# BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING NOVEMBER 7, 2024

**CASE No. 24922** 

PRATER FED COM #114H & #124H WELLS

### EDDY COUNTY, NEW MEXICO



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

APPLICATION OF MRC PERMIAN COMPANY TO AMEND ORDER R-23189 TO ADD ADDITIONAL POOLED PARTIES, EDDY COUNTY, NEW MEXICO.

**CASE NO. 24922 ORDER NO. R-23189** 

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

APPLICATION OF MRC PERMIAN COMPANY TO AMEND ORDER R-23189 TO ADDITIONAL POOLED PARTIES, EDDY COUNTY, NEW MEXICO.

CASE NO. <u>24922</u>

**APPLICATION** 

MRC Permian Company ("MRC" or "Applicant"), through its undersigned attorneys,

hereby files this application with the Oil Conservation Division to amend pooling Order R-23189

to add additional mineral interest owners to the pooling order. In support of its application, MRC

states:

1. Order R-23189 was issued in Case 24218 and pooled uncommitted mineral interest

owners in the Bone Spring formation [Malaga; Bone Spring, North Pool (42800)] underlying the

S2S2 of Sections 9 and 10, Township 24 South, Range 28 East, NMPM, Eddy County, New

Mexico. This standard 320-acre horizontal well spacing unit is currently dedicated to the **Prater** 

Fed Com 114H and Prater Fed Com 124H wells.

2. Applicant has discovered additional mineral interest owners in the pooled acreage

that were not subject to the pooling proceedings giving rise to Order R-23189.

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

development of these lands from these additional mineral interest owners.

WHEREFORE, Applicant requests that this application be set for hearing before an

Examiner of the Oil Conservation Division on November 7, 2024, and, after notice and hearing as

required by law, the Division enter an order pooling these additional mineral interest owners under

the terms of Order R-23189.

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Respectfully submitted,

**HOLLAND & HART LLP** 

Michael H. Feldewert

Adam G. Rankin

Paula M. Vance

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ATTORNEYS FOR MRC PERMIAN COMPANY

CASE :

Application of MRC Permian Company to Amend Order R-23189 to Additional Pooled Parties, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order amending pooling Order R-23189 to add additional mineral interest owners to the pooling order. Order R-23189 was issued in Case 24218 and pooled uncommitted mineral interest owners in the Bone Spring formation [Malaga; Bone Spring, North Pool (42800)] underlying the S2S2 of Sections 9 and 10, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. This standard 320-acre horizontal well spacing unit is currently dedicated to the **Prater Fed Com 114H** and **Prater Fed Com 124H** wells. The subject area is located approximately 3 miles south of Loving, New Mexico.

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

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY MRC PERMIAN COMPANY

CASE NO. 24218 ORDER NO. R-23189

#### <u>ORDER</u>

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on March 21, 2024, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

#### FINDINGS OF FACT

- 1. MRC Permian Company ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. Operator seeks to be designated the operator of the Unit.
- 2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
- 3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
- 4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
- 5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

#### **CONCLUSIONS OF LAW**

- 6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 7. Operator is the owner of an oil and gas working interest within the Unit.
- 8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B
Submitted by: Matador Production Company
Hearing Date: November 7, 2024

aring Date: November 7, 2 Case No. 24922

- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

#### <u>ORDER</u>

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. If the Unit is a non-standard horizontal spacing unit which has not been approved under this Order, Operator shall obtain the OCD's approval for a non-standard horizontal spacing unit in accordance with 19.15.16.15(B)(5) NMAC.
- 20. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 21. This Order shall terminate automatically if Operator fails to comply with Paragraph 20 unless Operator obtains an extension by amending this Order for good cause shown.
- 22. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 23. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
- 24. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled

CASE NO. 24218 ORDER NO. R-23189

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Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

- 25. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 26. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 27. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 28. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.

- 30. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 31. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 30 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 32. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 33. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 34. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 35. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 36. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

DYLAN MÉTUGE DIRECTOR (ACTING)

DMF/hat

**Date:** 5/9/24

#### Exhibit A

| COMPULSORY POOLYNG APPLICAT  | TION CHECKLIST   |  |  |  |  |
|--|--|--|--|--|--|
| ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS  |  |  |  |  |  |
| Case: 24218  | APPLICANT'S RESPONSE   |  |  |  |  |
| Date   | March 21, 2024   |  |  |  |  |
| Applicant  | MRC Permian Company  |  |  |  |  |
| Designated Operator & OGRID (affiliation if applicable)  | Matador Production Company (OGRID No. 228937)  |  |  |  |  |
| Applicant's Counsel:   | Holland & Hart LLP   |  |  |  |  |
| Case Title:  | APPLICATION OF MRC PERMIAN COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.              |  |  |  |  |
| Entries of Appearance/Intervenors:   | Mewbourne Oil Company & EOG Resources, Inc.  |  |  |  |  |
| Well Family  | Prater   |  |  |  |  |
| 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:   | Malaga; Bone Spring, North [42800]   |  |  |  |  |
| Well Location Setback Rules:   | Statewide oil rules  |  |  |  |  |
| Spacing Unit   |  |  |  |  |  |
| Type (Horizontal/Vertical)   | Horizontal   |  |  |  |  |
| Size (Acres)   | 320  |  |  |  |  |
| Building Blocks:   | 40 acres   |  |  |  |  |
| Orientation:   | East-West  |  |  |  |  |
| Description: TRS/County  | S/2 S/2 of Sections 9 and 10, Township 24 South,<br>Range 28 East, NMPM, Eddy County, New Mexico |  |  |  |  |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application? | Yes  |  |  |  |  |
| Other Situations   |  |  |  |  |  |
| Depth Severance: Y/N. If yes, description  | No BEFORE THE OIL CONSERVATION DIVISION  |  |  |  |  |
| Proximity Tracts: If yes, description  | No Santa Fe, New Mexico  |  |  |  |  |
| Proximity Defining Well: if yes, description   | N/A Submitted by: MRC Permian Company Hearing Date: March 21, 2024                               |  |  |  |  |
| Applicant's Ownership in Each Tract  | Exhibit C-3 Case No. 24218   |  |  |  |  |
| Well(s)  |  |  |  |  |  |
| Name & API (if assigned), surface and bottom hole location,  | Add wells as needed  |  |  |  |  |
| footages, completion target, orientation, completion status  |  |  |  |  |  |
| (standard or non-standard)   |  |  |  |  |  |

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| W sketaived by OCD: 3/19/2024 3:44:02 PM   | Prater 10&9-24S-28E RB 114H well  SHL: 1,771' FSL, 202' FWL (Unit L) of Section 11  BHL: 660' FSL, 60' FWL (Unit M) of Section 9  Target: Bone Spring  Orientation: East-West  Completion: Standard |
|--|---|
| Well #2  | Prater 10&9-24S-28E RB 124H well SHL: 1,771' FSL, 232' FWL (Unit L) of Section 11 BHL: 993' FSL, 110' FWL (Unit M) of Section 9 Target: Bone Spring Orientation: East-West Completion: Standard     |
| Horizontal Well First and Last Take Points   | Exhibit C-1   |
| Completion Target (Formation, TVD and MD)  | Exhibit C-4   |
| AFE Capex and Operating Costs  |   |
| Drilling Supervision/Month \$  | \$8,000   |
| Production Supervision/Month \$  | \$800   |
| Justification for Supervision Costs  | Exhibit C   |
| Requested Risk Charge  | 200%  |
| Notice of Hearing  |   |
| Proposed Notice of Hearing   | Exhibit B   |
| Proof of Mailed Notice of Hearing (20 days before hearing)   | Exhibit E   |
| Proof of Published Notice of Hearing (10 days before hearing)  | Exhibit F   |
| Ownership Determination  |   |
| Land Ownership Schematic of the Spacing Unit   | Exhibit C-2   |
| Tract List (including lease numbers and owners)  | Exhibit C-2   |
| If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements. | N/A   |
| Pooled Parties (including ownership type)  | Exhibit C-3   |
| Unlocatable Parties to be Pooled   | Exhibit C-5   |
| Ownership Depth Severance (including percentage above & below)   | N/A   |
| Joinder  |   |
| Sample Copy of Proposal Letter   | Exhibit C-4   |
| List of Interest Owners (ie Exhibit A of JOA)  | Exhibit C-3   |
| Chronology of Contact with Non-Joined Working Interests  | Exhibit C-5   |
| Overhead Rates In Proposal Letter  | Exhibit C-4   |
| Cost Estimate to Drill and Complete  | Exhibit C-4   |
| Cost Estimate to Equip Well  | Exhibit C-4   |

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| Cost estimate for Production Pacalities PM               | Exhibit C-4  |
|--|--|
| Geology  |  |
| Summary (including special considerations)               | Exhibit D  |
| Spacing Unit Schematic                                   | Exhibit D-1  |
| Gunbarrel/Lateral Trajectory Schematic                   | N/A  |
| Well Orientation (with rationale)                        | Exhibit D  |
| Target Formation   | Exhibit D, D-3                                     |
| HSU Cross Section  | Exhibit D-3  |
| Depth Severance Discussion                               | N/A  |
| Forms, Figures and Tables                                |  |
| C-102  | Exhibit C-1  |
| Tracts   | Exhibit C-2  |
| Summary of Interests, Unit Recapitulation (Tracts)       | Exhibit C-3  |
| General Location Map (including basin)                   | Exhibit D-1  |
| Well Bore Location Map                                   | Exhibit D-1  |
| Structure Contour Map - Subsea Depth                     | Exhibit D-2  |
| Cross Section Location Map (including wells)             | Exhibit D-2  |
| Cross Section (including Landing Zone)                   | Exhibit D-3  |
| Additional Information                                   |  |
| Special Provisions/Stipulations                          | N/A  |
| CERTIFICATION: I hereby certify that the information pro | ovided in this checklist is complete and accurate. |
| Printed Name (Attorney or Party Representative):         | Paula M. Vance                                     |
| Signed Name (Attorney or Party Representative):          | Ph 2011-   |
| Date:  | 3/17/2024  |

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

APPLICATION OF MRC PERMIAN COMPANY TO AMEND ORDER R-23189 TO ADD ADDITIONAL POOLED PARTIES, EDDY COUNTY, NEW MEXICO.

CASE NO. 24922 (formerly Case 24218)

#### AFFIDAVIT OF HANNA RHOADES

Hanna Rhoades, of lawful age and being first duly sworn, states the following:

1. My name is Hanna Rhoades and I am employed by MRC Energy Company, an affiliate of Matador Production Company ("Matador"), as a Senior Landman.

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 Permian Company ("MRC") in this case and the status of the lands in the subject area.

4. In this case, MRC seeks to re-open Case No. 24218 and add additional parties to be pooled under NMOCD Order No. 23189, which created a standard horizontal spacing unit in the Bone Spring formation (Malaga; Bone Spring, North [42800] pool) comprised of the S/2 S/2 of Sections 9 and 10, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. The spacing unit was initially dedicated to the proposed **Prater 10&9 24S-28E RB #114H** and **Prater 10&9 24S-28E RB #124H** wells, both with a first take point in the SE/4 SE/4 of Section 10 and a last take point in the SW/4 SW/4 of Section 9.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C
Submitted by: Matador Production Company
Hearing Date: November 7, 2024

Case No. 24922

- 5. Since the original pooling case, and out of an abundance of caution, Matador has received updated title information and identified additional working interest and unleased mineral interest parties to be pooled, as described below.
- 6. **Matador Exhibit C-1** identifies the additional working interest and unleased mineral interest owners that Matador is seeking to pool in this horizontal spacing unit.
- 7. **Matador Exhibit C-2** contains a sample of the well proposal letter and AFE sent to the additional working interest and unleased mineral interest owners MRC is seeking to pool. The costs reflected in the AFE are consistent with what other operators have incurred for drilling similar horizontal wells in the area in these formations.
- 8. **Matador Exhibit C-3** contains a general summary of the contacts with the uncommitted working interest and unleased mineral interest owners that Matador is seeking to add to the existing pooling order in this case.
- 9. Matador has conducted a diligent search of the public records in the county where the property is located and conducted computer searches in an attempt to locate contact information for each of these working interest and unleased mineral interest owners. Despite these efforts, as shown on Matador Exhibit C-3, there are a few owners that we have not yet been able to contact. For those owners, if our initial well proposals were returned as undelivered, we then conducted additional online searches and attempted to mail the proposals to other addresses potentially associated with those owners that we were able to locate. Matador continues to make efforts to locate these parties.
- 10. In my opinion, Matador has undertaken good faith efforts to locate and reach an agreement with the additional working interest and unleased mineral owners that Matador is seeking to pool in this case.

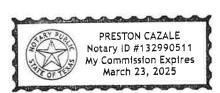
- 11. Matador has provided its outside counsel, Holland and Hart, with the names and addresses of the parties that Matador seeks to pool and instructed that they be notified of this hearing.
- 12. **Matador Exhibits C-1 through C-3** were either prepared by me or compiled under my direction and supervision.

| FURTHER AFFIANT SA | YETH NAUGHT.                                 |       |
|--------------------|--|-------|
|                    | Hanna Rhoades                                |       |
| STATE OF TEXAS     | )  |       |
| COUNTY OF DALLAS   | )  |       |
| SUBSCRIBED and SW  | ORN to before me this 30th day of October 20 | 24 by |
| Hanna Rhoades.     |  |       |

NOTARY PUBLIC

My Commission Expires:

3/23/2025



## Exhibit C-1

Received by OCD: 10/31/2024 1:34:15 PM

# Summary of Interests (Case No. 24922 – Prater 114 and Prater 124)

| MRC Permian Company:                       | 45.0681478%                               |             |  |  |
|--|---|-------------|--|--|
| Voluntary Joinder/Previously Force Pooled: |   | 54.8579285% |  |  |
| Parties Being Added to Force Poo           | oling Order:                              | 00.0739237% |  |  |
| Interest Owner:                            | Description:                              | Interest:   |  |  |
| Aimee Miller                               | Uncommitted Working Interest Owner        | 0.000015%   |  |  |
| Austin Miller                              | Uncommitted Working Interest Owner        | 0.000015%   |  |  |
| Deborah Gaye Kesler                        | Uncommitted Working Interest Owner        | 0.000051%   |  |  |
| Helena Marie Sawyer Gazelka                | Unleased Mineral Interest Owner           | 0.000391%   |  |  |
| HRM Morris Land Services, Inc.             | Uncommitted Working Interest Owner        | 0.003907%   |  |  |
| Mikel Louis Sawyer                         | Unleased Mineral Interest Owner           | 0.000391%   |  |  |
| Texplor Oil LLC                            | Uncommitted Working Interest Owner        | 0.060948%   |  |  |
| Sandra Marie Schaffner Sawyer              | Uncommitted Working Interest Owner        | 0.000391%   |  |  |
| Slaton Resources II, LLC                   | <b>Uncommitted Working Interest Owner</b> | 0.007814%   |  |  |

## Exhibit C-2

### **Matador Production Company**

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240 Cell 405.652.6929 • Office 972.619.4341 • Fax 972-371-5201 hanna.bollenbach@matadorresources.com

Hanna Bollenbach Senior Landman

August 5, 2024

#### VIA CERTIFIED RETURN RECEIPT MAIL

Helena Marie Sawyer Gazelka, as her separate property 688 Shardlow Place NE Byron, MN 55920"

Re:

Prater 10&9-24S-28E RB #113H, #114H, #123H & #124H (the "Wells")

Participation Proposal

S/2 of Sections 10 & 9, Township 24 South, Range 28 East

Eddy County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Prater 10&9-24S-28E RB #113H, Prater 10&9-24S-28E RB #124H, Prater 10&9-24S-28E RB #123H & Prater 10&9-24S-28E RB #124H wells, located in the S/2 of Sections 10 & 9, Township 24 South, Range 28 East, Eddy County, New Mexico.

In connection with the above, please note the following:

The estimated cost of drilling, testing, completing, and equipping of each Well is itemized on the four (4) enclosed Authority for Expenditures ("AFE") dated December 15, 2023.

- Prater 10&9-24S-28E RB #113H: to be drilled from a legal location with a proposed surface hole location in the NW4SW4 of Section 11-24S-28E, a proposed first take point located at 100' FEL and 1,980' FSL of Section 10-24S-28E, and a proposed last take point located at 100' FWL and 1,980' FSL of Section 9-24S-28E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~7,350' TVD) to a Measured Depth of approximately 18,237'.
- Prater 10&9-24S-28E RB #114H: to be drilled from a legal location with a proposed surface hole location in the NW4SW4 of Section 11-24S-28E, a proposed first take point located at 100' FEL and 660' FSL of Section 10-24S-28E, and a proposed last take point located at 100' FWL and 660' FSL of Section 9-24S-28E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~7,350' TVD) to a Measured Depth of approximately 18,237'.
- Prater 10&9-24S-28E RB #123H: to be drilled from a legal location with a proposed surface hole location in the NW4SW4 of Section 11-24S-28E, a proposed first take point located at 100' FEL and 1,980' FSL of Section 10-24S-28E, and a proposed last take point located at 100' FWL and 1,980' FSL of Section 9-24S-28E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~8,180' TVD) to a Measured Depth of approximately 19,067'.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-2
Submitted by: Matador Production Company
Hearing Date: November 7, 2024

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• Prater 10&9-24S-28E RB #124H: to be drilled from a legal location with a proposed surface hole location in the NW4SW4 of Section 11-24S-28E, a proposed first take point located at 100' FEL and 660' FNL of Section 10-24S-28E, and a proposed last take point located at 100' FWL and 660' FNL of Section 9-24S-28E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~8,180' TVD) to a Measured Depth of approximately 19,067'.

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.

Helena Marie Sawyer Gazelka, as her separate property will own an approximate 0.00000391 working interest in each Well, subject to title verification.

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 dated December 1, 2023, by and between Matador Production Company, as Operator and MRC Permian Company et al as Non-Operators covering the S/2 of Sections 10 & 9, Township 24 South, Range 28 East, Eddy 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 AFE(s) within thirty (30) days of receipt of this notice. Additionally, if your election is to participate, please accept this letter as an invoice notice and request for payment. Please remit payment for your proportionate share of costs to Matador Production Company on or before thirty (30) days after receipt of this estimate and invoice. Please be aware that the enclosed AFE(s) 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

Hanna Bollenbach

| Helena Marie Sawyer Gazelka, as her separate property hereby elects to:  |          |
|--|----------|
| Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matad Production Company's Prater 10&9-24S-28E RB #113H well, in the estimated amount of \$ 37.32 Not to participate in the Prater 10&9-24S-28E RB #113H.  | or<br>!. |
| Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matad Production Company's Prater 10&9-24S-28E RB #114H well, in the estimated amount of \$ 37.32 Not to participate in the Prater 10&9-24S-28E RB #114H.  | or<br>!. |
| Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matad Production Company's Prater 10&9-24S-28E RB #123H well, in the estimated amount of \$ 37.09 Not to participate in the Prater 10&9-24S-28E RB #123H.  | or<br>). |
| Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matad Production Company's Prater 10&9-24S-28E RB #124H well in the estimated amount of \$ 37.09.  Not to participate in the Prater 10&9-24S-28E RB #124H. | or<br>•  |
| Helena Marie Sawyer Gazelka, as her separate property  |          |
| Ву:  |          |
| Title:   |          |
| Date:  |          |
| Contact Number:  |          |

#### MATADOR PRODUCTION COMPANY

ONE LINCOLN CENTRE - \$400 LBJ FREEWAY - SUITE 1500 - DALLAS, TEXAS 75240
Phone (972) 371-5200 - Fax (972) 371-5201

|   |  |   | ) 371-5200 • Fax (972) 371-<br>AND AUTHORIZATION FO |                          |                           |                     |
|---|--|---|---|--------------------------|---------------------------|---------------------|
| NATE.   | December 15, 2023                            | ESTIMATE OF COSTS                       |   | AFE NO.:                 |                           | 500002.897.01.001   |
| DATE:<br>WELL NAME:                                     | Prater State Com #11                         | 4H                                      |   | FIELD:                   |                           | Bona Spring         |
| LOCATION:   | Section 1089 24S 28                          |   |   | MD/TVD:                  |                           | 18237'/7350'        |
| COUNTY/STATE:   | Eddy, NM                                     |   |   | LATERAL LENGTH:          |                           | 10,320              |
| MRC WI:   |  |   |   |                          |                           |                     |
| GEOLOGIC TARGET:<br>REMARKS:                            | Pirst Bone Spring Sar<br>Dnll and complete a | nd<br>orizontal 2 mile long Fire        | t Bone Spring sand larg                             | et with about 46 frac st | lages                     |                     |
|   |  |   |   | PRODUCTION               |                           | TOTAL               |
| INTANGIBLE  | COSTS  | DRILLING<br>COSTS                       | COMPLETION  | COSTS                    | FACILITY COSTS            | COSTS               |
| Land / Legal / Regulatory                               | C0313  | \$ 78,000                               | \$  | \$ 10,000                | 5 10,000                  | \$ 98,000           |
| Location, Surveys & Dam                                 | ages   | 128,333                                 | 13,000  | 50,000                   | 15,000                    | 206,333<br>628,875  |
| Drilling<br>Cementing & Float Equip                     |  | 628.875<br>184,000                      |   |                          |                           | 184,000             |
| Logging / Formation Eval                                | uation                                       |   | 3,000   | 3,000                    |                           | 6,000<br>52,765     |
| Flowback - Labor  |  |   |   | 52,785<br>190,200        |                           | 190,200             |
| Flowback - Surface Renta<br>Flowback - Rental Living    |  |   |   | 21,000                   |                           | 21,000              |
| Mud Logging   |  | 16,875                                  |   |                          |                           | 16,875<br>45,700    |
| Mud Circulation System  Mud & Chemicals                 |  | 45,700<br>212,100                       | 49,000  | 31,000                   |                           | 282,100             |
| Mud / Wastowater Dispos                                 | al   | 130,000                                 |   | 9,000                    | 3.00                      | 139,000<br>51,450   |
| Freight / Transportation                                |  | 12,750<br>96,000                        | 26,700<br>91,500                                    | 12,000                   | 12,600                    | 213,300             |
| Rig Supervision / Engined<br>Drill Bits                 | aring  | 83,300                                  |   |                          |                           | 83,300              |
| Fuel & Power  |  | 133,000                                 | 352,098<br>682,600                                  | 10,000<br>3,000          | <del></del>               | 495,098<br>761,000  |
| Water<br>Drig & Completion Overh                        | head   | 75,500<br>12,000                        | 962,500   | 3,000                    |                           | 12,000              |
| Plugging & Abandonment                                  |  | •                                       |   |                          |                           | 240,607             |
| Directional Drilling, Surve                             | eys .  | 240,607                                 | 116,000   | 11,400                   |                           | 129,400             |
| Completion Unit, Swab, C<br>Perforating, Wireline, Slic |  |   | 178,609   | 7,000                    |                           | 185,609             |
| High Pressure Pump Truc                                 | ek   | •                                       | 61,875  | 5,000                    |                           | 66,875<br>2,329,659 |
| Sumulation  | Nee  |   | 2,329,859<br>15,500                                 | 10,000                   |                           | 25,500              |
| Stimulation Flowback & E<br>Insurance                   | льр  | 32,827                                  |   |                          |                           | 32,827              |
| Labor   |  | 141,508                                 | 59,750<br>329,988                                   | 12,500                   |                           | 213,750<br>419.896  |
| Rental - Surfaco Equipme<br>Rental - Downhole Equip     |  | 74,910<br>153,875                       | 86,000  | 10,000                   | (*/                       | 239,675             |
| Rental - Living Quarters                                |  | 41,820                                  | 39,333  | 43,509                   | 140                       | 81,153<br>330,403   |
| Contingency   |  | 76,210<br>18,354                        | 210,685   | 43,502                   | 181                       | 18,354              |
| MexCom  | TOTAL INTANGIBLES                            |   | 4,647,395   | 509,594                  | 37,600                    | 7,811,125           |
|   |  | DRILLING                                | COMPLETION  | PRODUCTION               | FACILITY COSTS            | COSTS               |
| TANGIBLE  | COSTS  | COSTS 29,230                            | COSTS   | COSTS                    | FACILITY COSTS            | \$ 29,230           |
| Surface Casing<br>Intermediate Casing                   |  | 155,350                                 | ·——   |                          | (2)                       | 165,350             |
| Drilling Linet  |  |   |   |                          |                           | 503,483             |
| Production Casing<br>Production Liner                   |  | 603,493                                 |   |                          |                           | -                   |
| Tubing  |  | •                                       |   | 132,660                  |                           | 132,660<br>123,000  |
| Wallhead  |  | 68,000                                  | 58,989  | 55,000<br>6,000          |                           | 64,989              |
| Packers, Liner Hangers<br>Tanks                         |  | <del></del>                             | 20,000  |                          | 25,000                    | 25,000              |
| Production Vessals                                      |  |   |   |                          | 160,000                   | 180,000             |
| Flow Lines  |  | <del></del>                             |   |                          | 120,000                   |                     |
| Rod string<br>Artificial Lift Equipment                 |  | -                                       |   | 40,000                   |                           | 40,000              |
| Compressor  |  | ==:                                     |   |                          | 25,000<br>50,000          | 25,000<br>50,000    |
| Installation Costs<br>Surface Pumps                     |  | <del></del>                             |   | 5,000                    | 25,000                    | 30,000              |
| Non-controllable Surface                                |  |   |   |                          |                           | <del></del>         |
| Non-controllable Downho                                 | olo  | <u> </u>                                |   | <del></del>              |                           | -                   |
| Downhole Pumps<br>Measurement & Meter Inv               | staliation                                   |   |   | 15,000                   | 50,000                    | 65,000              |
| Gas Canditioning / Dehyt                                | dration                                      |   |   | 5,000                    | 80,000                    | 85,000              |
| Interconnecting Facility F<br>Gothering / Bulk Lines    | Aping  |   |   | •                        |                           | -                   |
| Valves, Dumps, Controlle                                | ore.   |   |   | 2,000                    | 40.000                    | 2,000               |
| Tank / Facility Containme                               | ont  |   |   |                          | 20,000                    | 20,000              |
| Flare Stack<br>Electrical / Grounding                   |  |   |   | 2,000                    | 50,000                    | 52,000              |
| Communications / SCAD                                   | A  |   |   | 2,000                    | 42,000                    | 2,000<br>42,000     |
| Instrumentation / Safety                                | TOTAL TANGIBLES                              | > 756,073                               | 58,989  | 264,560                  | 662,000                   | 1,741,722           |
|   | TOTAL COSTS                                  | 100000000000000000000000000000000000000 | 4,706,385   | 774,254                  | 689,600                   | 9,652,847           |
|   | 7,5  |   |   |                          |                           |                     |
| PARED BY MATADOR  | PRODUCTION COMPA                             |   | 0110  |                          |                           |                     |
| Drilling Engine   | eer. Tyler Khnon                             | Team Lead + WTX                         |   |                          |                           |                     |
| Completions Engine                                      |  |   | / JME   |                          |                           |                     |
| Production Engine                                       | eer; Dirk Philip van den Berg                |   |   |                          |                           |                     |
| TABOR DEFOURCES   | COMPANY APPROVAL:                            |   |   |                          |                           |                     |
| ADUR RESOURCES  | COMPART APPROVAL                             |   |   |                          |                           |                     |
| Executive VP, F   | Res  | SVP Geoscie                             | nce   | COO- Drilli              | ing, Completion and Produ | clion               |
|   | WTE  |   | NI-   |                          |                           |                     |
| Executive VP, Le  | - CA   |   |   |                          |                           |                     |
| Presid  | lent   |   |   |                          |                           |                     |
|   | BG   |   |   |                          |                           |                     |
|   |  |   |   |                          |                           |                     |
| N OPERATING PARTNI                                      | ER APPROVAL:                                 |   |   |                          |                           |                     |
| Company Na  | ma:  |   | Working Interest (%):                               |                          | Та                        | x ID:               |
| Signed  | hv:  |   | Dale;   |                          |                           |                     |
|   |  |   | -   | V                        |                           | No (mark one)       |
| Т   | Ue:  |   | Approvai:   | <sup>res</sup>           | - Windsander and the bar  | NO (INSIR DIE)      |

AFE - Version 3

#### MATADOR PRODUCTION COMPANY

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

|  |                               |                                  | 1) 371-5200 • Fax (972) 371 |                          |                             |                                 |
|--|-------------------------------|----------------------------------|-----------------------------|--------------------------|-----------------------------|---------------------------------|
|  |                               | ESTIMATE OF COSTS                | AND AUTHORIZATION FO        | AFE NO.:                 |                             | 000002.899.01.001               |
| DATE:  | December 15, 2023             |                                  |                             | FIELD:                   | -                           | Bone Spring                     |
| WELL NAME:   | Prater State Com #124         |                                  |                             | MD/TVD:                  | · ·                         | 19067'/8180'                    |
| LOCATION:  | Section 1089 24S 28E          |                                  |                             |                          | -                           | 10,320                          |
| COUNTY/STATE:  | Eddy, NM                      |                                  |                             | LATERAL LENGTH:          | 8                           |                                 |
| MRC WI:  |                               |                                  |                             |                          |                             |                                 |
| GEOLOGIC TARGET:   | Second Bone Spring S          | iand<br>visontal 2 mila long Ser | cond Bone Spring sand I     | arget with about 46 frac | slages                      |                                 |
| REMARKS:   | Orin and complete a ric       | A LUMB E TOWN ONLY OUT           |                             |                          |                             |                                 |
|  |                               | DRILLING                         | COMPLETION                  | PRODUCTION               | TANK INV CAPTE              | COSTS                           |
| INTANGIBLE   | COSTS                         | COSTS                            | COSTS                       | COSTS<br>\$ 10,000       | FACILITY COSTS<br>\$ 10,000 | \$ 98,000                       |
| Land / Legal / Regulatory  |                               | 78,000<br>128,333                | 13,000                      | 50,000                   | 15,000                      | 206,333                         |
| Location, Surveys & Dam  | ages                          | \$88,000                         | 10,000                      |                          |                             | 588,000                         |
| Drilling<br>Cementing & Float Equip  |                               | 184,000                          |                             | 0.000                    |                             | 184,000                         |
| Logging / Formation Eval   | uation                        |                                  | 3,000                       | 3,000<br>52,785          |                             | 52,785                          |
| Flowback - Labor   | ı                             |                                  |                             | 190,200                  |                             | 190,200                         |
| Flowback - Surface Renta<br>Flowback - Rental Living   |                               |                                  |                             | 21,000                   |                             | 21,000                          |
| Mud Logging  |                               | 15,000                           |                             |                          |                             | 15,000<br>42,413                |
| Mud Circulation System   |                               | 43,413<br>210,750                | 49,000                      | 31,000                   |                             | 290,750                         |
| Mud & Chemicals<br>Mud / Wastewater Dispos   | ni.                           | 130,000                          |                             | 9,000                    | -                           | 139,000                         |
| Freight / Transportation   | -                             | 12,750                           | 26,700                      | 12,000                   | 12,600                      | 51,450<br>207,300               |
| Rig Supervision / Engine   | ering                         | 90,000                           | 91,500                      | 13,200                   | 12,600                      | 83,300                          |
| Drill Bits   |                               | 83,300<br>122,500                | 352,098                     | 10,000                   | -                           | 484,598                         |
| Fuel & Power<br>Water  |                               | 65,500                           | 682,500                     | 3,000                    |                             | 751,000                         |
| Drig & Completion Overh  | ead                           | 11,250                           |                             |                          |                             | 11,250                          |
| Plugging & Abandonmen  | l                             | 229,737                          |                             |                          |                             | 229,737                         |
| Directional Drilling, Surve<br>Completion Unit, Swab, C  | iya<br>TU                     | 220,737                          | 118,000                     | 11,400                   |                             | 129,400                         |
| Perforating, Wireline, Sile  |                               |                                  | 178.609                     | 7,000                    |                             | 185,609<br>66,875               |
| High Pressure Pump True  |                               |                                  | 61,875<br>2,329.859         | 5,000                    | <del></del>                 | 2,329.859                       |
| Stimulation  | Nen                           |                                  | 15,500                      | 10,000                   |                             | 25,500                          |
| Stimulation Flowback & I<br>Insurance  | мр                            | 34,321                           |                             |                          |                             | 34,321                          |
| Labor  |                               | 141,500                          | 59,750                      | 12,500                   |                             | 213,750<br>414,123              |
| Rental - Surface Equipme   |                               | 69,135<br>164,300                | 329,988<br>86,000           | 15,000                   | <del></del>                 | 250,300                         |
| Rental - Downhole Equip  | men1                          | 40,425                           | 39,333                      | -                        |                             | 79,758                          |
| Rental - Living Quarters<br>Contingency  |                               | 73,774                           | 210,685                     | 43,509                   |                             | 327,967<br>16,905               |
| MaxCom   |                               | 16,905                           |                             | 7444 444                 | 27 600                      | 7,727,401                       |
|  | TOTAL INTANGIBLES:            |                                  | 4,647,395                   | 509,594<br>PRODUCTION    | 37,600                      | TOTAL                           |
|  | ****                          | COSTS                            | COMPLETION                  | COSTS                    | FACILITY COSTS              | COSTS                           |
| TANGIBLE<br>Surface Casing   | COSIS                         | 29,230                           | 3                           | 5                        | \$                          | \$ 29,230                       |
| Intermediate Casing  |                               | 155,350                          |                             |                          |                             | 155,350                         |
| Drilling Liner   |                               | 527,467                          |                             |                          |                             | 527,467                         |
| Production Casing  |                               | 527,407                          |                             |                          |                             | -                               |
| Production Liner<br>Tubing   |                               | -                                |                             | 132,660                  |                             | 132,660                         |
| Wellhead   |                               | 68,000                           |                             | 55,000                   |                             | 123,000<br>64,989               |
| Packers, Liner Hangers   |                               | <del>-</del>                     | 58,989                      | 6,000                    | 25,000                      | 25,000                          |
| Tanks  |                               |                                  |                             |                          | 160,000                     | 160,000                         |
| Production Vessels<br>Flow Lines   |                               |                                  |                             |                          | 125,000                     | 125,000                         |
| Rod string   |                               | 1.5                              |                             | 40,000                   |                             | 40,000                          |
| Artificial Lift Equipment  |                               | <del>:</del>                     |                             | 10,000                   | 25,000                      | 25,000                          |
| Compressor<br>Installation Costs   |                               |                                  |                             |                          | 50,000                      | 50,000                          |
| Surface Pumps  |                               |                                  |                             | 5,000                    | 25,000                      | 30,000                          |
| Non-controllable Surface   |                               |                                  |                             | <del></del>              |                             |                                 |
| Non-controllable Downho  | ole                           |                                  |                             |                          |                             |                                 |
| Downhole Pumps Measurement & Meter In  | stellation                    |                                  |                             | 15,000                   | 50,000                      | 65,000                          |
| Gas Conditioning / Dahy  |                               |                                  |                             |                          | 96,000                      | 85,000                          |
| Interconnecting Facility I   |                               |                                  |                             | 5,000                    | 80,000                      | 00,000                          |
| Gethering / Bulk Lines   | _                             |                                  |                             | 2,000                    |                             | 2,000                           |
| Valves, Dumps, Controlle<br>Tank / Facility Containment  | ent                           |                                  |                             | -                        | 10,000                      | 10,000                          |
| Flare Stack  | 1071.1-                       |                                  |                             | 2,000                    | 20,000<br>50,000            | 52,000                          |
| Electrical / Grounding   |                               |                                  |                             | 2,000                    | 20,000                      | 2,000                           |
| Communications / SCAD<br>Instrumentation / Safety  | A                             |                                  | /=                          |                          | 42,000                      | 42,000                          |
| matrumentation / Salety  | TOTAL TANGIBLES               | 780,647                          | 58,989                      | 264,660                  | 652,000                     | 1,765,696                       |
|  | TOTAL COSTS                   | > 3,312,939                      | 4,706,385                   | 774,254                  | 699,600                     | 9,493,177                       |
|  |                               |                                  |                             |                          |                             |                                 |
| EPARED BY MATADO   | R PRODUCTION COMPA            | NY;                              | 210                         |                          |                             |                                 |
| Drilling Engin   | eer: Tyler Kinnon             | Team Lead - WTX                  | UNIM JANK                   |                          |                             |                                 |
| Completions Engin  |                               |                                  | JME                         |                          |                             |                                 |
|  | eer: Dirk Philip van den Barg |                                  | 3470                        |                          |                             |                                 |
| The state of the s | Tree making was asserted      |                                  |                             |                          |                             |                                 |
| TADOR RESOURCES  | COMPANY APPROVAL:             |                                  |                             |                          |                             |                                 |
| E  | Don                           | SVP Geoscie                      | епсе                        | COO- Drillio             | ng, Completion and Product  | ion                             |
| Executive VP.  | WTE                           | GFF GROSUI                       | NLF                         |                          |                             | cc                              |
| Executive VP, L  |                               |                                  |                             |                          |                             |                                 |
|  | CA                            |                                  |                             |                          |                             |                                 |
| Presi  | dent                          |                                  |                             |                          |                             |                                 |
|  | BC.                           |                                  |                             |                          |                             |                                 |
|  |                               |                                  |                             |                          |                             |                                 |
| N OPERATING PARTN  | ER APPROVAL:                  |                                  |                             |                          |                             |                                 |
| Company Na   | me;                           |                                  | Working Interest (%):       |                          | Tax                         | ID:                             |
|  |                               |                                  | D-1-                        |                          |                             |                                 |
| Signed   | l by;                         |                                  | Date:                       |                          |                             |                                 |
|  | īde:                          |                                  | Approval:                   | Yes                      |                             | No (mark one)                   |
|  |                               |                                  |                             |                          |                             | The second second second second |

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## Exhibit C-3

#### **Summary of Communications**

#### **Uncommitted Owners:**

#### 1. Aimee Miller, as her separate property

Matador has tried to contact **Aimee Miller** through sending well proposals to multiple potential addresses, but so far we have been unable to connect with this owner. Matador will continue to research alternative contact addresses in the hopes of making contact with this owner.

#### 2. Austin Miller, as his separate property

Matador has tried to contact **Austin Miller** through sending well proposals to multiple potential addresses, but so far we have been unable to connect with this owner. Matador will continue to research alternative contact addresses in the hopes of making contact with this owner.

#### 3. Deborah Gaye Kesler, as her separate property

Matador has tried to contact **Deborah Gaye Kesler** through sending well proposals to multiple potential addresses, but so far we have been unable to connect with this owner. Matador will continue to research alternative contact addresses in the hopes of making contact with this owner.

#### 4. Helena Marie Sawyer Gazelka, as her separate property

In addition to sending well proposals, Matador has had discussions with Helena Marie Sawyer Gazelka, as her separate property regarding their interest and we are continuing to discuss voluntary joinder.

#### 5. HRM Morris Land Services, Inc.

Matador has tried to contact **HRM Morris Land Services**, **Inc.** through sending well proposals to multiple potential addresses, but so far we have been unable to connect with this owner. Matador will continue to research alternative contact addresses in the hopes of making contact with this owner.

#### 6. Mikel Louis Sawyer, as his separate property

In addition to sending well proposals, Matador has had discussions with **Mikel Louis Sawyer, as his** separate property regarding their interest and we are continuing to discuss voluntary joinder.

#### 7. Texplor Oil LLC

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

#### 8. Sandra Marie Schaffner Sawyer, as her separate property

Matador has tried to contact **Sandra Marie Schaffner Sawyer** through sending well proposals to multiple potential addresses, but so far we have been unable to connect with this owner. Matador will continue to research alternative contact addresses in the hopes of making contact with this owner.

Hearing Date: November 7, 2024 Case No. 24922

#### 9. Slaton Resources II, LLC

Matador has tried to contact **Slaton Resources II, LLC** through sending well proposals to multiple potential addresses, but so far we have been unable to connect with this owner. Matador will continue to research alternative contact addresses in the hopes of making contact with this owner.

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

APPLICATION OF MRC PERMIAN COMPANY TO AMEND ORDER R-23189 TO ADD ADDITIONAL POOLED PARTIES, EDDY COUNTY, NEW MEXICO.

**CASE NO. 24922 ORDER NO. R-23189** 

SELF-AFFIRMED STATEMENT OF PAULA M. VANCE

1. I am attorney in fact and authorized representative of MRC Permian Company

("MRC"), the Applicant herein. I have personal knowledge of the matter addressed herein and

am competent to provide this self-affirmed statement.

2. The above-referenced application and notice of the hearing on this pooling

application was sent by certified mail to the locatable affected parties on the date set forth in the

letter attached hereto.

3. The spreadsheets attached hereto contain 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 the notice letters as of October 28, 2024.

5. I caused a notice to be published to all parties subject to this pooling proceeding.

An affidavit of publication from the publication's legal clerk with a copy of the notice of

publication is attached herein.

6. 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.

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

Submitted by: Matador Production Company Hearing Date: November 7, 2024

Case No. 24922

Paula M. Vance

10/30/2024

Date



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

October 18, 2024

## VIA CERTIFIED MAIL CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of MRC Permian Company to Amend Order R-23189 to Add Additional Pooled Parties, Eddy County, New Mexico: Prater Fed Com 114H and Prater Fed Com 124H wells

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 November 7, 2024, and the status of the hearing can be monitored through the Division's website at <a href="https://www.emnrd.nm.gov/ocd/">https://www.emnrd.nm.gov/ocd/</a>.

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: <a href="https://www.emnrd.nm.gov/ocd/hearing-info/">https://www.emnrd.nm.gov/ocd/hearing-info/</a>.

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 Hanna Bollenbach at (972) 619-4341 or hanna.bollenbach@matadorresources.com.

Sincerely,

Michael H. Feldewert

ATTORNEY FOR MRC PERMIAN COMPANY

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#### MRC - Prater 113H, 123H \_ 114H, 124H wells - Case nos. 24921-24922 Postal Delivery Report

| Aimee Miller                   | 303 County Road 1439  | Vinemont  | AL   | 35179-7776   | Your item was delivered to an individual at the address at 11:52 am on October 22, 2024 in VINEMONT, AL 35179.   |
|--------------------------------|---|---|--|--|--|
| Austin Miller                  | 555 Fm 646 Rd W   | Dickinson   | TX   | 77539-3473   | Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.  |
| Deborah Gaye Kesler            | 665 Ernest Gibson Rd  | Monticello  | GA   | 31064-8418   | Your item was delivered to an individual at the address at 2:25 pm on October 22, 2024 in MONTICELLO, GA 31064.  |
| Helena Marie Sawyer Gazelka    | 689 Shardlow Pl NE  | Byron   | MN   | 55920-1564   | Your item was delivered to an individual at the address at 2:04 pm on October 22, 2024 in BYRON, MN 55920.   |
| HRM Morris Land Services, Inc. | 1817 Rolling Heights Ln   | Aledo   | TX   | 76008-1693   | Your item was delivered to an individual at the address at 3:21 pm on October 22, 2024 in ALEDO, TX 76008.   |
| Mikel Louis Sawyer             | PO Box 204057   | Augusta   | GA   | 30917-4057   | This is a reminder to pick up your item before November 5, 2024 or your item will be returned on November 6, 2024. Please pick up the item at the AUGUSTA, GA 30917  |
|                                | Austin Miller  Deborah Gaye Kesler  Helena Marie Sawyer Gazelka  HRM Morris Land Services, Inc. | Austin Miller  555 Fm 646 Rd W  Deborah Gaye Kesler  665 Ernest Gibson Rd  Helena Marie Sawyer Gazelka  689 Shardlow Pl NE  HRM Morris Land Services, Inc.  1817 Rolling Heights Ln | Austin Miller 555 Fm 646 Rd W Dickinson  Deborah Gaye Kesler 665 Ernest Gibson Rd Monticello  Helena Marie Sawyer Gazelka 689 Shardlow Pl NE Byron  HRM Morris Land Services, Inc. 1817 Rolling Heights Ln Aledo | Austin Miller  555 Fm 646 Rd W  Dickinson  TX  Deborah Gaye Kesler  665 Ernest Gibson Rd  Monticello  GA  Helena Marie Sawyer Gazelka  689 Shardlow PI NE  Byron  MN  HRM Morris Land Services, Inc.  1817 Rolling Heights Ln  Aledo  TX | Austin Miller 555 Fm 646 Rd W Dickinson TX 77539-3473  Deborah Gaye Kesler 665 Ernest Gibson Rd Monticello GA 31064-8418  Helena Marie Sawyer Gazelka 689 Shardlow Pl NE Byron MN 55920-1564  HRM Morris Land Services, Inc. 1817 Rolling Heights Ln Aledo TX 76008-1693 |

#### MRC - Prater 113H, 123H \_ 114H, 124H wells - Case nos. 24921-24922 Postal Delivery Report

| 9414811898765480441996 | Texplor Oil LLC               | PO Box 501         | Midland    | TX | 79702-0501 | Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility. |
|------------------------|-------------------------------|--------------------|------------|----|------------|---|
| 9414811898765480441989 | Sandra Marie Schaffner Sawyer | 688 Shardlow Pl NE | Byron      | MN | 55920-1564 | Your item was delivered to an individual at the address at 2:05 pm on October 22, 2024 in BYRON, MN 55920.              |
| 9414811898765480441934 | Slaton Resources II, LLC      | 9101 Peace St      | Fort Worth | TX | 76244-7628 | Your item was delivered to an individual at the address at 12:40 pm on October 23, 2024 in KELLER, TX 76244.            |

### **Affidavit of Publication**

No.

18950

State of New Mexico

County of Eddy:

Danny Scott

being duly sworn, sayes that he is the

Publisher

of the Artesia Daily Press, a daily newspaper of General circulation, published in English at Artesia, said county and state, and that the hereto attached

#### Legal Ad

was published in a regular and entire issue of the said Artesia Daily Press, a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of the state of New Mexico for

1 Consecutive weeks/day on the same

day as follows:

First Publication

October 24, 2024

Second Publication

Third Publication

Fourth Publication

Fifth Publication

Sixth Publication

Seventh Publication

Eighth Publication

Subscribed ans sworn before me this

24th

day of

October

2024

LATISHA ROMINE
Notary Public, State of New Mexico
Commission No. 1076338
My Commission Expires
05-12-2027

Latisha Romine

Notary Public, Eddy County, New Mexico

## Copy of Publication:

Case No. 24922: Application of MRC Permian Company to Amend Order R-23188 to Add Additional Pooled Parties, Eddy County, New Mexico. Notice to all affected interest owners, including all heirs, devisees and successors of: Aimee Miller; Austin Miller; Deborah Gaye; Kesler; Helena Marie Sawyer Gazelka; HRM Morris Land Services, Inc.; Mikel Louis Sawyer; Texplor Oil LLC; Sandra Marie Schaffner Sawyer; Slaton Resources II, 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 November 7, 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 amending pooling Order R-23189 to add additional mineral interest owners to the pooling order. Order R-23189 was issued in Case 24218 and pooled uncommitted mineral interest owners in the Bone Spring formation [Malaga; Bone Spring, North Pool (42800)] underlying the S2S2 of Sections 9 and 10, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. This standard 320-acre horizontal well spacing unit is currently dedicated to the Prater Fed Com 114H and Prater Fed Com 124H wells. The subject area is located approximately 3 miles south of Loving. New Mexico.

Exhibit No. E

Submitted by: Matador Production Company Hearing Date: November 7, 2024

Case No. 24922