

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

APPLICATION OF MRC HAT MESA, LLC  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.

CASE NO. 25027

**NOTICE OF REVISED EXHIBITS**

MRC Hat Mesa, LLC ("MRC"), applicant in the above-referenced case, gives notice that it is filing the attached revised exhibit for acceptance into the record.

**Revised Exhibit A-3** is an updated pooling exhibit showing the parties and percentages that have voluntarily committed their interest to MRC's proposed development.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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Post Office Box 2208  
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ATTORNEYS FOR MRC HAT MESA, LLC

**CERTIFICATE OF SERVICE**

I hereby certify that on February 13, 2025, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

Elizabeth A. Ryan  
Keri L. Hatley  
ConocoPhillips  
1048 Paseo de Peralta  
Santa Fe, New Mexico 87501  
(505) 780-8000  
beth.ryan@conocophillips.com  
keri.hatley@conocophillips.com  
*Attorneys for ConocoPhillips and COG Operating LLC*



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Paula M. Vance

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING FEBRUARY 13, 2025**

**CASE No. 25027**

*BLUE CHIP 522H, 551H & 601H BS WELLS*

**LEA COUNTY, NEW MEXICO**



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

**APPLICATION OF MRC HAT MESA, LLC  
FOR COMPULSORY POOLING,  
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**CASE NO. 25027**

**HEARING PACKAGE  
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- Filed Application
- **Matador Exhibit A:** Self-Affirmed Statement of Ethan Frasier, Landman
  - Matador Exhibit A-1: Draft C-102s
  - Matador Exhibit A-2: Tract Map
  - Matador *Revised* Exhibit A-3: Working Interest Owners
  - Matador Exhibit A-4: Sample Well Proposal Letter & AFEs
  - Matador Exhibit A-5: Chronology of Contacts
- **Matador Exhibit B:** Self-Affirmed Statement of Anna Thorson, Geologist
  - Matador Exhibit B-1: Locator Map
  - Matador Exhibit B-2: Subsea Structure Map
  - Matador Exhibit B-3: Structural Cross Section
- **Matador Exhibit C:** Self-Affirmed Statement of Notice
- **Matador Exhibit D:** Affidavit of Publication

# COMPULSORY POOLING APPLICATION CHECKLIST

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

<b>Case: 25027</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date: February 13, 2025</b>	
Applicant	MRC Hat Mesa, LLC
Designated Operator & OGRID (affiliation if applicable)	Matador Production Company [OGRID 228937]
Applicant's Counsel:	Holland & Hart LLP
Case Title:	Application of MRC Hat Mesa for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	ConocoPhillips and COG Operating LLC
Well Family	Blue Chip
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	WC-025 G-06 S213215A; Bone Spring [97921]
Well Location Setback Rules:	Statewide Rules
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acres
Building Blocks:	Quarter-Quarter sections
Orientation:	North-South
Description: TRS/County	E2E2 of Sections 14 and 23, T21S, R32E, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in the application?	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	No
Applicant's Ownership in Each Tract	Exhibit A-3
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

Well #1	<b>Blue Chip 14 Fed Com 522H</b> (API No. pending) SHL: 984' FSL & 99' FEL (Unit P) of Sec. 11, T21S, R32E BHL: 110' FSL & 991' FEL (Unit P) of Sec. 23, T21S, R32E Completion Target: Bone Spring formation Well Orientation: North-South Completion Location expected to be: Standard
Well #2	<b>Blue Chip 14 Fed Com 551H</b> (API No. pending) SHL: 984' FSL & 209' FEL (Unit P) of Sec. 11, T21S, R32E BHL: 110' FSL & 496' FEL (Unit P) of Sec. 23, T21S, R32E Completion Target: Bone Spring formation Well Orientation: North-South Completion Location expected to be: Standard
Well #3	<b>Blue Chip 14 Fed Com 601H</b> (API No. pending) SHL: 984' FSL & 129' FEL (Unit P) of Sec. 11, T21S, R32E BHL: 110' FSL & 991' FEL (Unit P) of Sec. 23, T21S, R32E Completion Target: Bone Spring formation Well Orientation: North-South Completion Location expected to be: Standard
Horizontal Well First and Last Take Points	Exhibit A-1
Completion Target (Formation, TVD and MD)	Exhibit A-4
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$10,000
Production Supervision/Month \$	\$1,000
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	See filed Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit A-2
Tract List (including lease numbers and owners)	Exhibits A-2 and A-3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
	Exhibit A-3

Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
<b>Geology</b>	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-2
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-2
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-3
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
A-102	Exhibit A-1
Tracts	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibits A-1, B-2
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-3
<b>Additional Information</b>	
Special Provisions/Stipulations	
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Michael H. Feldewert
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	2-Jan-25

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

**APPLICATION OF MRC HAT MESA, LLC  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 25027**

**APPLICATION**

MRC Hat Mesa, LLC (“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 a standard 320-acre, more or less, horizontal well spacing unit in the Bone Spring formation underlying the E2E2 of Sections 14 and 23, Township 21 South, Range 32 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 unit the proposed **Blue Chip 1423 Fed 522H, Blue Chip 1423 Fed 551H and Blue Chip 1423 Fed 601H** wells to be horizontally drilled from a surface location in the SE4 of Section 11, with first take points in the NE4NE4 (Unit A) of Section 14 and last take points in the SW4SW4 (Unit P) of Section 23.
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 January 9, 2025, hearing docket and after notice and hearing as required by law, the Division enter an order:

- A. Approving the standard horizontal well spacing unit and pooling all uncommitted interest owners therein;
- B. Designating Matador Production Company as operator of the horizontal well spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping the wells;
- 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 wells against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By:  \_\_\_\_\_

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pmvance@hollandhart.com

ATTORNEYS FOR MRC HAT MESA, LLC

CASE \_\_\_\_\_: **Application of MRC Hat Mesa, LLC for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling a standard 320-acre, more or less, horizontal well spacing unit in the Bone Spring formation underlying the E2E2 of Sections 14 and 23, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico. Applicant seeks to initially dedicate the above-referenced spacing unit the proposed **Blue Chip 1423 Fed 522H, Blue Chip 1423 Fed 551H and Blue Chip 1423 Fed 601H** wells to be horizontally drilled from a surface location in the SE4 of Section 11, with first take points in the NE4NE4 (Unit A) of Section 14 and last take points in the SW4SW4 (Unit P) of Section 23. 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 33 miles northeast of Carlsbad, New Mexico.

**STATE OF NEW MEXICO  
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**APPLICATION OF MRC HAT MESA, LLC  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 25027**

**SELF-AFFIRMED STATEMENT OF ETHAN FRASIER**

Ethan Frasier, of lawful age and being first duly sworn, declares as follows:

1. My name is Ethan Frasier. I work for MRC Energy Company, an affiliate of MRC Hat Mesa, LLC (“MRC”), as a Landman.

2. I graduated from Texas Tech University in May of 2023 with a bachelor’s degree in Energy Commerce with a focus in Petroleum Land Management. During my time at Texas Tech University, I worked at ConocoPhillips as a Land Negotiator Intern starting in May of 2022, and ending in August of 2022. Following my internship with ConocoPhillips I worked part time with Angel & Donohue Oil and Gas Properties, Inc. from January of 2023 to May of 2023, where I ran courthouse documents and assembled title runsheets. Since Graduation, I have been at Matador and have worked as a landman in their New Mexico and Texas Delaware Basin assets. My responsibilities as a Landman include but are not limited to Acquisitions and Divestitures, Negotiating, Due Diligence, and Land Operations within the Oil and Gas industry. I am a registered and active member of the American Association of Professional Landmen (AAPL), and the Dallas Association of Professional Landmen (DAPL).

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.

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A  
Submitted by: Matador Production Company  
Hearing Date: February 13, 2025  
Case No. 25027**

4. In this case, MRC is seeking an order pooling all uncommitted interests in a standard 320-acre, more or less, horizontal well spacing unit in the Bone Spring formation underlying the E/2 E/2 of Sections 14 and 23, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico, and initially dedicate this Bone Spring spacing unit to the proposed **Blue Chip 1423 Fed 522H, Blue Chip 1423 Fed 551H and Blue Chip 1423 Fed 601H** wells to be horizontally drilled from a surface location in the SE4 of Section 11, with first take points in the NE4NE4 (Unit A) of Section 14 and last take points in the SW4SW4 (Unit P) of Section 23.

5. MRC understands these wells will be placed in the WC-025 G-06 S213215A; BONE SPRING [97921] pool.

6. **MRC Exhibit A-1** contains the Form C-102s for the proposed initial well.

7. The completed intervals for the proposed well will remain within the standard setbacks required by the statewide rules set forth in 19.15.16.15 NMAC.

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

9. **MRC Exhibit A-3** identifies the working interest owners that MRC is seeking to pool along with their ownership interest in the proposed horizontal spacing unit. **MRC Exhibit A-3** also includes a list of the overriding royalty and record title 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 wells to the working interest parties it seeks to pool. **MRC Exhibit A-4** contains a copy of the representative example of the well proposal letters that were sent to the working interest partners

at various times, along with the AFE that was sent for each well. The costs reflected in the AFEs are consistent with what other operators have incurred for drilling similar horizontal wells in the area. **MRC Exhibit A-4** also contains a copy of a recent letter MRC sent to the working interest parties it seeks to pool regarding a change of certain well locations within the spacing unit.

12. **MRC Exhibit A-5** contains a summary of MRC's contacts with the uncommitted working interest owners we seek to pool in this case. As indicated on MRC Exhibit A-5, MRC has been able to contact and have discussions with a number of the working interest owners that MRC seeks to pool. As shown on Exhibit A-5, there are a few owners MRC has not yet been able to speak with despite attempting multiple phone calls, but it appears that MRC's well proposals were delivered to those owners. In my opinion, MRC has undertaken good faith efforts to reach an agreement with the uncommitted working interest owner that MRC seeks to pool in this case.

13. MRC has made an estimate of overhead and administrative costs for drilling and producing the proposed wells. It is \$10,000/month while drilling, and \$1,000/month while producing. These costs are consistent with what other operators are charging in this area for these types of wells. MRC respectfully requests that these administrative and overhead costs be incorporated into any order entered by the Division in this case.

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

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

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



---

Ethan Frasier

2/5/2025

---

Date

# **Exhibit A-1**

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A-1  
Submitted by: Matador Production Company  
Hearing Date: February 13, 2025  
Case No. 25027**

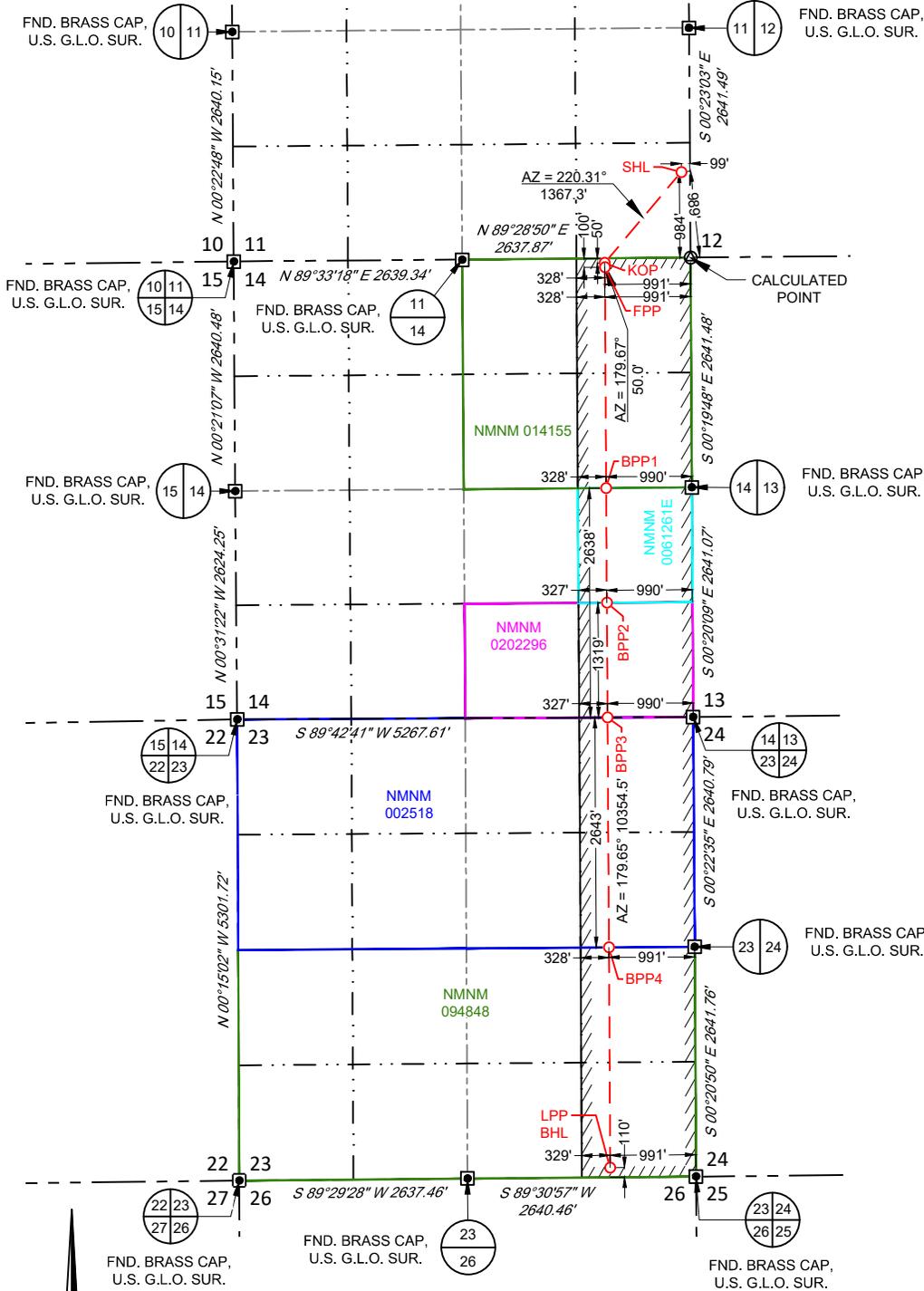


<b>C-102</b>  Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department <b>OIL CONSERVATION DIVISION</b>	Revised July 9, 2024			
		Submittal Type: <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td><input checked="" type="checkbox"/> Initial Submittal</td> </tr> <tr> <td><input type="checkbox"/> Amended Report</td> </tr> <tr> <td><input type="checkbox"/> As Drilled</td> </tr> </table>	<input checked="" type="checkbox"/> Initial Submittal	<input type="checkbox"/> Amended Report	<input type="checkbox"/> As Drilled
<input checked="" type="checkbox"/> Initial Submittal					
<input type="checkbox"/> Amended Report					
<input type="checkbox"/> As Drilled					
Property Name and Well Number <b>BLUE CHIP 14 FED COM 522H</b>					

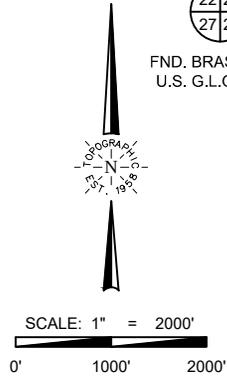
<p><b>SURFACE LOCATION (SHL)</b>          NEW MEXICO EAST          NAD 1983          X=755970 Y=542277          LAT.: N 32.4888570          LONG.: W 103.6372337  <b>NAD 1927</b>          X=714788 Y=542216          LAT.: N 32.4887343          LONG.: W 103.6367439          984' FSL 99' FEL</p> <p><b>KICK OFF POINT (KOP)</b>          NEW MEXICO EAST          NAD 1983          X=755085 Y=541235          LAT.: N 32.4860073          LONG.: W 103.6401244  <b>NAD 1927</b>          X=713903 Y=541173          LAT.: N 32.4858846          LONG.: W 103.6396347          50' FNL 991' FEL</p> <p><b>FIRST PERF. POINT (FPP)</b>          NEW MEXICO EAST          NAD 1983          X=755085 Y=541185          LAT.: N 32.4858699          LONG.: W 103.6401245  <b>NAD 1927</b>          X=713904 Y=541123          LAT.: N 32.4857472          LONG.: W 103.6396348          100' FNL 991' FEL</p> <p><b>BLM PERF. POINT (BPP1)</b>          NEW MEXICO EAST          NAD 1983          X=755101 Y=538644          LAT.: N 32.4788866          LONG.: W 103.6401281  <b>NAD 1927</b>          X=713919 Y=538583          LAT.: N 32.4787638          LONG.: W 103.6396386          2638' FSL 990' FEL</p>		<p><b>BLM PERF. POINT (BPP2)</b>          NEW MEXICO EAST          NAD 1983          X=755109 Y=537325          LAT.: N 32.4752612          LONG.: W 103.6401299  <b>NAD 1927</b>          X=713927 Y=537264          LAT.: N 32.4751384          LONG.: W 103.6396406          1319' FSL 990' FEL</p> <p><b>BLM PERF. POINT (BPP3)</b>          NEW MEXICO EAST          NAD 1983          X=755117 Y=536006          LAT.: N 32.4716359          LONG.: W 103.6401318  <b>NAD 1927</b>          X=713935 Y=535945          LAT.: N 32.4715131          LONG.: W 103.6396426          0' FSL 990' FEL</p> <p><b>BLM PERF. POINT (BPP4)</b>          NEW MEXICO EAST          NAD 1983          X=755133 Y=533364          LAT.: N 32.4643720          LONG.: W 103.6401355  <b>NAD 1927</b>          X=713951 Y=533302          LAT.: N 32.4642492          LONG.: W 103.6396465          2643' FNL 991' FEL</p> <p><b>LAST PERF. POINT (LPP)</b>          NEW MEXICO EAST          NAD 1983          X=755148 Y=530830          LAT.: N 32.4574090          LONG.: W 103.6401390  <b>NAD 1927</b>          X=713966 Y=530769          LAT.: N 32.4572861          LONG.: W 103.6396503          110' FSL 991' FEL</p>
<p><b>SURVEYORS CERTIFICATION</b>          I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.          08/18/2023          Date of Survey          Signature and Seal of Professional Surveyor:</p>		



SECTION 11, TOWNSHIP 21-S, RANGE 32-E, N.M.P.M. LEA COUNTY, NEW MEXICO



- SURFACE LOCATION (SHL) NEW MEXICO EAST NAD 1983 X=755970 Y=542277... KICK OFF POINT (KOP) NEW MEXICO EAST NAD 1983 X=755085 Y=541235... FIRST PERF. POINT (FPP) NEW MEXICO EAST NAD 1983 X=755085 Y=541185... BLM PERF. POINT (BPP1) NEW MEXICO EAST NAD 1983 X=755101 Y=538644... BLM PERF. POINT (BPP2) NEW MEXICO EAST NAD 1983 X=755109 Y=537325... BLM PERF. POINT (BPP3) NEW MEXICO EAST NAD 1983 X=755117 Y=536006... BLM PERF. POINT (BPP4) NEW MEXICO EAST NAD 1983 X=755133 Y=533364... LAST PERF. POINT (LPP) NEW MEXICO EAST NAD 1983 X=755148 Y=530830... BOTTOM HOLE LOCATION (BHL) NEW MEXICO EAST NAD 1983 X=755148 Y=530830...



LEASE NAME & WELL NO.: BLUE CHIP 14 FED COM 522H SECTION 11 TWP 21-S RGE 32-E SURVEY N.M.P.M. COUNTY LEA STATE NM DESCRIPTION 984' FSL & 99' FEL

DISTANCE & DIRECTION FROM INT. OF US-180 E/US-62 E & NM-176 E. GO SOUTHEAST ON NM-176 E ±6.4 MILES. THENCE SOUTH (RIGHT) ON A PROPOSED RD. ±2.7 MILES TO A POINT ±638 FEET SOUTHWEST OF THE LOCATION.



Angel M. Baeza, P.S. No. 25116

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY MATADOR PRODUCTION COMPANY. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY. AS OF THE DATE OF SURVEY, ALL ABOVE GROUND APPURTENANCES WITHIN 300' OF THE STAKED LOCATION ARE SHOWN HEREON.

TOPOGRAPHIC LOYALTY INNOVATION LEGACY 481 WINSOTT ROAD, Ste. 200 • BENBROOK, TEXAS 76126 TELEPHONE: (817) 744-7512 • FAX (817) 744-7554 2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705 TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743 WWW.TOPOGRAPHIC.COM





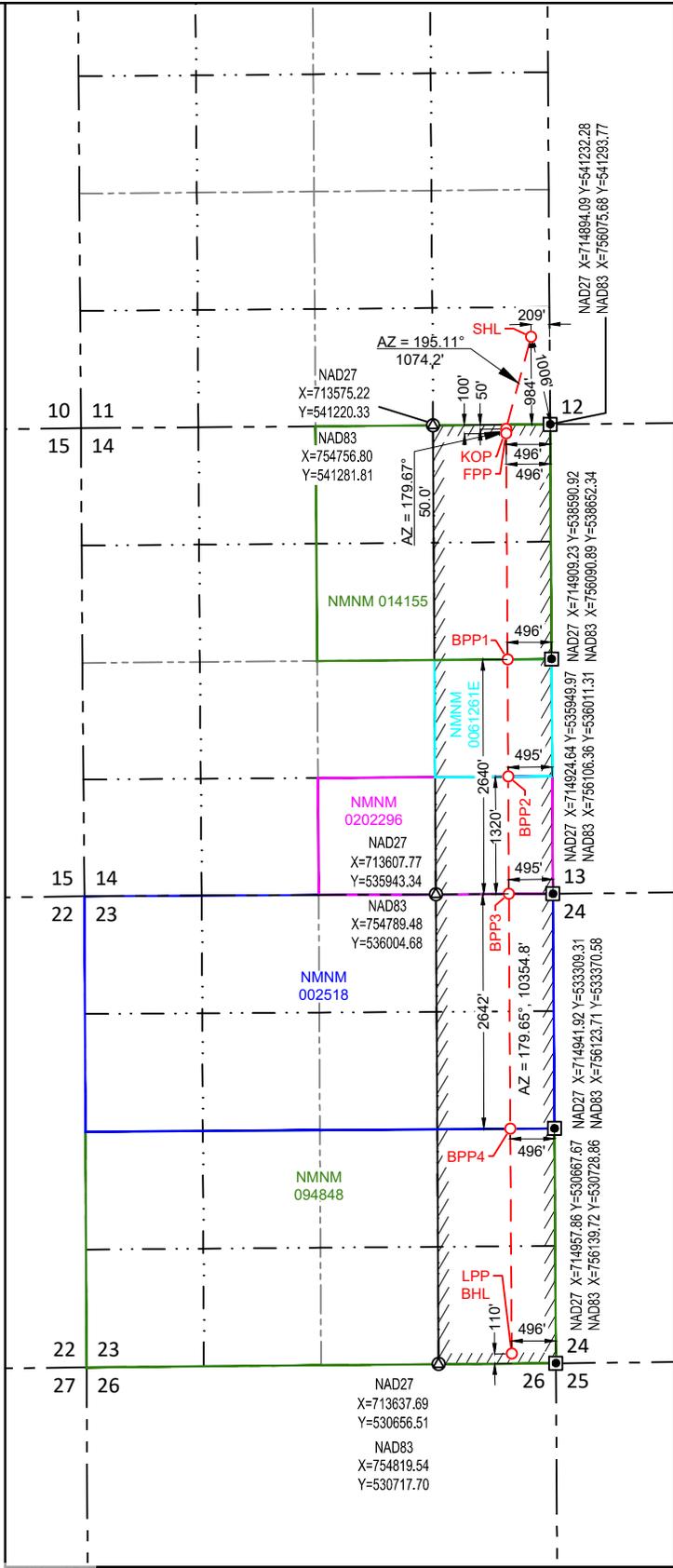
<b>C-102</b> Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department <b>OIL CONSERVATION DIVISION</b>	Revised July 9, 2024
	Property Name and Well Number <p align="center"><b>BLUE CHIP 14 FED COM 551H</b></p>	Submittal Type: <input checked="" type="checkbox"/> Initial Submittal <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled

**SURFACE LOCATION (SHL)**  
 NEW MEXICO EAST  
 NAD 1983  
 X=755860 Y=542276  
 LAT.: N 32.4888562  
 LONG.: W 103.6375904  
**NAD 1927**  
 X=714678 Y=542215  
 LAT.: N 32.4887335  
 LONG.: W 103.6371006  
 984' FSL 209' FEL

**KICK OFF POINT (KOP)**  
 NEW MEXICO EAST  
 NAD 1983  
 X=755580 Y=541239  
 LAT.: N 32.4860108  
 LONG.: W 103.6385204  
**NAD 1927**  
 X=714398 Y=541178  
 LAT.: N 32.4858881  
 LONG.: W 103.6380307  
 50' FNL 496' FEL

**FIRST PERF. POINT (FPP)**  
 NEW MEXICO EAST  
 NAD 1983  
 X=755580 Y=541189  
 LAT.: N 32.4858734  
 LONG.: W 103.6385205  
**NAD 1927**  
 X=714398 Y=541128  
 LAT.: N 32.4857506  
 LONG.: W 103.6380309  
 100' FNL 496' FEL

**BLM PERF. POINT (BPP1)**  
 NEW MEXICO EAST  
 NAD 1983  
 X=755595 Y=538648  
 LAT.: N 32.4788889  
 LONG.: W 103.6385242  
**NAD 1927**  
 X=714414 Y=538587  
 LAT.: N 32.4787661  
 LONG.: W 103.6380348  
 2640' FSL 496' FEL



**BLM PERF. POINT (BPP2)**  
 NEW MEXICO EAST  
 NAD 1983  
 X=755603 Y=537329  
 LAT.: N 32.4752614  
 LONG.: W 103.6385261  
**NAD 1927**  
 X=714422 Y=537267  
 LAT.: N 32.4751386  
 LONG.: W 103.6380368  
 1320' FSL 495' FEL

**BLM PERF. POINT (BPP3)**  
 NEW MEXICO EAST  
 NAD 1983  
 X=755611 Y=536009  
 LAT.: N 32.4716339  
 LONG.: W 103.6385281  
**NAD 1927**  
 X=714430 Y=535947  
 LAT.: N 32.4715111  
 LONG.: W 103.6380389  
 0' FSL 495' FEL

**BLM PERF. POINT (BPP4)**  
 NEW MEXICO EAST  
 NAD 1983  
 X=755627 Y=533367  
 LAT.: N 32.4643726  
 LONG.: W 103.6385319  
**NAD 1927**  
 X=714446 Y=533306  
 LAT.: N 32.4642498  
 LONG.: W 103.6380430  
 2642' FNL 496' FEL

**LAST PERF. POINT (LPP)**  
**BOTTOM HOLE LOCATION (BHL)**  
 NEW MEXICO EAST  
 NAD 1983  
 X=755643 Y=530835  
 LAT.: N 32.4574116  
 LONG.: W 103.6385355  
**NAD 1927**  
 X=714461 Y=530773  
 LAT.: N 32.4572888  
 LONG.: W 103.6380468  
 110' FSL 496' FEL

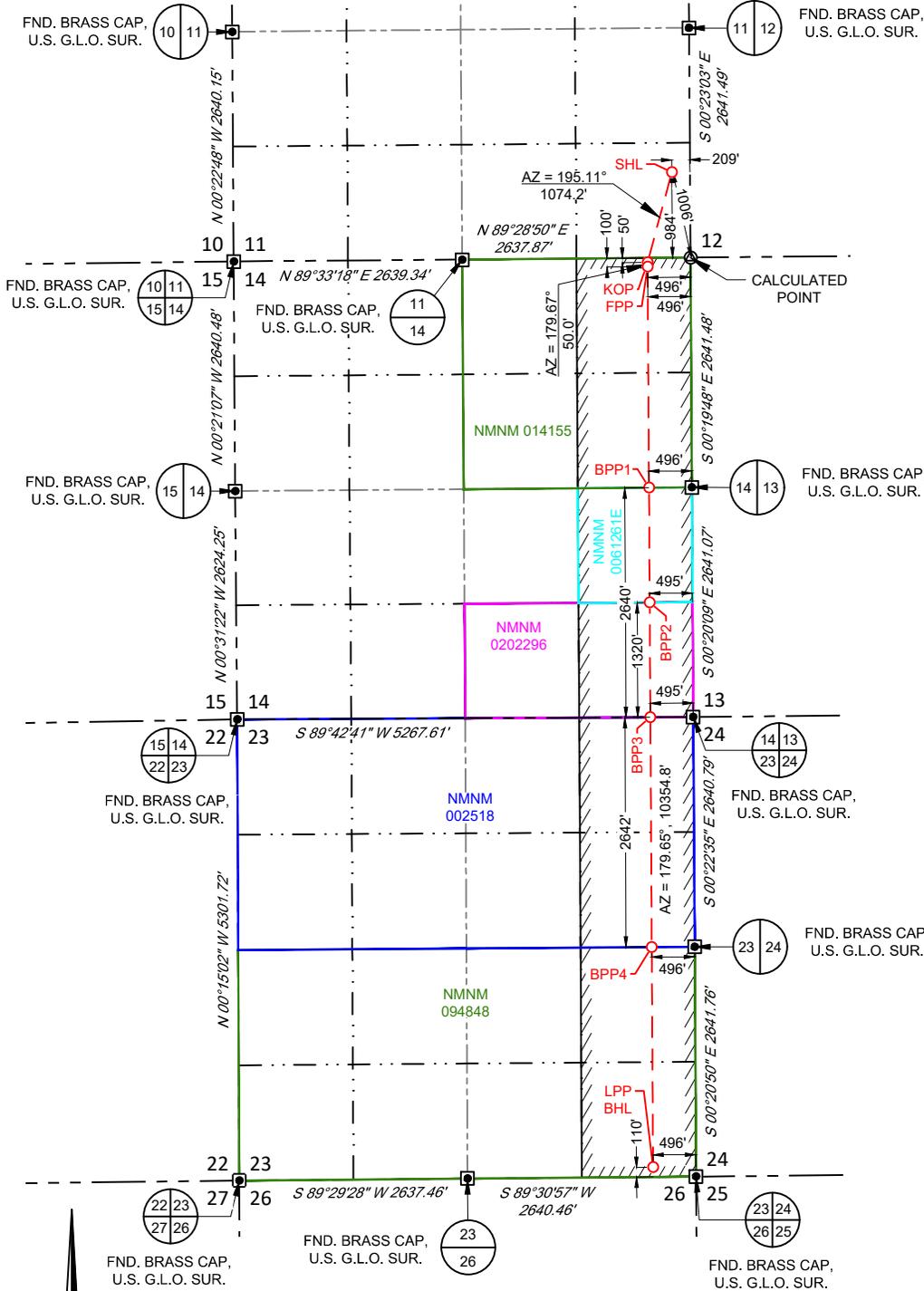
**SURVEYORS CERTIFICATION**  
 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.  
 08/18/2023  
 Date of Survey  
 Signature and Seal of Professional Surveyor:



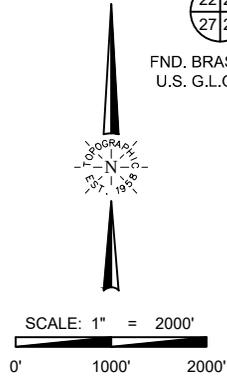
S:\SURVEY\MANADOR\_RESOURCE\BLUE\_CHIP\_14\_FED\_COM\_551H\_REV17.MXD\KWALES\_20250818.MXD



SECTION 11, TOWNSHIP 21-S, RANGE 32-E, N.M.P.M. LEA COUNTY, NEW MEXICO



- SURFACE LOCATION (SHL)**  
NEW MEXICO EAST NAD 1983  
X=755860 Y=542276  
LAT.: N 32.4888562  
LONG.: W 103.6375904  
984' FSL 209' FEL
- KICK OFF POINT (KOP)**  
NEW MEXICO EAST NAD 1983  
X=755580 Y=541239  
LAT.: N 32.4860108  
LONG.: W 103.6385204  
50' FNL 496' FEL
- FIRST PERF. POINT (FPP)**  
NEW MEXICO EAST NAD 1983  
X=755580 Y=541189  
LAT.: N 32.4858734  
LONG.: W 103.6385205  
100' FNL 496' FEL
- BLM PERF. POINT (BPP1)**  
NEW MEXICO EAST NAD 1983  
X=755595 Y=538648  
LAT.: N 32.4788889  
LONG.: W 103.6385242  
2640' FSL 496' FEL
- BLM PERF. POINT (BPP2)**  
NEW MEXICO EAST NAD 1983  
X=755603 Y=537329  
LAT.: N 32.4752614  
LONG.: W 103.6385261  
1320' FSL 495' FEL
- BLM PERF. POINT (BPP3)**  
NEW MEXICO EAST NAD 1983  
X=755611 Y=536009  
LAT.: N 32.4716339  
LONG.: W 103.6385281  
0' FSL 495' FEL
- BLM PERF. POINT (BPP4)**  
NEW MEXICO EAST NAD 1983  
X=755627 Y=533367  
LAT.: N 32.4643726  
LONG.: W 103.6385319  
2642' FNL 496' FEL
- LAST PERF. POINT (LPP)**
- BOTTOM HOLE LOCATION (BHL)**  
NEW MEXICO EAST NAD 1983  
X=755643 Y=530835  
LAT.: N 32.4574116  
LONG.: W 103.6385355  
110' FSL 496' FEL



LEASE NAME & WELL NO.: BLUE CHIP 14 FED COM 551H

SECTION 11 TWP 21-S RGE 32-E SURVEY N.M.P.M.  
 COUNTY LEA STATE NM  
 DESCRIPTION 984' FSL & 209' FEL

**DISTANCE & DIRECTION**  
 FROM INT. OF US-180 E/US-62 E & NM-176 E. GO SOUTHEAST ON NM-176 E ±6.4 MILES. THENCE SOUTH (RIGHT) ON A PROPOSED RD. ±2.7 MILES TO A POINT ±572 FEET SOUTHWEST OF THE LOCATION.



Angel M. Baeza, P.S. No. 25116

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET  
 THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY MATADOR PRODUCTION COMPANY. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.  
 AS OF THE DATE OF SURVEY, ALL ABOVE GROUND APPURTENANCES WITHIN 300' OF THE STAKED LOCATION ARE SHOWN HEREON.

**TOPOGRAPHIC**  
 LOYALTY INNOVATION LEGACY  
 481 WINSOTT ROAD, Ste. 200 • BENBROOK, TEXAS 76126  
 TELEPHONE: (817) 744-7512 • FAX (817) 744-7554  
 2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705  
 TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743  
 WWW.TOPOGRAPHIC.COM





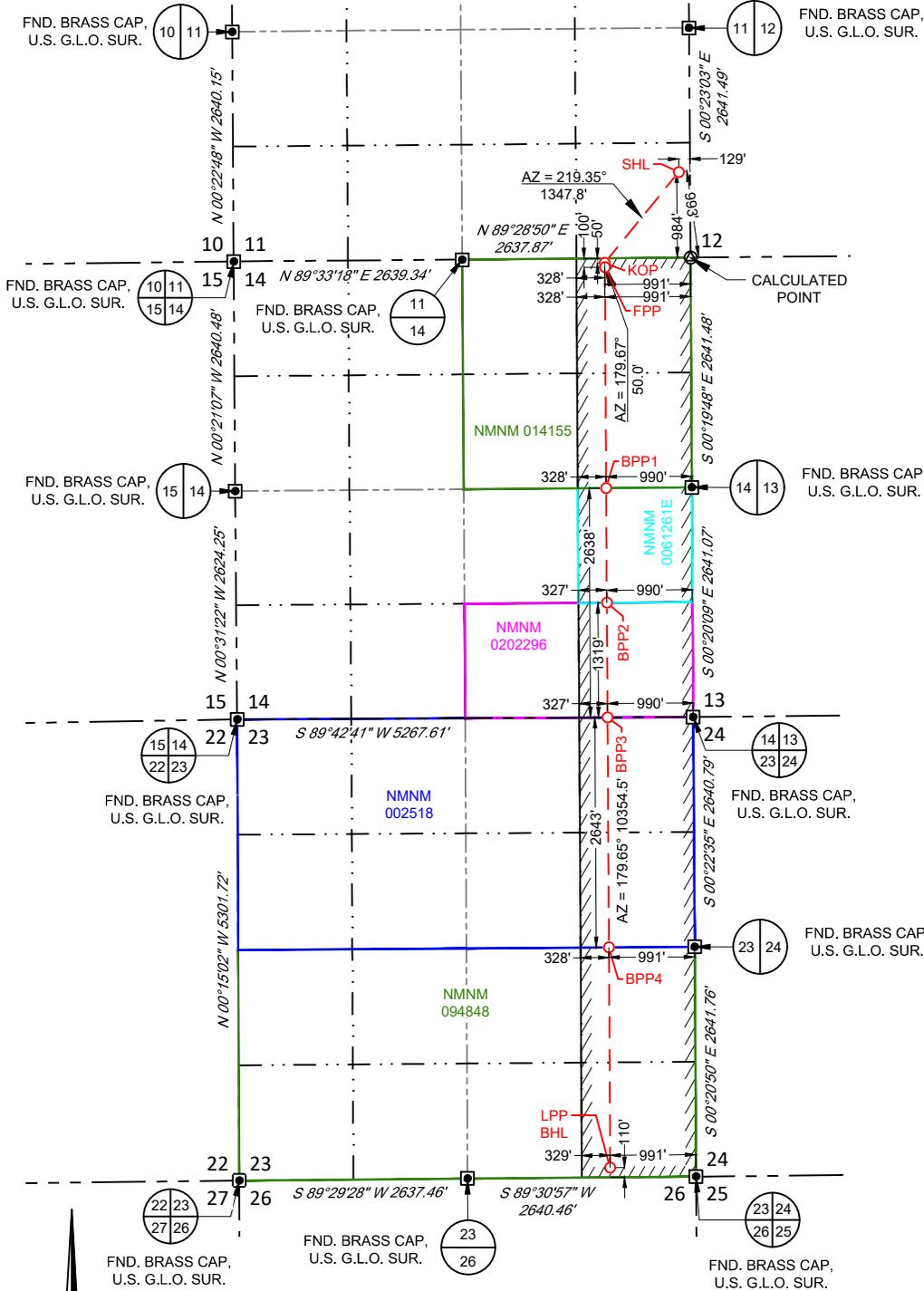
<b>C-102</b>  Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department <b>OIL CONSERVATION DIVISION</b>	Revised July 9, 2024
		Submittal Type: <input checked="" type="checkbox"/> Initial Submittal <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled
Property Name and Well Number <b>BLUE CHIP 14 FED COM 601H</b>		

<p><b>SURFACE LOCATION (SHL)</b>          NEW MEXICO EAST          NAD 1983          X=755940 Y=542277          LAT.: N 32.4888568          LONG.: W 103.6373309  <b>NAD 1927</b>          X=714758 Y=542216          LAT.: N 32.4887340          LONG.: W 103.6368412          984' FSL 129' FEL</p> <p><b>KICK OFF POINT (KOP)</b>          NEW MEXICO EAST          NAD 1983          X=755085 Y=541235          LAT.: N 32.4860073          LONG.: W 103.6401244  <b>NAD 1927</b>          X=713903 Y=541173          LAT.: N 32.4858846          LONG.: W 103.6396347          50' FNL 991' FEL</p> <p><b>FIRST PERF. POINT (FPP)</b>          NEW MEXICO EAST          NAD 1983          X=755085 Y=541185          LAT.: N 32.4858699          LONG.: W 103.6401245  <b>NAD 1927</b>          X=713904 Y=541123          LAT.: N 32.4857472          LONG.: W 103.6396348          100' FNL 991' FEL</p> <p><b>BLM PERF. POINT (BPP1)</b>          NEW MEXICO EAST          NAD 1983          X=755101 Y=538644          LAT.: N 32.4788866          LONG.: W 103.6401281  <b>NAD 1927</b>          X=713919 Y=538583          LAT.: N 32.4787638          LONG.: W 103.6396386          2638' FSL 990' FEL</p>		<p><b>BLM PERF. POINT (BPP2)</b>          NEW MEXICO EAST          NAD 1983          X=755109 Y=537325          LAT.: N 32.4752612          LONG.: W 103.6401299  <b>NAD 1927</b>          X=713927 Y=537264          LAT.: N 32.4751384          LONG.: W 103.6396406          1319' FSL 990' FEL</p> <p><b>BLM PERF. POINT (BPP3)</b>          NEW MEXICO EAST          NAD 1983          X=755117 Y=536006          LAT.: N 32.4716359          LONG.: W 103.6401318  <b>NAD 1927</b>          X=713935 Y=535945          LAT.: N 32.4715131          LONG.: W 103.6396426          0' FSL 990' FEL</p> <p><b>BLM PERF. POINT (BPP4)</b>          NEW MEXICO EAST          NAD 1983          X=755133 Y=533364          LAT.: N 32.4643720          LONG.: W 103.6401355  <b>NAD 1927</b>          X=713951 Y=533302          LAT.: N 32.4642492          LONG.: W 103.6396465          2643' FNL 991' FEL</p> <p><b>LAST PERF. POINT (LPP)</b>          NEW MEXICO EAST          NAD 1983          X=755148 Y=530830          LAT.: N 32.4574090          LONG.: W 103.6401390  <b>NAD 1927</b>          X=713966 Y=530769          LAT.: N 32.4572861          LONG.: W 103.6396503          110' FSL 991' FEL</p>
<p><b>SURVEYORS CERTIFICATION</b>          I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.          08/18/2023          Date of Survey          Signature and Seal of Professional Surveyor:</p>		

S:\SURVEY\MANAGER\_RESOURCES\VALLE\_CIP\_14\_FED\_COM\011\_REV1\DWG\WELLER\_202509.AIN



SECTION 11, TOWNSHIP 21-S, RANGE 32-E, N.M.P.M.  
LEA COUNTY, NEW MEXICO



- SURFACE LOCATION (SHL)**  
NEW MEXICO EAST  
NAD 1983  
X=755940 Y=542277  
LAT.: N 32.4888568  
LONG.: W 103.6373309  
984' FSL 129' FEL
- KICK OFF POINT (KOP)**  
NEW MEXICO EAST  
NAD 1983  
X=755085 Y=541235  
LAT.: N 32.4860073  
LONG.: W 103.6401244  
50' FNL 991' FEL
- FIRST PERF. POINT (FPP)**  
NEW MEXICO EAST  
NAD 1983  
X=755085 Y=541185  
LAT.: N 32.4858699  
LONG.: W 103.6401245  
100' FNL 991' FEL
- BLM PERF. POINT (BPP1)**  
NEW MEXICO EAST  
NAD 1983  
X=755101 Y=538644  
LAT.: N 32.4788866  
LONG.: W 103.6401281  
2638' FSL 990' FEL
- BLM PERF. POINT (BPP2)**  
NEW MEXICO EAST  
NAD 1983  
X=755109 Y=537325  
LAT.: N 32.4752612  
LONG.: W 103.6401299  
1319' FSL 990' FEL
- BLM PERF. POINT (BPP3)**  
NEW MEXICO EAST  
NAD 1983  
X=755117 Y=536006  
LAT.: N 32.4716359  
LONG.: W 103.6401318  
0' FSL 990' FEL
- BLM PERF. POINT (BPP4)**  
NEW MEXICO EAST  
NAD 1983  
X=755133 Y=533364  
LAT.: N 32.4643720  
LONG.: W 103.6401355  
2643' FNL 991' FEL
- LAST PERF. POINT (LPP)**
- BOTTOM HOLE LOCATION (BHL)**  
NEW MEXICO EAST  
NAD 1983  
X=755148 Y=530830  
LAT.: N 32.4574090  
LONG.: W 103.6401390  
110' FSL 991' FEL



SCALE: 1" = 2000'  
0' 1000' 2000'

LEASE NAME & WELL NO.: BLUE CHIP 14 FED COM 601H

SECTION 11 TWP 21-S RGE 32-E SURVEY N.M.P.M.  
COUNTY LEA STATE NM  
DESCRIPTION 984' FSL & 129' FEL

DISTANCE & DIRECTION  
FROM INT. OF US-180 E/US-62 E & NM-176 E. GO SOUTHEAST ON NM-176 E  
±6.4 MILES. THENCE SOUTH (RIGHT) ON A PROPOSED RD. ±2.7 MILES TO  
A POINT ±638 FEET SOUTHWEST OF THE LOCATION.



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THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY MATADOR PRODUCTION COMPANY. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.  
AS OF THE DATE OF SURVEY, ALL ABOVE GROUND APPURTENANCES WITHIN 300' OF THE STAKED LOCATION ARE SHOWN HEREON.



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TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743  
WWW.TOPOGRAPHIC.COM



## **Exhibit A-2**

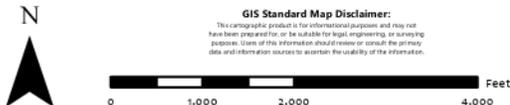
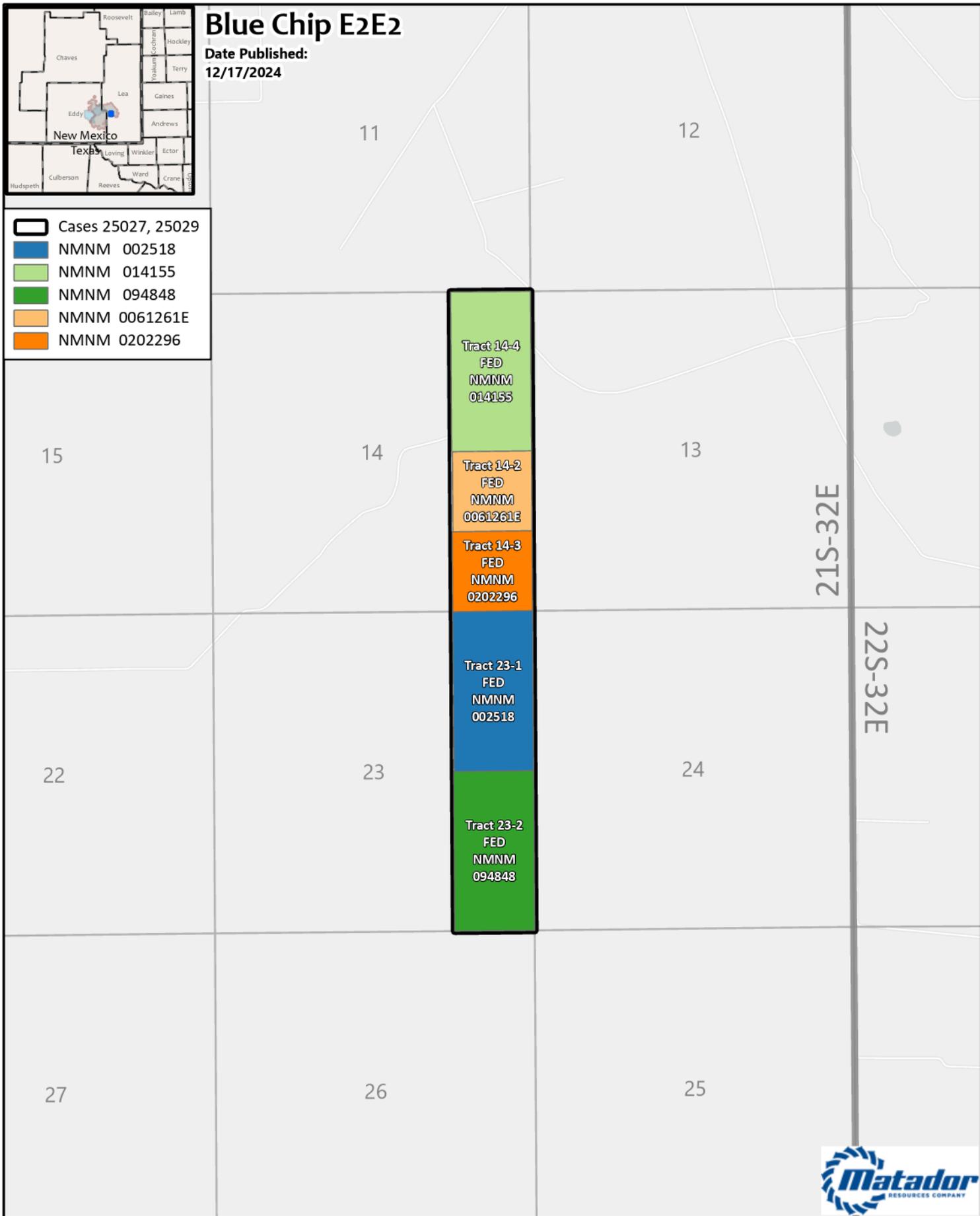
**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A-2  
Submitted by: Matador Production Company  
Hearing Date: February 13, 2025  
Case No. 25027**



# Blue Chip E2E2

Date Published:  
12/17/2024

- Cases 25027, 25029
- NMNM 002518
- NMNM 014155
- NMNM 094848
- NMNM 0061261E
- NMNM 0202296



**GIS Standard Map Disclaimer:**  
 This cartographic product is for informational purposes and may not have been prepared for, or be suitable for, legal, engineering, or planning purposes. Users of this information should review or consult the primary data and information sources to ascertain the validity of the information.

**1:25,000**  
 1 inch equals 2,083 feet

Map Prepared by: Lillian.yeargins  
 Date: December 17, 2024  
 Project: \\gis\UserData\lyeargins\--projects\Tract Maps\Tract Maps.aprx  
 Spatial Reference: NAD 1983 StatePlane New Mexico East FIPS 3001 Feet  
 Sources: IHS; ESRI; US DOI BLM Carlsbad, NM Field Office, GIS Department;  
 Texas Cooperative Wildlife Collection, Texas A&M University;  
 United States Census Bureau (TIGER).

## **Exhibit A-3**

**BEFORE THE OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico  
*Revised Exhibit No. A-3*  
**Submitted by: Matador Production Company**  
**Hearing Date: February 13, 2025**  
**Case No. 25027**

**E2E2 Bone Spring Blue Chip**

**MRC Permian  
Voluntary Joinder**

**90.962337%  
7.812663%**

Owner	Description	Tract	Interest
Monarch Resources, Ltd.	WI	14-4	0.015625
IB4S Enterprises, LLC	WI	14-2, 14-3, 14-4	0.0065625
Jeffery C. Neal and Frances B. Neal, Co-Trustees of the J.F. Neal Revocable Trust	WI	14-2, 14-3, 14-4	0.00109375
Traverse Exploration, LLC	WI	14-4	0.015625
CALM Fort Worth Ventures, LLC	WI	14-4	0.0078125
Rancho Ciervo Resources LLC	WI	14-4	0.002604167
1119 Oil & Gas, LLC	WI	14-4	0.001354167
OTSS Investments, LLC	WI	14-4	0.001354167
Duer Wagner III, Trustee of the Wagner Family Trust	WI	14-4	0.001354167
Ivory Oil Company, LLC	WI	14-4	0.000520833
Roy E. Guinnup	WI	14-4	0.000625
WWHI, LP	WI	14-2, 14-3, 14-4	0.01179769
Cibolo Resources, LLC	WI	14-2, 14-3, 14-4	0.01179769

**Compulsary Pool**

**1.225000%**

Owner	Description	Tract	Interest
John Castle	WI	14-2, 14-3, 14-4	0.0065625
Stacy L. Green, as her sole and separate property	WI	14-2, 14-3, 14-4	0.000546875
Paul B. Giddings	WI	14-4	0.001476563
Audrey A. Giddings	WI	14-4	0.001476563
Claudia Neal Young	WI	14-2, 14-3, 14-4	0.000729167
Laura Neal Barbaree	WI	14-2, 14-3, 14-4	0.000729167
Patricia Neal	WI	14-2, 14-3, 14-4	0.000729167

\*MRC has credited Claudia Neal Young a WI in this unit as the beneficiary to the JWN Trust. Out of an abundance of caution, MRC has also listed Timothy J. Cusack, as the Trustee of the JWN Trust on the notice list. There are currtative items in title that still need to be resolved.

\*MRC has credited Laura Neal Barbaree a WI in this unit as the beneficiary to the JWN Trust. Out of an abundance of caution, MRC has also listed Timothy J. Cusack, as the Trustee of the JWN Trust on the notice list. There are currtative items in title that still need to be resolved.

\*MRC has credited Patricia Neal a WI in this unit as the beneficiary to the JWN Trust. Out of an abundance of caution, MRC has also listed Timothy J. Cusack, as the Trustee of the JWN Trust on the notice list. There are currtative items in title that still need to be resolved.

Lowe Royalty Partners, L.P.	ORRI		
CCS Resources, Inc.	ORRI		
Mosaic Resources, LLC	ORRI		
Hat Mesa, LLC	ORRI		
Regen Royalty Corp.	ORRI		
Rio Bravo Resources, LLC	ORRI		
New-Tex Oil Company	ORRI		
John D. Smith, whose wife is Wendy Smith	ORRI		
D. Kirk Edwards	ORRI		
Tumbler Energy Partners, LLC	ORRI		
Foundation Minerals, LLC	ORRI		
Mavros Minerals II, LLC	ORRI		
EOG Resources, Inc.	ORRI		
Exploration Finance Company	ORRI		
Oak Valley Minerals and Land, LP	ORRI		
TD Minerals	ORRI		
MerPel, LLC	ORRI		

Pony Oil Operating, LLC	ORRI		
McMullen Minerals, LLC	ORRI		
Pegasus Resources, LLC	ORRI		
Mabel, LLC	ORRI		
Nolan, LLC	ORRI		
William Cravens	ORRI		
Anthony Energy, Ltd.	ORRI		
Ruth Bell	ORRI		
KMR Energy Company	ORRI		
Anadarko Partners III, LP	ORRI		
Raisa III Minerals	ORRI		
Penasco Petroleum LLC	ORRI		
Rolla R. Hinkle III	ORRI		
Encore Permian Holdings LP	ORRI		
PetroLima, LLC	ORRI		
John Kyle Thoma, Trustee of the Cornerstone Family Trust	ORRI		
Cibolo Oil & Gas LLC	ORRI		
Panan Energy, Inc.	ORRI		
Indaba Investments, Inc.	ORRI		
Bayard Bell Linbeck, Trustee of the Bayard Bell Linbeck Irrevocable Gift Trust	ORRI		
Arch Leonard Bell, Trustee of the Arch Leonard Bell Irrevocable Gift Trust	ORRI		
Colburn Oil, LP	ORRI		
Flo-Tex Oil Co., LLC	ORRI		
Integrity Energy, LLC	ORRI		
Essence Resources, LLC	ORRI		
Pegasus Resources II, LLC	ORRI		
TD Minerals, LLC	ORRI		
William L. Cravens, Trustee of the WLC Exempt Trust	ORRI		
SMP Titan Mineral Holdings, LP	ORRI		
SMP Sidecar Titan Mineral Holdings, LP	ORRI		
SMP Titan Flex, LP	ORRI		
MSH Family Real Estate Partnership II, LLC	ORRI		
Anthony Energy, Ltd	ORRI		
Regen Royalty Corp	ORRI		
Martin Joyce	ORRI		
Rio Bravo Resources LLC	ORRI		
Hat Mesa LLC	ORRI		
New-Tex Oil Co.	ORRI		
Jon D. Smith and wife, Wendy L. Smith	ORRI		
Lowe Royalty Partners, LP	ORRI		
Raisa II HoldCo, Inc.	ORRI		
Penasco Petroleum, LLC	ORRI		
Rolla Hinkle III	ORRI		
Texco Resources, LLC	ORRI		
Independence Resources, LLC	ORRI		
Chad Shirley	ORRI		
Cornerstone Family Trust	ORRI		
AEPXCON Management LLC	ORRI		
WRH I, LP	ORRI		
EOG Resources, LLC	Record Title	14-3	

PANAN Energy, Inc.	Record Title	14-4	
Monarch Resoureces, Inc.	Record Title	14-4	
VML Resources, Inc.	Record Title	14-4	

# **Exhibit A-4**

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A-4  
Submitted by: Matador Production Company  
Hearing Date: February 13, 2025  
Case No. 25027**

# MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240

Voice 972.371.5401 • Fax 972.371.5201

[ethan.frasier@matadorresources.com](mailto:ethan.frasier@matadorresources.com)

---

**Ethan Frasier  
Landman**

August 6, 2024

VIA CERTIFIED RETURN RECEIPT MAIL

1B4S Enterprises, LLC  
3203 Bowie Street  
Amarillo, TX 79109

Re: Blue Chip 1423 Fed 501H, 503H, 502H, 504H, 511H, 513H, 522H, 524H, 551H, 553H, 601H, 603H,  
702H & 704H (the "Wells")  
Participation Proposal  
E/2 of Section 14 & 23, Township 21 South, Range 32 East  
Lea County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Blue Chip 1423 Fed #501H, Blue Chip 1423 Fed #503H, Blue Chip 1423 Fed #502H, Blue Chip 1423 Fed #504H, Blue Chip 1423 Fed #511H, Blue Chip 1423 Fed #513H, Blue Chip 1423 Fed #522H, Blue Chip 1423 Fed #524H, Blue Chip 1423 Fed #551H, Blue Chip 1423 Fed #553H, Blue Chip 1423 Fed #601H, Blue Chip 1423 Fed #603H, Blue Chip 1423 Fed #702H & Blue Chip 1423 Fed #704H wells, located in E/2 of Section 14 & 23, Township 21 South, Range 32 East, Lea County, New Mexico.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping of each Well is itemized on the fourteen (14) enclosed Authority for Expenditures ("AFE") dated July 15, 2024
- **Blue Chip 1423 Fed #501H:** to be drilled from a legal location with a proposed surface hole location located in the S2SE4 of Section 11-21S-32E, a proposed first take point located at 990' FEL and 100' FNL of Section 14-21S-32E and a proposed last take point located at 990' FEL and 100' FSL of Section 23-21S-32E. The Well will have a targeted interval within the Avalon formation and will be drilled horizontally in the Avalon (~ 9,500'TVD) to a Measured Depth of approximately 19,227'.
- **Blue Chip 1423 Fed #503H:** to be drilled from a legal location with a proposed surface hole location located in the S2SE4 of Section 11-21S-32E, a proposed first take point located at 2310' FEL and 100' FNL of Section 14-21S-32E and a proposed last take point located at 2310' FEL and 100' FSL of Section 23-21S-32E. The Well will have a targeted interval within the Avalon formation and will be drilled horizontally in the Avalon (~ 9,500'TVD) to a Measured Depth of approximately 19,227'.

- **Blue Chip 1423 Fed #502H:** to be drilled from a legal location with a proposed surface hole location located in the S2SE4 of Section 11-21S-32E, a proposed first take point located at 495' FEL and 100' FNL of Section 14-21S-32E and a proposed last take point located at 495' FEL and 100' FSL of Section 23-21S-32E. The Well will have a targeted interval within the First Bone Spring formation and will be drilled horizontally in the First Bone Spring (~ 10,050'TVD) to a Measured Depth of approximately 20,327'.
- **Blue Chip 1423 Fed #504H:** to be drilled from a legal location with a proposed surface hole location located in the S2SE4 of Section 11-21S-32E, a proposed first take point located at 1815' FEL and 100' FNL of Section 14-21S-32E and a proposed last take point located at 1815' FEL and 100' FSL of Section 23-21S-32E. The Well will have a targeted interval within the First Bone Spring formation and will be drilled horizontally in the First Bone Spring (~ 10,050'TVD) to a Measured Depth of approximately 20,327'.
- **Blue Chip 1423 Fed #511H:** to be drilled from a legal location with a proposed surface hole location located in the S2SE4 of Section 11-21S-32E, a proposed first take point located at 990' FEL and 100' FNL of Section 14-21S-32E and a proposed last take point located at 990' FEL and 100' FSL of Section 23-21S-32E. The Well will have a targeted interval within the Second Bone Spring formation and will be drilled horizontally in the Second Bone Spring (~ 10,400'TVD) to a Measured Depth of approximately 21,027'.
- **Blue Chip 1423 Fed #513H:** to be drilled from a legal location with a proposed surface hole location located in the S2SE4 of Section 11-21S-32E, a proposed first take point located at 2310' FEL and 100' FNL of Section 14-21S-32E and a proposed last take point located at 2310' FEL and 100' FSL of Section 23-21S-32E. The Well will have a targeted interval within the Second Bone Spring formation and will be drilled horizontally in the Second Bone Spring (~ 10,400'TVD) to a Measured Depth of approximately 21,027'.
- **Blue Chip 1423 Fed #522H:** to be drilled from a legal location with a proposed surface hole location located in the S2SE4 of Section 11-21S-32E, a proposed first take point located at 495' FEL and 100' FNL of Section 14-21S-32E and a proposed last take point located at 495' FEL and 100' FSL of Section 23-21S-32E. The Well will have a targeted interval within the Second Bone Spring formation and will be drilled horizontally in the Second Bone Spring (~ 10,850'TVD) to a Measured Depth of approximately 21,927'.
- **Blue Chip 1423 Fed #524H:** to be drilled from a legal location with a proposed surface hole location located in the S2SE4 of Section 11-21S-32E, a proposed first take point located at 1815' FEL and 100' FNL of Section 14-21S-32E and a proposed last take point located at 1815' FEL and 100' FSL of Section 23-21S-32E. The Well will have a targeted interval within the Second Bone Spring formation and will be drilled horizontally in the Second Bone Spring (~ 10,850'TVD) to a Measured Depth of approximately 20,927'.
- **Blue Chip 1423 Fed #551H:** to be drilled from a legal location with a proposed surface hole location located in the S2SE4 of Section 11-21S-32E, a proposed first take point located at 990' FEL and 100' FNL of Section 14-21S-32E and a proposed last take point located at 990' FEL and 100' FSL of Section 23-21S-32E. The Well will have a targeted interval within the Third Bone Spring formation and will be drilled horizontally in the Third Bone Spring (~ 11,150'TVD) to a Measured Depth of approximately 22,527'.

- **Blue Chip 1423 Fed #553H:** to be drilled from a legal location with a proposed surface hole location located in the S2SE4 of Section 11-21S-32E, a proposed first take point located at 2310' FEL and 100' FNL of Section 14-21S-32E and a proposed last take point located at 2310' FEL and 100' FSL of Section 23-21S-32E. The Well will have a targeted interval within the Third Bone Spring formation and will be drilled horizontally in the Third Bone Spring (~ 11,150'TVD) to a Measured Depth of approximately 22,527'.
- **Blue Chip 1423 Fed #601H:** to be drilled from a legal location with a proposed surface hole location located in the S2SE4 of Section 11-21S-32E, a proposed first take point located at 660' FEL and 100' FNL of Section 14-21S-32E and a proposed last take point located at 660' FEL and 100' FSL of Section 23-21S-32E. The Well will have a targeted interval within the Third Bone Spring formation and will be drilled horizontally in the Third Bone Spring (~ 11,720'TVD) to a Measured Depth of approximately 23,667'.
- **Blue Chip 1423 Fed #603H:** to be drilled from a legal location with a proposed surface hole location located in the S2SE4 of Section 11-21S-32E, a proposed first take point located at 1980' FEL and 100' FNL of Section 14-21S-32E and a proposed last take point located at 1980' FEL and 100' FSL of Section 23-21S-32E. The Well will have a targeted interval within the Third Bone Spring formation and will be drilled horizontally in the Third Bone Spring (~ 11,720'TVD) to a Measured Depth of approximately 23,667'.
- **Blue Chip 1423 Fed #702H:** to be drilled from a legal location with a proposed surface hole location located in the S2SE4 of Section 11-21S-32E, a proposed first take point located at 600' FEL and 100' FNL of Section 14-21S-32E and a proposed last take point located at 600' FEL and 100' FSL of Section 23-21S-32E. The Well will have a targeted interval within the Wolfcamp D formation and will be drilled horizontally in the Wolfcamp D (~ 12,650'TVD) to a Measured Depth of approximately 25,527'.
- **Blue Chip 1423 Fed #704H:** to be drilled from a legal location with a proposed surface hole location located in the S2SE4 of Section 11-21S-32E, a proposed first take point located at 1980' FEL and 100' FNL of Section 14-21S-32E and a proposed last take point located at 1980' FEL and 100' FSL of Section 23-21S-32E. The Well will have a targeted interval within the Wolfcamp D formation and will be drilled horizontally in the Wolfcamp D (~ 12,650'TVD) to a Measured Depth of approximately 25,527'.

MRC reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. MRC will advise you of any such modifications.

MRC requests that you indicate your election to participate in the drilling and completion of the Wells in the space provided below, sign and return one (1) copy of this letter to the undersigned.

MRC is proposing to drill the Wells under the terms of the modified 1989 AAPL form of Operating Agreement, which is enclosed for your review. The proposed Operating Agreement dated August 1, 2024, by and between Matador Production Company, as Operator and MRC Permian Company et al as Non-Operators, covers all depths of the E/2 of Sections 14 & 23, Township 21 South, Range 32 East, Lea County, New Mexico, being 640.00 acres, more or less, and has the following general provisions:

- 100/300/300 Non-consenting penalty
- \$10,000/\$1,000 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**



Ethan Frasier

**1B4S Enterprises, LLC hereby elects to:**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Blue Chip 1423 Fed #501H** well.

\_\_\_\_\_ Not to participate in the **Blue Chip 1423 Fed #501H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Blue Chip 1423 Fed #503H** well.

\_\_\_\_\_ Not to participate in the **Blue Chip 1423 Fed #503H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Blue Chip 1423 Fed #502H** well.

\_\_\_\_\_ Not to participate in the **Blue Chip 1423 Fed #502H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Blue Chip 1423 Fed #504H** well.

\_\_\_\_\_ Not to participate in the **Blue Chip 1423 Fed #504H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Blue Chip 1423 Fed #511H** well.

\_\_\_\_\_ Not to participate in the **Blue Chip 1423 Fed #511H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Blue Chip 1423 Fed #513H** well.

\_\_\_\_\_ Not to participate in the **Blue Chip 1423 Fed #513H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Blue Chip 1423 Fed #522H** well.

\_\_\_\_\_ Not to participate in the **Blue Chip 1423 Fed #522H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Blue Chip 1423 Fed #524H** well.

\_\_\_\_\_ Not to participate in the **Blue Chip 1423 Fed #524H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
 Production Company's **Blue Chip 1423 Fed #551H** well.  
 \_\_\_\_\_ Not to participate in the **Blue Chip 1423 Fed #551H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
 Production Company's **Blue Chip 1423 Fed #553H** well.  
 \_\_\_\_\_ Not to participate in the **Blue Chip 1423 Fed #553H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
 Production Company's **Blue Chip 1423 Fed #601H** well.  
 \_\_\_\_\_ Not to participate in the **Blue Chip 1423 Fed #601H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
 Production Company's **Blue Chip 1423 Fed #603H** well.  
 \_\_\_\_\_ Not to participate in the **Blue Chip 1423 Fed #603H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
 Production Company's **Blue Chip 1423 Fed #702H** well.  
 \_\_\_\_\_ Not to participate in the **Blue Chip 1423 Fed #702H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
 Production Company's **Blue Chip 1423 Fed #704H** well.  
 \_\_\_\_\_ Not to participate in the **Blue Chip 1423 Fed #704H**

**1B4S Enterprises, 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:	July 15, 2024	AFE NO.:	
WELL NAME:	Blue Chip 1423 Fed #522H	FIELD:	
LOCATION:	Sections 23 & 14, T21S-R32E	MD/TVD:	21,927'/10,850'
COUNTY/STATE:	Lea, New Mexico	LATERAL LENGTH:	10,000'
MRC WI:			
GEOLOGIC TARGET:	2nd Bone Spring Sand		
REMARKS:	Drill, complete and equip a horizontal 2nd Bone Spring Sand well		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Land / Legal / Regulatory	\$ 57,500	\$ -	\$ 10,000	\$ 10,000	\$ 77,500
Location, Surveys & Damages	130,500	13,000	15,000	20,000	178,500
Drilling	895,005	-	-	-	895,005
Cementing & Float Equip	305,000	-	-	-	305,000
Logging / Formation Evaluation	-	8,000	3,000	-	11,000
Flowback - Labor	-	-	19,960	-	19,960
Flowback - Surface Rentals	-	-	207,500	-	207,500
Flowback - Rental Living Quarters	-	-	10,000	-	10,000
Mud Logging	28,000	-	-	-	28,000
Mud Circulation System	134,780	-	-	-	134,780
Mud & Chemicals	245,000	57,500	20,000	-	322,500
Mud / Wastewater Disposal	170,000	-	2,000	1,000	173,000
Freight / Transportation	22,500	33,500	3,000	-	59,000
Rig Supervision / Engineering	112,800	81,100	10,000	3,600	207,500
Drill Bits	110,000	-	-	-	110,000
Drill Bit Purchase	-	-	2,000	-	2,000
Fuel & Power	131,600	523,147	2,000	-	656,747
Water	55,750	485,625	-	1,000	542,375
Drig & Completion Overhead	11,750	-	-	-	11,750
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	329,515	-	20,000	-	349,515
Completion Unit, Swab, CTU	-	150,000	7,000	-	157,000
Perforating, Wireline, Slickline	-	233,024	5,000	-	238,024
High Pressure Pump Truck	-	97,000	-	-	97,000
Stimulation	-	2,322,316	-	-	2,322,316
Stimulation Flowback & Disp	-	15,500	300,000	-	315,500
Insurance	17,542	-	10,000	-	27,542
Labor	223,500	57,000	20,000	5,000	305,500
Rental - Surface Equipment	116,885	287,070	-	5,000	408,955
Rental - Downhole Equipment	217,467	82,500	-	-	299,967
Rental - Living Quarters	48,240	43,365	66,646	5,000	163,251
Contingency	168,167	162,550	-	5,060	335,776
Operations Center	28,365	-	-	-	28,365
<b>TOTAL INTANGIBLES &gt;</b>	<b>3,559,864</b>	<b>4,652,197</b>	<b>733,106</b>	<b>55,660</b>	<b>8,998,827</b>

TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	\$ 235,900	\$ -	\$ -	\$ -	\$ 235,900
Intermediate Casing	197,521	-	-	-	197,521
Drilling Liner	268,886	-	-	-	268,886
Production Casing	668,862	-	-	-	668,862
Production Liner	-	-	-	-	-
Tubing	-	-	173,600	-	173,600
Wellhead	131,000	-	42,000	-	173,000
Packers, Liner Hangers	-	65,265	-	-	65,265
Tanks	-	-	-	100,795	100,795
Production Vessels	-	-	-	172,543	172,543
Flow Lines	-	-	-	120,000	120,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	30,000	-	30,000
Compressor	-	-	-	36,300	36,300
Installation Costs	-	-	-	80,000	80,000
Surface Pumps	-	-	10,000	28,350	38,350
Non-controllable Surface	-	-	-	2,000	2,000
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	11,000	92,173	103,173
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	195,500	195,500
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	5,000	-	5,000
Tank / Facility Containment	-	-	-	11,900	11,900
Flare Stack	-	-	-	29,750	29,750
Electrical / Grounding	-	-	2,000	73,500	75,500
Communications / SCADA	-	-	10,000	11,050	21,050
Instrumentation / Safety	-	-	-	36,900	36,900
<b>TOTAL TANGIBLES &gt;</b>	<b>1,502,169</b>	<b>65,265</b>	<b>283,600</b>	<b>990,761</b>	<b>2,841,795</b>
<b>TOTAL COSTS &gt;</b>	<b>5,062,033</b>	<b>4,717,461</b>	<b>1,016,706</b>	<b>1,046,421</b>	<b>11,840,622</b>

**PREPARED BY MATADOR PRODUCTION COMPANY:**

Drilling Engineer:	Team Lead - WTX/NM	<u>AW</u>
Completions Engineer:		APW
Production Engineer:		

**MATADOR RESOURCES COMPANY APPROVAL:**

EVP	Chief Geologist	
BE	NLF	
CFO	COO, EVP Operations	
BW	CC	
EVP, Reservoir		
WTE		

**NON OPERATING PARTNER APPROVAL:**

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

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. Tubing installation approved under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including, legal, curative, regulatory, brokerage and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well. Participants shall be covered by and billed proportionately for Operator's well control and general liability insurance unless participant provides Operator a certificate evidencing its own insurance in an amount acceptable to the Operator by the date of spud.

### 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:	July 15, 2024	AFE NO.:	
WELL NAME:	Blue Chip 1423 Fed #551H	FIELD:	
LOCATION:	Sections 23 & 14, T21S-R32E	MD/TVD:	22,527'/11,150'
COUNTY/STATE:	Lea, New Mexico	LATERAL LENGTH:	10,000'
MRC WI:			
GEOLOGIC TARGET:	3rd Bone Spring Carbonate		
REMARKS:	Drill, complete and equip a horizontal 3rd Bone Spring Carbonate well		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Land / Legal / Regulatory	\$ 57,500	\$ -	\$ 10,000	\$ 10,000	\$ 77,500
Location, Surveys & Damages	130,500	13,000	15,000	20,000	178,500
Drilling	926,645	-	-	-	926,645
Cementing & Float Equip	305,000	-	-	-	305,000
Logging / Formation Evaluation	-	8,000	3,000	-	11,000
Flowback - Labor	-	-	19,960	-	19,960
Flowback - Surface Rentals	-	-	207,500	-	207,500
Flowback - Rental Living Quarters	-	-	10,000	-	10,000
Mud Logging	28,000	-	-	-	28,000
Mud Circulation System	140,260	-	-	-	140,260
Mud & Chemicals	245,000	57,500	20,000	-	322,500
Mud / Wastewater Disposal	170,000	-	2,000	1,000	173,000
Freight / Transportation	22,500	33,500	3,000	-	59,000
Rig Supervision / Engineering	117,600	81,100	10,000	3,600	212,300
Drill Bits	110,000	-	-	-	110,000
Drill Bit Purchase	-	-	2,000	-	2,000
Fuel & Power	137,200	523,147	2,000	-	662,347
Water	55,750	485,625	-	1,000	542,375
Drig & Completion Overhead	12,250	-	-	-	12,250
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	337,615	-	20,000	-	357,615
Completion Unit, Swab, CTU	-	150,000	7,000	-	157,000
Perforating, Wireline, Slickline	-	233,024	5,000	-	238,024
High Pressure Pump Truck	-	97,000	-	-	97,000
Stimulation	-	2,338,787	-	-	2,338,787
Stimulation Flowback & Disp	-	15,500	300,000	-	315,500
Insurance	18,022	-	10,000	-	28,022
Labor	223,500	57,000	20,000	5,000	305,500
Rental - Surface Equipment	120,795	287,070	-	5,000	412,865
Rental - Downhole Equipment	222,267	82,500	-	-	304,767
Rental - Living Quarters	49,280	43,365	66,646	5,000	164,291
Contingency	171,484	162,550	-	5,060	339,094
Operations Center	29,572	-	-	-	29,572
<b>TOTAL INTANGIBLES &gt;</b>	<b>3,630,739</b>	<b>4,668,667</b>	<b>733,106</b>	<b>55,660</b>	<b>9,086,172</b>

TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	\$ 235,900	\$ -	\$ -	\$ -	\$ 235,900
Intermediate Casing	197,521	-	-	-	197,521
Drilling Liner	268,886	-	-	-	268,886
Production Casing	688,331	-	-	-	688,331
Production Liner	-	-	-	-	-
Tubing	-	-	178,400	-	178,400
Wellhead	131,000	-	42,000	-	173,000
Packers, Liner Hangers	-	65,265	-	-	65,265
Tanks	-	-	-	100,795	100,795
Production Vessels	-	-	-	154,680	154,680
Flow Lines	-	-	-	120,000	120,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	30,000	-	30,000
Compressor	-	-	-	26,100	26,100
Installation Costs	-	-	-	48,000	48,000
Surface Pumps	-	-	10,000	14,000	24,000
Non-controllable Surface	-	-	-	2,000	2,000
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	11,000	64,600	75,600
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	172,500	172,500
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	5,000	-	5,000
Tank / Facility Containment	-	-	-	8,400	8,400
Flare Stack	-	-	-	14,000	14,000
Electrical / Grounding	-	-	2,000	51,500	53,500
Communications / SCADA	-	-	10,000	11,050	21,050
Instrumentation / Safety	-	-	-	36,900	36,900
<b>TOTAL TANGIBLES &gt;</b>	<b>1,521,637</b>	<b>65,265</b>	<b>288,400</b>	<b>824,525</b>	<b>2,699,827</b>
<b>TOTAL COSTS &gt;</b>	<b>5,152,376</b>	<b>4,733,932</b>	<b>1,021,506</b>	<b>880,185</b>	<b>11,785,999</b>

**PREPARED BY MATADOR PRODUCTION COMPANY:**

Drilling Engineer:	Team Lead - WTX/NM	<u>AW</u> APW
Completions Engineer:		
Production Engineer:		

**MATADOR RESOURCES COMPANY APPROVAL:**

EVP	Chief Geologist	
BE	NLF	
CFO	COO, EVP Operations	
BW	CC	
EVP, Reservoir		
WTE		

**NON OPERATING PARTNER APPROVAL:**

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

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. Tubing installation approved under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including, legal, curative, regulatory, brokerage and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well. Participants shall be covered by and billed proportionately for Operator's well control and general liability insurance unless participant provides Operator a certificate evidencing its own insurance in an amount acceptable to the Operator by the date of spud.

### MATADOR PRODUCTION COMPANY

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Phone (972) 371-5200 • Fax (972) 371-5201

#### ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	July 15, 2024	AFE NO.:	
WELL NAME:	Blue Chip 1423 Fed #601H	FIELD:	
LOCATION:	Sections 23 & 14, T21S-R32E	MD/TVD:	23,667'/11,720'
COUNTY/STATE:	Lea, New Mexico	LATERAL LENGTH:	10,000'
MRC WI:			
GEOLOGIC TARGET:	3rd Bone Spring Sand		
REMARKS:	Drill, complete and equip a horizontal 3rd Bone Spring Sand well		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Land / Legal / Regulatory	\$ 57,500	\$ -	\$ 10,000	\$ 10,000	\$ 77,500
Location, Surveys & Damages	130,500	13,000	15,000	20,000	178,500
Drilling	926,645	-	-	-	926,645
Cementing & Float Equip	305,000	-	-	-	305,000
Logging / Formation Evaluation	-	8,000	3,000	-	11,000
Flowback - Labor	-	-	19,960	-	19,960
Flowback - Surface Rentals	-	-	207,500	-	207,500
Flowback - Rental Living Quarters	-	-	10,000	-	10,000
Mud Logging	28,000	-	-	-	28,000
Mud Circulation System	140,260	-	-	-	140,260
Mud & Chemicals	245,000	57,500	20,000	-	322,500
Mud / Wastewater Disposal	170,000	-	2,000	1,000	173,000
Freight / Transportation	22,500	33,500	3,000	-	59,000
Rig Supervision / Engineering	117,600	81,100	10,000	3,600	212,300
Drill Bits	110,000	-	-	-	110,000
Drill Bit Purchase	-	-	2,000	-	2,000
Fuel & Power	137,200	523,147	2,000	-	662,347
Water	55,750	485,625	-	1,000	542,375
Drig & Completion Overhead	12,250	-	-	-	12,250
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	353,005	-	20,000	-	373,005
Completion Unit, Swab, CTU	-	150,000	7,000	-	157,000
Perforating, Wireline, Slickline	-	233,024	5,000	-	238,024
High Pressure Pump Truck	-	97,000	-	-	97,000
Stimulation	-	2,338,787	-	-	2,338,787
Stimulation Flowback & Disp	-	15,500	300,000	-	315,500
Insurance	18,934	-	10,000	-	28,934
Labor	223,500	57,000	20,000	5,000	305,500
Rental - Surface Equipment	120,795	287,070	-	5,000	412,865
Rental - Downhole Equipment	222,267	82,500	-	-	304,767
Rental - Living Quarters	49,280	43,365	66,646	5,000	164,291
Contingency	172,299	162,550	-	5,060	339,909
Operations Center	29,572	-	-	-	29,572
<b>TOTAL INTANGIBLES &gt;</b>	<b>3,647,856</b>	<b>4,668,667</b>	<b>733,106</b>	<b>55,660</b>	<b>9,103,289</b>

TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	\$ 235,900	\$ -	\$ -	\$ -	\$ 235,900
Intermediate Casing	197,521	-	-	-	197,521
Drilling Liner	268,886	-	-	-	268,886
Production Casing	719,050	-	-	-	719,050
Production Liner	-	-	-	-	-
Tubing	-	-	187,520	-	187,520
Wellhead	131,000	-	42,000	-	173,000
Packers, Liner Hangers	-	65,265	-	-	65,265
Tanks	-	-	-	100,795	100,795
Production Vessels	-	-	-	172,543	172,543
Flow Lines	-	-	-	120,000	120,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	30,000	-	30,000
Compressor	-	-	-	36,300	36,300
Installation Costs	-	-	-	80,000	80,000
Surface Pumps	-	-	10,000	28,350	38,350
Non-controllable Surface	-	-	-	2,000	2,000
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	11,000	92,173	103,173
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	195,500	195,500
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	5,000	-	5,000
Tank / Facility Containment	-	-	-	11,900	11,900
Flare Stack	-	-	-	29,750	29,750
Electrical / Grounding	-	-	2,000	73,500	75,500
Communications / SCADA	-	-	10,000	11,050	21,050
Instrumentation / Safety	-	-	-	36,900	36,900
<b>TOTAL TANGIBLES &gt;</b>	<b>1,552,357</b>	<b>65,265</b>	<b>297,520</b>	<b>990,761</b>	<b>2,905,902</b>
<b>TOTAL COSTS &gt;</b>	<b>5,200,212</b>	<b>4,733,932</b>	<b>1,030,626</b>	<b>1,046,421</b>	<b>12,009,191</b>

**PREPARED BY MATADOR PRODUCTION COMPANY:**

Drilling Engineer:	Team Lead - WTX/NM	<u>AW</u> APW
Completions Engineer:		
Production Engineer:		

**MATADOR RESOURCES COMPANY APPROVAL:**

EVP <u>BE</u>	Chief Geologist <u>NLF</u>
CFO <u>BW</u>	COO, EVP Operations <u>CC</u>
EVP, Reservoir <u>WTE</u>	

**NON OPERATING PARTNER APPROVAL:**

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

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. Tubing installation approved under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including, legal, curative, regulatory, brokerage and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well. Participants shall be covered by and billed proportionately for Operator's well control and general liability insurance unless participant provides Operator a certificate evidencing its own insurance in an amount acceptable to the Operator by the date of spud.

# MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240  
 Voice 972.371.5401 • Fax 972.371.5201  
[ethan.frasier@matadorresources.com](mailto:ethan.frasier@matadorresources.com)

**Ethan Frasier  
 Landman**

February 16, 2024

VIA CERTIFIED RETURN RECEIPT MAIL

John Castle  
 150 E. 58<sup>th</sup> Street, 38<sup>th</sup> Floor  
 New York City, NY 10155

Re: Blue Chip 1423 Fed Com 522H, 524H, 551H, 553H, 601H, 603H & 702H (the “Wells”) Participation Proposal  
 E/2 of Section 14 & 23, Township 21 South, Range 32 East  
 Lea County, New Mexico

Dear Sir/Madam:

By letter dated August 6, 2024, MRC Permian Company (“MRC”) previously proposed the drilling of Matador Production Company’s, Blue Chip 1423 Fed #522H, Blue Chip 1423 Fed #524H, Blue Chip 1423 Fed #551H, Blue Chip 1423 Fed #553H, Blue Chip 1423 Fed #601H, Blue Chip 1423 Fed #603H and Blue Chip 1423 Fed #702H wells, located in E/2 of Section 14 & 23, Township 21 South, Range 32 East, Lea County, New Mexico.

In connection with the above, I am writing to clarify that the proposed first and last take points of these seven wells have been changed. Please find the changes below. The prior proposals for these seven wells remain otherwise unchanged.

Well	Previous FTP	Previous LTP	New FTP	New LTP
Blue Chip 1423 Fed Com #522H	495’ FEL & 100’ FNL 14-21S-32E	495’ FEL & 110’ FSL 23-21S-32E	990’ FEL & 100’ FNL 14-21S-32E	990’ FEL & 110’ FSL 23-21S-32E
Blue Chip 1423 Fed Com #524H	1815’ FEL & 100’ FNL 14-21S-32E	1815’ FEL & 110’ FSL 23-21S-32E	2145’ FEL & 100’ FNL 14-21S-32E	2145’ FEL & 110’ FSL 23-21S-32E
Blue Chip 1423 Fed Com #551H	990’ FEL & 100’ FNL 14-21S-32E	990’ FEL & 110’ FSL 23-21S-32E	495’ FEL & 100’ FNL 14-21S-32E	495’ FEL & 110’ FSL 23-21S-32E
Blue Chip 1423 Fed Com #553H	2310’ FEL & 100’ FNL Sec. 14-21S-32E	2310’ FEL & 100’ FSL Sec. 23-21S-32E	1650’ FEL & 100’ FNL Sec. 14-21S-32E	1650’ FEL & 100’ FSL of Sec. 23-21S-32E
Blue Chip 1423 Fed Com #601H	660’ FEL & 100’ FNL Sec. 14-21S-32E	660’ FEL & 100’ FSL Sec. 23-21S-32E	990’ FEL & 100’ FNL Sec. 14-21S-32E	990’ FEL & 100’ FSL Sec. 23-21S-32E
Blue Chip 1423 Fed Com #603H	1980’ FEL & 100’ FNL Sec. 14-21S-32E	1980’ FEL & 100’ FSL Sec. 23-21S-32E	2145’ FEL & 100’ FNL Sec. 14-21S-32E	2145’ FEL & 100’ FSL Sec. 23-21S-32E
Blue Chip 1423 Fed Com #702H	600’ FEL & 100’ FNL Sec. 14-21S-32E	600’ FEL & 100’ FSL Sec. 23-21S-32E	660’ FEL & 100’ FNL Sec. 14-21S-32E	660’ FEL & 100’ FSL Sec. 23-21S-32E

Please contact me if you have any questions.

Sincerely,

**MRC PERMIAN COMPANY**

A handwritten signature in blue ink, appearing to read 'Ethan Frasier', with a stylized flourish at the end.

Ethan Frasier

## **Exhibit A-5**

**BEFORE THE OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico  
Exhibit No. A-5  
Submitted by: Matador Production  
Company  
Hearing Date: February 13, 2025  
Case No. 25027

<b>E2E2 Bone Spring - Blue Chip</b>	
<b>WI Parties</b>	<b>Summary of Communications</b>
John K. Castle	4/22/24 - Sent Offer to Purchase in mail to address on file 5/3/24 - Left voicemail 8/6/24 - Sent well proposals and AFEs along with JOA 9/3/24 - Left voicemail 12/3/24 - Left voicemail 12/3/24 - Spoke on the phone 12/16/24 - Spoke on the phone. Exchanged emails. Mailed updated offer letter.
Timothy J. Cusack, Trustee of the JWN Trust	4/22/24 - Sent Offer to Purchase in mail to address on file 5/15/24 - Left voicemail 8/6/24 - Sent well proposals and AFEs along with JOA 8/14/24 - Proposals delivered to address 12/3/24 - Left voicemail 12/12/24 - Spoke on the phone 12-16-24 - Sent email
Stacy L. Green	4/22/24 - Sent Offer to Purchase in mail to address on file 8/6/24 - Sent well proposals and AFEs along with JOA 8/12/24 - Spoke on the phone 8/13/24 Retuned well elections to go non-consent
Claudia Neal Young, a married woman	10/28/24 - Well Proposals, AFEs and JOA was sent in mail to address on file 11/12/24 - Proposals delivered to address 12/12/24 - Called and left voicemail. 12/19/24 - Left Voicemail 1/21/25 - Spoke on the phone and sent updated Offer to Purchase
Laura Neal Barbaree	10/28/24 - Well Proposals, AFEs and JOA was sent in mail to address on file 11/1/24 - Proposals delivered to address 12/12/24 - Called and left voicemail 12/19/24 - Left voicemail
Patricia Neal	10/28/24 - Well Proposals, AFEs and JOA was sent in mail to address on file 10/30/24 - Proposals delivered to address 12/12/24 - Called and left voicemail 12/19/24 - Left voicemail 1/21/25 - Sent updated Offer to Purchase 2/3/2025 - Exchanged email
Paul B. Giddings	10/31/24 - Well Proposals with AFEs and JOA sent in mail to address on file 11/15/24 - Proposals delivered to address 12/12/24 - Called and left voicemail 12/16/24 - Left voicemail
Audrey A. Giddings	10/31/24 - Well Proposals with AFEs and JOA sent in mail to address on file (undelivered) 11/12/24 - Well Proposals with AFEs and JOA sent in mail to second potential address located 11/18/24 - Proposals delivered to address 12/12/24 - Called and left voicemail 12/16/24 - Left voicemail

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

**APPLICATION OF MRC HAT MESA, LLC  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 25027 and 25028**

**SELF-AFFIRMED STATEMENT OF ANNA THORSON**

1. My name is Anna Thorson. I work for MRC Energy Company, an affiliate of MRC Hat Mesa, LLC (“MRC”), as a Geologist.

2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.

3. I am familiar with the applications filed by MRC in these cases, and I have conducted a geologic study of the lands in the subject area.

4. **MRC Exhibit 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 three different targets within the Bone Spring formation, being the Second Bone Spring Sandstone, Third Bone Spring Carbonate, and Third Bone Spring Sandstone.

6. **MRC Exhibit B-2** is a subsea structure map prepared off the top of the Bone Spring formation. The contour interval is 100 feet. The structure map shows the Bone Spring formation gently dipping to the south/southeast. The structure appears consistent across the proposed wellbore path. I do not observe any faulting, pinchouts, or other geologic impediments to horizontal drilling.

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. B  
Submitted by: Matador Production Company  
Hearing Date: February 13, 2025  
Case No. 25027**

7. Also included on MRC Exhibit B-2 is a line of cross section from A to A'.
8. **MRC Exhibit B-3** is a structural cross-section displaying open-hole logs run over the Bone Spring formation from the four representative wells denoted from A to A'. For each well in the cross-section, the following logs are included: gamma ray, caliper, resistivity, and porosity, where available. The proposed target intervals for the proposed wells are labeled and marked with a yellow shaded area. The logs in the cross-section demonstrate that the targeted intervals, within the Bone Spring formation, are consistent in thickness across the entirety of the proposed spacing unit.
9. In my opinion, the standup well orientation is the preferred orientation for development in this area for Bone Spring wells based on the maximum horizontal stress orientation in the 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 the horizontal spacing units.
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. In my opinion, approving MRC's application 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.

Anna M. Thorson  
Anna Thorson

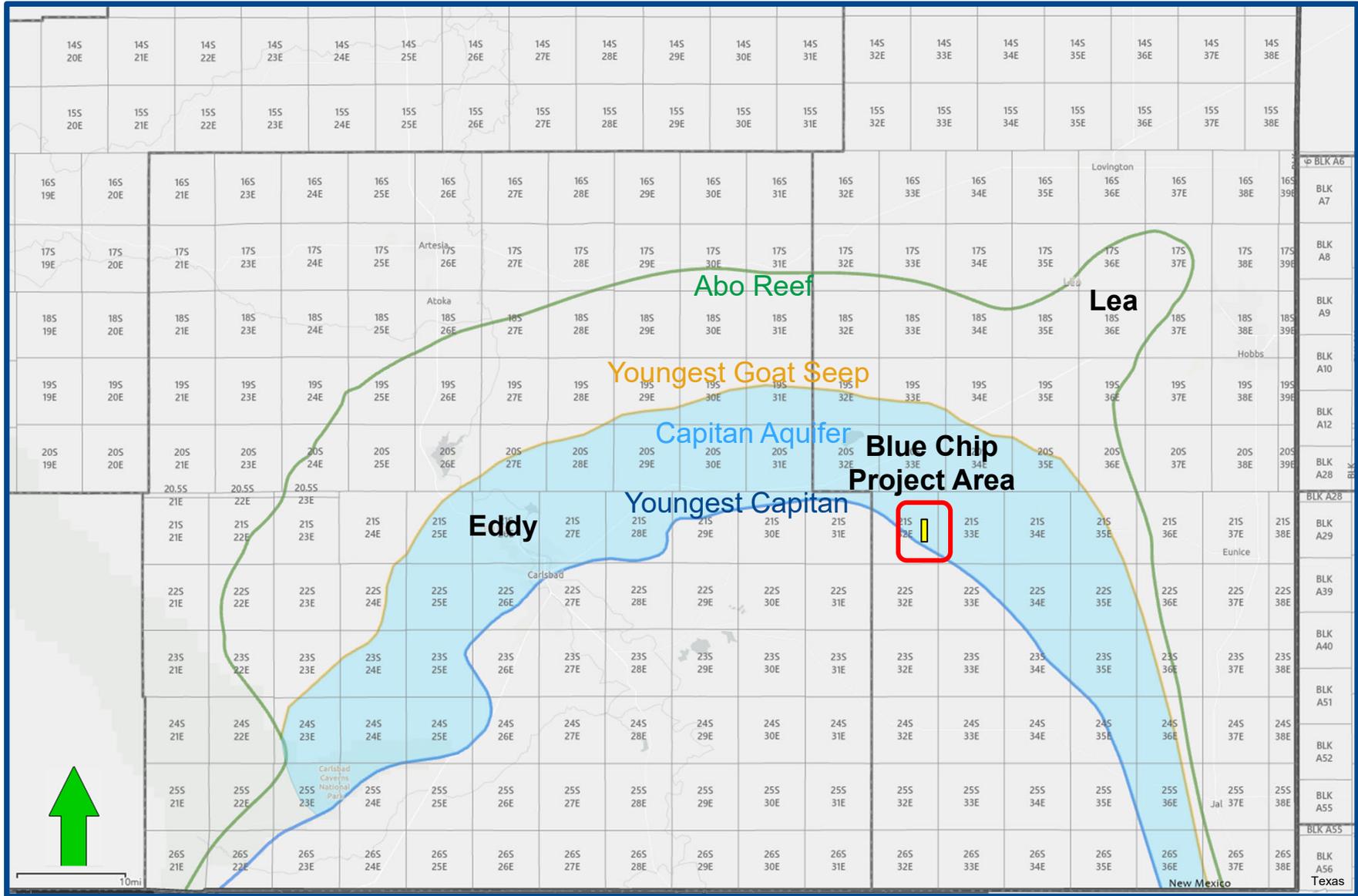
12.19.2024  
Date

# Locator Map

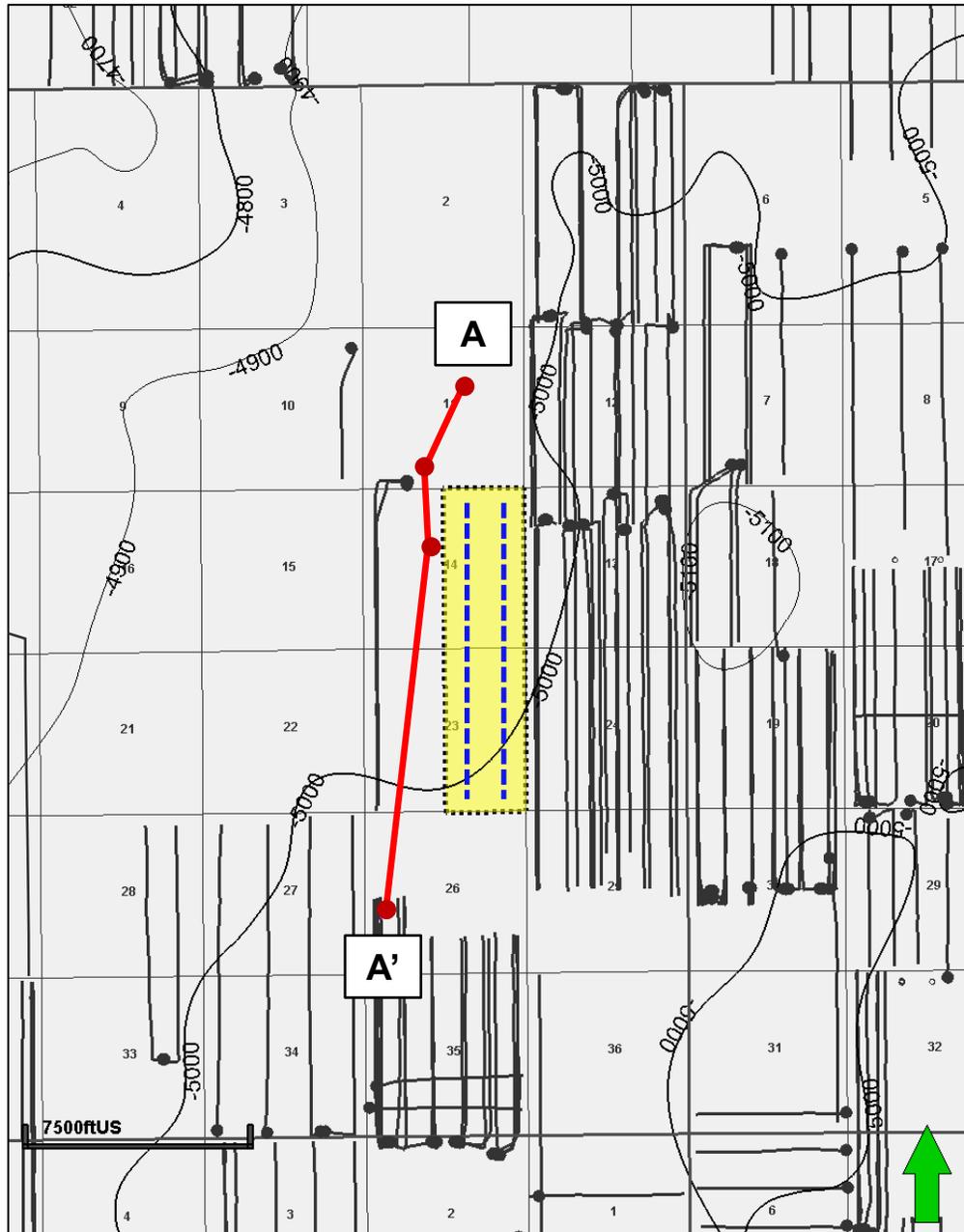
# Exhibit B-1

Released to Imaging: 2/14/2025 9:20:18 AM

Received by OCD: 2/13/2025 3:16:32 PM



# WC-025 G-06 S213215A; BONE SPRING [97921] Structure Map (Top Bone Spring Subsea) A – A' Reference Line



### Map Legend

#### Blue Chip Wells



#### Bone Spring Wells



#### Project Area



C. I. = 100'

BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit No. B-2  
 Submitted by: Matador Production Company  
 Hearing Date: February 13, 2025  
 Case No. 25027

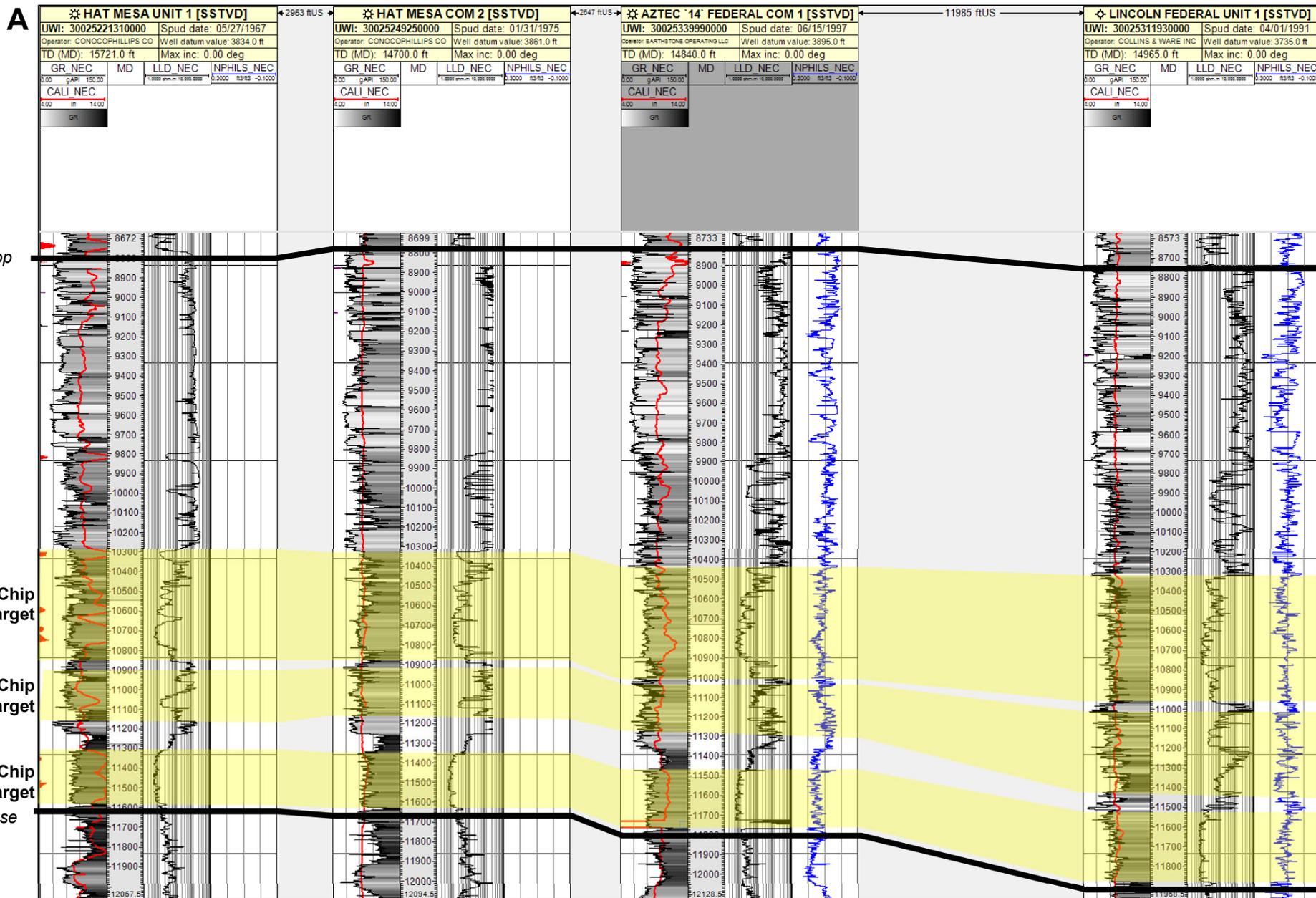
# WC-025 G-06 S213215A; BONE SPRING [97921] Structural Cross Section A – A' Reference Line

Exhibit B-3

Received by OCD: 2/13/2025 3:16:32 PM

Page 53 of 69

Released to Imaging: 2/14/2025 9:20:18 AM



Blue Chip E/2

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. B-3  
Submitted by: Matador Production Company  
Hearing Date: February 13, 2025  
Case No. 25027



B-3

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

**APPLICATION OF MRC HAT MESA, LLC  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO**

**CASE NO. 25027**

**SELF-AFFIRMED STATEMENT OF  
MICHAEL H. FELDEWERT**

1. I am attorney in fact and authorized representative of MRC Hat Mesa, LLC (“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 December 27, 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: February 13, 2025**

**Case No. 25027**



Michael H. Feldewert

01/02/25

Date



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

December 20, 2024

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

**TO: ALL AFFECTED INTEREST OWNERS**

**Re: Application of MRC Hat Mesa, LLC for Compulsory Pooling, Lea County, New Mexico: Blue Chip 1423 Fed 522H, 551H and 601H wells**

Ladies & Gentlemen:

This letter is to advise you that MRC Hat Mesa, LLC has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on January 9, 2025, 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 Ethan Frasier at (972) 371-5401 or at [ethan.frasier@matadorresources.com](mailto:ethan.frasier@matadorresources.com).

Sincerely,

Michael H. Feldewert  
**ATTORNEY FOR MRC HAT MESA, LLC**

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

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

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

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

MRC - Blue Chip BS and WC wells - Case nos. 25027-25030  
Postal Delivery Report

9414811898765459522404	AEPXCON Management LLC	2619 Robinhood St	Houston	TX	77005-2431	Your item was delivered to an individual at the address at 2:42 pm on December 26, 2024 in HOUSTON, TX
9414811898765459522497	Anadarko Partners III, LP	PO Box 13540	Oklahoma City	OK	73113-1540	Your item has been delivered and is available at a PO Box at 9:01 am on December 26, 2024 in OKLAHOMA CITY, OK 73114.
9414811898765459522442	Anthony Energy, Ltd	7900 Monticello Dr	Granbury	TX	76049-6519	Your item was forwarded to a different address at 11:22 am on December 26, 2024 in GRANBURY, TX. This was because of forwarding instructions or because the address or ZIP Code on the label was incorrect.
9414811898765459522435	Anthony Energy, Ltd.	7900 Monticello Dr	Granbury	TX	76049-6519	Your item was forwarded to a different address at 11:22 am on December 26, 2024 in GRANBURY, TX. This was because of forwarding instructions or because the address or ZIP Code on the label was incorrect.
9414811898765459522473	Arch Leonard Bell, Trustee of the Arch Leonard Bell Irrevocable Gift Trust	3804 Green Trl S	Austin	TX	78731-1538	Your item is being held at the AUSTIN, TX 78731 post office at 3:33 pm on December 26, 2024. This is at the request of the
9414811898765459522510	Audrey A. Giddings	613 65th St	Downers Grove	IL	60516-3021	Your item was delivered to an individual at the address at 10:57 am on December 26, 2024 in DOWNERS GROVE, IL 60516.
9414811898765459522558	Bayard Bell Linbeck, Trustee of the Bayard Bell Linbeck Irrevocable Gift Trust	4521 Ivanhoe St	Houston	TX	77027-4807	Your item was delivered to an individual at the address at 3:20 pm on December 26, 2024 in HOUSTON, TX

MRC - Blue Chip BS and WC wells - Case nos. 25027-25030  
Postal Delivery Report

9414811898765459522565	CCS Resources, Inc.	1717 W 6th St Ste 470	Austin	TX	78703-5082	Your item was delivered to the front desk, reception area, or mail room at 5:08 pm on December 26, 2024 in AUSTIN, TX 78703.
9414811898765459522527	Chad Shirley	6110 Majestic Pines Dr	Kingwood	TX	77345	Your item arrived at our NORTH HOUSTON TX DISTRIBUTION CENTER destination facility on December 26, 2024 at 8:10 am. The item is currently in transit to the destination.
9414811898765459522503	Cibolo Oil & Gas LLC	Bee Cave Road, Suite 216	West Lake Hills	TX	78746	Your package will arrive later than expected, but is still on its way. It is currently in transit to the
9414811898765459522596	Cibolo Resources, LLC	3600 Bee Caves Rd Ste 216	West Lake Hills	TX	78746-5375	We were unable to deliver your package at 7:14 pm on December 26, 2024 in AUSTIN, TX 78746 because the business was closed. We will redeliver on the next business day. No action needed.
9414811898765459522541	Claudia Neal Young	4140 N Apodaca St	Hobbs	NM	88240-0960	Your item was forwarded to a different address at 8:10 am on December 26, 2024 in HOBBS, NM. This was because of forwarding instructions or because the address or ZIP Code on the label was incorrect.

MRC - Blue Chip BS and WC wells - Case nos. 25027-25030  
Postal Delivery Report

9414811898765459522589	COG Operating LLC	600 W Illinois Ave	Midland	TX	79701-4882	We were unable to deliver your package at 10:28 am on December 24, 2024 in MIDLAND, TX 79701 because the business was closed. We will redeliver on the next business day. No action needed.
9414811898765459522534	COG Operating, LLC	600 W Illinois Ave	Midland	TX	79701-4882	We were unable to deliver your package at 10:28 am on December 24, 2024 in MIDLAND, TX 79701 because the business was closed. We will redeliver on the next business day. No action needed.
9414811898765459522572	Colburn Oil, LP	P.O. Box 2241	Midland	TX	79702	Your item arrived at the MIDLAND, TX 79702 post office at 10:02 am on December 24, 2024 and is ready for pickup.
9414811898765459520219	ConocoPhillips Company	600 W Illinois Ave	Midland	TX	79701-4882	We were unable to deliver your package at 10:28 am on December 24, 2024 in MIDLAND, TX 79701 because the business was closed. We will redeliver on the next business day. No action needed.
9414811898765459520264	Cornerstone Family Trust	PO Box 558	Peyton	CO	80831-0558	Your item has been delivered and is available at a PO Box at 10:48 am on December 23, 2024 in PEYTON, CO 80831.
9414811898765459520226	D. Kirk Edwards	PO Box 14230	Odessa	TX	79768-4230	Your item was picked up at the post office at 8:32 am on December 26, 2024 in ODESSA, TX 79762.

MRC - Blue Chip BS and WC wells - Case nos. 25027-25030  
Postal Delivery Report

9414811898765459520295	Encore Permian Holdings LP	7804 Bell Mountain Dr Ste 201	Austin	TX	78730-2870	Your item was returned to the sender on December 26, 2024 at 3:26 pm in AUSTIN, TX 78730 because the addressee was not known at the delivery address noted on the package.
9414811898765459520240	EOG Resources, Inc.	5509 Champions Dr	Midland	TX	79706-2843	Your item was picked up at a postal facility at 8:34 am on December 24, 2024 in MIDLAND, TX 79701.
9414811898765459520288	EOG Resources, LLC	5509 Champions Dr	Midland	TX	79706-2843	Your item was picked up at a postal facility at 8:34 am on December 24, 2024 in MIDLAND, TX 79701.
9414811898765459520233	Essence Resources, LLC	2821 West 7th Street, Suite 500	Fort Worth	TX	76107	Your item was delivered to an individual at the address at 4:36 pm on December 26, 2024 in FORT WORTH, TX 76107.
9414811898765459520271	Exploration Finance Company	13910 Champion Forest Dr	Houston	TX	77069-1882	Your item was returned to the sender on December 26, 2024 at 4:31 pm in HOUSTON, TX 77069 because of an incomplete
9414811898765459520813	Flo-Tex Oil Co., LLC	P.O. Box 2241	Midland	TX	79702	Your item arrived at the MIDLAND, TX 79702 post office at 10:02 am on December 24, 2024 and is ready for pickup.
9414811898765459520851	Foundation Minerals, LLC	PO Box 50820	Midland	TX	79710-0820	Your item has been delivered and is available at a PO Box at 7:09 am on December 24, 2024 in MIDLAND, TX 79705.

MRC - Blue Chip BS and WC wells - Case nos. 25027-25030  
Postal Delivery Report

9414811898765459520868	Hat Mesa LLC	532 E Baja Dr	Hobbs	NM	88240-3445	We attempted to deliver your item at 1:13 pm on December 26, 2024 in HOBBS, NM 88240 and a notice was left because an authorized recipient was
9414811898765459520806	Hat Mesa, LLC	PO Box 297	Hobbs	NM	88241-0297	Your item arrived at the HOBBS, NM 88241 post office at 8:03 am on December 26, 2024 and is
9414811898765459520899	IB4S Enterprises, LLC	3203 Bowie St	Amarillo	TX	79109-3403	Your item was delivered to an individual at the address at 2:19 pm on December 24, 2024 in AMARILLO, TX
9414811898765459520844	Indaba Investments, Inc.	PO Box 1718	Fort Worth	TX	76101-1718	Your item arrived at the FORT WORTH, TX 76102 post office at 9:39 am on December 26, 2024 and is
9414811898765459520882	Independence Resources, LLC	445 E Cheyenne Mtn Blvd Ste C	Colorado Springs	CO	80906-4560	Your package will arrive later than expected, but is still on its way. It is currently in transit to the
9414811898765459520837	Integrity Energy, LLC	P.O. Box 10253	Midland	TX	79702	Your item arrived at the MIDLAND, TX 79702 post office at 10:02 am on December 24, 2024 and is ready for pickup.
9414811898765459520875	John Castle	150 E 58th St Fl 38	New York	NY	10155-0017	Your item was delivered to the front desk, reception area, or mail room at 1:54 pm on December 26, 2024 in NEW YORK, NY 10022.
9414811898765459520714	John D. Smith, whose wife is Wendy Smith	1998 Hollow Falls Ct	Frisco	TX	75036-7740	Your item was delivered to an individual at the address at 3:46 pm on December 26, 2024 in FRISCO, TX 75036.

MRC - Blue Chip BS and WC wells - Case nos. 25027-25030  
Postal Delivery Report

9414811898765459520752	John Kyle Thoma, Trustee of the Cornerstone Family Trust	PO Box 558	Peyton	CO	80831-0558	Your item has been delivered and is available at a PO Box at 10:48 am on December 23, 2024 in PEYTON, CO 80831.
9414811898765459520769	Jon D. Smith and wife, Wendy L. Smith	45 E 89th St Apt 23B	New York	NY	10128-1256	Your item was returned to the sender on December 26, 2024 at 1:30 pm in NEW YORK, NY 10028 because the addressee moved and left no forwarding address.
9414811898765459520707	KMR Energy Company	1601 E 19th St	Edmond	OK	73013-6620	Your item was delivered to an individual at the address at 9:49 am on December 26, 2024 in EDMOND, OK
9414811898765459520790	Laura Neal Barbaree	623 Athens Rd	Lexington	GA	30648-1909	Your item was delivered to an individual at the address at 12:00 pm on December 26, 2024 in LEXINGTON, GA 30648.
9414811898765459520745	Lowe Royalty Partners, L.P.	PO Box 4887 Dept 4	Houston	TX	77210-4887	Your package will arrive later than expected, but is still on its way. It is currently in transit to the
9414811898765459520783	Lowe Royalty Partners, LP	4400 Post Oak Pkwy Ste 2550	Houston	TX	77027-3431	Your item was delivered to the front desk, reception area, or mail room at 2:16 pm on December 26, 2024 in HOUSTON, TX 77027.
9414811898765459520738	Mabel, LLC	4898 County Road 153	Bluff Dale	TX	76433-3195	Your package will arrive later than expected, but is still on its way. It is currently in transit to the
9414811898765459520776	Martin Joyce	PO Box 2142	Roswell	NM	88202-2142	Your item arrived at the ROSWELL, NM 88202 post office at 8:50 am on December 26, 2024 and is ready for pickup.

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9414811898765459520912	Mavros Minerals II, LLC	PO Box 50820	Midland	TX	79710-0820	Your item has been delivered and is available at a PO Box at 7:09 am on December 24, 2024 in MIDLAND, TX 79705.
9414811898765459520950	McMullen Minerals, LLC	PO Box 470857	Fort Worth	TX	76147-0857	Your item has been delivered and is available at a PO Box at 10:13 am on December 26, 2024 in FORT WORTH, TX 76147.
9414811898765459520967	MerPel, LLC	PO Box 100367	Fort Worth	TX	76185-0367	Your package will arrive later than expected, but is still on its way. It is currently in transit to the
9414811898765459520929	Monarch Resources, Ltd.	306 W Seventh St Ste 701	Fort Worth	TX	76102-4906	Your item was delivered to the front desk, reception area, or mail room at 11:53 am on December 26, 2024 in FORT WORTH, TX 76102.
9414811898765459520905	Monarch Resoureces, Inc.	306 W Seventh St Ste 701	Fort Worth	TX	76102-4906	Your item was delivered to the front desk, reception area, or mail room at 11:53 am on December 26, 2024 in FORT WORTH, TX 76102.
9414811898765459520998	Mosaic Resources, LLC	PO Box 2390	Hobbs	NM	88241-2390	Your item arrived at the HOBBS, NM 88241 post office at 8:03 am on December 26, 2024 and is
9414811898765459520943	MSH Family Real Estate Partnership II, LLC	4143 Maple Ave Ste 500	Dallas	TX	75219-3294	Your package will arrive later than expected, but is still on its way. It is currently in transit to the
9414811898765459520981	Nestegg Energy Corporation	2308 Sierra Vista Rd	Artesia	NM	88210-9409	Your item was delivered to an individual at the address at 1:40 pm on December 26, 2024 in ARTESIA, NM 88210.

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9414811898765459520936	New-Tex Oil Co.	PO Box 297	Hobbs	NM	88241-0297	Your item arrived at the HOBBS, NM 88241 post office at 8:03 am on December 26, 2024 and is
9414811898765459520974	New-Tex Oil Company	PO Box 297	Hobbs	NM	88241-0297	Your item arrived at the HOBBS, NM 88241 post office at 8:03 am on December 26, 2024 and is
9414811898765459520615	Nolan, LLC	14 Calle Del Sol	Placitas	NM	87043-9209	We attempted to deliver your item at 10:32 am on December 24, 2024 in PLACITAS, NM 87043 and a notice was left because an authorized recipient was not available.
9414811898765459520653	Oak Valley Minerals and Land, LP	PO Box 50820	Midland	TX	79710-0820	Your item has been delivered and is available at a PO Box at 7:15 am on December 24, 2024 in MIDLAND, TX 79705.
9414811898765459520622	PANAN Energy, Inc.	PO Box 1718	Fort Worth	TX	76101-1718	Your item arrived at the FORT WORTH, TX 76102 post office at 9:39 am on December 26, 2024 and is
9414811898765459520608	Panan Energy, Inc.	PO Box 1718	Fort Worth	TX	76101-1718	Your item arrived at the FORT WORTH, TX 76102 post office at 9:39 am on December 26, 2024 and is
9414811898765459520691	Patricia Neal	811 County Road unit 3798	Springtown	TX	76082	Your item was delivered to an individual at the address at 1:48 pm on December 26, 2024 in SPRINGTOWN, TX 76082.
9414811898765459520646	Paul B. Giddings	632 Union St	Stevens Point	WI	54481-1768	Your item was delivered to an individual at the address at 4:53 pm on December 26, 2024 in STEVENS POINT, WI 54481.

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9414811898765459520684	Pegasus Resources II, LLC	2821 West 7th Street, Suite 500	Fort Worth	TX	76107	Your item was delivered to an individual at the address at 4:36 pm on December 26, 2024 in FORT WORTH, TX 76107.
9414811898765459520639	Pegasus Resources, LLC	PO Box 733980	Dallas	TX	75373-3980	Your package will arrive later than expected, but is still on its way. It is currently in transit to the
9414811898765459520677	Penasco Petroleum LLC	PO Box 4168	Roswell	NM	88202-4168	Your item arrived at the ROSWELL, NM 88202 post office at 8:49 am on December 26, 2024 and is ready for pickup.
9414811898765459520110	Penasco Petroleum, LLC	PO Box 2292	Roswell	NM	88202-2292	Your item arrived at the ROSWELL, NM 88202 post office at 8:50 am on December 26, 2024 and is ready for pickup.
9414811898765459520158	PetroLima, LLC	203 W Wall St Ste 1100	Midland	TX	79701-4520	Your item was forwarded to a different address at 9:35 am on December 26, 2024 in MIDLAND, TX. This was because of forwarding instructions or because the address or ZIP Code on the label was incorrect.
9414811898765459520165	Pony Oil Operating, LLC	3100 Monticello Ave Ste 500	Dallas	TX	75205-3432	Your package will arrive later than expected, but is still on its way. It is currently in transit to the
9414811898765459520127	Raisa II HoldCo, Inc.	PO Box 987	Denver	CO	80201-0987	Your item arrived at the DENVER, CO 80202 post office at 10:50 am on December 23, 2024 and is ready for pickup.

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9414811898765459520103	Raisa III Minerals	1560 Broadway Ste 2050	Denver	CO	80202-5168	Your package will arrive later than expected, but is still on its way. It is currently in transit to the
9414811898765459520196	Regen Royalty Corp	PO Box 210	Artesia	NM	88211-0210	Your item was picked up at the post office at 9:32 am on December 26, 2024 in ARTESIA, NM 88210.
9414811898765459520141	Regen Royalty Corp.	PO Box 210	Artesia	NM	88211-0210	Your item was picked up at the post office at 9:32 am on December 26, 2024 in ARTESIA, NM 88210.
9414811898765459520134	Rio Bravo Resources LLC	PO Box 1708	Hobbs	NM	88241-1708	Your item was picked up at the post office at 1:22 pm on December 26, 2024 in HOBBS, NM 88240.
9414811898765459520172	Rio Bravo Resources, LLC	PO Box 1708	Hobbs	NM	88241-1708	Your item was picked up at the post office at 1:22 pm on December 26, 2024 in HOBBS, NM 88240.
9414811898765459520318	Rolla Hinkle III	PO Box 2292	Roswell	NM	88202-2292	Your item arrived at the ROSWELL, NM 88202 post office at 8:50 am on December 26, 2024 and is ready for pickup.
9414811898765459520356	Rolla R. Hinkle III	PO Box 2292	Roswell	NM	88202-2292	Your item arrived at the ROSWELL, NM 88202 post office at 8:49 am on December 26, 2024 and is ready for pickup.
9414811898765459520363	Ruth Bell	900 W Cuthbert Ave	Midland	TX	79701-4170	We attempted to deliver your item at 12:06 pm on December 24, 2024 in MIDLAND, TX 79701 and a notice was left because an authorized recipient was not available.

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9414811898765459520325	SMP Sidecar Titan Mineral Holdings, LP	4143 Maple Ave Ste 500	Dallas	TX	75219-3294	Your item was delivered to an individual at the address at 12:33 pm on December 26, 2024 in DALLAS, TX
9414811898765459520301	SMP Titan Flex, LP	4143 Maple Ave Ste 500	Dallas	TX	75219-3294	Your item was delivered to an individual at the address at 12:33 pm on December 26, 2024 in DALLAS, TX
9414811898765459520394	SMP Titan Mineral Holdings, LP	4143 Maple Ave Ste 500	Dallas	TX	75219-3294	Your item was delivered to an individual at the address at 12:33 pm on December 26, 2024 in DALLAS, TX
9414811898765459520349	Stacy L. Green, as her sole and separate property	4005 Angelina Dr	Midland	TX	79707-3502	Your item was delivered to the front desk, reception area, or mail room at 1:37 pm on December 24, 2024 in MIDLAND, TX 79707.
9414811898765459520387	TD Minerals	8111 Westchester Dr Ste 900	Dallas	TX	75225-6146	Your item was delivered to the front desk, reception area, or mail room at 11:41 am on December 26, 2024 in DALLAS, TX 75225.
9414811898765459520370	TD Minerals, LLC	8111 Westchester Drive, Suite 900	Dallas	TX	75225	Your item was delivered to the front desk, reception area, or mail room at 11:41 am on December 26, 2024 in DALLAS, TX 75225.
9414811898765459520011	Texco Resources, LLC	PO Box 330	Colorado Springs	CO	80906	Your item was returned to the sender on December 23, 2024 at 5:37 pm in COLORADO SPRINGS, CO 80905 because of an incomplete address.
9414811898765459520059	Timothy J. Cusack, as Trustee of the JWN Trust	PO Box 250	Roswell	NM	88202-0250	Your item arrived at the ROSWELL, NM 88202 post office at 8:50 am on December 26, 2024 and is ready for pickup.

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9414811898765459520066	Tumbler Energy Partners, LLC	3811 Turtle Creek Blvd Ste 1100	Dallas	TX	75219-4487	Your item was delivered to the front desk, reception area, or mail room at 11:29 am on December 26, 2024 in DALLAS, TX 75219.
9414811898765459520028	VML Resources, Inc.	101 Summit Ave Ste 312	Fort Worth	TX	76102-2602	Your item was delivered to an individual at the address at 12:01 pm on December 26, 2024 in FORT WORTH, TX 76102.
9414811898765459520004	William Cravens	4241 Bordeaux Ave	Dallas	TX	75205-3717	Your package will arrive later than expected, but is still on its way. It is currently in transit to the
9414811898765459520042	William L. Cravens, Trustee of the WLC Exempt Trust	4241 Bordeaux Ave	Dallas	TX	75205-3717	Your package will arrive later than expected, but is still on its way. It is currently in transit to the
9414811898765459520080	Wilma Lou Andre, whose husband is Robert Owen Andre	10075 N 65th St	Longmont	CO	80503-9077	Your item was delivered to an individual at the address at 5:27 pm on December 23, 2024 in LONGMONT, CO 80503.
9414811898765459520035	WWH I, LP	508 W Wall St Ste 1220	Midland	TX	79701-5086	We attempted to deliver your item at 3:27 pm on December 26, 2024 in MIDLAND, TX 79701 and a notice was left because an authorized recipient was not available.

# Affidavit of Publication

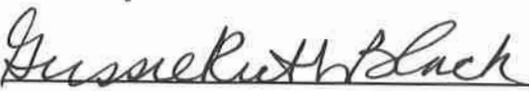
STATE OF NEW MEXICO  
COUNTY OF LEA

I, Andy Brosig, Editor 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  
December 22, 2024  
and ending with the issue dated  
December 22, 2024.

  
Editor

Sworn and subscribed to before me this  
22nd day of December 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	LEGAL	LEGAL
<b>LEGAL NOTICE</b> December 22, 2024		
<p><b>Case No. 25027: Application of MRC Hat Mesa, LLC for Compulsory Pooling, Lea County, New Mexico. Notice to all affected interest owners, including all heirs, devisees and successors of: AEPXCON Management LLC; Anadarko Partners III, LP; Anthony Energy, Ltd; Anthony Energy, Ltd.; Arch Leonard Bell, Trustee of the Arch Leonard Bell Irrevocable Gift Trust; Audrey A. Giddings; Bayard Bell Linbeck, Trustee of the Bayard Bell Linbeck Irrevocable Gift Trust; CCS Resources, Inc.; Chad Shirley; Cibolo Oil &amp; Gas LLC; Cibolo Resources, LLC; Claudia Neal Young; COG Operating LLC; COG Operating, LLC; Colburn Oil, LP; ConocoPhillips Company; Cornerstone Family Trust; D. Kirk Edwards; Encore Permian Holdings LP; EOG Resources, Inc.; EOG Resources, LLC; Essence Resources, LLC; Exploration Finance Company; Flo-Tex Oil Co., LLC; Foundation Minerals, LLC; Hat Mesa LLC; Hat Mesa, LLC; IB4S Enterprises, LLC; Indaba Investments, Inc.; Independence Resources, LLC; Integrity Energy, LLC; John Castle; John D. Smith, whose wife is Wendy Smith; John Kyle Thoma, Trustee of the Cornerstone Family Trust; Jon D. Smith and wife, Wendy L. Smith; KMR Energy Company; Laura Neal Barbaree; Lowe Royalty Partners, L.P.; Lowe Royalty Partners, LP; Mabel, LLC; Martin Joyce; Mavros Minerals II, LLC; McMullen Minerals, LLC; MerPel, LLC; Monarch Resources, Ltd.; Monarch Resources, Inc.; Mosaic Resources, LLC; MSH Family Real Estate Partnership II, LLC; Nestegg Energy Corporation; New-Tex Oil Co.; New-Tex Oil Company; Nolan, LLC; Oak Valley Minerals and Land, LP; PANAN Energy, Inc.; Panan Energy, Inc.; Patricia Neal; Paul B. Giddings; Pegasus Resources II, LLC; Pegasus Resources, LLC; Penasco Petroleum LLC; Penasco Petroleum, LLC; PetroLima, LLC; Pony Oil Operating, LLC; Raisa II HoldCo, Inc.; Raisa III Minerals; Regen Royalty Corp; Regen Royalty Corp.; Rio Bravo Resources LLC; Rio Bravo Resources, LLC; Rolla Hinkle III; Rolla R. Hinkle III; Ruth Bell; SMP Sidecar Titan Mineral Holdings, LP; SMP Titan Flex, LP; SMP Titan Mineral Holdings, LP; Stacy L. Green, as her sole and separate property; TD Minerals; TD Minerals, LLC; Texco Resources, LLC; Timothy J. Cusack, as Trustee of the JWN Trust; Tumbler Energy Partners, LLC; VML Resources, Inc.; William Cravens; William L. Cravens, Trustee of the WLC Exempt Trust; Wilma Lou Andre, whose husband is Robert Owen Andre; WWH I, LP. 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 January 9, 2025, 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: <a href="https://www.emnrd.nm.gov/ocd/hearing-info/">https://www.emnrd.nm.gov/ocd/hearing-info/</a> or contact Freya Tschantz, at <a href="mailto:Freya.Tschantz@emnrd.nm.gov">Freya.Tschantz@emnrd.nm.gov</a>. Applicant in the above-styled cause seeks an order pooling a standard 320-acre, mor or less, horizontal well spacing unit in the Bone Spring formation underlying the E2E2 of Sections 14 and 23, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico. Applicant seeks to initially dedicate the above- referenced spacing unit the proposed <b>Blue Chip 1423 Fed 522H, Blue Chip 1423 Fed 551H and Blue Chip 1423 Fed 601H</b> wells to be horizontally drilled from a surface location in the SE4 of Section 11, with first take points in the NE4NE4 (Unit A) of Section 14 and last take points in the SW4SW4 (Unit P) of Section 23. 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 33 miles northeast of Carlsbad, New Mexico.</b></p> <p>#00297016</p>		

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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: February 13 2025

Case No. 25027