

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING JUNE 5, 2025**

CASE No. 25390

ED DRAKE FED COM 242H WELL

LEA COUNTY, NEW MEXICO



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

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

CASE NO. 25390

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COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 25390	APPLICANT'S RESPONSE
Date	June 5, 2025
Applicant	MRC Permian Company
Designated Operator & OGRID (affiliation if applicable)	Matador Production Company (OGRID No. 228937)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF MRC PERMIAN COMPANY COMPANY FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.
	<p>BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. A Submitted by: Matador Production Company Hearing Date: June 5, 2025 Case No. 25390</p>
Entries of Appearance/Intervenors:	N/A
Well Family	Ed Drake
Formation/Pool	
Formation Name(s) or Vertical Extent:	Pennsylvanian
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code (Only if NSP is requested):	Dean; Permo Upper Penn [16720] pool
Well Location Setback Rules (Only if NSP is Requested):	Statewide oil rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	480
Building Blocks:	40 acres
Orientation:	Stand-up
Description: TRS/County	E/2 W/2 of Sections 11, 14, and 23, Township 15 South, Range 36 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	See Exhibit C-3
Well(s)	

Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Ed Drake Fed Com 242H well (API: PENDING) SHL: 983' FSL & 1,124' FWL (Unit M) of Section 23 BHL: 110' FNL & 1,980' FWL (Unit C) of Section 11 Target: Pennsylvanian Orientation: Stand-up Completion: Standard Location
Horizontal Well First and Last Take Points	Exhibit C-1
Completion Target (Formation, TVD and MD)	Exhibit C-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$10,000
Production Supervision/Month \$	\$1,000
Justification for Supervision Costs	Exhibit C
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-2
Tract List (including lease numbers and owners)	Exhibit C-2; C-3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit C-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit C-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-3
Chronology of Contact with Non-Joined Working Interests	Exhibit C-5
Overhead Rates In Proposal Letter	Exhibit C-4
Cost Estimate to Drill and Complete	Exhibit C-4
Cost Estimate to Equip Well	Exhibit C-4
Cost Estimate for Production Facilities	Exhibit C-4

Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit D-2
Well Orientation (with rationale)	Exhibit D
Target Formation	Exhibit D; D-3
HSU Cross Section	Exhibit D-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit C-1
Tracts	Exhibit C-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-3
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit D-1
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D-2
Cross Section (including Landing Zone)	Exhibit D-3
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Paula M. Vance
Signed Name (Attorney or Party Representative):	
Date:	5/29/2025

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

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

CASE NO. 25390

APPLICATION

MRC Permian Company (“MRC” or “Applicant”), through undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling a standard 480-acre, more or less, horizontal well spacing unit in the Pennsylvanian formation underlying the E/2 W/2 of Sections 11, 14, and 23, Township 15 South, Range 36 East, NMPM, Lea County, New Mexico. In support of its application, MRC states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to designate Matador Production Company (OGRID No. 228937) as the operator of the proposed horizontal spacing unit.
3. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Ed Drake Fed Com #242H** well, with a surface location in the SW/4 SW/4 (Unit M) of Section 23, a first take point in the SE/4 NW/4 (Unit N) of Section 23, and a last take point in the NE/4 NW/4 (Unit C) of Section 11.
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 unit.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B
Submitted by: Matador Production Company
Hearing Date: June 5, 2025
Case No. 25390**

5. The pooling of interests in the proposed horizontal well spacing unit 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 June 5, 2025, and, after notice and hearing as required by law, the Division enter an order:

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

Respectfully submitted,

HOLLAND & HART LLP

By 

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ATTORNEYS FOR MRC PERMIAN COMPANY

CASE _____: **Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling a standard 480-acre, more or less, horizontal well spacing unit in the Pennsylvanian formation underlying the E/2 W/2 of Sections 11, 14, and 23, Township 15 South, Range 36 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed **Ed Drake Fed Com #242H** well, with a surface location in the SW/4 SW/4 (Unit M) of Section 23, a first take point in the SE/4 NW/4 (Unit N) of Section 23, and a last take point in the NE/4 NW/4 (Unit C) of Section 11. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for risk involved in drilling the well. The subject area is located approximately 6.5 miles northeast of Lovington, New Mexico.

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

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LEA COUNTY, NEW MEXICO.**

CASE NO. 25390

SELF-AFFIRMED STATEMENT OF ADDISON COSTLEY

Addison Costley, of lawful age and being first duly sworn, declares as follows:

1. My name is Addison Costley. I work for MRC Energy Company, an affiliate of MRC Permian Company (“MRC”), as a Landman.

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

3. I am familiar with the application filed by MRC in this case, and I am familiar with the status of the lands in the subject area.

4. In this case, MRC is seeking an order pooling all uncommitted interests in the Pennsylvanian formation in the standard 480-acre, more or less, horizontal well spacing unit underlying the E/2 W/2 of Sections 11, 14, and 23, Township 15 South, Range 36 East, NMPM, Lea County, New Mexico, and initially dedicate this Pennsylvanian spacing unit to the proposed **Ed Drake Fed Com #242H** well, with a surface location in the SW/4 SW/4 (Unit M) of Section 23, a first take point in the SE/4 NW/4 (Unit N) of Section 23, and a last take point in the NE/4 NW/4 (Unit C) of Section 11.

5. MRC understands this well will be placed in the Dean; Permo Upper Penn [16720] pool.

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

Submitted by: Matador Production Company

Hearing Date: June 5, 2025

Case No. 25390

6. **MRC Exhibit C-1** contains the Form C-102 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 C-2** identifies the tracts of land comprising the proposed horizontal spacing unit. The land in the proposed spacing unit is comprised of fed, state and fee lands.
9. **MRC Exhibit C-3** identifies the working interest owner that MRC is seeking to pool. The first page of Exhibit C-3 shows the parties MRC is seeking to pool on a unit basis. Behind the unit analysis, there are additional pages showing the working interest owners that MRC seeks to pool, on a tract by tract basis, along with their ownership interest in each of the tracts in the proposed horizontal spacing unit. The parties that MRC is seeking to pool are highlighted yellow.
10. There are no depth severances within the Pennsylvanian formation for this acreage.
11. While MRC was working to put this unit together, MRC proposed the above well to the working interest party it seeks to pool. **MRC Exhibit C-4** contains a copy of the well proposal letter that was sent to the lessee working interest partner (to their predecessor in interest as explained further in MRC Exhibit C-5), along with the AFE that was sent for the well. The costs reflected in the AFE are consistent with what other operators have incurred for drilling similar horizontal wells in the area.
12. **MRC Exhibit C-5** contains a summary of MRC's contacts with the uncommitted working interest owner we seek to pool in this case. 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 well. 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 C-1 through C-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.

Addison Costley

Addison Costley

5/29/2025

Date

Exhibit C-1

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-1
Submitted by: Matador Production Company
Hearing Date: June 5, 2025
Case No. 25390**

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024
	Submittal Type: <input type="checkbox"/> Initial Submittal <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled	

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 16720	Pool Name DEAN; PERMO UPPER PENN
Property Code	Property Name ED DRAKE FED COM	Well Number 242H
OGRID No. 228937	Operator Name MATADOR PRODUCTION COMPANY	Ground Level Elevation 3874'
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
M	23	15-S	36-E	-	983' S	1124' W	N 32.9984683	W 103.2794369	LEA

Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
C	11	15-S	36-E	-	110' N	1980' W	N 33.0390137	W 103.2765925	LEA

Dedicated Acres 480.00	Infill or Defining Well ----	Defining Well API ----	Overlapping Spacing Unit (Y/N) ----	Consolidated Code ----
Order Numbers -----			Well Setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No	

Kick Off Point (KOP)

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
N	23	15-S	36-E	-	50' S	1980' W	N 32.9959056	W 103.2766414	LEA

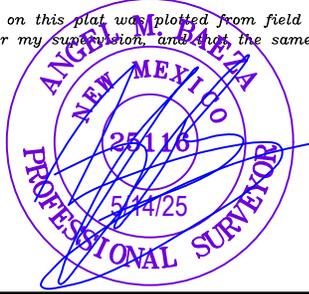
First Take Point (FTP)

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
N	23	15-S	36-E	-	100' S	1980' W	N 32.9960430	W 103.2766412	LEA

Last Take Point (LTP)

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
C	11	15-S	36-E	-	110' N	1980' W	N 33.0390137	W 103.2765925	LEA

Unitized Area or Area of Uniform Interest ----	Spacing Unity Type <input type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation 1
---	---	-----------------------------

<p>OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p><i>If this well is a horizontal well, I further certify that this organization has received The consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i></p>	<p>SURVEYORS CERTIFICATION</p> <p><i>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.</i></p> <div style="text-align: center;">  </div>
Signature _____ Date _____	Signature and Seal of Professional Surveyor _____ Date _____
Print Name _____	Certificate Number _____ Date of Survey 03/19/2025
E-mail Address _____	

S:\SURVEY\MATADOR_RESOURCES\ED_DRAKE_2111_25116\REFINAL_PRODUCT\ED_DRAKE_2111_FLD_COM_2401.MXD ORMS\ORMS\5/14/2025 10:54 AM

C-102

Submit Electronically
Via OCD Permitting

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION

Revised July 9, 2024

Submittal
Type:

- Initial Submittal
- Amended Report
- As Drilled

Property Name and Well Number

ED DRAKE 2311 FED COM 242H

SURFACE LOCATION (SHL)

NEW MEXICO EAST
NAD 1983
X=864450 Y=728598
LAT.: N 32.9984683
LONG.: W 103.2794369
NAD 1927
X=823274 Y=728534
LAT.: N 32.9983533
LONG.: W 103.2789369
983' FSL 1124' FWL

KICK OFF POINT (KOP)

NEW MEXICO EAST
NAD 1983
X=865317 Y=727674
LAT.: N 32.9959056
LONG.: W 103.2766414
NAD 1927
X=824140 Y=727610
LAT.: N 32.9957907
LONG.: W 103.2761416
50' FSL 1980' FWL

FIRST PERF. POINT (FPP)

NEW MEXICO EAST
NAD 1983
X=865317 Y=727724
LAT.: N 32.9960430
LONG.: W 103.2766412
NAD 1927
X=824140 Y=727660
LAT.: N 32.9959281
LONG.: W 103.2761414
100' FSL 1980' FWL

BLM PERF. POINT (BPP1)

NEW MEXICO EAST
NAD 1983
X=865305 Y=728943
LAT.: N 32.9993943
LONG.: W 103.2766375
NAD 1927
X=824129 Y=728879
LAT.: N 32.9992794
LONG.: W 103.2761375
1319' FSL 1982' FWL

BLM PERF. POINT (BPP2)

NEW MEXICO EAST
NAD 1983
X=865293 Y=730263
LAT.: N 33.0030203
LONG.: W 103.2766334
NAD 1927
X=824117 Y=730199
LAT.: N 33.0029055
LONG.: W 103.2761333
2639' FSL 1985' FWL

BLM PERF. POINT (BPP3)

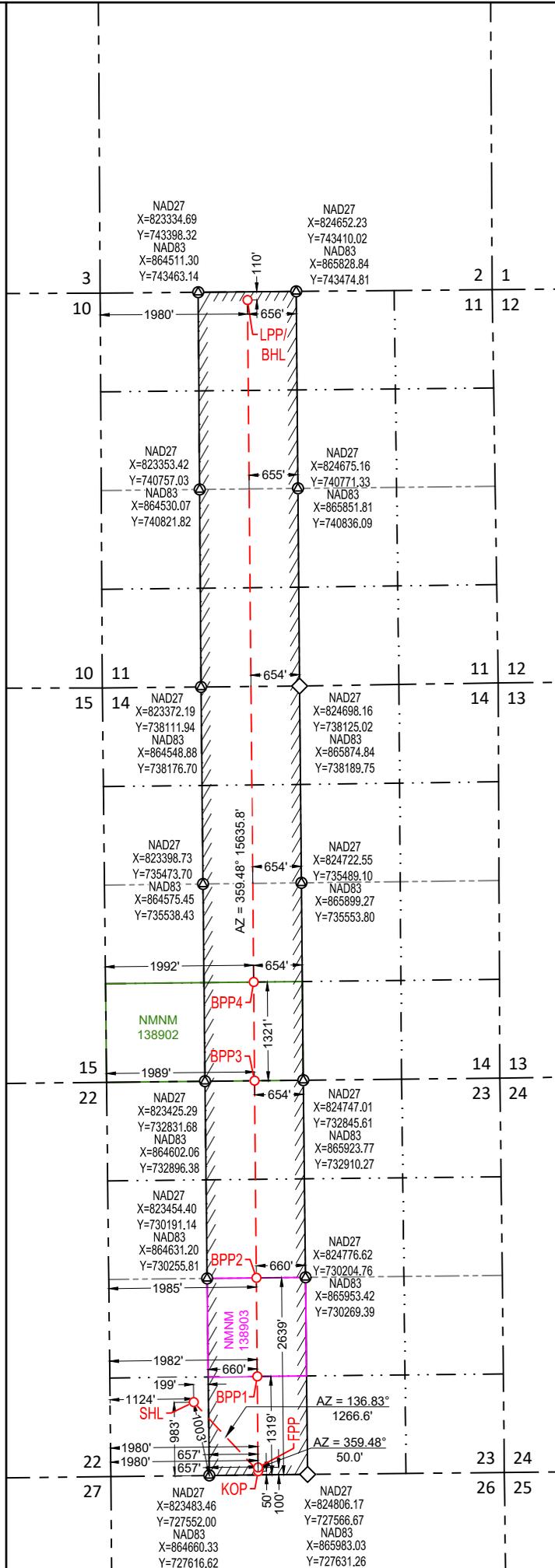
NEW MEXICO EAST
NAD 1983
X=865269 Y=732903
LAT.: N 33.0102781
LONG.: W 103.2766252
NAD 1927
X=824093 Y=732840
LAT.: N 33.0101634
LONG.: W 103.2761249
0' FNL 1989' FWL

BLM PERF. POINT (BPP4)

NEW MEXICO EAST
NAD 1983
X=865257 Y=734225
LAT.: N 33.0139098
LONG.: W 103.2766211
NAD 1927
X=824081 Y=734161
LAT.: N 33.0137952
LONG.: W 103.2761207
1321' FSL 1992' FWL

**LAST PERF. POINT (LPP)
BOTTOM HOLE LOCATION (BHL)**

NEW MEXICO EAST
NAD 1983
X=865174 Y=743359
LAT.: N 33.0390137
LONG.: W 103.2765925
NAD 1927
X=823998 Y=743295
LAT.: N 33.0388995
LONG.: W 103.2760916
110' FNL 1980' FWL



SURVEYORS CERTIFICATION

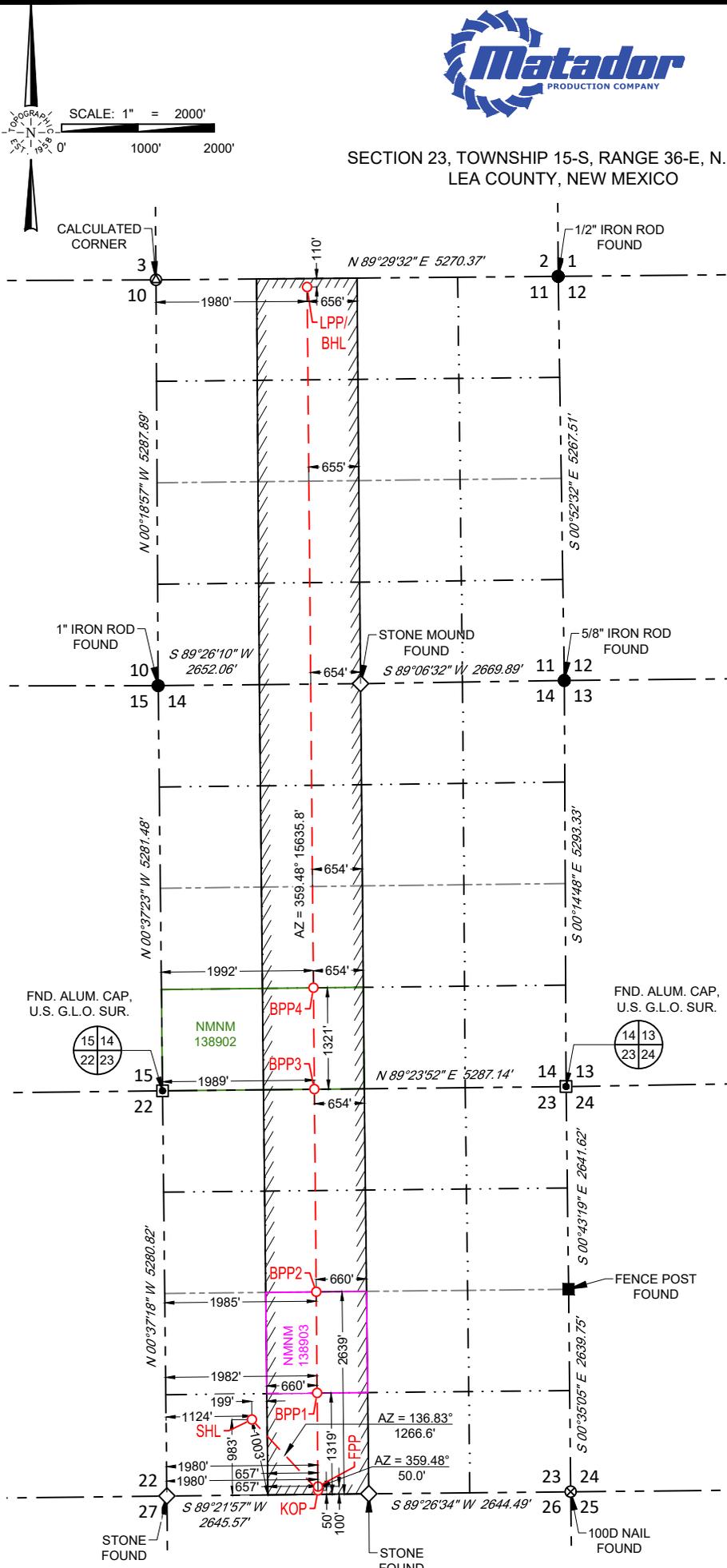
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. 03/19/2025

Date of Survey
Signature and Seal of Professional Surveyor:





SECTION 23, TOWNSHIP 15-S, RANGE 36-E, N.M.P.M.
LEA COUNTY, NEW MEXICO



- SURFACE LOCATION (SHL)**
NEW MEXICO EAST
NAD 1983
X=864450 Y=728598
LAT.: N 32.9984683
LONG.: W 103.2794369
983' FSL 1124' FWL
- KICK OFF POINT (KOP)**
NEW MEXICO EAST
NAD 1983
X=865317 Y=727674
LAT.: N 32.9959056
LONG.: W 103.2766414
50' FSL 1980' FWL
- FIRST PERF. POINT (FPP)**
NEW MEXICO EAST
NAD 1983
X=865317 Y=727724
LAT.: N 32.9960430
LONG.: W 103.2766412
100' FSL 1980' FWL
- BLM PERF. POINT (BPP1)**
NEW MEXICO EAST
NAD 1983
X=865305 Y=728943
LAT.: N 32.9993943
LONG.: W 103.2766375
1319' FSL 1982' FWL
- BLM PERF. POINT (BPP2)**
NEW MEXICO EAST
NAD 1983
X=865293 Y=730263
LAT.: N 33.0030203
LONG.: W 103.2766334
2639' FSL 1985' FWL
- BLM PERF. POINT (BPP3)**
NEW MEXICO EAST
NAD 1983
X=865269 Y=732903
LAT.: N 33.0102781
LONG.: W 103.2766252
0' FNL 1989' FWL
- BLM PERF. POINT (BPP4)**
NEW MEXICO EAST
NAD 1983
X=865257 Y=734225
LAT.: N 33.0139098
LONG.: W 103.2766211
1321' FSL 1992' FWL
- LAST PERF. POINT (LPP)**
BOTTOM HOLE LOCATION (BHL)
NEW MEXICO EAST
NAD 1983
X=865174 Y=743359
LAT.: N 33.0390137
LONG.: W 103.2765925
110' FNL 1980' FWL

LEASE NAME & WELL NO.: ED DRAKE 2311 FED COM 242H

SECTION 23 TWP 15-S RGE 36-E SURVEY N.M.P.M.
COUNTY LEA STATE NM
DESCRIPTION 983' FSL & 1124' FWL

DISTANCE & DIRECTION
FROM INT. OF US-82 E/PLAINS HWY & STATE HWY 206 S/TATUM HWY, GO
NORTHEAST ON US ±2.0 MILES, THENCE NORTH (LEFT) ON A PROPOSED
RD. ±822 FEET TO A POINT ±487 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.



481 WINSKOTT 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

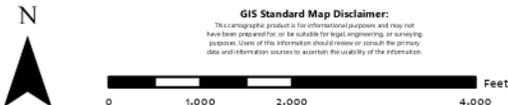
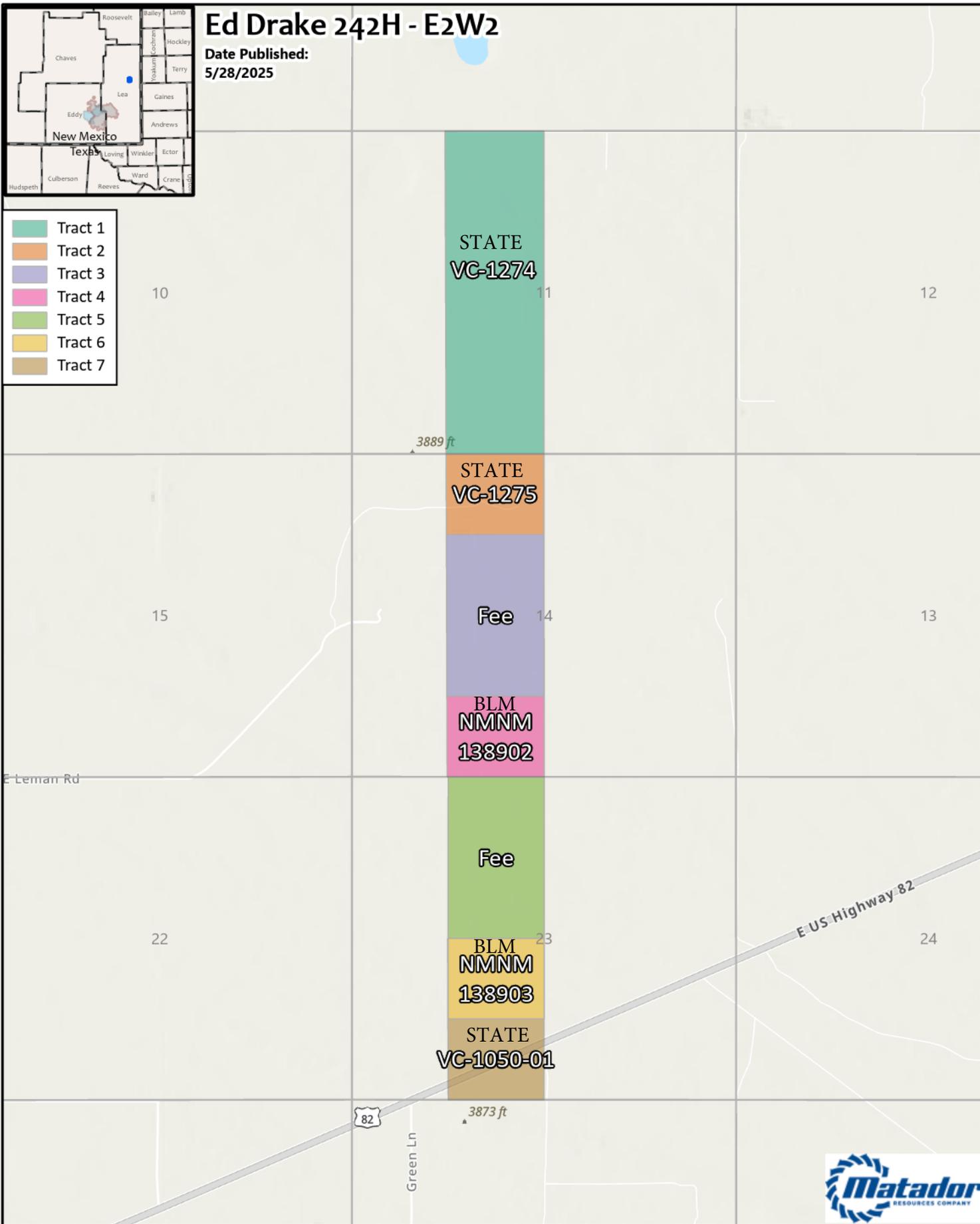
Exhibit C-2

Ed Drake 242H - E2W2

Date Published:
5/28/2025



- Tract 1
- Tract 2
- Tract 3
- Tract 4
- Tract 5
- Tract 6
- Tract 7



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: May 28, 2025
 Project: \\gis\UserData\lyeargins\--projects\Tract Maps\Tract Maps.aprx
 Spatial Reference: GCS WGS 1984
 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 C-3

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-3
Submitted by: Matador Production Company
Hearing Date: June 5, 2025
Case No. 25390

Ed Drake (E2/W2)			
Summary of Interests			
Matador Working Interest			66.6666667%
Compulsory Pool Interest			33.3333333%
Interest Owners:	Description:	Tract:	Interest:
Wyotex Drilling Ventures, LLC*	Uncommitted Working Interest	3 & 5	33.333333%

Ed Drake (E2W2)			
Summary of Interests			
Tract 1			
Interest Owners:	Description:	Net Mineral Acres:	Working Interest in Tract:
MRC Permian Company	Committed Working Interest	160.00000	100.00000%
Tract 2			
Interest Owners:	Description:	Net Mineral Acres:	Working Interest in Tract:
MRC Permian Company	Committed Working Interest	40.000000	100.00000%
Tract 3			
Interest Owners:	Description:	Net Mineral Acres:	Working Interest in Tract:
Wytex Drilling Ventures, LLC*	Uncommitted Working Interest	80.00000	100.00000%
Tract 4			
Interest Owners:	Description:	Net Mineral Acres:	Working Interest in Tract:
MRC Permian Company	Committed Working Interest	40.000000	100.00000%
Tract 5			
Interest Owners:	Description:	Net Mineral Acres:	Working Interest in Tract:
Wytex Drilling Ventures, LLC*	Uncommitted Working Interest	80.00000000	100.00000%
Tract 6			
Interest Owners:	Description:	Net Mineral Acres:	Working Interest in Tract:
MRC Permian Company	Committed Working Interest	80.0000000	100.00000%

* MRC Permian is seeking to force pool the parties highlighted in yellow
 * Wytex Drilling Ventures is the successor in title to Thomas L. Alexander

Exhibit C-4

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-4
Submitted by: Matador Production Company
Hearing Date: June 5, 2025
Case No. 25390**

MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
 Voice 972.371.5474

addison.costley@matadorresources.com

**Addison Costley
 Landman**

March 4, 2025

VIA CERTIFIED RETURN RECEIPT MAIL

Thomas L. Alexander
 PO Box 2005
 Morro Bay, CA 93443

Re: Ed Drake Fed Com #241H & #242H and Ed Drake State Com #243H & #244H (the “Wells”)
 Participation Proposal
 Sections 23, 14 & 11, Township 15 South, Range 36 East
 Lea County, New Mexico

Dear Sir/Madam:

MRC Permian Company (“MRC”) proposes the drilling of Matador Production Company’s wells, located in Sections 23, 14 and 11, Township 15 South, Range 36 East, Lea County, New Mexico:

Well Name	SHL	FTP	LTP	TVD	TMD	Formation
Ed Drake Fed Com #241H	SW4SW4 23-15S-36E	660’ FWL & 100’ FSL 23-15S-36E	660’ FWL & 100’ FNL 11-15S-36E	~11,400’	~26,834’	Wolfcamp D
Ed Drake Fed Com #242H	SW4SW4 23-15S-36E	1980’ FWL & 100’ FSL 23-15S-36E	1980’ FWL & 100’ FNL 11-15S-36E	~11,400’	~26,834’	Wolfcamp D
Ed Drake State Com #243H	SE4SE4 23-15S-36E	1980’ FEL & 100’ FSL 23-15S-36E	1980’ FEL & 100’ FNL 11-15S-36E	~11,400’	~26,834’	Wolfcamp D
Ed Drake State Com #244H	SE4SE4 23-15S-36E	660’ FEL & 100’ FSL 23-15S-36E	660’ FEL & 100’ FNL 11-15S-36E	~11,400’	~26,834’	Wolfcamp D

In connection with the above, please note the estimated cost of drilling, testing, completing, and equipping of each Well is itemized on the four (4) enclosed Authority for Expenditures (“AFE”) dated February 5, 2025.

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 dated March 5, 2025, by and between Matador Production Company, as Operator and MRC Permian Company et al as Non-Operators covering All of Sections 23, 14 and 11, Township 15 South, Range 36 East, Lea County, New Mexico, 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



Addison Costley

Thomas L. Alexander hereby elects to:

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Ed Drake Fed Com #241H** well.

_____ Not to participate in the **Ed Drake Fed Com #241H**.

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Ed Drake Fed Com #242H** well.

_____ Not to participate in the **Ed Drake Fed Com #242H**.

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Ed Drake State Com #243H** well.

_____ Not to participate in the **Ed Drake State Com #243H**.

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Ed Drake State Com #244H** well.

_____ Not to participate in the **Ed Drake State Com #244H**.

Thomas L. Alexander

By: _____

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:	02/05/2025	AFE NO.:	0
WELL NAME:	Ed Drake Fed Com #242H	FIELD:	0
LOCATION:	Sections 23&14&11 15S-36E	MD/TVD:	26834/11400'
COUNTY/STATE:	Lea	LATERAL LENGTH:	about 15,000'
MRC WI:			
GEOLOGIC TARGET:	Wolfcamp D		
REMARKS:	Drill and complete a 3-mile horizontal well in the Wolfcamp D formation with about 80 frac stages.		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Land / Legal / Regulatory	67,500			10,000	77,500
Location, Surveys & Damages	128,250	13,000	15,000	37,500	193,750
Drilling	1,220,400				1,220,400
Cementing & Float Equip	447,000				447,000
Logging / Formation Evaluation		3,750			3,750
Mud Logging	43,500				43,500
Mud Circulation System	147,064				147,064
Mud & Chemicals	550,500	70,000			620,500
Mud / Wastewater Disposal	200,000			1,000	201,000
Freight / Transportation	28,000	39,000			67,000
Rig Supervisor / Engineering	166,500	89,500	7,500		272,600
Drill Bits	132,500				132,500
Fuel & Power	211,200	545,127			756,327
Water	44,600	1,705,700		1,000	1,751,300
Drig & Completion Overhead	16,000				16,000
Plugging & Abandonment					
Directional Drilling, Surveys	415,551				415,551
Completion Unit, Swab, CTU		245,000	25,000		270,000
Perforating, Wireline, Slickline		299,500	15,000		314,500
High Pressure Pump Truck		104,100		5,000	109,100
Stimulation		4,440,600			4,440,600
Stimulation Flowback & Disp		15,500	320,000		335,500
Insurance	21,467				21,467
Labor	191,500	61,250	110,000		362,750
Rental - Surface Equipment	162,593	355,440	70,000		588,033
Rental - Downhole Equipment	222,400	103,000			325,400
Rental - Living Quarters	51,285	36,955			88,240
Contingency	224,824		56,250		281,074
Operations Center	28,670			7,850	36,520
TOTAL INTANGIBLES >	4,721,303	8,127,522	618,750	86,350	13,553,925
TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	96,750				96,750
Intermediate Casing	373,063				373,063
Drilling Liner					
Production Casing	1,020,054				1,020,054
Production Liner					
Tubing			134,400		134,400
Wellhead	96,000		25,000		121,000
Packers, Liner Hangers		93,350	5,000		98,350
Tanks				81,833	81,833
Production Vessels				151,250	151,250
Flow Lines				177,750	177,750
Rod string					
Artificial Lift Equipment			300,000		300,000
Compressor				26,250	26,250
Installation Costs				56,000	56,000
Surface Pumps			12,500		12,500
Non-controllable Surface	350		60,000		62,350
Downhole Pumps			10,000		10,000
Measurement & Meter Installation			16,000		16,000
Gas Conditioning / Dehydration				96,250	96,250
Interconnecting Facility Piping			20,000		20,000
Gathering / Bulk Lines				230,000	230,000
Valves, Dumps, Controllers			5,000		5,000
Tank / Facility Containment				17,500	17,500
Flare Stack				33,750	33,750
Electrical / Grounding			25,000		25,000
Communications / SCADA			2,500		2,500
Instrumentation / Safety				15,000	15,000
				42,000	42,000
TOTAL TANGIBLES >	1,586,217	93,350	615,400	993,583	3,288,550
TOTAL COSTS >	6,307,520	8,220,872	1,234,150	1,079,933	16,842,475

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Patrick Walsh	Team Lead - WTXNM:	<i>FM</i>
Completions Engineer:	Garrett Hunt		FM
Production Engineer:	Josh Bryant		

MATADOR RESOURCES COMPANY APPROVAL:

President:	VS	Chief Geologist:	NLUF
CFO:	BW		COO
EVP, Reservoir:	WTE		CC

NON OPERATING PARTNER APPROVAL:

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

The costs on this AFE are estimates only and may not be confirmed as charges on any specific item or the total cost of the project. Tidding 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, customer, 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 held 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.

Exhibit C-5

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-5
Submitted by: Matador Production Company
Hearing Date: June 5, 2025
Case No. 25390

Summary of Communications Ed Drake Fed Com 242H (Slot 2- WFMP)

Uncommitted Working Interest Owner

1. Wyotex Drilling Ventures* (Thomas L. Alexander)

Matador has had discussions with **Wyotex Drilling Ventures, LLC** regarding their acquired interest and we are continuing to discuss voluntary joinder.

- Proposal sent to Thomas L. Alexander March 5, 2025
- Phone Call with Thomas L. Alexander April 15, 2025
- Email correspondence with Thomas L. Alexander April 16, 2025
- Wyotex Drilling Ventures, LLC leased Thomas L. Alexander April 30, 2025
- Wyotex Drilling Ventures, LLC filed the lease with Thomas L. Alexander May 12, 2025
- Email correspondence with Wyotex Drilling Ventures, LLC May 12, 2025, acknowledging the June 5, 2025 hearing
- Email correspondence with Wyotex Drilling Ventures, LLC May 15, 2025
- Phone Call with Wyotex Drilling Ventures, LLC May 15, 2025
-

* Wyotex Drilling Ventures, LLC is the successor in title to Thomas L. Alexander

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

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

CASE NO. 25390

SELF-AFFIRMED STATEMENT OF JOSHUA BURRUS

1. My name is Joshua Burrus. I work for MRC Energy Company, an affiliate of Matador Production Company (“Matador”), as a Senior Staff 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 application filed by MRC in this case, and I have conducted a geologic study of the lands in the subject area.

4. **MRC Exhibit D-1** is a locator map outlining the horizontal spacing unit with a black box shaded in yellow, with the larger area identified in a red box.

5. In this case, MRC intends to develop the Penn Shale of the upper Pennsylvanian formation.

6. **MRC Exhibit D-2** is a subsea structure map prepared off the top of the Pennsylvanian formation. The contour interval is 50 feet. The structure map shows the Pennsylvanian formation dipping to the east. The structure appears consistent across the proposed wellbore path. I do not observe any faulting, pinchouts, or other geologic impediments to horizontal drilling.

7. Also included on MRC Exhibit D-2 is a line of cross section from A to A’.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D
Submitted by: Matador Production Company
Hearing Date: June 5, 2025
Case No. 25390

8. **MRC Exhibit D-3** is a structural cross-section displaying open-hole logs run over the Pennsylvanian formation (or at least portions thereof) 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 interval for the proposed well is labeled and marked with a yellow shaded area. The logs in the cross-section demonstrate that the targeted interval, within the Pennsylvanian formation, is consistent in thickness across the entirety of the proposed spacing unit.

9. In my opinion, the standup orientation is the preferred orientation for development in this area for the Penn Shale well based on the maximum horizontal stress orientation in this area.

10. Based on my geologic study of the area, I have not identified any geologic impediments to drilling horizontal wells within the Pennsylvanian formation in the area of the spacing unit proposed in this case.

11. In my opinion, each quarter-quarter section will be productive and contribute more-or-less equally to production from the horizontal spacing unit.

12. In my opinion, horizontal drilling will be the most efficient method to develop this acreage, to prevent the drilling of unnecessary wells, and to result in the greatest ultimate recovery.

13. 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 D-1 through D-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

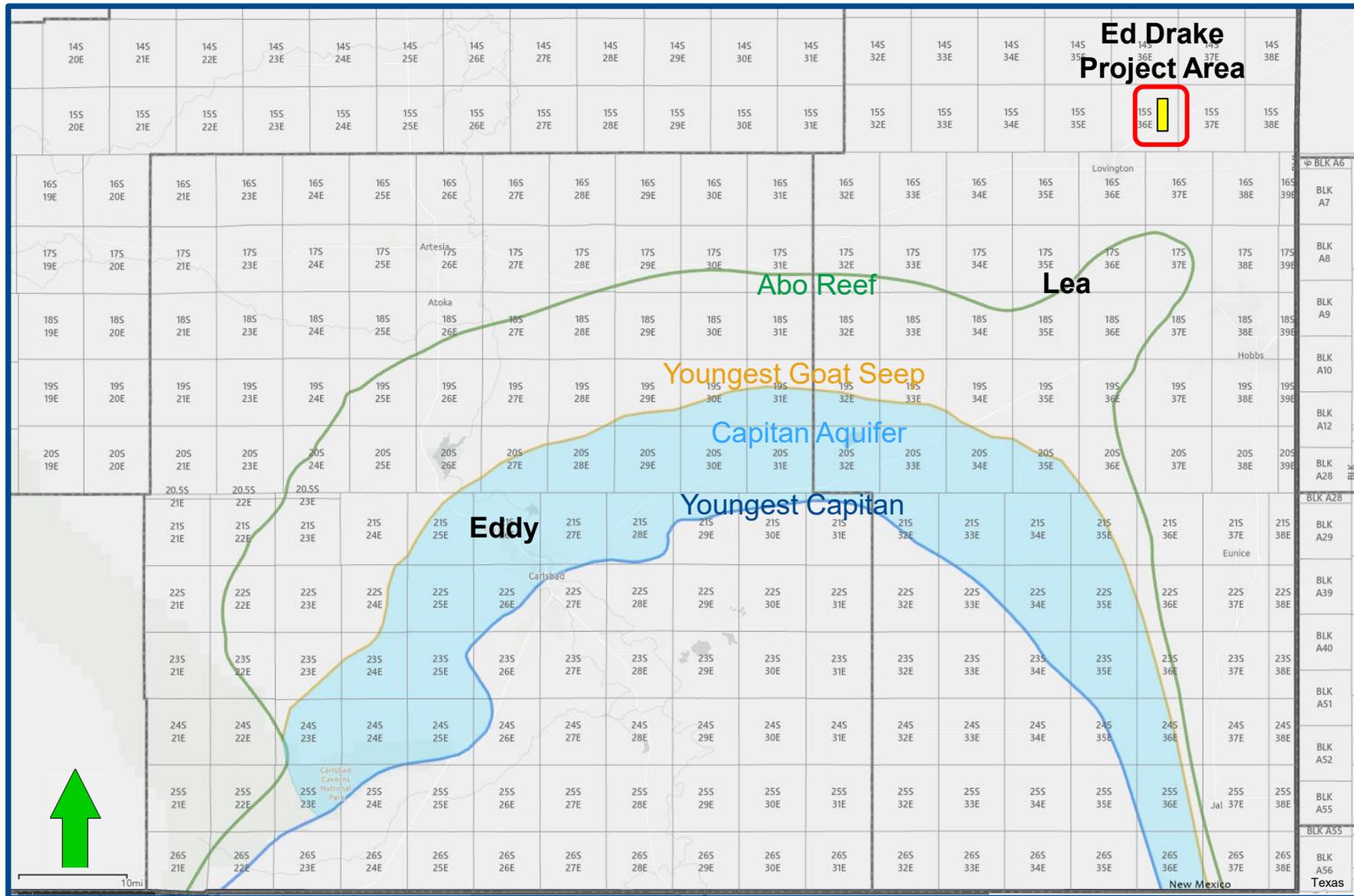
statement will be used as written testimony in this case. This statement is made on the date next to my signature below.


Joshua Burrus

05/27/2025
Date

Locator Map

Exhibit D-1



BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. D-1

Submitted by: Matador Production Company

Hearing Date: June 5, 2025

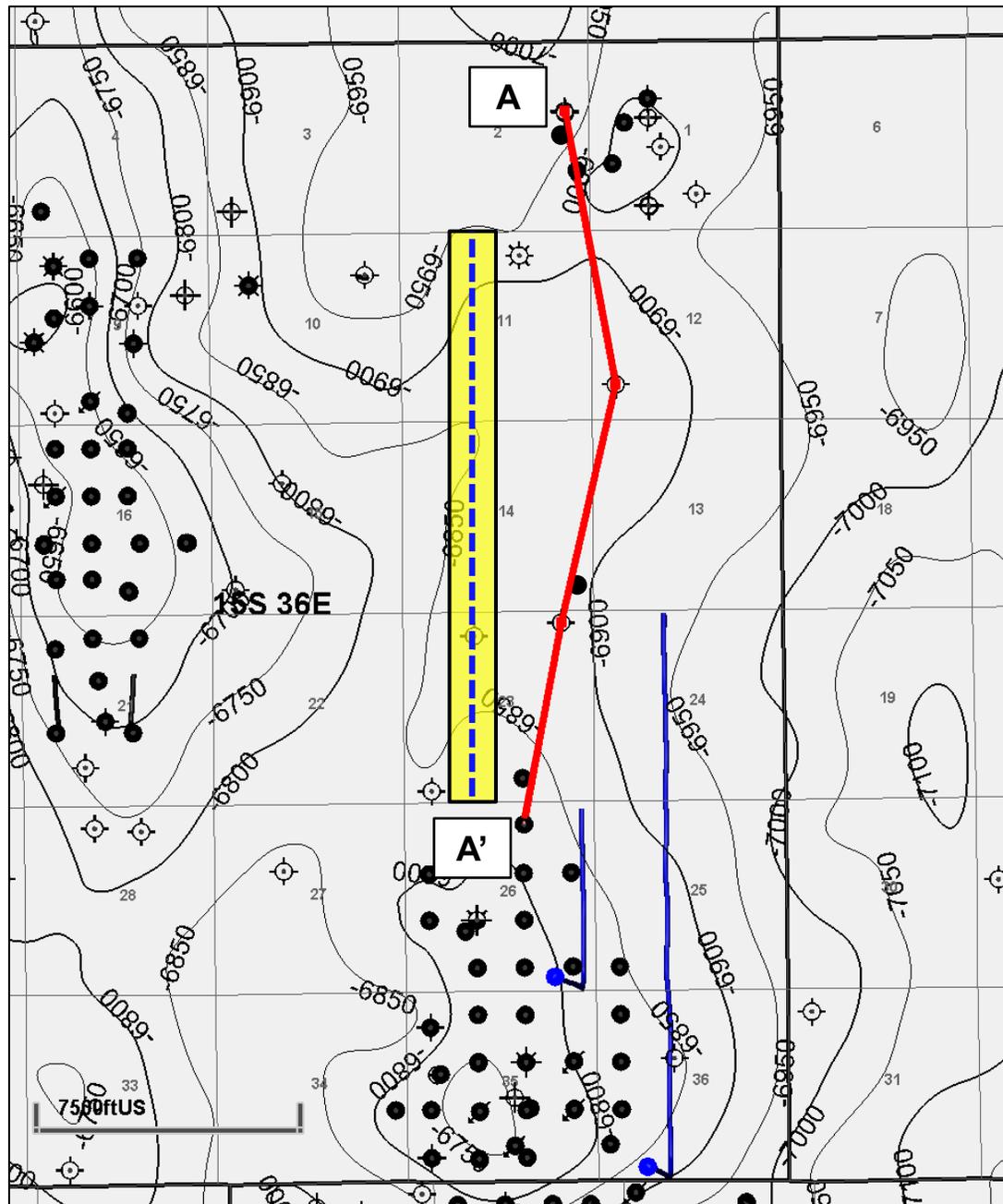
Case No. 25390



D-1

Dean; Permo Upper Penn [Pool Code 16720] Structure Map (Top Pennsylvanian Subsea)

Exhibit D-2



Map Legend

Upper Penn Shale Wells



Ed Drake #242H



Project Area



C. I. = 50'

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. D-2
 Submitted by: Matador Production Company
 Hearing Date: June 5, 2025
 Case No. 25390

Dean; Permo Upper Penn [Pool Code 16720] Structural Cross Section A – A' Reference Line

Santa Fe, New Mexico

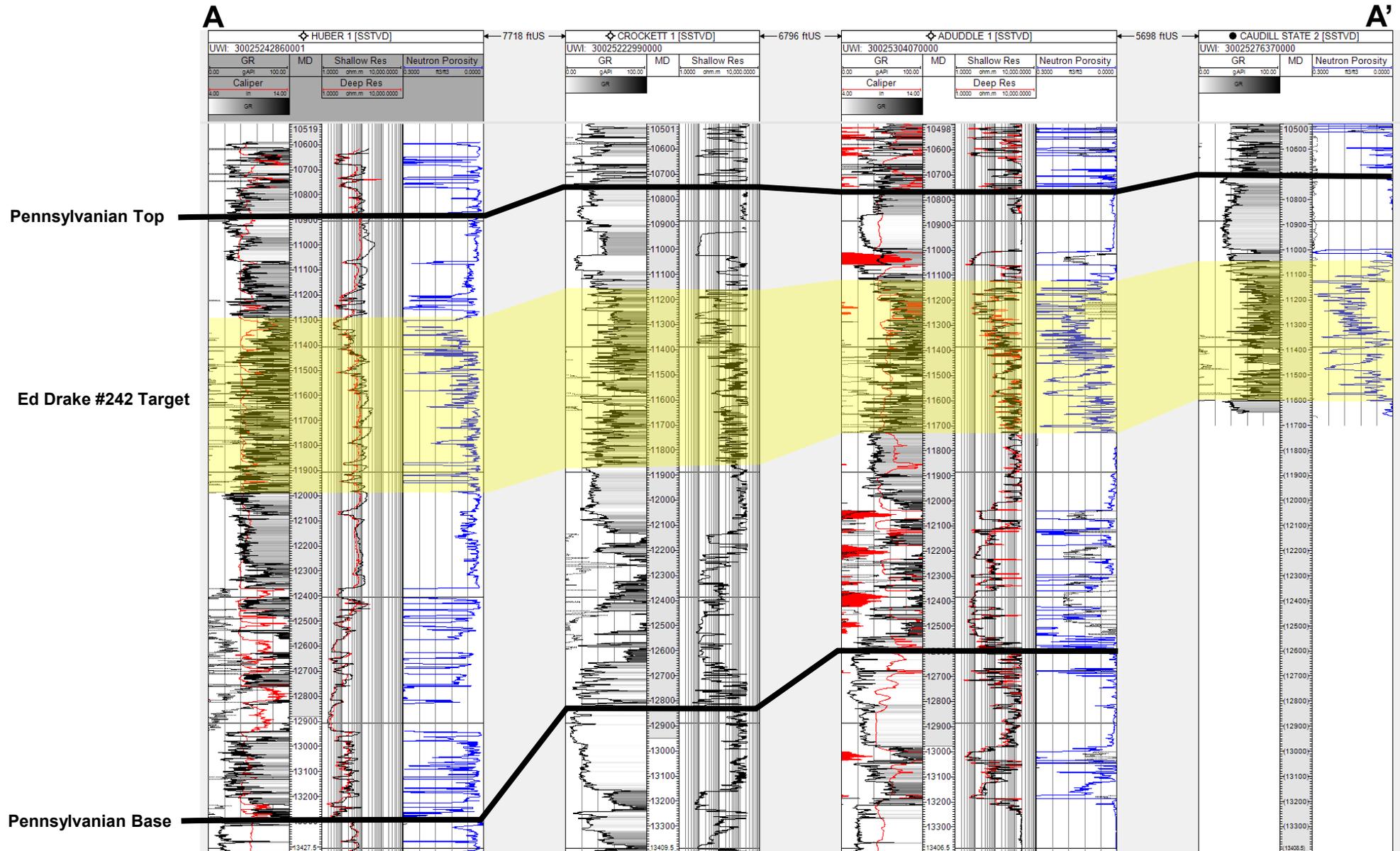
Exhibit No. D-3

Exhibit D-3

Submitted by: Matador Production Company

Hearing Date: June 5, 2025

Case No. 25390



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

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

CASE NO. 25390

**SELF-AFFIRMED STATEMENT OF
PAULA M. VANCE**

1. I am attorney in fact and authorized representative of MRC Permian Company (“MRC”), the Applicant herein. I have personal knowledge of the matter addressed herein and am competent to provide this self-affirmed statement.

2. The above-referenced application and notice of the hearing on this application was sent by certified mail to the locatable 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 May 23, 2025.

5. I caused a notice to be published to all parties subject to this compulsory pooling proceeding. An affidavit of publication from the publication’s legal clerk with a copy of the notice of publication is attached herein.

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

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. E
Submitted by: Matador Production Company
Hearing Date: June 5, 2025
Case No. 25390**



Paula M. Vance

5/29/25

Date



Adam G. Rankin
Partner
Phone (505) 988-4421
agrarkin@hollandhart.com

May 16, 2025

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL AFFECTED INTEREST OWNERS

Re: Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico: Ed Drake Fed Com #242H well

Ladies & Gentlemen:

This letter is to advise you that MRC Permian Company has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on June 5, 2025, and the status of the hearing can be monitored through the Division’s website at <https://www.emnrd.nm.gov/oed/>.

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/oed/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 Addison Costley at (972) 371-5474 or at addison.costley@matadorresources.com.

Sincerely,

Adam G. Rankin
ATTORNEY FOR MRC PERMIAN COMPANY

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

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

Contact
p: 505.988.4421 | f: 505.983.6043
www.hollandhart.com

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

Postal Delivery Report

9214 8901 9403 8314 6881 56	THOMAS L ALEXANDER PO BOX 2005 MORRO BAY CA 93443	Delivered Signature Received
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Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

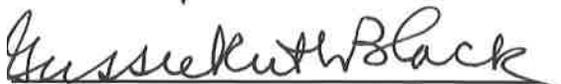
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
May 18, 2025
and ending with the issue dated
May 18, 2025.



Publisher

Sworn and subscribed to before me this
18th day of May 2025.

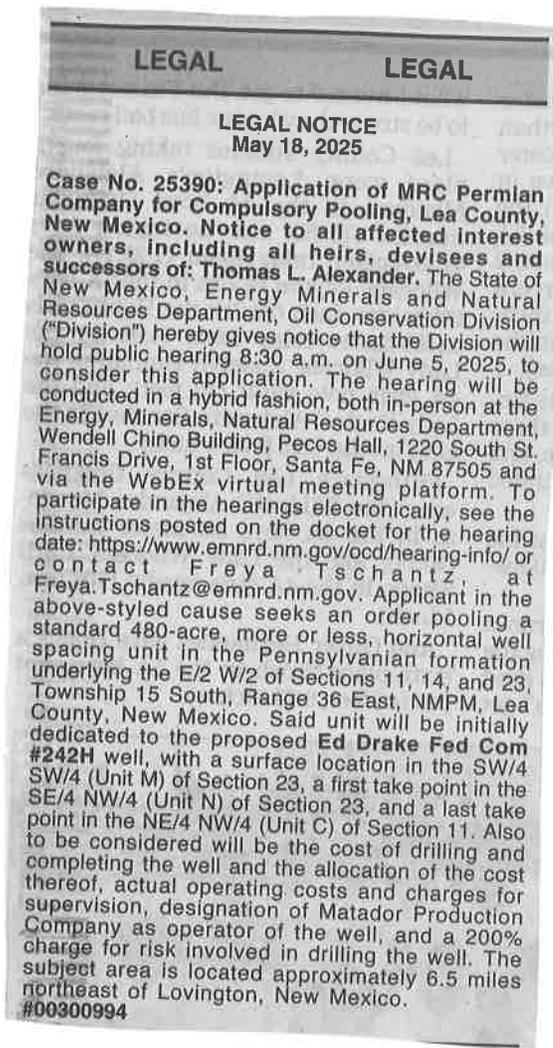


Business Manager

My commission expires
January 29, 2027

(Seal) STATE OF NEW MEXICO
NOTARY PUBLIC
GUSSIE RUTH BLACK
COMMISSION # 1087526
COMMISSION EXPIRES 01/29/2027

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



67100754

00300994

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

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. F
Submitted by: Matador Production Company
Hearing Date: June 5, 2025
Case No. 25390