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

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

CASE NO. 25581

AMENDED APPLICATION

MRC Toro, LLC ("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 553.55-acre, more or less, horizontal well spacing unit in the Wolfcamp (oil) formation underlying the E/2 W/2 of Sections 14, 23, and 26, and the NE/4 NW/4 and Lot 3 (E/2 NW/4 equivalent) of irregular Section 35, Township 26 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 **Kyle Pipkin State Com 202H** well, with a surface hole location in the NE/4 NW/4 (Unit C) of Section 14, a first take point in the NE/4 NW/4 (Unit C) of Section 14 and a last take point in the Lot 3 (SE/4 NW/4 equivalent) of irregular Section 35.

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.

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.

6. This amended application corrects the legal land description, reflecting that the subjection lands include acreage in irregular Section 35 that is equivalent to the E/2 NW/4.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on October 9, 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 TORO, LLC & MATADOR PRODUCTION COMPANY

CASE _______: **Application of MRC Toro, LLC for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling a standard 553.55-acre, more or less, horizontal well spacing unit in the Wolfcamp (oil) formation underlying the E/2 W/2 of Sections 14, 23, and 26, and the NE/4 NW/4 and Lot 3 (E/2 NW/4 equivalent) of irregular Section 35, Township 26 South, Range 36 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed **Kyle Pipkin State Com 202H** well, with a surface hole location in the NE/4 NW/4 (Unit C) of Section 14, a first take point in the NE/4 NW/4 (Unit C) of Section 14 and a last take point in the Lot 3 (SE/4 NW/4 equivalent) of irregular Section 35. 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 miles southwest of Jal, New Mexico.