> (API No. pending) SHL: 280' FNL & 1540' FWL (Unit C) of Sec. 34, T18S, R34E BHL: 110' FNL & 660' FWL (Unit D) of Sec. 27, 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
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	See filed Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D
<b>Ownership Determination</b>	
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	Exhibit A-5
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
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
<b>Geology</b>	
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

Target Formation	Exhibit B
HSU Cross Section	Exhibit B-3
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
A-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
<b>Additional Information</b>	
Special Provisions/Stipulations	Applicant has dismissed the request for approval of overlapping spacing units
<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>	15-Aug-24

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

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

**CASE NO. 24308**

**APPLICATION**

MRC Permian Company (“MRC” or “Applicant”), through undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order (a) approving a standard 160-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the W2W2 of Section 27, Township 18 South, Range 34 East and, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted mineral interests in this horizontal well spacing unit. In support of its application, MRC states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to designate Matador Production Company (OGRID No. 228937) as the operator of the proposed overlapping horizontal spacing unit.
3. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Jim Rolfe Fed Com 131H** well to be horizontally drilled from a surface location in the NW4 of Section 34, with a first take point in the SW4SW4 (Unit M) of Section 27 and a last take point in the NW4NW4 (Unit D) of Section 27.
4. This proposed horizontal well spacing unit will overlap a 320-acre horizontal well spacing unit in the Bone Spring formation comprised of the W2W2 of Sections 22 and 27 that

MRC has proposed for the Jim Rolfe Fed Com 111H and Jim Rolfe Fed Com 121H wells to be drilled at shallower intervals within the Bone Spring formation.

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

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

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on April 4, 2024, and, after notice and hearing as required by law, the Division enter an order:

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

Respectfully submitted,

HOLLAND & HART LLP

By: 

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Michael H. Feldewert  
Adam G. Rankin  
Paula M. Vance  
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Santa Fe, NM 87504  
505-988-4421  
505-983-6043 Facsimile  
mfeldewert@hollandhart.com  
agrarkin@hollandhart.com  
pmvance@hollandhart.com

**ATTORNEYS FOR MRC PERMIAN COMPANY**



CASE \_\_\_\_\_ : **Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (a) approving a standard 160-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the W2W2 of Section 27, Township 18 South, Range 34 East and, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted mineral interests in this horizontal well spacing unit. Said unit will be initially dedicated to the proposed **Jim Rolfe Fed Com 131H** well to be horizontally drilled from a surface location in the NW4 of Section 34, with a first take point in the SW4SW4 (Unit M) of Section 27 and a last take point in the NW4NW4 (Unit D) of Section 27. This proposed horizontal well spacing unit will overlap a 320-acre horizontal well spacing unit in the Bone Spring formation comprised of the W2W2 of Sections 22 and 27 that MRC has proposed for the Jim Rolfe Fed Com 111H and Jim Rolfe Fed Com 121H wells to be drilled at shallower intervals within the Bone Spring formation. 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 well, and a 200% charge for risk involved in drilling said well. The subject area is located approximately 22 miles west of Hobbs, New Mexico.

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

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

**CASE NO. 24308**

**SELF-AFFIRMED STATEMENT OF ISAAC EVANS**

Isaac Evans, of lawful age and being first duly sworn, declares as follows:

1. My name Isaac Evans. I work for MRC Energy Company, an affiliate of MRC Permian Company (“MRC”), as a Vice President – Land.
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 160-acre, more or less, horizontal well spacing unit in the Bone Spring formation underlying the W/2 W/2 of Section 27, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico, and initially dedicate this Bone Spring spacing unit to the proposed **Jim Rolfe Fed Com 131H** well to be horizontally drilled from a surface hole location in the NW/4 of Section 34, T18S-R34E with a first take point in the SW/4 SW/4 of Section 27, T18S-R34E and a last take point in the NW/4 NW/4 of Section 27, T18S-R34E .

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

**Submitted by: Matador Production Company  
Hearing Date: August 22, 2024  
Case No. 24308**

5. MRC understands this well will be placed in the Airstrip; Bone Spring [960] pool.

6. 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.

7. **MRC Exhibit A-1** contains the draft Form C-102 for the proposed well.

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

9. **MRC Exhibit A-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 A-3** also identifies the record title and 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 each of the working interest parties it seeks to pool. **MRC Exhibit A-4** contains a sample well proposal letter that was sent to those parties, along with the AFE sent to working interest owners 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 attempted to call or email each of the working interest owners MRC seeks to pool. As indicated in **MRC Exhibit A-5**, we have been able to contact and have discussions with each of the working interest owners we seek to pool.

13. **MRC Exhibit A-5** contains a summary chronology of MRC's contacts and attempted contacts with the uncommitted working interest owners. 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.

14. 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.

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

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

17. 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.



Isaac Evans

8-13-24

Date

# **EXHIBIT A-1**

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A-1  
Submitted by: Matador Production Company  
Hearing Date: August 22, 2024  
Case No. 24308**

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) 746-1283 Fax: (575) 746-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code 960		<sup>3</sup> Pool Name Airstrip; Bone Spring					
<sup>4</sup> Property Code		<sup>5</sup> Property Name JIM ROLFE FED COM		<sup>6</sup> Well Number 131H					
<sup>7</sup> OGRID No. 228937		<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY		<sup>9</sup> Elevation 4010'					
<sup>10</sup> Surface Location									
UL or lot no. C	Section 34	Township 18-S	Range 34-E	Lot Idn -	Feet from the 280'	North/South line NORTH	Feet from the 1540'	East/West line WEST	County LEA
<sup>11</sup> Bottom Hole Location If Different From Surface									
UL or lot no. D	Section 27	Township 18-S	Range 34-E	Lot Idn -	Feet from the 110'	North/South line NORTH	Feet from the 660'	East/West line WEST	County LEA
<sup>12</sup> Dedicated Acres 160		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.			

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

NEW MEXICO EAST  
NAD 1983

SURFACE LOCATION (SHL)  
280' FNL - SEC. 34  
1540' FWL - SEC. 34  
X=781741 Y=623167  
LAT.: N 32.7106923  
LONG.: W 103.5517298

KICK OFF POINT (KOP)  
50' FSL - SEC. 27  
660' FWL - SEC. 27  
X=780858 Y=623489  
LAT.: N 32.7115949  
LONG.: W 103.5545924

FIRST PERFORATION POINT (FPP)  
100' FSL - SEC. 27  
660' FWL - SEC. 27  
X=780858 Y=623539  
LAT.: N 32.7117323  
LONG.: W 103.5545928

BLM PERF. POINT (BPP1)  
2641' FNL - SEC. 27  
660' FWL - SEC. 27  
X=780833 Y=626080  
LAT.: N 32.7187151  
LONG.: W 103.5546106

BLM PERF. POINT (BPP2)  
1320' FNL - SEC. 27  
660' FWL - SEC. 27  
X=780821 Y=627400  
LAT.: N 32.7223439  
LONG.: W 103.5546199

LAST PERFORATION POINT (LPP)  
BOTTOM HOLE LOCATION (BHL)  
110' FNL - SEC. 27  
660' FWL - SEC. 27  
X=780809 Y=628610  
LAT.: N 32.7256704  
LONG.: W 103.5546284

<sup>17</sup>OPERATOR CERTIFICATION

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

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

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

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

<sup>18</sup>SURVEYOR CERTIFICATION

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

02/29/2024

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

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

NEW MEXICO EAST  
NAD 1927

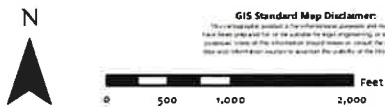
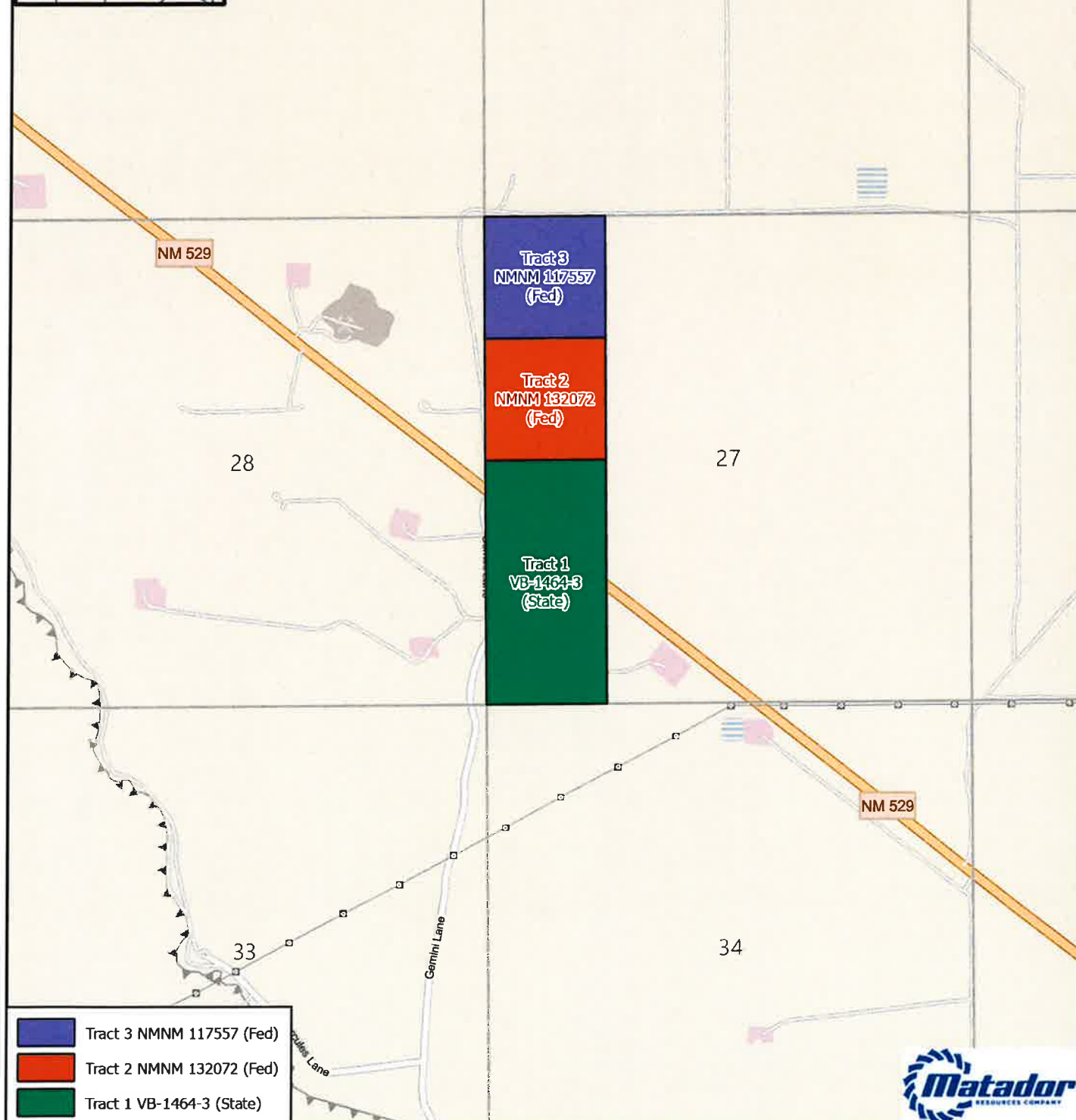
<u>SURFACE LOCATION (SHL)</u> X=740561 Y=623103 LAT: N 32.7105666 LONG: W 103.5512344	<u>KICK OFF POINT (KOP)</u> X=739678 Y=623475 LAT: N 32.7114715 LONG: W 103.5540999
<u>FIRST PERFORATION POINT (FPP)</u> X=739678 Y=623475 LAT: N 32.7116089 LONG: W 103.5540973	<u>BLM PERF. POINT (BPP1)</u> X=739654 Y=626016 LAT: N 32.7199917 LONG: W 103.5541149
<u>BLM PERF. POINT (BPP2)</u> X=739641 Y=627336 LAT: N 32.7222205 LONG: W 103.5541240	<u>LAST PERFORATION POINT (LPP)</u> <u>BOTTOM HOLE LOCATION (BHL)</u> X=739630 Y=628548 LAT: N 32.7256489 LONG: W 103.5541323

# **EXHIBIT A-2**

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A-2  
Submitted by: Matador Production Company  
Hearing Date: August 22, 2024  
Case No. 24308**

# W2W2 Jim Rolfe Fed Com Tract Map - Third Bone Spring

Date Published:  
8/13/2024



**1:18,000**  
1 inch equals 1,500 feet

Map Prepared by: lillian.yeargins  
Date: August 13, 2024  
Project: \\gis\userdata\yeargins\projects\Pooling Hearings\Pooling Hearings.aprx  
Spatial Reference: NAD 1983 StatePlane New Mexico East FIPS 3001 Feet  
Sources: IHS, ESRI, US DOI BLM Carlsbad, NM Field Office, GIS Department, Texas Cooperative Wildlife Collection, Texas A&M University, United States Census Bureau (TIGER)



# **EXHIBIT A-3**

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A-3  
Submitted by: Matador Production Company  
Hearing Date: August 22, 2024  
Case No. 24308**

## Summary of Interests

MRC Permian Company Working Interest			18.750000%
Compulsory Pool Interest Total:			81.250000%
Interest Owner:	Description:	Tract	Interest:
EG3 Development, LLC	Uncommitted Working Interest Owner	3	1.562500%
Allar Development, LLC	Uncommitted Working Interest Owner	3	4.687500%
Marathon Oil Permian, LLC	Uncommitted Working Interest Owner	2	25.000000%
Lario Oil & Gas Company	Uncommitted Working Interest Owner	1	6.250000%
PBEX, LLC	Uncommitted Working Interest Owner	1	43.750000%
RAYBAW Operating, LLC	Record Title Owner	1	N/A
Marathon Oil Permian, LLC	Record Title Owner	2	N/A
The Allar Company	Record Title Owner	3	N/A



Summary of ORRI Owners – 1-mile W2W2 Jim Rolfe Fed Com – Bone Spring

**ORRI**

1. Post Oak Crown IV, LLC
2. Post Oak Crown IV-B, LLC
3. Crown Oil Partners, LP
4. Collins & Jones Investments, LLC
5. MCT Energy Ltd.
6. Gerard G. Vavrek
7. Jesse A. Faight, Jr.
8. H. Jason Wacker
9. David Cromwell
10. LMC Energy, LLC
11. Kaleb Smith
12. Deane Durham
13. Mike Moylett
14. Mavros Minerals II, LLC
15. Oak Valley Mineral and Land, LP
16. Post Oak Mavros II, LLC
17. Sortida Resources, LLC
18. Sitio Permian, LP
19. Thomaston, LLC
20. John Kyle Thoma, Trustee of the Cornerstone Family Trust
21. GMT New Mexico Royalty Company, LLC
22. SHG Energy, LLC
23. Sitka Consulting, LLC

# **EXHIBIT A-4**

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A-4  
Submitted by: Matador Production Company  
Hearing Date: August 22, 2024  
Case No. 24308**

# Matador Production Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240  
Voice 972.587.4628 • Fax 214.866.4883  
[isaac.evans@matadorresources.com](mailto:isaac.evans@matadorresources.com)

Isaac C. Evans  
Area Land Manager

January 18, 2024

VIA CERTIFIED RETURN RECEIPT MAIL

Franklin Mountain Energy 3, LLC  
44 Cook Street, Suite 1000  
Denver, Colorado 80206

Re: Jim Rolfe Fed Com #111H, #112H, #113H, #114H, #121H, #122H, #123H, #124H, #131H, #132H,  
#133H, #134H, #241H, #242H, #243H & #244H (the "Wells")  
Participation Proposal  
Sections 22 & 27, 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 Jim Rolfe Fed Com #111H, Jim Rolfe Fed Com #112H, Jim Rolfe Fed Com #113H, Jim Rolfe Fed Com #114H, Jim Rolfe Fed Com #121H, Jim Rolfe Fed Com #122H, Jim Rolfe Fed Com #123H, Jim Rolfe Fed Com #124H, Jim Rolfe Fed Com #131H, Jim Rolfe Fed Com #132H, Jim Rolfe Fed Com #133H, Jim Rolfe Fed Com #134H, Jim Rolfe Fed Com #241H, Jim Rolfe Fed Com #242H, Jim Rolfe Fed Com #243H & Jim Rolfe Fed Com #244H, located in Sections 22 & 27, 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 the Jim Rolfe Fed Com #111H, Jim Rolfe Fed Com #112H, Jim Rolfe Fed Com #113H, Jim Rolfe Fed Com #114H, Jim Rolfe Fed Com #121H, Jim Rolfe Fed Com #122H, Jim Rolfe Fed Com #123H, Jim Rolfe Fed Com #124H, Jim Rolfe Fed Com #131H, Jim Rolfe Fed Com #132H, Jim Rolfe Fed Com #133H, Jim Rolfe Fed Com #134H, Jim Rolfe Fed Com #241H, Jim Rolfe Fed Com #242H, Jim Rolfe Fed Com #243H & Jim Rolfe Fed Com #244H is itemized on the sixteen (16) enclosed Authority for Expenditures ("AFE") dated January 3, 2024.
- **Jim Rolfe Fed Com #111H:** to be drilled from a legal location with a proposed surface hole location in the N/2NW/4 of Section 34-18S-34E, a proposed first take point located at 100' FSL and 660' FWL of Section 27-18S-34E, and a proposed last take point located at 100' FNL and 660' FWL of Section 22-18S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~9,000' TVD) to a Measured Depth of approximately 19,054'.
- **Jim Rolfe Fed Com #112H:** to be drilled from a legal location with a proposed surface hole location in the N/2NW/4 of Section 34-18S-34E, a proposed first take point located at 100' FSL and 1,980' FWL of Section 27-18S-34E, and a proposed last take point located at 100' FNL and 1,980' FWL of Section 22-18S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~9,000' TVD) to a Measured Depth of approximately 19,054'.

- **Jim Rolfe Fed Com #113H:** to be drilled from a legal location with a proposed surface hole location in the S/2SE/4 of Section 27-18S-34E, a proposed first take point located at 100' FSL and 1,980' FEL of Section 27-18S-34E, and a proposed last take point located at 100' FNL and 1,980' FEL of Section 22-18S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~9,000' TVD) to a Measured Depth of approximately 19,054'.
- **Jim Rolfe Fed Com #114H:** to be drilled from a legal location with a proposed surface hole location in the S/2SE/4 of Section 27-18S-34E, a proposed first take point located at 100' FSL and 660' FEL of Section 27-18S-34E, and a proposed last take point located at 100' FNL and 660' FEL of Section 22-18S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~9,000' TVD) to a Measured Depth of approximately 19,054'.
- **Jim Rolfe Fed Com #121H:** to be drilled from a legal location with a proposed surface hole location in the N/2NW/4 of Section 34-18S-34E, a proposed first take point located at 100' FSL and 660' FWL of Section 27-18S-34E, and a proposed last take point located at 100' FNL and 660' FWL of Section 22-18S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~9,300' TVD) to a Measured Depth of approximately 19,354'.
- **Jim Rolfe Fed Com #122H:** to be drilled from a legal location with a proposed surface hole location in the N/2NW/4 of Section 34-18S-34E, a proposed first take point located at 100' FSL and 1,980' FWL of Section 27-18S-34E, and a proposed last take point located at 100' FNL and 1,980' FWL of Section 22-18S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~9,300' TVD) to a Measured Depth of approximately 19,354'.
- **Jim Rolfe Fed Com #123H:** to be drilled from a legal location with a proposed surface hole location in the S/2SE/4 of Section 27-18S-34E, a proposed first take point located at 100' FSL and 1,980' FEL of Section 27-18S-34E, and a proposed last take point located at 100' FNL and 1,980' FEL of Section 22-18S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~9,300' TVD) to a Measured Depth of approximately 19,354'.
- **Jim Rolfe Fed Com #124H:** to be drilled from a legal location with a proposed surface hole location in the S/2SE/4 of Section 27-18S-34E, a proposed first take point located at 100' FSL and 660' FEL of Section 27-18S-34E, and a proposed last take point located at 100' FNL and 660' FEL of Section 22-18S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~9,300' TVD) to a Measured Depth of approximately 19,354'.
- **Jim Rolfe Fed Com #131H:** to be drilled from a legal location with a proposed surface hole location in the N/2NW/4 of Section 34-18S-34E, a proposed first take point located at 100' FSL and 660' FWL of Section 27-18S-34E, and a proposed last take point located at 100' FNL and 660' FWL of Section 27-18S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,240' TVD) to a Measured Depth of approximately 15,014'.
- **Jim Rolfe Fed Com #132H:** to be drilled from a legal location with a proposed surface hole location in the N/2NW/4 of Section 34-18S-34E, a proposed first take point located at 100' FSL and 1,980' FWL of Section 27-18S-34E, and a proposed last take point located at 100' FNL and 1,980' FWL of Section 22-18S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,240' TVD) to a Measured Depth of approximately 20,294'.

- **Jim Rolfe Fed Com #133H:** to be drilled from a legal location with a proposed surface hole location in the S/2SE/4 of Section 27-18S-34E, a proposed first take point located at 100' FSL and 1,980' FEL of Section 27-18S-34E, and a proposed last take point located at 100' FNL and 1,980' FEL of Section 22-18S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,240' TVD) to a Measured Depth of approximately 20,294'.
- **Jim Rolfe Fed Com #134H:** to be drilled from a legal location with a proposed surface hole location in the S/2SE/4 of Section 27-18S-34E, a proposed first take point located at 100' FSL and 660' FEL of Section 27-18S-34E, and a proposed last take point located at 100' FNL and 660' FEL of Section 27-18S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,240' TVD) to a Measured Depth of approximately 15,014'.
- **Jim Rolfe Fed Com #241H:** to be drilled from a legal location with a proposed surface hole location in the N/2NW/4 of Section 34-18S-34E, a proposed first take point located at 100' FSL and 660' FWL of Section 27-18S-34E, and a proposed last take point located at 100' FNL and 660' FWL of Section 22-18S-34E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~11,900' TVD) to a Measured Depth of approximately 21,954'.
- **Jim Rolfe Fed Com #242H:** to be drilled from a legal location with a proposed surface hole location in the N/2NW/4 of Section 34-18S-34E, a proposed first take point located at 100' FSL and 1,980' FWL of Section 27-18S-34E, and a proposed last take point located at 100' FNL and 1,980' FWL of Section 22-18S-34E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~11,900' TVD) to a Measured Depth of approximately 21,954'.
- **Jim Rolfe Fed Com #243H:** to be drilled from a legal location with a proposed surface hole location in the S/2SE/4 of Section 27-18S-34E, a proposed first take point located at 100' FSL and 1,980' FEL of Section 27-18S-34E, and a proposed last take point located at 100' FNL and 1,980' FEL of Section 22-18S-34E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~11,900' TVD) to a Measured Depth of approximately 21,954'.
- **Jim Rolfe Fed Com #244H:** to be drilled from a legal location with a proposed surface hole location in the S/2SE/4 of Section 27-18S-34E, a proposed first take point located at 100' FSL and 660' FEL of Section 27-18S-34E, and a proposed last take point located at 100' FNL and 660' FEL of Section 22-18S-34E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~11,900' TVD) to a Measured Depth of approximately 21,954'.

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 sent at a later date. The proposed Operating Agreement is dated January 1, 2024, by and between Matador Production Company, as Operator and MRC Permian Company, et al as Non-Operators, covers certain depths in Sections 22 & 27, Township 18 South, Range 34 East, Lea County, New Mexico, and has the following general provisions:

- 100/300/300 Non-consenting penalty
- \$8,000/\$800 Drilling and Producing rate

- Matador Production Company named as Operator

If your election is to participate in the drilling and completion of the Wells, please sign and return a copy of the enclosed AFEs within thirty (30) days of receipt of this notice. Please be aware that the enclosed AFEs are only an estimate of costs to be incurred and by electing to participate in the Wells, each working interest owner shall be responsible for its proportionate share of all costs incurred.

Thank you for your consideration of this proposal. Please contact me if you have any questions.

Sincerely,

MRC PERMIAN COMPANY



Isaac C. Evans

Franklin Mountain Energy 3, LLC hereby elects to:

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Jim Rolfe Fed Com #111H** well.  
 \_\_\_\_\_ Not to participate in the **Jim Rolfe Fed Com #111H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Jim Rolfe Fed Com #112H** well.  
 \_\_\_\_\_ Not to participate in the **Jim Rolfe Fed Com #112H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Jim Rolfe Fed Com #113H** well.  
 \_\_\_\_\_ Not to participate in the **Jim Rolfe Fed Com #113H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Jim Rolfe Fed Com #114H** well.  
 \_\_\_\_\_ Not to participate in the **Jim Rolfe Fed Com #114H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Jim Rolfe Fed Com #121H** well.  
 \_\_\_\_\_ Not to participate in the **Jim Rolfe Fed Com #121H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Jim Rolfe Fed Com #122H** well.  
 \_\_\_\_\_ Not to participate in the **Jim Rolfe Fed Com #122H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Jim Rolfe Fed Com #123H** well.  
 \_\_\_\_\_ Not to participate in the **Jim Rolfe Fed Com #123H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Jim Rolfe Fed Com #124H** well.  
 \_\_\_\_\_ Not to participate in the **Jim Rolfe Fed Com #124H**



\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Jim Rolfe Fed Com #131H** well.  
\_\_\_\_\_ Not to participate in the **Jim Rolfe Fed Com #131H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Jim Rolfe Fed Com #132H** well.  
\_\_\_\_\_ Not to participate in the **Jim Rolfe Fed Com #132H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Jim Rolfe Fed Com #133H** well.  
\_\_\_\_\_ Not to participate in the **Jim Rolfe Fed Com #133H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Jim Rolfe Fed Com #134H** well.  
\_\_\_\_\_ Not to participate in the **Jim Rolfe Fed Com #134H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Jim Rolfe Fed Com #241H** well.  
\_\_\_\_\_ Not to participate in the **Jim Rolfe Fed Com #241H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Jim Rolfe Fed Com #242H** well.  
\_\_\_\_\_ Not to participate in the **Jim Rolfe Fed Com #242H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Jim Rolfe Fed Com #243H** well.  
\_\_\_\_\_ Not to participate in the **Jim Rolfe Fed Com #243H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Jim Rolfe Fed Com #244H** well.  
\_\_\_\_\_ Not to participate in the **Jim Rolfe Fed Com #244H**

**Franklin Mountain Energy 3, LLC**

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:	01/03/2024	AFE NO.:	0
WELL NAME:	Jim Rofe Fed Com #131H	FIELD:	0
LOCATION:	Section 27-1BS-34E	MD/TVD:	15014'/10240'
COUNTY/STATE:	Lea	LATERAL LENGTH:	about 5,000'
MRC W#:			
GEOLOGIC TARGET:	3rd Bone Spring		
REMARKS:	Drill and complete a 1-mile Third Bone Spring horizontal well with about 21 frac stages.		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
<b>INTANGIBLE COSTS</b>					
Land / Legal / Regulatory	\$ 17,500			\$ 10,000	\$ 27,500
Location, Surveys & Damages	134,500	13,000	15,000	20,000	182,500
Drilling	695,548				695,548
Cementing & Float Equip	357,000				357,000
Logging / Formation Evaluation		8,000			8,000
Mud Logging	24,750				24,750
Mud Circulation System	107,940				107,940
Mud & Chemicals	282,445	61,250			343,695
Mud / Wastewater Disposal	195,000			1,000	196,000
Freight / Transportation	22,500	31,000			53,500
Rig Supervision / Engineering	110,400	70,617	7,500	3,600	192,117
Drill Bits	130,000				130,000
Fuel & Power	126,000	284,640			410,640
Water	76,250	262,500		1,000	339,750
Drig & Completion Overhead	9,000				9,000
Plugging & Abandonment					
Directional Drilling, Surveys	258,189				258,189
Completion Unit, Swab, CTU		160,000	25,000		185,000
Perforating, Wireline, Slickline		113,612			113,612
High Pressure Pump Truck		78,833			78,833
Stimulation		1,223,618			1,223,618
Stimulation Flowback & Disp		15,500	250,000		265,500
Insurance	9,459				9,459
Labor	203,000	55,625	85,000	5,000	348,625
Rental - Surface Equipment	92,503	272,847	60,000	5,000	430,350
Rental - Downhole Equipment	151,450	88,750			240,200
Rental - Living Quarters	37,467	35,889		5,000	78,356
Contingency	90,210	116,247	22,125	5,000	233,642
Operations Center	15,884				15,884
<b>TOTAL INTANGIBLES &gt;</b>	<b>3,097,193</b>	<b>2,891,831</b>	<b>454,625</b>	<b>55,640</b>	<b>6,509,309</b>
<b>TANGIBLE COSTS</b>					
Surface Casing	\$ 106,850				\$ 106,850
Intermediate Casing	492,308				492,308
Drilling Liner					
Production Casing	609,651				609,651
Production Liner					
Tubing			192,500		192,500
Wellhead	83,500		45,000		128,500
Packers, Liner Hangers		34,382	5,000		39,382
Tanks				28,800	28,800
Production Vessels				152,620	152,620
Flow Lines			40,000	120,000	160,000
Rod string					
Artificial Lift Equipment			275,000		275,000
Compressor				24,500	24,500
Installation Costs				88,000	88,000
Surface Pumps				4,200	4,200
Non-controllable Surface	400			2,000	2,400
Non-controllable Downhole					
Downhole Pumps				70,291	70,291
Measurement & Meter Installation			15,000		15,000
Gas Conditioning / Dehydration					
Interconnecting Facility Piping				80,500	80,500
Gathering / Bulk Lines					
Valves, Dumps, Controllers				4,900	4,900
Tank / Facility Containment				12,250	12,250
Flare Stack			25,000		25,000
Electrical / Grounding			2,500	8,450	10,950
Communications / SCADA			12,500	31,300	43,800
Instrumentation / Safety					
<b>TOTAL TANGIBLES &gt;</b>	<b>1,292,709</b>	<b>34,382</b>	<b>613,500</b>	<b>696,311</b>	<b>2,636,902</b>
<b>TOTAL COSTS &gt;</b>	<b>4,389,902</b>	<b>2,926,213</b>	<b>1,078,125</b>	<b>751,971</b>	<b>9,146,211</b>

**PREPARED BY MATADOR PRODUCTION COMPANY:**

Drilling Engineer:	Julio Mayol	Team Lead - WTX/NM	<i>APW</i>
Completions Engineer:	Will Stetson		APW
Production Engineer:	Josh Bryant		

**MATADOR RESOURCES COMPANY APPROVAL:**

President:	BEG	Chief Geologist:	NLF
EVP, Co-CEO:	CA	Co-CEO, SVP Operations:	CC
EVP, Reservoir:	WTE		

**NON OPERATING PARTNER APPROVAL:**

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

The work on this AFE and estimates only and therefore no contractual obligations are being incurred by the operator or the sponsor of the well. Taking initiative approved under the AFE may be required on a year after the well has been completed. In executing this AFE, the Participants agree to give the appropriate share of work to the sponsor, including legal, insurance, regulatory, and other costs under the terms of the applicable joint operating agreement, regulatory rules or other agreement covering the well. Participants shall be deemed to have agreed to the AFE and the associated obligations of the sponsor by the date of approval by the sponsor or the date of approval by the operator.

# **EXHIBIT A-5**

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A-5  
Submitted by: Matador Production Company  
Hearing Date: August 22, 2024  
Case No. 24308**

**Summary of Communications – 1-Mile W2W2 Jim Rolfe Fed Com – Bone Spring**

**Uncommitted Working Interest:**

**1. Marathon Oil Permian, LLC**

In addition to sending well proposals, Matador had discussions with Marathon Oil Permian, LLC regarding this project and potential voluntary joinder and are continuing those discussions.

**2. PBEX, LLC**

In addition to sending well proposals, Matador had discussions with PBEX, LLC regarding this project and potential voluntary joinder and are continuing those discussions.

**3. Lario Oil & Gas Company**

In addition to sending well proposals, Matador had discussions with Lario Oil & Gas Company regarding this project and potential voluntary joinder and are continuing those discussions.

**4. Allar Development, LLC**

In addition to sending well proposals, Matador had discussions with Allar Development, LLC regarding this project and potential voluntary joinder and are continuing those discussions.

**5. EG3 Development, LLC**

In addition to sending well proposals, Matador had discussions with EG3 Development, LLC regarding this project and potential voluntary joinder and are continuing those discussions.

**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. 24304, 24305, 24306, 24307  
24308, and 24309**

**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 (in Case Nos. 24304-24307) and the Third Bone Spring of the Bone Spring formation (in Case Nos. 24308-24309).
6. **MRC Exhibit B-2** is a subsea structure map prepared off the top of the Bone Spring formation. The contour interval is 200 feet. The structure map shows the Bone Spring formation

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

**Submitted by: Matador Production Company  
Hearing Date: August 22, 2024  
Case No. 24308**

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 five 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 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 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 these 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 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 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.

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



---

Andrew Parker



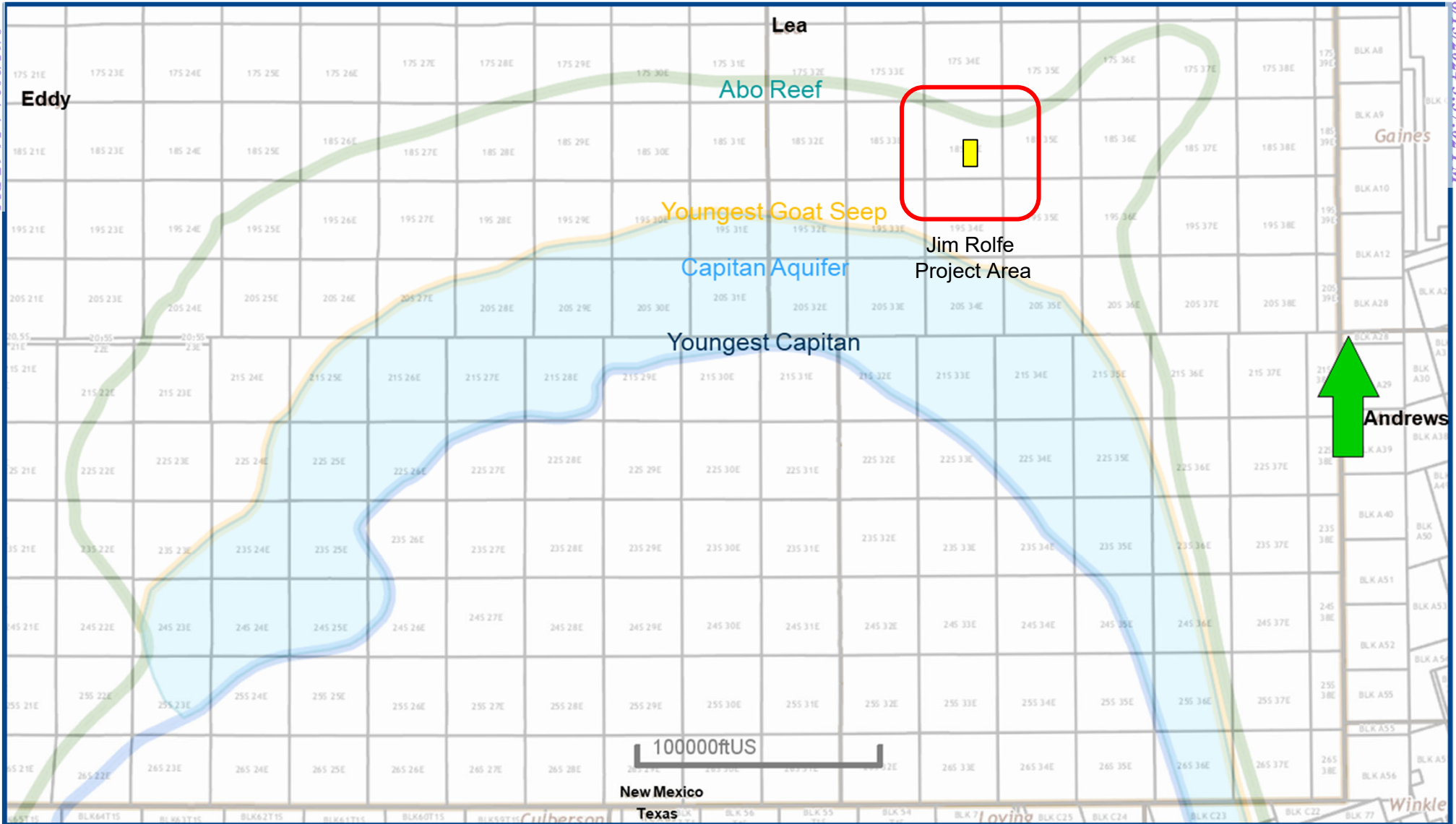
---

Date

# Locator Map

Released to Imaging: 8/15/2024 4:56:17 PM

Received by OCD: 8/15/2024 3:37:02 PM



BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. B-1

Submitted by: Matador Production Company

Hearing Date: August 22, 2024

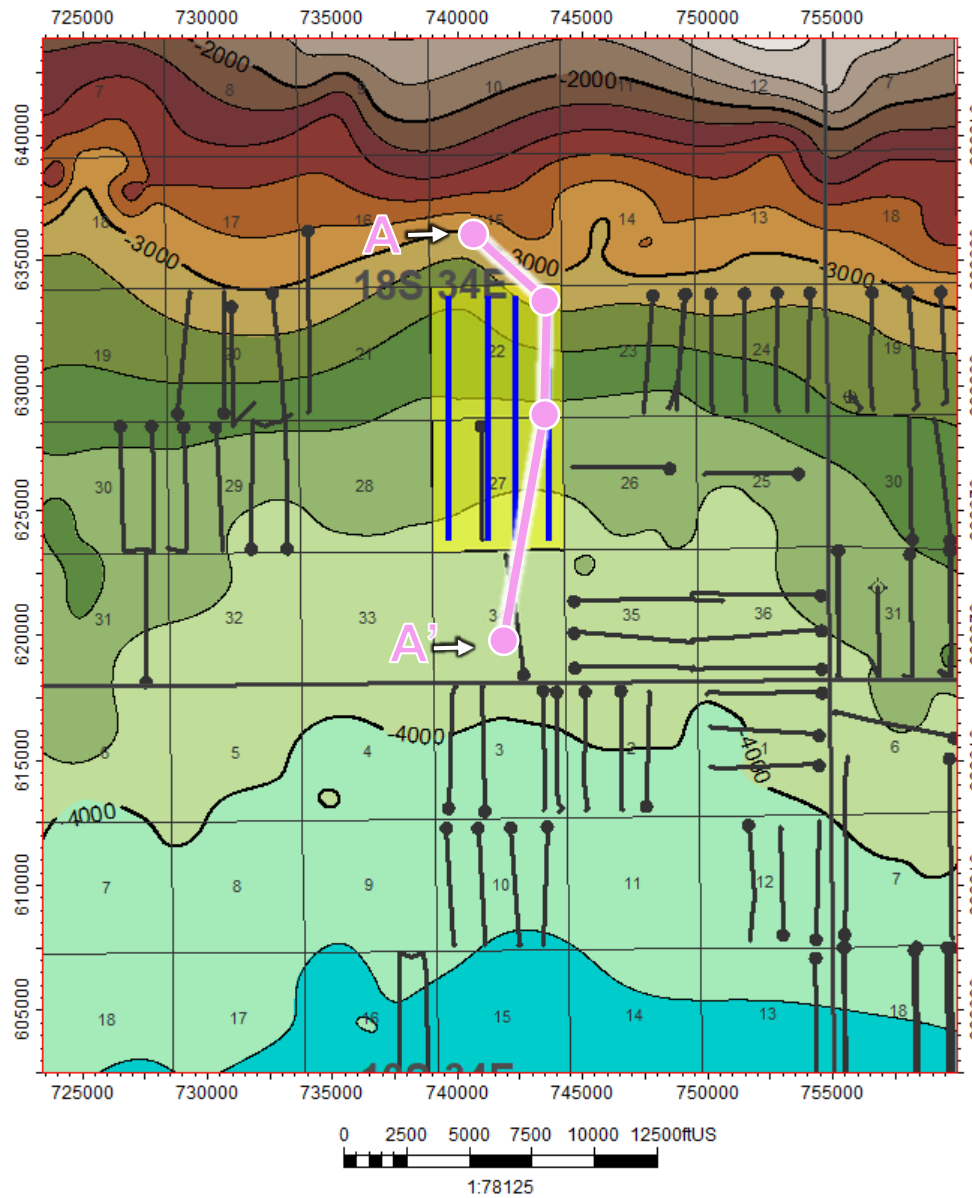
Case No. 24308





# Airstrip; Bone Spring [960] Structure Map (Bone Spring Subsea) A – A' Reference Line

## Exhibit B-2



### Map Legend

**Jim Rolfe Wells**



**Bone Spring Wells**



**Project Area**



**C. I. = 200'**



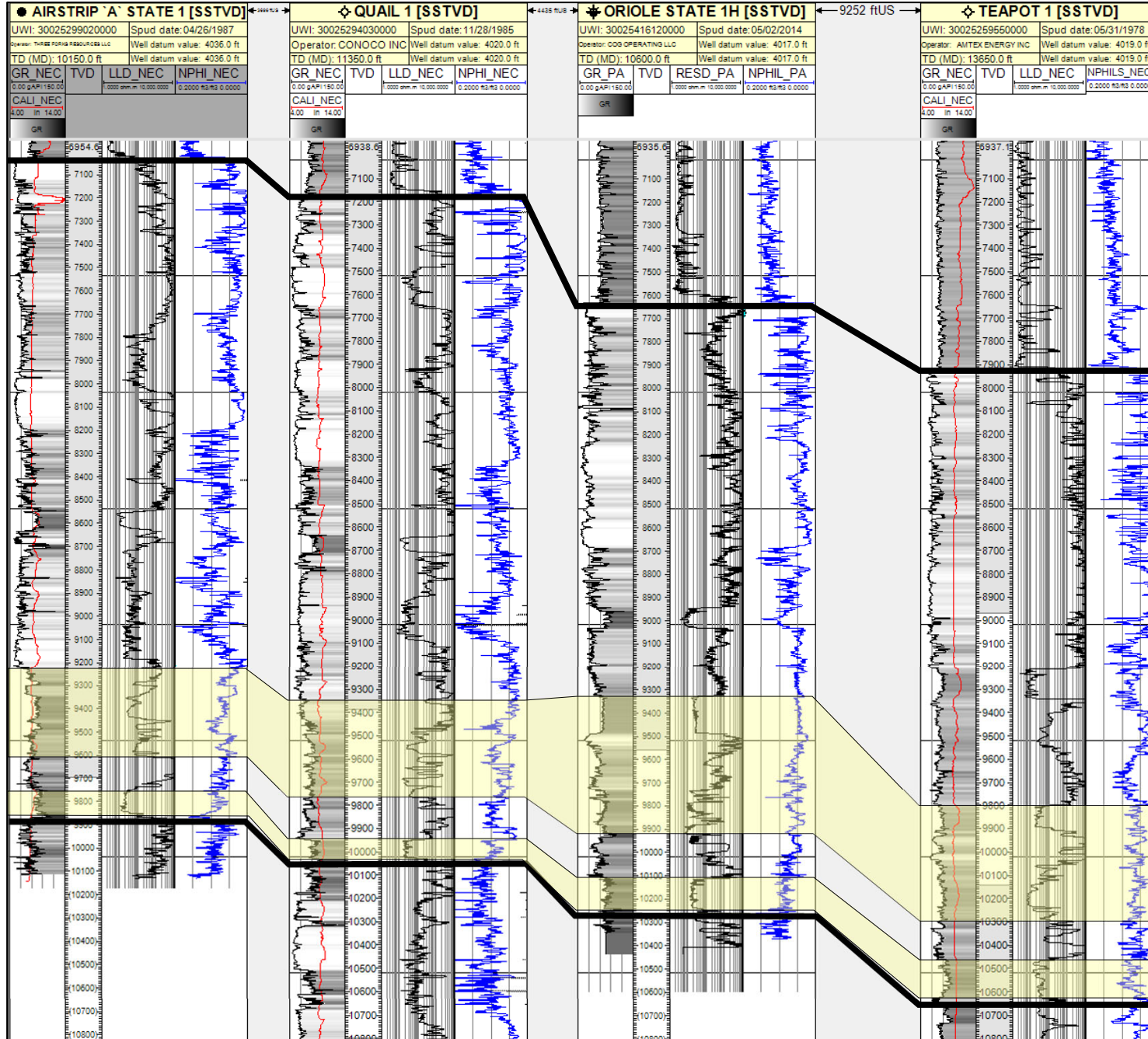
BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit No. B-2  
 Submitted by: Matador Production Company  
 Hearing Date: August 22, 2024  
 Case No. 24308



# Airstrip; Bone Spring [960] Structural Cross-Section A - A'

BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit No. B-3  
 Submitted by: Matador Production Company  
 Hearing Date: August 22, 2024  
 Case No. 24308

# Exhibit B-3



Released to Imaging: 8/15/2024 4:06:17 PM

Received by OCD: 8/15/2024 3:37:02 PM

Bone Spring Top

Wolfcamp Top

#121H, #122H, #123H, #124H  
Target

#131H, #134H Target



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

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

**CASE NO. 24308**

**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 August 12, 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: August 22, 2024  
Case No. 24308**



Michael H. Feldewert

August 14, 2024

Date



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

March 29, 2024

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

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

**Re: Application of MRC Permian Company for Approval of an Overlapping Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico: *Jim Rolfe Fed Com 131H 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 April 18, 2024, and the status of the hearing can be monitored through the Division’s website at <https://www.emnrd.nm.gov/ocd/>.

It is anticipated that hearings will be held in a hybrid format with both in-person and virtual participation options. The meeting will be held in the Pecos Hall Hearing Room at the Wendall Chino Building, 1st Floor, 1220 South St. Francis Dr., Santa Fe, New Mexico. To participate virtually in the hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

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

If you have any questions about this matter, please contact Isaac Evans at (972) 587-4628 or at isaac.evans@matadorresources.com.

Sincerely,

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

**Location**  
110 North Guadalupe, Suite 1  
Santa Fe, NM 87501-1849

**Mailing Address**  
P.O. Box 2208  
Santa Fe, NM 87504-2208

**Contact**  
p: 505.988.4421 | f: 505.983.6043  
[www.hollandhart.com](http://www.hollandhart.com)



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

June 26, 2024

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

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

**Re: Application of MRC Permian Company for Approval of an Overlapping Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico: *Jim Rolfe Fed Com 131H 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 16, 2024, and the status of the hearing can be monitored through the Division’s website at <https://www.emnrd.nm.gov/ocd/>.

It is anticipated that hearings will be held in a hybrid format with both in-person and virtual participation options. The meeting will be held in the Pecos Hall Hearing Room at the Wendall Chino Building, 1st Floor, 1220 South St. Francis Dr., Santa Fe, New Mexico. To participate virtually in the hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

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

If you have any questions about this matter, please contact Isaac Evans at (972) 587-4628 or at isaac.evans@matadorresources.com.

Sincerely,

**Michael H. Feldewert**  
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MRC- Jim Rolfe BS 131H (W2W2) - Case no. 24308

## Postal Delivery Report

9414811898765400778973	Marathon Oil Permian, LLC	990 Town And Country Blvd	Houston	TX	77024-2217	Your item was delivered to the front desk, reception area, or mail room at 11:58 am on April 2, 2024 in HOUSTON, TX 77024.
9414811898765400778614	PBEX, LLC	223 W Wall St Ste 900	Midland	TX	79701-4567	Your item was delivered to an individual at the address at 3:15 pm on April 2, 2024 in MIDLAND, TX 79701.
9414811898765400778652	Franklin Mountain Energy 3, LLC	44 Cook St Ste 1000	Denver	CO	80206-5827	Your item was delivered to the front desk, reception area, or mail room at 12:59 pm on April 1, 2024 in DENVER, CO 80206.
9414811898765400778621	Avant Operating, LLC	1515 Wynkoop St Ste 700	Denver	CO	80202-2062	Your item was delivered to an individual at the address at 1:34 pm on April 1, 2024 in DENVER, CO 80202.
9414811898765400778607	Allar Developmnet, LLC	PO Box 1567	Graham	TX	76450-7567	Your item was picked up at the post office at 10:09 am on April 1, 2024 in GRAHAM, TX 76450.
9414811898765400778690	EG3 Development, LLC	PO Box 1567	Graham	TX	76450-7567	Your item was picked up at the post office at 10:09 am on April 1, 2024 in GRAHAM, TX 76450.
9414811898765400778645	RAYBAW Operating, LLC	2626 Cole Ave Ste 300	Dallas	TX	75204-1094	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.

MRC- Jim Rolfe BS 131H (W2W2) - Case no. 24308

## Postal Delivery Report

9414811898765400778683	Marathon Oil Permian, LLC	990 Town And Country Blvd	Houston	TX	77024-2217	Your item was delivered to the front desk, reception area, or mail room at 11:59 am on April 2, 2024 in HOUSTON, TX 77024.
9414811898765400778638	The Allar Company	PO Box 1567	Graham	TX	76450-7567	Your item was picked up at the post office at 10:09 am on April 1, 2024 in GRAHAM, TX 76450.
9414811898765400778676	Post Oak Crown IV, LLC	5200 San Felipe St	Houston	TX	77056-3606	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765400778119	Post Oak Crown IV-B, LLC	5200 San Felipe St	Houston	TX	77056-3606	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765400778157	Crown Oil Partners, LP	PO Box 50820	Midland	TX	79710-0820	Your item has been delivered and is available at a PO Box at 9:56 am on April 2, 2024 in MIDLAND, TX 79705.
9414811898765400778164	Collins & Jones Investments, LLC	508 W Wall St Ste 1200	Midland	TX	79701-5076	Your item was delivered to an individual at the address at 2:21 pm on April 2, 2024 in MIDLAND, TX 79701.
9414811898765400778126	MCT Energy Ltd.	550 W Texas Ave Ste 945	Midland	TX	79701-4233	Your item has been delivered to the original sender at 5:35 pm on April 11, 2024 in SANTA FE, NM 87501.



MRC- Jim Rolfe BS 131H (W2W2) - Case no. 24308

## Postal Delivery Report

9414811898765400778102	Gerard G. Vavrek	PO Box 50820	Midland	TX	79710-0820	Your item has been delivered and is available at a PO Box at 9:58 am on April 2, 2024 in MIDLAND, TX 79705.
9414811898765400778195	Jesse A. Faught, Jr.	PO Box 52603	Midland	TX	79710-2603	Your item was picked up at a postal facility at 2:23 pm on April 19, 2024 in MIDLAND, TX 79705.
9414811898765400778140	H. Jason Wacker	5601 Hillcrest	Midland	TX	79707-9113	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765400778188	David Cromwell	PO Box 50820	Midland	TX	79710-0820	Your item has been delivered and is available at a PO Box at 9:59 am on April 2, 2024 in MIDLAND, TX 79705.
9414811898765400778171	LMC Energy, LLC	550 W Texas Ave Ste 1200	Midland	TX	79701-4257	Your item has been delivered to the original sender at 5:35 pm on April 11, 2024 in SANTA FE, NM 87501.
9414811898765400778317	Kaleb Smith	PO Box 50820	Midland	TX	79710-0820	Your item has been delivered and is available at a PO Box at 9:51 am on April 2, 2024 in MIDLAND, TX 79705.
9414811898765400778355	Deane Durham	PO Box 50820	Midland	TX	79710-0820	Your item has been delivered and is available at a PO Box at 9:51 am on April 2, 2024 in MIDLAND, TX 79705.

MRC- Jim Rolfe BS 131H (W2W2) - Case no. 24308

## Postal Delivery Report

9414811898765400778362	Mike Moylett	PO Box 50820	Midland	TX	79710-0820	Your item has been delivered and is available at a PO Box at 9:55 am on April 2, 2024 in MIDLAND, TX 79705.
9414811898765400778324	Mavros Minerals II, LLC	PO Box 50820	Midland	TX	79710-0820	Your item was delivered to an individual at the address at 11:28 am on April 4, 2024 in HOUSTON, TX 77056.
9414811898765400778393	Oak Valley Mineral and Land, LP	PO Box 50820	Midland	TX	79710-0820	Your item has been delivered and is available at a PO Box at 9:58 am on April 2, 2024 in MIDLAND, TX 79705.
9414811898765400778348	Post Oak Mavros II, LLC	34 S Wynden Dr Ste 210	Houston	TX	77056-2531	Your item was delivered to an individual at the address at 11:55 am on April 2, 2024 in HOUSTON, TX 77056.
9414811898765400778331	Sortida Resources, LLC	PO Box 50820	Midland	TX	79710-0820	Your item has been delivered and is available at a PO Box at 9:58 am on April 2, 2024 in MIDLAND, TX 79705.
9414811898765400778379	Sitio Permian, LP	1404 Lawrence Street, Suite 1750	Denver	CO	80202	Your item was delivered to an individual at the address at 2:11 pm on April 3, 2024 in DENVER, CO 80202.
9414811898765400778010	Thomaston, LLC	1050 17th St Ste 2500	Denver	CO	80265-2080	Your item was picked up at the post office at 11:30 am on April 25, 2024 in SANTA FE, NM 87501.

MRC- Jim Rolfe BS 131H (W2W2) - Case no. 24308

Postal Delivery Report

9414811898765400778058	John Kyle Thoma, Trustee of	PO Box 558	Peyton	CO	80831-0558	Your item has been delivered and is available at a PO Box at 5:36 am on April 1, 2024 in PEYTON, CO 80831.
9414811898765400778065	GMT New Mexico Royalty Company, LLC	1560 Broadway Ste 2000	Denver	CO	80202-5138	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765400778027	SHG Energy, LLC	4101 Kingwood Ct	Midland	TX	79707-2000	Your item was delivered to an individual at the address at 12:53 pm on April 3, 2024 in MIDLAND, TX 79707.
9414811898765400778003	Sitka Consulting, LLC	5907 N Ossineke Dr	Spring	TX	77386-3799	Your item was picked up at a postal facility at 10:22 am on April 10, 2024 in SPRING, TX 77386.

MRC - Jim Rolfe wells- Case nos. 24304, 24305, 24308, 24310 24311  
Postal Delivery Report

9214 8901 9403 8367 3457 85	LARIO OIL & GAS COMPANY 260 JOSEPHINE STREET SUITE 400 DENVER CO 80206	Delivered Signature Received
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# Affidavit of Publication

LEGAL LEGAL LEGAL

LEGAL NOTICE  
April 3, 2024

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case. The hearings will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform (sign-in information below) on Thursday, April 18, 2024, beginning at 8:15 a.m. To participate in the hearings, see the instructions posted below. The docket may be viewed at <https://www.emnrd.nm.gov/ocd/hearing-info/> or obtained from Sheila Apodaca, at [Sheila.Apodaca@emnrd.nm.gov](mailto:Sheila.Apodaca@emnrd.nm.gov). Documents filed in these cases may be viewed at <https://ocdimage.emnrd.nm.gov/Imaging/Default.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact [Sheila.Apodaca@emnrd.nm.gov](mailto:Sheila.Apodaca@emnrd.nm.gov), or the New Mexico Relay Network at 1-800-659-1779, no later than April 7, 2024.

**STATE OF NEW MEXICO TO:**  
All named parties and persons  
having any right, title, interest  
or claim in the following case  
and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

**To: All affected interest owners, including: Marathon Oil Permian, LLC; PBEX, LLC; Franklin Mountain Energy 3, LLC; Avant Operating, LLC; Allar Developmnet, LLC; EG3 Development, LLC; RAYBAW Operating, LLC; Marathon Oil Permian, LLC; The Allar Company; Post Oak Crown IV, LLC; Post Oak Crown IV-B, LLC; Crown Oil Partners, LP; Collins & Jones Investments, LLC; MCT Energy Ltd.; Gerard G. Vavrek, his heirs and devisees; Jesse A. Faught, Jr., his or her heirs and devisees; H. Jason Wacker, his heirs and devisees; David Cromwell, his heirs and devisees; LMC Energy, LLC; Kaleb Smith, his heirs and devisees; Deane Durham, his or her heirs and devisees; Mike Moylett, his heirs and devisees; Mavros Minerals II, LLC; Oak Valley Mineral and Land, LP; Post Oak Mavros II, LLC; Sortida Resources, LLC; Sitio Permian, LP; Thomaston, LLC; John Kyle Thoma, Trustee of the Cornerstone Family Trust; GMT New Mexico Royalty Company, LLC; SHG Energy, LLC, and Sitka Consulting, LLC.**

**Case No. 24308: Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (a) approving a standard 160-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the W2W2 of Section 27, Township 18 South, Range 34 East and, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted mineral interests in this horizontal well spacing unit. Said unit will be initially dedicated to the proposed **Jim Rolfe Fed Com 131H** well to be horizontally drilled from a surface location in the NW4 of Section 34, with a first take point in the SW4SW4 (Unit M) of Section 27 and a last take point in the NW4NW4 (Unit D) of Section 27. This proposed horizontal well spacing unit will overlap a 320-acre horizontal well spacing unit in the Bone Spring formation comprised of the W2W2 of Sections 22 and 27 that MRC has proposed for the **Jim Rolfe Fed Com 111H** and **Jim Rolfe Fed Com 121H** wells to be drilled at shallower intervals within the Bone Spring formation. 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 well, and a 200% charge for risk involved in drilling said well. The subject area is located approximately 22 miles west of Hobbs, New Mexico.  
#00288908

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  
April 03, 2024  
and ending with the issue dated  
April 03, 2024.



Publisher

Sworn and subscribed to before me this  
3rd day of April 2024.



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.

67100754

00288908

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

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. D  
Submitted by: Matador Production Company  
Hearing Date: August 22, 2024  
Case No. 24308

# 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 30, 2024  
and ending with the issue dated  
July 30, 2024.

  
\_\_\_\_\_  
Publisher

Sworn and subscribed to before me this  
30th day of July 2024.

  
\_\_\_\_\_  
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

**LEGAL NOTICE**  
July 30, 2024

**Case No. 24308: Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Notice to all affected interest owners, including all heirs, devisees and successors of: Lario Oil & Gas Company.** 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 August 22, 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 Freya Tschantz, at [Freya.Tschantz@emnrd.nm.gov](mailto:Freya.Tschantz@emnrd.nm.gov). Applicant in the above-styled cause seeks an order (a) approving a standard 160-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the W2W2 of Section 27, Township 18 South, Range 34 East and, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted mineral interests in this horizontal well spacing unit. Said unit will be initially dedicated to the proposed **Jim Rolfe Fed Com 131H** well to be horizontally drilled from a surface location in the NW4 of Section 34, with a first take point in the SW4SW4 (Unit M) of Section 27 and a last take point in the NW4NW4 (Unit D) of Section 27. This proposed horizontal well spacing unit will overlap a 320-acre horizontal well spacing unit in the Bone Spring formation comprised of the W2W2 of Sections 22 and 27 that MRC has proposed for the **Jim Rolfe Fed Com 111H** and **Jim Rolfe Fed Com 121H** wells to be drilled at shallower intervals within the Bone Spring formation. 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 well, and a 200% charge for risk involved in drilling said well. The subject area is located approximately 22 miles west of Hobbs, New Mexico.  
#00292655

67100754

00292655

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