

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

CASE No. 24309

JIM ROLFE BS 134H 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. 24309

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COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 24309	APPLICANT'S RESPONSE
Date: August 22, 2024	
Applicant	MRC Permian Company
Designated Operator & OGRID (affiliation if applicable)	Matador Production Company [OGRID 228937]
Applicant's Counsel:	Holland & Hart LLP
Case Title:	Application of MRC Permian Company for Approval of an 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
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Airstrip; Bone Spring (960)
Well Location Setback Rules:	Statewide Rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	160-acres
Building Blocks:	Quarter-Quarter sections
Orientation:	South-North
Description: TRS/County	E2E2 of Section 27, T18S, R34E, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in the application?	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	N/A
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit A-3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

Well #1	Jim Rolfe Fed Com 134H (API No. pending) SHL: 265' FSL & 990' FEL (Unit P) of Sec. 27, T18S, R34E BHL: 110' FNL & 660' FEL (Unit A) 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
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	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
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-2
Tract List (including lease numbers and owners)	Exhibits A-2 and A-3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	Exhibit A-5
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-2
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-2
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B

HSU Cross Section	Exhibit B-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
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
Additional Information	
Special Provisions/Stipulations	Applicant has dismissed the request for approval of an overlapping horizontal well spacing unit
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Michael H. Feldewert
Signed Name (Attorney or Party Representative):	
Date:	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. 24309

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 E2E2 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 134H** well to be horizontally drilled from a surface location in the SE4 of Section 27, with a first take point in the SE4SE4 (Unit P) of Section 27 and a last take point in the NE4NE4 (Unit A) 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 E2E2 of Sections 22 and 27 that MRC

has proposed for the Jim Rolfe Fed Com 114H and Jim Rolfe Fed Com 124H 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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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 E2E2 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 134H** well to be horizontally drilled from a surface location in the SE4 of Section 27, with a first take point in the SE4SE4 (Unit P) of Section 27 and a last take point in the NE4NE4 (Unit A) 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 E2E2 of Sections 22 and 27 that MRC has proposed for the Jim Rolfe Fed Com 114H and Jim Rolfe Fed Com 124H 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. 24309

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 E/2 E/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 134H** well to be horizontally drilled from a surface hole location in the SE/4 of Section 27, T18S-R34E with a first take point in the SE/4 SE/4 of Section 27, T18S-R34E and a last take point in the NE/4 NE/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. 24309

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 C-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 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. 24309**

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) 748-1285 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 740	³ Pool Name Airstrip; Bone Springs
⁴ Property Code	⁵ Property Name JIM ROLFE FED COM	
⁶ OGRID No. 228937	⁷ Operator Name MATADOR PRODUCTION COMPANY	⁸ Well Number 134H
		⁹ Elevation 4000'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	27	18-S	34-E	-	265'	SOUTH	990'	EAST	LEA

¹¹Bottom 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
A	27	18-S	34-E	-	110'	NORTH	660'	EAST	LEA

¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

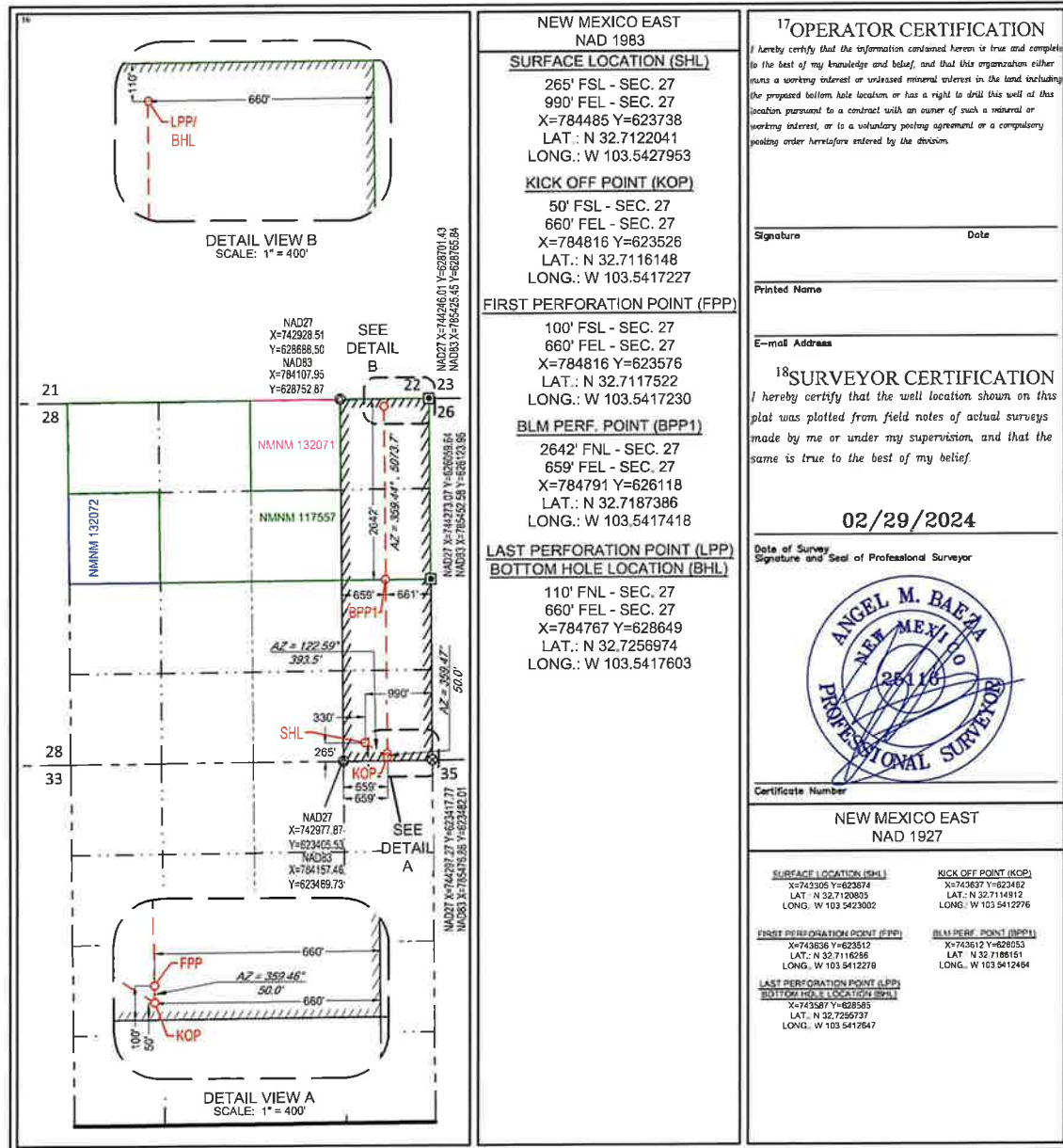


EXHIBIT A-2

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. 24309

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. 24309**

Summary of Interests

MRC Permian Company Working Interest			87.500000%
Compulsory Pool Interest Total:			12.500000%
Interest Owner:	Description:	Tract	Interest:
EG3 Development, LLC	Uncommitted Working Interest Owner	2	3.125000%
Allar Development, LLC	Uncommitted Working Interest Owner	2	9.375000%
The Allar Company	Record Title Owner	2	N/A
Anadarko E&P Onshore, LLC	Record Title Owner	1	N/A



Summary of ORRI Owners – 1-Mile E2E2 Jim Rolfe Fed Com – Bone Spring

ORRI

1. John Kyle Thoma, Trustee of the Cornerstone Family Trust
2. GMT New Mexico Royalty Company, LLC
3. SHG Energy, LLC
4. Sitka Consulting, LLC
5. Howard A. Rubin
6. Rubie Crosby Bell Family, LLC
7. Bryan Bell Family, LLC
8. BOKF, N.A., Successor Trustee of The Robert N. Enfield Irrevocable Trust B
9. Cathleen Ann Adams Revocable Trust
10. Arrott Family Revocable Trust
11. McMullen Minerals II, LP
12. Pegasus Resources II, LLC
13. Panhandle Properties, LLC
14. Free Ride, LLC
15. Stratford Investments, Ltd.
16. Ronita Jones
17. Brenda Lanier
18. Beverly Schmidt Couzzort Irrevocable Trust
19. Margaret Frances Grace Couzzort Irrevocable Trust
20. Catherine Claire Couzzort Irrevocable Trust
21. Fortress Energy Partners IV, LLC
22. Bandera Minerals III, LLC
23. Wendell W. Iverson, Jr.
24. Magnolia Royalty Company, Inc.
25. Sapphire Royalties, Inc.
26. Packard Fund
27. James M. Hotchkiss, Jr., Trustee
28. James M. Hotchkiss, Jr. & Isabel Hotchkiss, Trustees of the Hotchkiss 1988 Family Trust
29. Walter Condeff
30. Kathleen Ann Tallent
31. Mary Elizabeth Condeff
32. Frances A. Jay
33. Virginia R. Hatherly
34. Phillip R. Runyan
35. Russell T. Rudy Energy, LLC
36. Burlington Resources Oil & Gas Company, LP

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. 24309**

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

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 Rolfe Fed Com #134H	FIELD:	0
LOCATION:	Section 27-18S-34E	MD/TVD:	15014'/10240'
COUNTY/STATE:	Lea	LATERAL LENGTH:	about 5,000'
MRC Wt:			
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
INTANGIBLE COSTS					
Land / Legal / Regulatory	17,500			10,000	27,500
Location, Surveys & Damages	134,500	13,000	15,000	20,000	182,500
Drilling	695,546				695,546
Cementing & Float Equip	307,000				307,000
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	258,169				258,169
Completion Unit, Swab, CTU		150,000	25,000		175,000
Perforating, Wireline, Slickline		113,612			113,612
High Pressure Pump Truck		78,833			78,833
Stimulation		1,225,618			1,225,618
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	92,603	272,847	60,000	5,000	430,549
Rental - Downhole Equipment	151,450	86,750			238,200
Rental - Living Quarters	37,469	35,693		5,000	78,161
Contingency	90,210	116,247	22,125	5,060	233,642
Operations Center	15,984				15,984
TOTAL INTANGIBLES >	3,097,193	2,881,831	464,625	55,660	6,509,309
TANGIBLE COSTS					
Surface Casing	106,650				106,650
Intermediate Casing	492,308				492,308
Drilling Liner					
Production Casing	609,651				609,651
Production Liner					
Tubing			182,500		182,500
Wellhead	63,500		45,000		108,500
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				68,000	68,000
Surface Pumps				4,200	4,200
Non-controllable Surface	400			2,600	3,000
Non-controllable Downhole					
Downhole Pumps					
Measurement & Meter Installation			16,000	70,291	86,291
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	68,500	93,500
Electrical / Grounding			7,500	8,450	15,950
Communications / SCADA			12,500	31,300	43,800
Instrumentation / Safety					
TOTAL TANGIBLES >	1,292,709	34,382	613,500	696,311	2,636,902
TOTAL COSTS >	4,389,902	2,916,213	1,078,125	761,971	9,146,211

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Julie Mayol	Team Lead - WTX/NM	
Completions Engineer:	Will Stetson		APW
Production Engineer:	Jason Bryant		

MATADOR RESOURCES COMPANY APPROVAL:

President	<u>BEG</u>	Chief Geologist	<u>NLF</u>
EVP, Co-COO	<u>CA</u>	Co-COO, SVP Operations	<u>CC</u>
EVP, Reservoir	<u>WTE</u>		

NON OPERATING PARTNER APPROVAL:

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

The costs on this AFE are estimates only and may not be identical to the actual costs of the project. Taking mitigation approved under the AFE may be delayed up to a year after the well has been completed. In reviewing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including legal services, regulatory, technology and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well. Participants shall be bound by and held responsible for Operator's well control and general liability insurance which is a primary priority. Describe a certificate insuring the well incurred at an amount acceptable to the Operator by the date of well.

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. 24309**

Summary of Communications – 1-Mile E2E2 Jim Rolfe Fed Com – Bone Spring

Uncommitted Working Interest:

1. 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.

2. 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. 24309**

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.

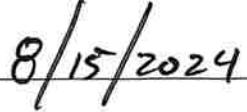
13. Approving MRC's applications will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

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

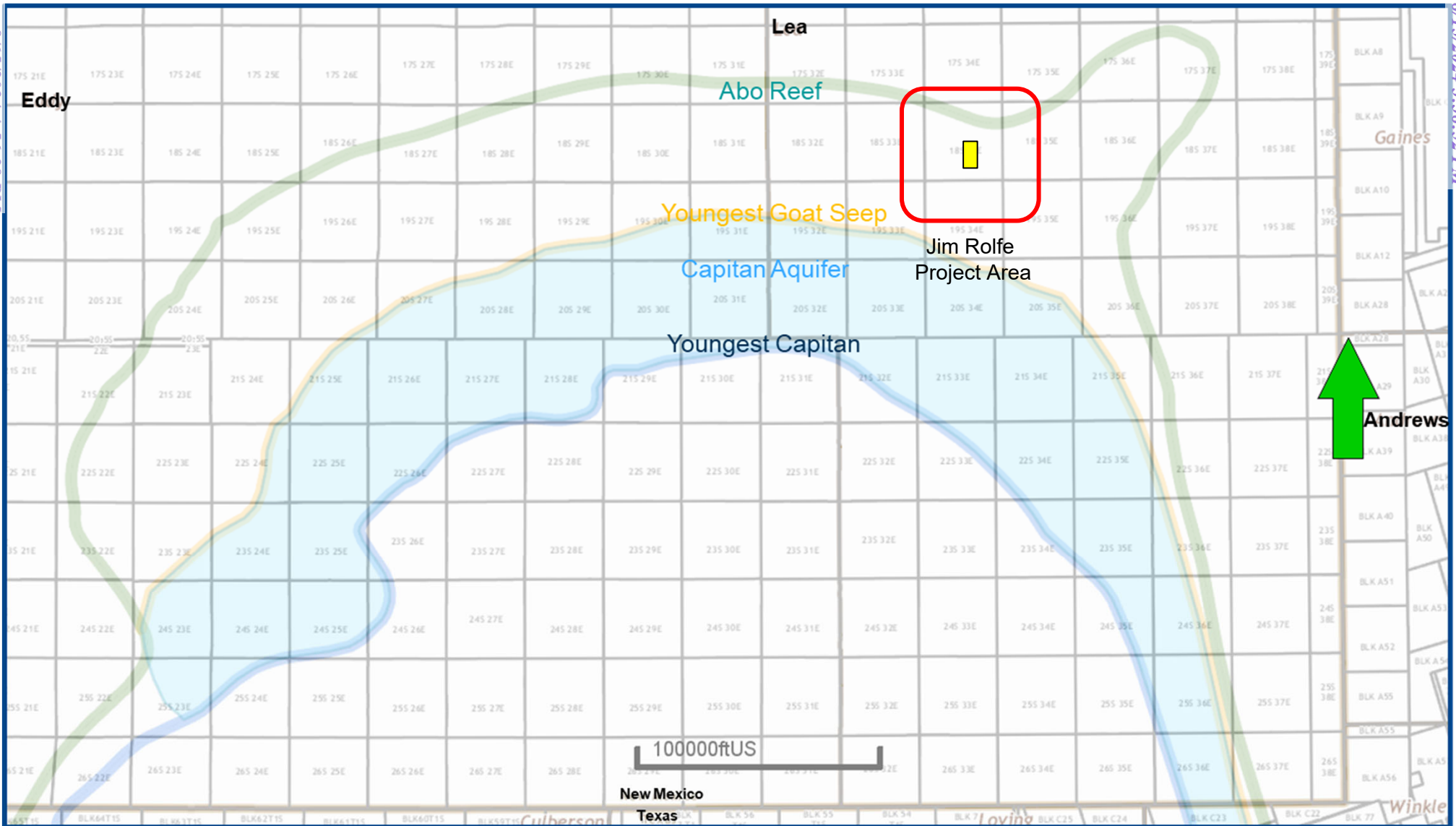


Date

Locator Map

Released to Imaging: 8/15/2024 4:56:29 PM

Received by OCD: 8/15/2024 3:38:52 PM



BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. B-1

Submitted by: Matador Production Company

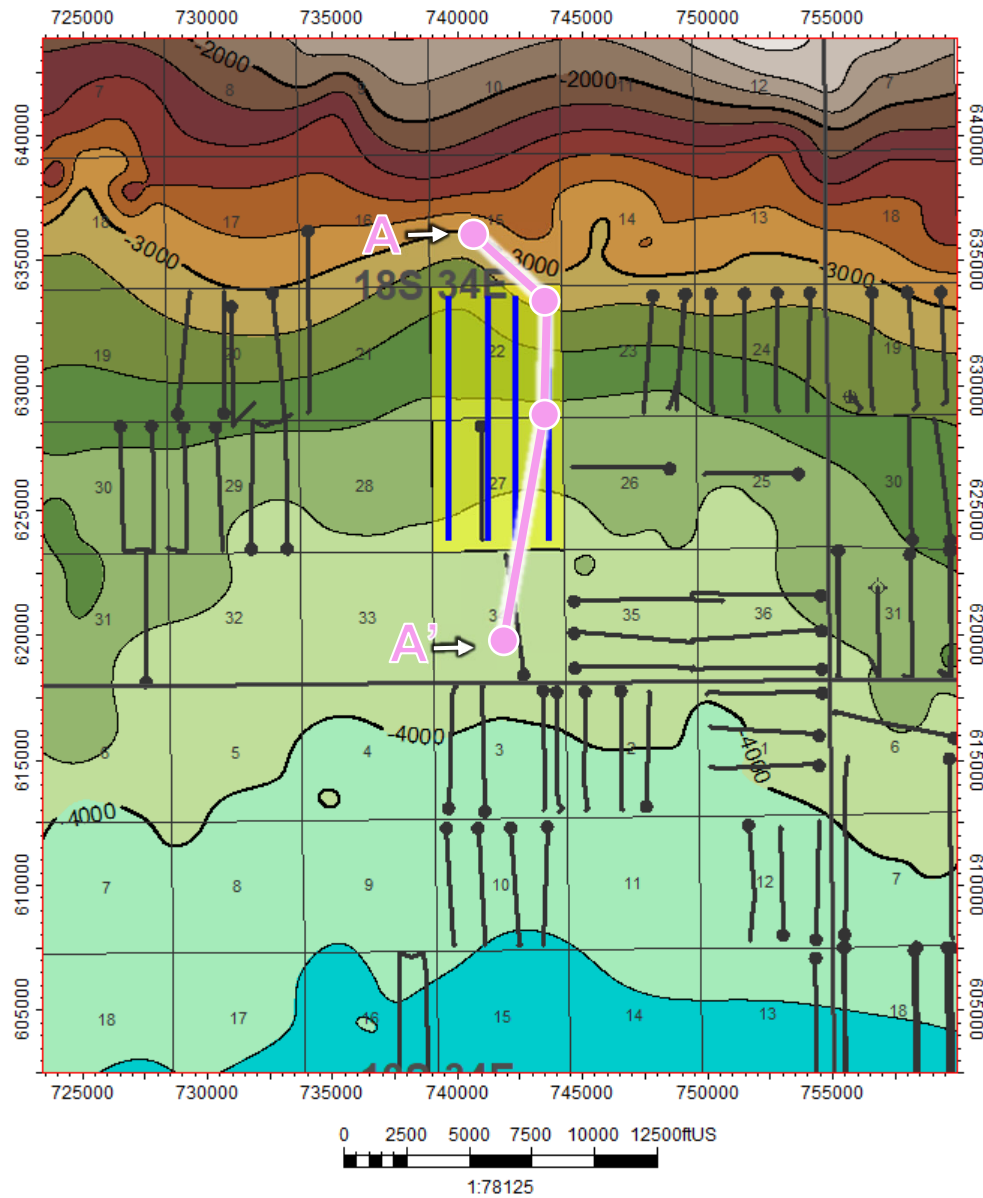
Hearing Date: August 22, 2024

Case No. 24309



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

Exhibit B-2

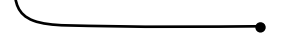


Map Legend

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. 24309



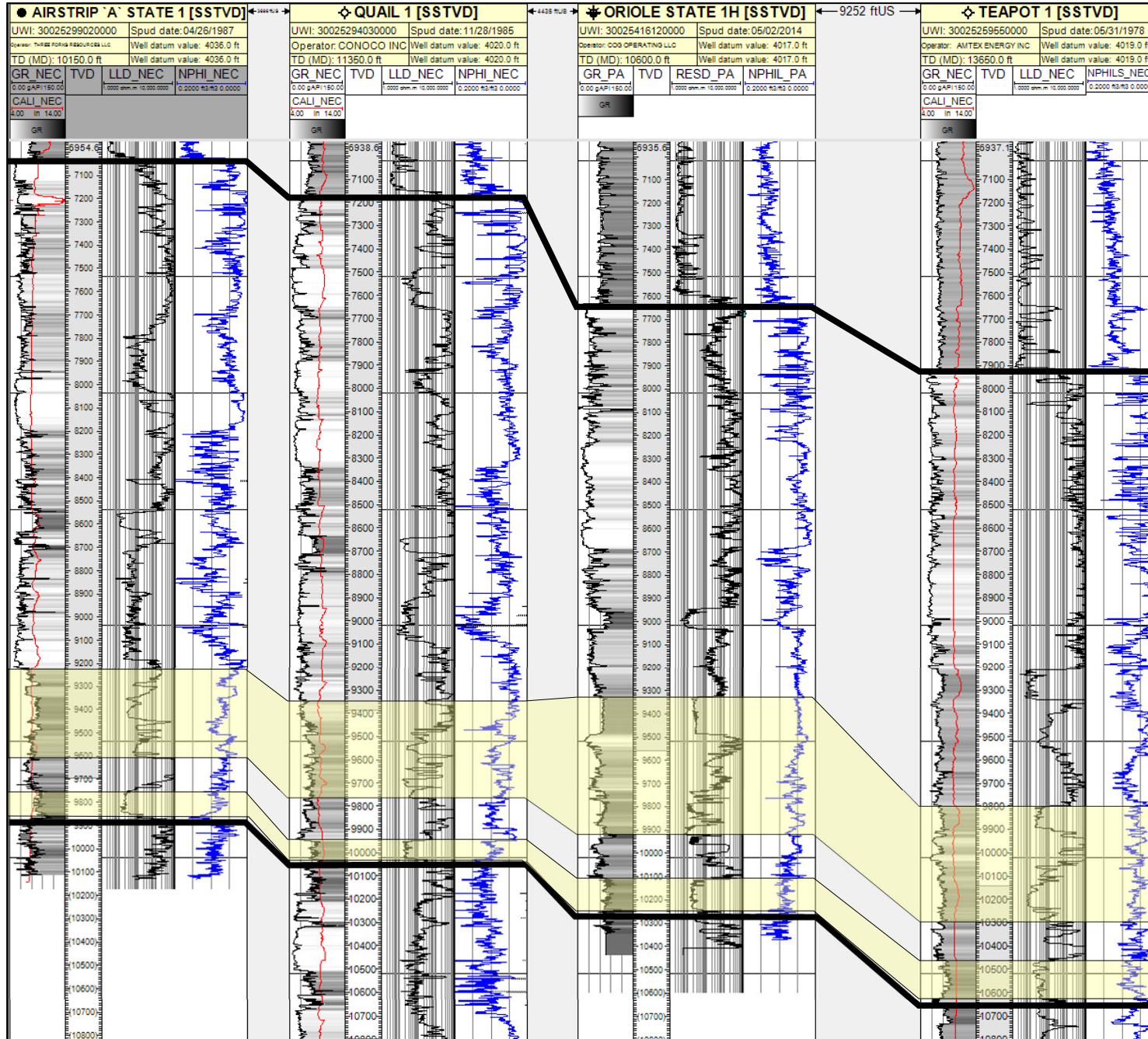
Airstrip; Bone Spring [960] Structural Cross-Section A - A'

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. 24309

Exhibit B-3

Released to Imaging: 8/15/2024 4:06:29 PM

Received by OCD: 8/15/2024 3:38:52 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. 24309

**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. 24309**



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 134H 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

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



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

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 134H 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
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

MRC - Jim Rolfe BS 134H (E2E2) - Case no. 24309

Postal Delivery Report

9414811898765400778096	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.
9414811898765400778041	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.
9414811898765400778089	Allar 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.
9414811898765400778034	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.
9414811898765400778072	Anadarko E&P Onshore, LLC	5 Greenway Plz Ste 110	Houston	TX	77046-0521	Your item has been delivered to an agent for final delivery in HOUSTON, TX 77046 on April 2, 2024 at 10:36 am.
9414811898765400778416	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.
9414811898765400778461	GMT New Mexico Royalty Company, LLC	1560 Broadway Ste 2000	Denver	CO	80202-5138	Your item was picked up at the post office at 12:34 pm on May 9, 2024 in SANTA FE, NM 87501.

MRC - Jim Rolfe BS 134H (E2E2) - Case no. 24309

Postal Delivery Report

9414811898765400778423	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.
9414811898765400778492	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.
9414811898765400778485	Howard A. Rubin	PO Box 58	El Rito	NM	87530-0058	Your item has been delivered to the original sender at 11:30 am on April 25, 2024 in SANTA FE, NM 87501.
9414811898765400778430	Rubie Crosby Bell Family, LLC	213 20th St	New Orleans	LA	70124-1235	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765400778478	Bryan Bell Family, LLC	213 20th St	New Orleans	LA	70124-1235	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765400778515	Robert Enfield Irrevocable Trust B	201 Main St	Fort Worth	TX	76102-3105	Your item was delivered to the front desk, reception area, or mail room at 10:44 am on April 10, 2024 in FORT WORTH, TX 76102.
9414811898765400778553	Cathleen Ann Adams Revocable Trust	PO Box 45807	Rio Rancho	NM	87174-5807	Your item was picked up at the post office at 10:09 am on April 16, 2024 in RIO RANCHO, NM 87124.

MRC - Jim Rolfe BS 134H (E2E2) - Case no. 24309

Postal Delivery Report

9414811898765400778560	Arrott Family Revocable Trust	PO Box 95074	North Little Rock	AR	72190-5074	Your item has been delivered to the original sender at 11:30 am on April 25, 2024 in SANTA FE, NM 87501.
9414811898765400778508	McMullen Minerals II, LP	PO Box 470857	Fort Worth	TX	76147-0857	Your item has been delivered and is available at a PO Box at 1:22 pm on April 1, 2024 in FORT WORTH, TX 76147.
9414811898765400778591	Pegasus Resources II, LLC	PO Box 470698	Fort Worth	TX	76147-0698	Your item has been delivered and is available at a PO Box at 12:53 pm on April 1, 2024 in FORT WORTH, TX 76147.
9414811898765400778546	Panhandle Properties, LLC	PO Box 647	Artesia	NM	88211-0647	Your item was picked up at the post office at 1:17 pm on April 3, 2024 in ARTESIA, NM 88210.
9414811898765400778584	Free Ride, LLC	PO Box 429	Roswell	NM	88202-0429	Your item was picked up at the post office at 10:20 am on April 2, 2024 in ROSWELL, NM 88201.
9414811898765400778539	Stratford Investments, Ltd.	PO Box 11115	Midland	TX	79702-8115	Your item was picked up at a postal facility at 10:59 am on April 3, 2024 in MIDLAND, TX 79702.
9414811898765400778577	Ronita Jones	606 Bancroft Ave	Greenville	NC	27834-2917	Your item was delivered to an individual at the address at 10:36 am on April 3, 2024 in GREENVILLE, NC 27834.

MRC - Jim Rolfe BS 134H (E2E2) - Case no. 24309

Postal Delivery Report

9414811898765400777211	Brenda Lanier	2009 Marsh Ln	Ardmore	OK	73401-3407	Your item has been delivered to the original sender at 11:30 am on April 25, 2024 in SANTA FE, NM 87501.
9414811898765400777259	Beverly Schmidt Couzzort Irrevocable Trust	PO Box 1	Amarillo	TX	79105-0001	Your item was picked up at a postal facility at 7:20 am on April 2, 2024 in AMARILLO, TX 79105.
9414811898765400777266	Margaret Frances Grace	PO Box 1	Amarillo	TX	79105-0001	Your item was picked up at a postal facility at 7:20 am on April 2, 2024 in AMARILLO, TX 79105.
9414811898765400777228	Catherine Claire Couzzort Irrevocable Trust	PO Box 1	Amarillo	TX	79105-0001	Your item was picked up at a postal facility at 7:20 am on April 2, 2024 in AMARILLO, TX 79105.
9414811898765400777204	Haynie Enterprises, LLC	PO Box 722	Fairacres	NM	88033-0722	Your item has been delivered and is available at a PO Box at 8:42 am on April 1, 2024 in FAIRACRES, NM 88033.
9414811898765400777242	Bandera Minerals III, LLC	PO Box 701228	Tulsa	OK	74170-1228	Your item has been delivered to the original sender at 9:17 am on May 17, 2024 in SANTA FE, NM 87501.
9414811898765400777235	Wendell W. Iverson, Jr.	PO Box 205	Midland	TX	79702-0205	Your item was picked up at a postal facility at 1:53 pm on April 8, 2024 in MIDLAND, TX 79702.
9414811898765400777815	Magnolia Royalty Company, Inc.	PO Box 10703	Midland	TX	79702-7703	Your item was picked up at a postal facility at 11:21 am on April 4, 2024 in MIDLAND, TX 79701.

MRC - Jim Rolfe BS 134H (E2E2) - Case no. 24309

Postal Delivery Report

9414811898765400777853	Sapphire Royalties, Inc.	PO Box 682	Midland	TX	79702-0682	Your item was picked up at a postal facility at 11:07 am on April 3, 2024 in MIDLAND, TX 79702.
9414811898765400777860	Packard Fund	PO Box 1015	Midland	TX	79702-1015	Your item was picked up at a postal facility at 11:21 am on April 4, 2024 in MIDLAND, TX 79701.
9414811898765400777822	James M. Hotchkiss, Jr., Trustee	968 Stow Ln	Lafayette	CA	94549-4711	Your item arrived at the SANTA FE, NM 87501 post office at 9:19 am on May 6, 2024 and is ready for pickup.
9414811898765400777808	James M. Hotchkiss, Jr. & Isabel Hotchkiss,	968 Stow Ln	Lafayette	CA	94549-4711	Your item has been delivered to the original sender at 12:34 pm on May 9, 2024 in SANTA FE, NM 87501.
9414811898765400777891	Walter Condeff	73125 Ajo Ln	Palm Desert	CA	92260-6643	Your item was picked up at the post office at 11:30 am on April 25, 2024 in SANTA FE, NM 87501.
9414811898765400777884	Kathleen Ann Tallent	4761 Perugia St unit 4	Dublin	CA	94568-4807	Your item was picked up at the post office at 3:47 pm on April 4, 2024 in DUBLIN, CA 94568.
9414811898765400777839	Mary Elizabeth Condeff	171 Mavis Pl	San Ramon	CA	94583-2826	Your item was delivered to an individual at the address at 2:04 pm on April 2, 2024 in SAN RAMON, CA 94583.

MRC - Jim Rolfe BS 134H (E2E2) - Case no. 24309

Postal Delivery Report

9414811898765400777877	Frances A. Jay	518 E 19th St	Oakland	CA	94606-1935	Your item was delivered to an individual at the address at 1:37 pm on April 3, 2024 in OAKLAND, CA 94606.
9414811898765400777716	Virginia R. Hatherly	201 Circulo Nuevo	Rohnert Park	CA	94928-1951	Your item was delivered to an individual at the address at 1:54 pm on April 2, 2024 in ROHNERT PARK, CA 94928.
9414811898765400777754	Phillip R. Runyan	3542 State Highway 252	McAlister	NM	88427-9753	Your item was delivered to an individual at the address at 2:17 pm on April 10, 2024 in ROSWELL, NM 88201.
9414811898765400777723	Russell T. Rudy Energy, LLC	5701 Woodway Dr Ste 346	Houston	TX	77057-1505	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765400777709	Burlington Resources Oil & Gas Company, LP	600 W Illinois Ave	Midland	TX	79701-4882	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 113H, 123H 133H wells - Case no. 24306
 Postal Delivery Report

9414811898765467462167	Fortress Energy Partners IV, LLC	PO Box 4695	Midland	TX	79704-4695	Your item was picked up at the post office at 9:43 am on July 1, 2024 in MIDLAND, TX 79704.
9414811898765467462150	Arrott Family Minerals LLC	14300 Chenal Pkwy Apt 7414	Little Rock	AR	72211-5819	Your item was delivered to the front desk, reception area, or mail room at 3:43 pm on June 29, 2024 in LITTLE ROCK, AR 72211.
9414811898765467462112	BOKF, N.A., Successor Trustee of The Robert N. Enfield Irrevocable Trust B	PO Box 3499	Tulsa	OK	74101-3499	Your item was delivered to an individual at the address at 9:17 am on July 1, 2024 in TULSA, OK 74103.

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

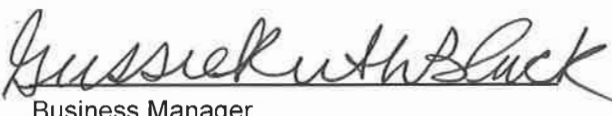
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

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



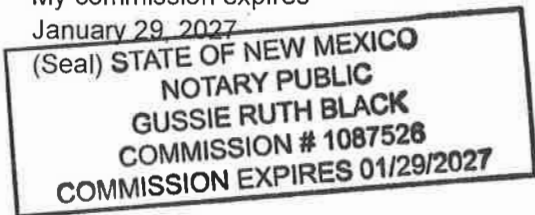
Publisher

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



Business Manager

My commission expires
January 29, 2027



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

LEGAL NOTICE 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. 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, 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: Franklin Mountain Energy 3, LLC; EG3 Development, LLC; Allar Development, LLC; The Allar Company; Anadarko E&P Onshore, LLC; John Kyle Thoma, Trustee of the Cornerstone Family Trust; GMT New Mexico Royalty Company, LLC; SHG Energy, LLC; Sitka Consulting, LLC; Howard A. Rubin, his heirs and devisees; Ruble Crosby Bell Family, LLC; Bryan Bell Family, LLC; Robert Enfield Irrevocable Trust B; Cathleen Ann Adams Revocable Trust; Arrott Family Revocable Trust; McMullen Minerals II, LP; Pegasus Resources II, LLC; Panhandle Properties, LLC; Free Ride, LLC; Stratford Investments, Ltd.; Ronita Jones, her heirs and devisees; Brenda Lanier, her heirs and devisees; Beverly Schmidt Couzzort Irrevocable Trust; Margaret Frances Grace Couzzort Irrevocable Trust; Catherine Claire Couzzort Irrevocable Trust; Haynie Enterprises, LLC; Bandera Minerals III, LLC; Wendell W. Iverson, Jr., his heirs and devisees; Magnolia Royalty Company, Inc.; Sapphire Royalties, Inc.; Packard Fund; James M. Hotchkiss, Jr., Trustee; James M. Hotchkiss, Jr. & Isabel Hotchkiss, Trustees of the Hotchkiss 1988 Family Trust; Walter Condeff, his heirs and devisees; Kathleen Ann Tallent, her heirs and devisees; Mary Elizabeth Condeff, her heirs and devisees; Frances A. Jay, his or her heirs and devisees; Virginia R. Hatherly, her heirs and devisees; Phillip R. Runyan, his heirs and devisees; Russell T. Rudy Energy, LLC; and Burlington Resources Oil & Gas Company, LP.

Case No. 24309: 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 E2E2 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 134H well to be horizontally drilled from a surface location in the SE4 of Section 27, with a first take point in the SE4SE4 (Unit P) of Section 27 and a last take point in the NE4NE4 (Unit A) 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 E2E2 of Sections 22 and 27 that MRC has proposed for the Jim Rolfe Fed Com 114H and Jim Rolfe Fed Com 124H 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. #00288910

67100754

00288910

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. 24309

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 31, 2024
and ending with the issue dated
July 31, 2024.



Publisher

Sworn and subscribed to before me this
31st 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

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

LEGAL NOTICE
July 31, 2024

Case No. 24309: 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: BOKF, N.A., Successor Trustee of The Robert N. Enfield Irrevocable Trust B; Arrott Family Minerals LLC; Fortress Energy Partners IV, 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 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. 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 E2E2 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 134H** well to be horizontally drilled from a surface location in the SE4 of Section 27, with a first take point in the SE4SE4 (Unit P) of Section 27 and a last take point in the NE4NE4 (Unit A) 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 E2E2 of Sections 22 and 27 that MRC has proposed for the **Jim Rolfe Fed Com 114H** and **Jim Rolfe Fed Com 124H** 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.
#00292659

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