

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

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

CASE NO. _____

APPLICATION

MRC Permian Company (“MRC” or “Applicant”), through undersigned attorneys, files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling (i) a standard 320-acre horizontal oil well spacing unit for all oil pools in the Woodford formation underlying the E2W2 of Sections 9 and 16, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico, and (b) a standard 640-acre horizontal gas well spacing unit for all gas pools in the Woodford formation underlying the W2 of Sections 9 and 16, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico. In support of its application, MRC states:

1. Applicant is a working interest owner in the proposed horizontal well spacing units and has the right to drill thereon.
2. Applicant seeks to designate Matador Production Company (OGRID No. 228937) as the operator of the proposed horizontal well spacing units.
3. Applicant seeks to initially dedicate the above-referenced spacing units, as needed, to the proposed **Roy Turner State Com 912H** well to be horizontally drilled from a surface location in the NW4 of Section 9, with a first take point in the NE4NW4 (Unit C) of Section 9 and a last take point in the SE4SW4 (Unit N) of Section 16.

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

5. The granting of this application 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 the November 7, 2024, hearing docket and after notice and hearing as required by law, the Division enter an order:

- A. Approving the standard horizontal well spacing units and pooling all uncommitted interest owners therein;
- B. Designating Matador Production Company as operator of the horizontal well spacing units 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% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By:  _____

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ATTORNEYS FOR MRC PERMIAN COMPANY

CASE _____ : **Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling (i) a standard 320-acre horizontal oil well spacing unit for all oil pools in the Woodford formation underlying the W2W2 of Sections 9 and 16, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico, and (b) a standard 640-acre horizontal gas well spacing unit for all gas pools in the Woodford formation underlying the W2 of Sections 9 and 16, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico. Applicant seeks to initially dedicate the above-referenced spacing units, as needed, to the proposed **Roy Turner State Com 912H** well to be horizontally drilled from a surface location in the NW4 of Section 9, with a first take point in the NE4NW4 (Unit C) of Section 9 and a last take point in the SE4SW4 (Unit N) of Section 16. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling the proposed well. The subject area is located approximately 9 miles northwest of Jal, New Mexico.