

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING DECEMBER 4, 2025**

CASE No. 25713

SUSAN LANCASTER FED COM #131H WELL

EDDY & LEA COUNTIES, NEW MEXICO



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

**APPLICATION OF MRC PERMIAN
COMPANY FOR COMPULSORY POOLING,
EDDY AND LEA COUNTIES, NEW MEXICO.**

CASE NO. 25713

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COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 25713	APPLICANT'S RESPONSE
Date:	December 4, 2025
Applicant	MRC Permian Company
Designated Operator & OGRID (affiliation if applicable)	Matador Production Company [OGRID 228937]
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF MRC PERMIAN COMPANY FOR COMPULSORY POOLING, EDDY AND LEA COUNTIES, NEW MEXICO.
Entries of Appearance/Intervenors:	N/A
Well Family	Susan Lancaster
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring formation
Pool Name and Pool Code:	Salt Lake; Bone Spring [53560] for Section 36 acreage and WC-015 G-06 S203127G; Bone Spring [98332] for Section 1 acreage
Well Location Setback Rules:	Statewide rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	322.53 acres, more or less
Building Blocks:	40 acres
Orientation:	Standup
Description: TRS/County	Lots 1, 8, 9, & 16, and the E/2 SE/4 (E/2 E/2 equivalent) of irregular Section 1, Township 21 South, Range 31 East, NMPM, Eddy County, New Mexico, as well as the W/2 SW/4 of Section 36, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	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	Exhibit C-2
Well(s)	
Name & API (if assigned), surface and bottom hole location,	
Well #1	Susan Lancaster Federal Com 131H (API No. Pending) SHL: 249' FNL & 1,793' FWL (Unit C) of Section 7, T21S-R32E BHL: 2,529' FSL & 330' FWL (Unit L) of Section 36, T20S-R32E Completion Target: Bone Spring formation Well Orientation: Standup Completion Location expected to be: Standard
Horizontal Well First and Last Take Points	Exhibit C-1
Completion Target (Formation, TVD and MD)	Exhibit C-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$10,000
Production Supervision/Month \$	\$1,000
Justification for Supervision Costs	Exhibit C
Requested Risk Charge	200%

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

Submitted by: Matador Production Company
Hearing Date: December 4, 2025
Case No. 25713

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 & C-3
Tract List (including lease numbers and owners)	Exhibit C-2
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit C-3
Unlocatable Parties to be Pooled	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
Geology	
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-2 & C-3
General Location Map (including basin)	Exhibit D
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:	11/21/2025

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

**APPLICATION OF MRC PERMIAN
COMPANY FOR COMPULSORY POOLING,
EDDY AND LEA COUNTIES, NEW MEXICO.**

CASE NO. 25713

APPLICATION

MRC Permian Company (“MRC” or “Applicant”), through its undersigned attorneys, files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling the uncommitted interest owners in a standard 322.53-acre, more or less, horizontal well spacing unit in the Bone Spring formation underlying Lots 1, 8, 9, & 16, and the E/2 SE/4 (E/2 E/2 equivalent) of irregular Section 1, Township 21 South, Range 31 East, NMPM, Eddy County, New Mexico, as well as the W/2 SW/4 of Section 36, Township 20 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 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 well spacing unit.
3. Applicant seeks to initially dedicate the above-referenced spacing unit to the proposed **Susan Lancaster Federal Com 131H** well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of irregular Section 7, T21S-R32E, with a first take point in the SE/4 SE/4 (Unit P) of irregular Section 1, T21S-R31E, and a last take point in the NW/4 SW/4 (Unit L) of Section 36, T20S-R32E.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B
Submitted by: Matador Production Company
Hearing Date: December 4, 2025
Case No. 25713**

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 granting of this application will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on the November 13, 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 this horizontal spacing unit and the horizontal 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: 
Adam G. Rankin
Paula M. Vance
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agrarkin@hollandhart.com
pmvance@hollandhart.com

**ATTORNEYS FOR MRC PERMIAN COMPANY AND
MATADOR PRODUCTION COMPANY**

CASE _____: **Application of MRC Permian Company for Compulsory Pooling, Lea and Eddy Counties, New Mexico.** Applicant in the above-styled cause seeks an order pooling the uncommitted interest owners in a standard 322.53-acre, more or less, horizontal well spacing unit in the Bone Spring formation underlying Lots 1, 8, 9, & 16, and the E/2 SE/4 (E/2 E/2 equivalent) of irregular Section 1, Township 21 South, Range 31 East, NMPM, Eddy County, New Mexico, as well as the W/2 SW/4 of Section 36, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico. Applicant seeks to initially dedicate the above-referenced spacing unit to the proposed **Susan Lancaster Federal Com 131H** well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of irregular Section 7, T21S-R32E, with a first take point in the SE/4 SE/4 (Unit P) of irregular Section 1, T21S-R31E, and a last take point in the NW/4 SW/4 (Unit L) of Section 36, T20S-R32E. Also, to be considered will be the cost of drilling and completing the well and the allocation of the costs 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 30 miles northeast of Carlsbad, New Mexico.

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

**APPLICATION OF MRC PERMIAN
COMPANY FOR COMPULSORY POOLING,
EDDY AND LEA COUNTIES, NEW MEXICO.**

CASE NO. 25713

SELF-AFFIRMED STATEMENT OF HAWKS HOLDER

Hawks Holder, of lawful age and being first duly sworn, declares as follows:

1. My name is Hawks Holder. I work for MRC Energy Company, an affiliate of MRC Permian Company ("MRC"), as an Area Land Manager.
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 the uncommitted interest owners in a standard 322.53-acre, more or less, horizontal well spacing unit in the Bone Spring formation underlying Lots 1, 8, 9, & 16, and the E/2 SE/4 of irregular Section 1, Township 21 South, Range 31 East, NMPM, Eddy County, New Mexico, as well as the W/2 SW/4 of Section 36, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico, and initially dedicate this Bone Spring spacing unit to the proposed **Susan Lancaster Federal Com 131H well**, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of irregular Section 7, T21S-R32E, with a first take point in the SE/4 SE/4 (Unit P) of irregular

Section 1, T21S-R31E, and a last take point in the NW/4 SW/4 (Unit L) of Section 36, T20S-R32E.

5. MRC understands this will be placed in the SALT LAKE; BONE SPRING [53560] (for the Section 36 acreage) and the WC-015 G-06 S203127G; Bone Spring [98232] (for the Section 1 acreage).

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 state and federal lands.

9. **MRC Exhibit C-3** identifies the working interest owner that MRC is seeking to pool, as well as the record title 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 Bone Spring 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 working interest owner, 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. As indicated on MRC Exhibit C-5, MRC has been able to contact and have discussions with the working interest owner we seek to pool. In my opinion, MRC has undertaken good faith efforts to reach an agreement with the uncommitted unleased mineral 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.



Hawks Holder

11/3/2025

Date

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

**APPLICATION OF MRC PERMIAN
COMPANY FOR COMPULSORY POOLING,
EDDY AND LEA COUNTIES, NEW MEXICO.**

CASE NO. 25713

SECOND SELF-AFFIRMED STATEMENT OF HAWKS HOLDER

Hawks Holder, of lawful age and being first duly sworn, declares as follows:

1. My name is Hawks Holder. I work for MRC Energy Company, an affiliate of MRC Permian Company ("MRC"), as an Area Land Manager.
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. **MRC Exhibit C-6** contains a chart showing the owners being pooled. MRC Exhibit C-6 also indicates, upon information and belief, the dates notice of this hearing was mailed to each party to be pooled and the date of notice by publication for this hearing, which is based on information provided by Matador's outside counsel at Holland and Hart who prepared and sent such notices.
5. **MRC Exhibit C-6** was either prepared by me or compiled under my direction and supervision.
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.

Hawks Holder

Hawks Holder

11/20/2025

Date

Exhibit C-1

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number NA	Pool Code 53560	Pool Name SALT LAKE; BONE SPRING
Property Code NA	Property Name SUSAN LANCASTER FED COM	Well Number 131H
OGRID No. 228937	Operator Name MATADOR PRODUCTION COMPANY	Ground Level Elevation 3634'
Surface Owner: ☐ State ☐ Fee ☐ Tribal ☒ Federal		Mineral Owner: ☒ State ☐ Fee ☐ Tribal ☒ Federal

Surface Location

UL or lot no. C	Section 7	Township 21-S	Range 32-E	Lot Idn -	Feet from the N/S 249' N	Feet from the E/W 1793' W	Latitude N 32.4997099	Longitude W 103.7170878	County LEA
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Bottom Hole Location

UL or lot no. L	Section 36	Township 20-S	Range 32-E	Lot Idn -	Feet from the N/S 2529' S	Feet from the E/W 330' W	Latitude N 32.5293282	Longitude W 103.7272466	County LEA
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Dedicated Acres 80	Infill or Defining Well ----	Defining Well API ---- NA	Overlapping Spacing Unit (Y/N) N	Consolidated Code O
Order Numbers NA			Well Setbacks are under Common Ownership: ☐ Yes ☒ No	

Kick Off Point (KOP)

UL or lot no. P	Section 1	Township 21-S	Range 31-E	Lot Idn -	Feet from the N/S 50' S	Feet from the E/W 991' E	Latitude N 32.5005118	Longitude W 103.7261156	County EDDY
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First Take Point (FTP)

UL or lot no. P	Section 1	Township 21-S	Range 31-E	Lot Idn -	Feet from the N/S 100' S	Feet from the E/W 991' E	Latitude N 32.5006492	Longitude W 103.7261156	County EDDY
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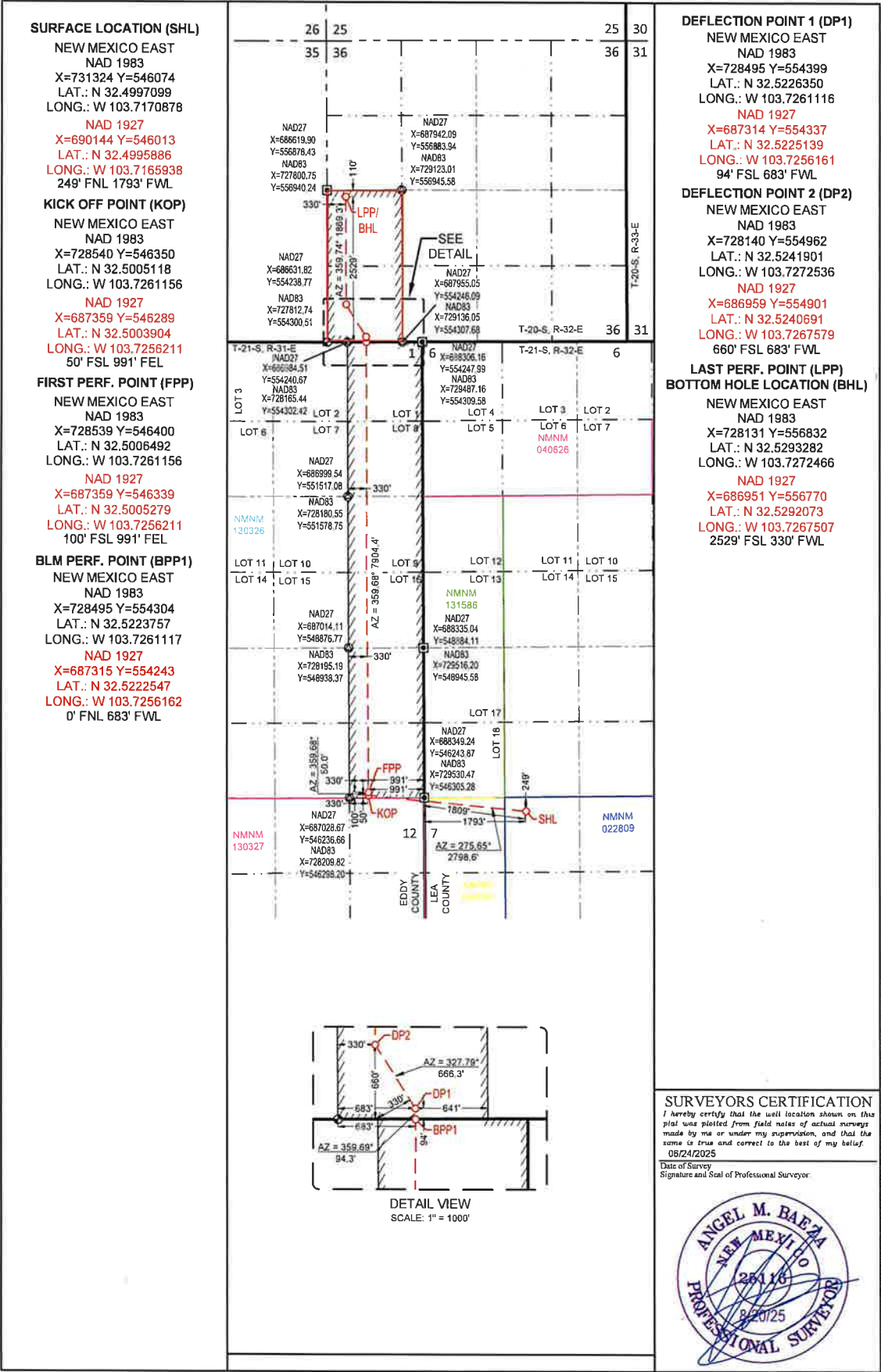
Last Take Point (LTP)

UL or lot no. L	Section 36	Township 20-S	Range 32-E	Lot Idn -	Feet from the N/S 2529' S	Feet from the E/W 330' W	Latitude N 32.5293282	Longitude W 103.7272466	County LEA
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Unitized Area or Area of Uniform Interest W2SW4 Sec. 36,T20S-R32E	Spacing Unity Type ☒ Horizontal ☐ Vertical	Ground Floor Elevation 3362'
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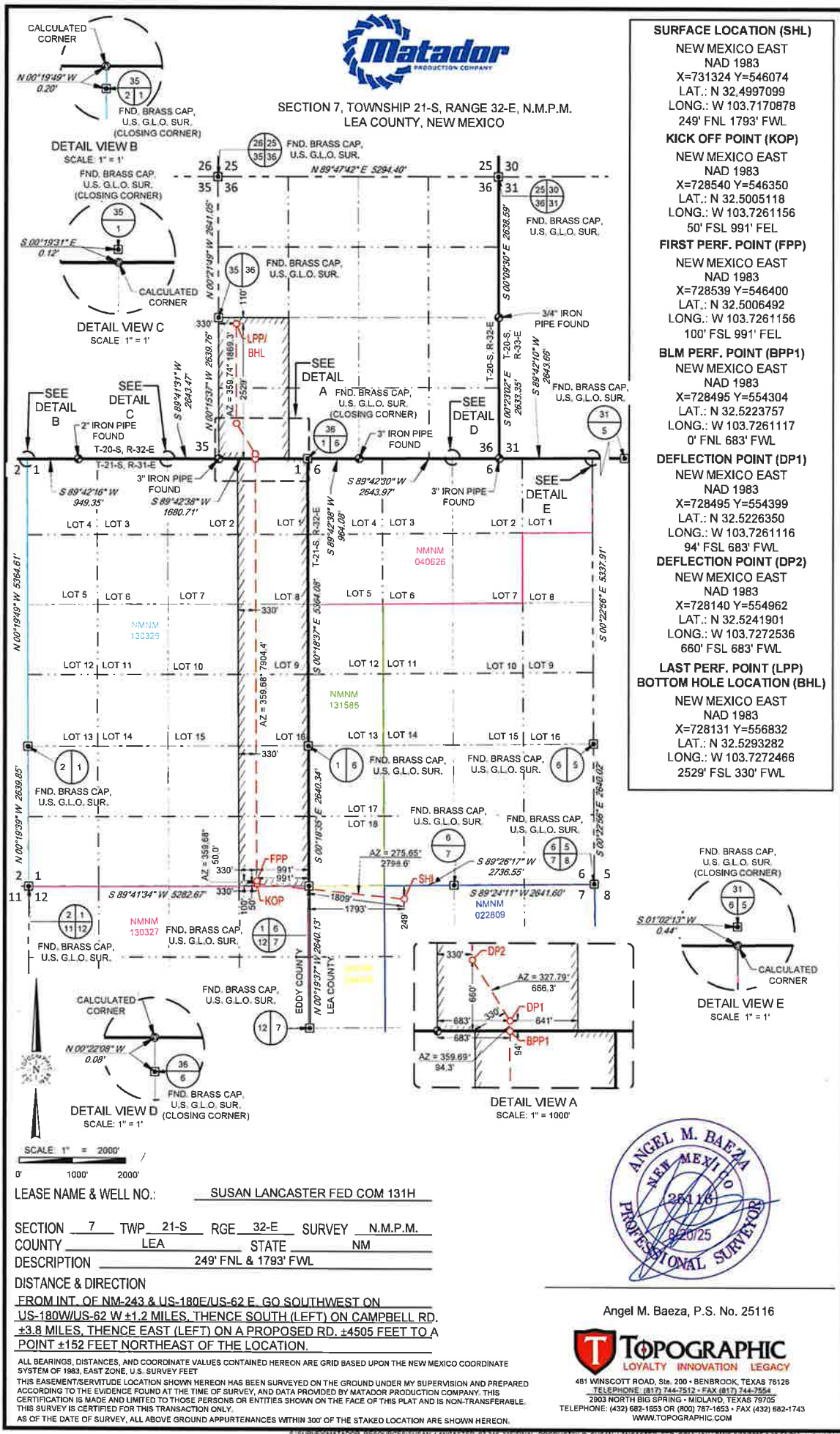
OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the 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> <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> Addison Fisher 9/4/25		SURVEYORS CERTIFICATION <i>I hereby certify that the well location shown on this plat was taken 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> 	
Signature Addison Fisher		Signature and Seal of Professional Surveyor Date 8/20/25	
E-mail Address addison.fisher@matadorresources.com		Certificate Number 25116	Date of Survey 06/24/2025

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 SUSAN LANCASTER FED COM 131H			



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.
06/24/2025
Date of Survey
Signature and Seal of Professional Surveyor

ANGEL M. BAEZA
NEW MEXICO
25116
8/20/25
PROFESSIONAL SURVEYOR

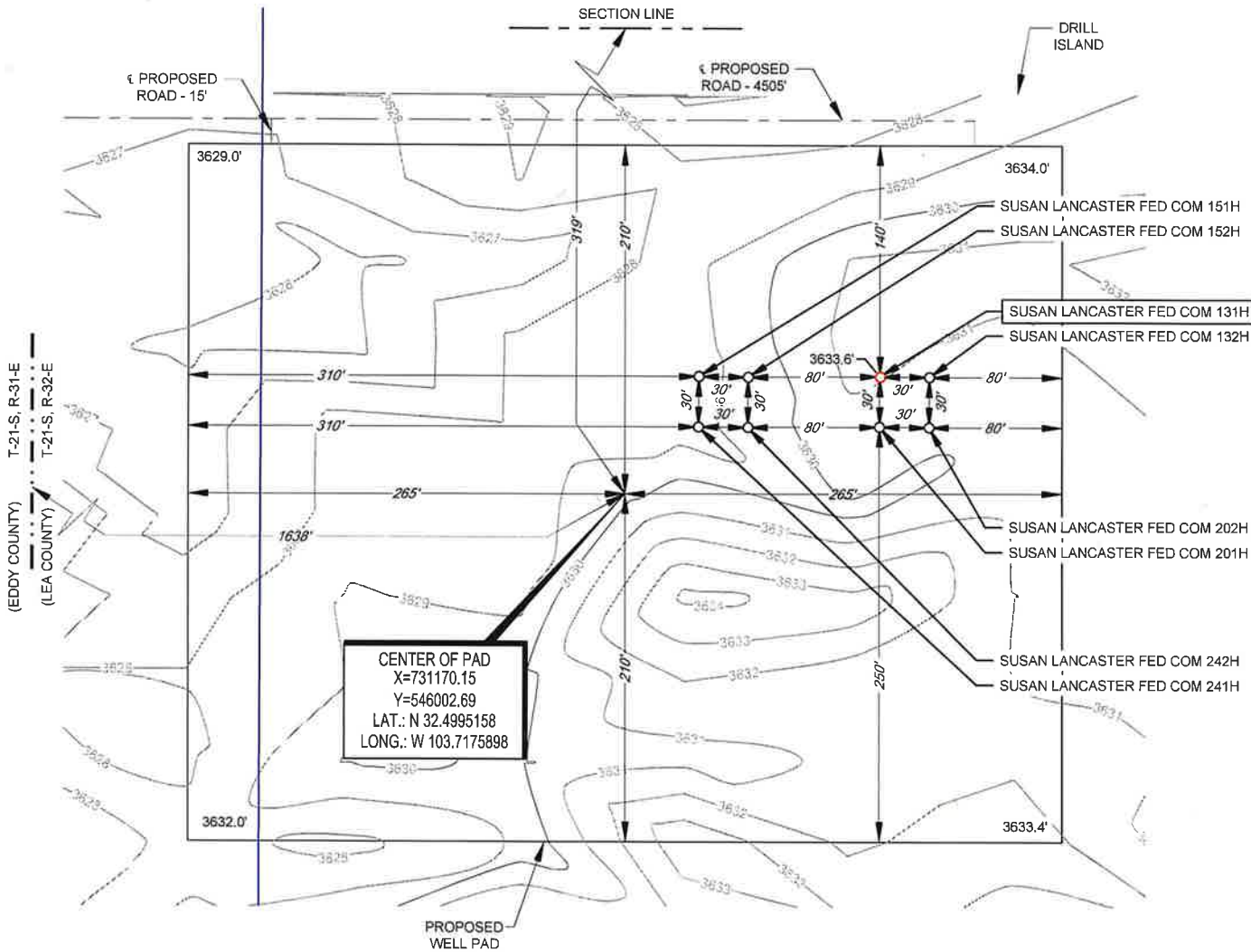


LEGEND

- COUNTY LINE
- SECTION LINE
- PROPOSED ROAD



SECTION 7, TOWNSHIP 21-S, RANGE 32-E, N.M.P.M.
LEA COUNTY, NEW MEXICO



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

LEASE NAME & WELL NO.: SUSAN LANCASTER FED COM 131H
131H LATITUDE N 32.4997099 131H LONGITUDE W 103.7170878

CENTER OF PAD IS 319' FNL & 1638' FWL



SCALE: 1" = 100'
0' 50' 100'



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

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, ELEVATIONS USED ARE NAVD83, OBTAINED THROUGH AN OPUS SOLUTION.

THIS PROPOSED PAD SITE 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. ONLY THE DATA SHOWN ABOVE IS BEING CERTIFIED TO, ALL OTHER INFORMATION WAS INTENTIONALLY OMITTED. THIS PLAT IS ONLY INTENDED TO BE USED FOR A PERMIT AND IS NOT A BOUNDARY SURVEY. 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.

ORIGINAL DOCUMENT SIZE: 8.5" X 11"

S:\SURVEY\MATADOR_RESOURCES\SUSAN_LANCASTER_07-21S-32E\FINAL_PRODUCTS\ILO_SUSAN_LANCASTER_FED_COM_131H.DWG 8/20/2025 2:30:51 PM nicole, child

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	

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number NA	Pool Code 98232	Pool Name WC-015 G-06 S203127G; Bone Spring
Property Code NA	Property Name SUSAN LANCASTER FED COM	Well Number 131H
OGRID No. 228937	Operator Name MATADOR PRODUCTION COMPANY	Ground Level Elevation 3634'
Surface Owner: ☐ State ☐ Fee ☐ Tribal ☒ Federal		Mineral Owner: ☒ State ☐ Fee ☐ Tribal ☒ Federal

Surface Location

UL or lot no. C	Section 7	Township 21-S	Range 32-E	Lot Idn -	Feet from the N/S 249' N	Feet from the E/W 1793' W	Latitude N 32.4997099	Longitude W 103.7170878	County LEA
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Bottom Hole Location

UL or lot no. L	Section 36	Township 20-S	Range 32-E	Lot Idn -	Feet from the N/S 2529' S	Feet from the E/W 330' W	Latitude N 32.5293282	Longitude W 103.7272466	County LEA
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Dedicated Acres 322.53	Infill or Defining Well ---	Defining Well API NA	Overlapping Spacing Unit (Y/N) N	Consolidated Code O
Order Numbers NA			Well Setbacks are under Common Ownership: ☐ Yes ☒ No	

Kick Off Point (KOP)

UL or lot no. P	Section 1	Township 21-S	Range 31-E	Lot Idn -	Feet from the N/S 50' S	Feet from the E/W 991' E	Latitude N 32.5005118	Longitude W 103.7261156	County EDDY
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First Take Point (FTP)

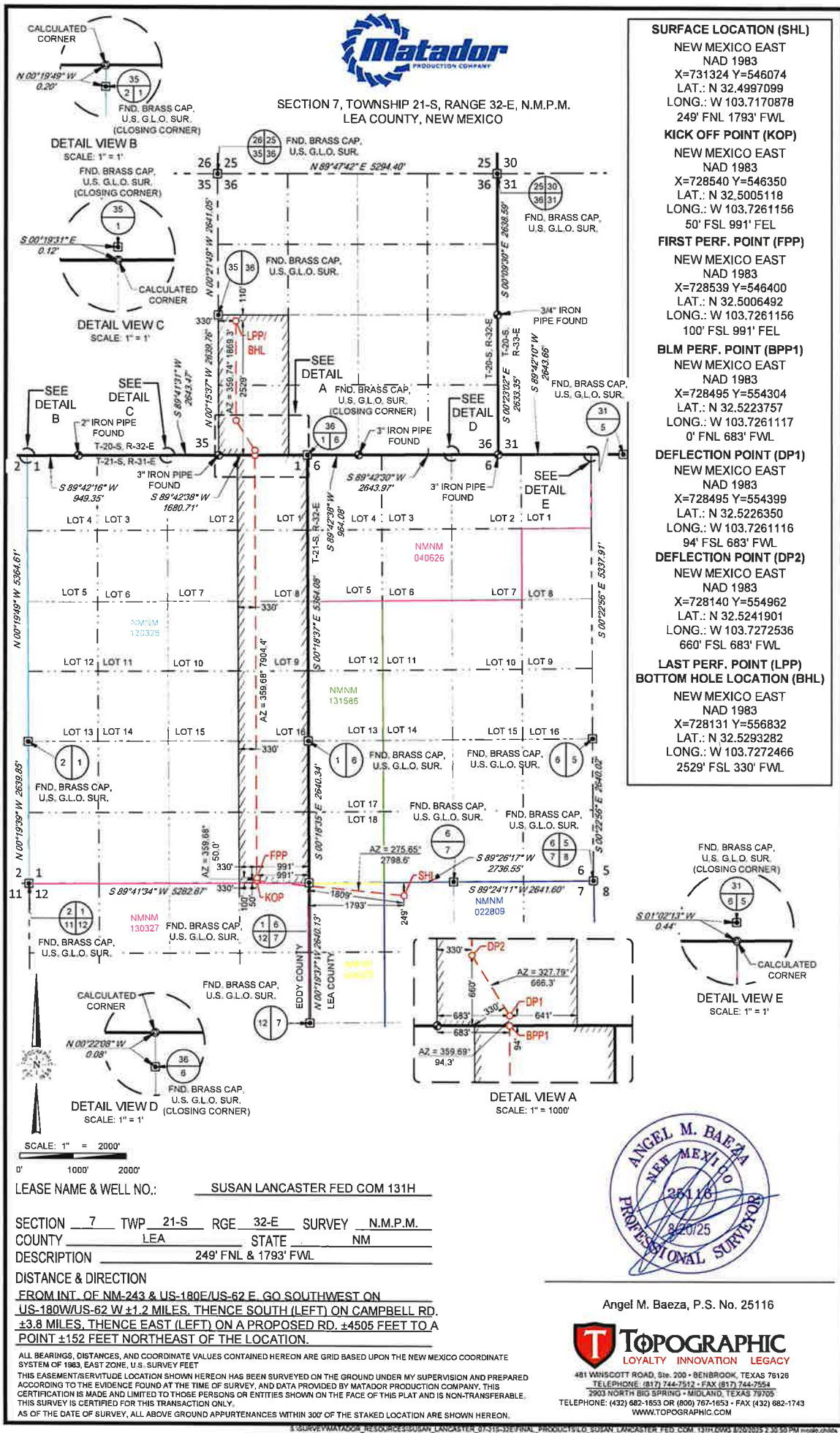
UL or lot no. P	Section 1	Township 21-S	Range 31-E	Lot Idn -	Feet from the N/S 100' S	Feet from the E/W 991' E	Latitude N 32.5006492	Longitude W 103.7261156	County EDDY
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Last Take Point (LTP)

UL or lot no. L	Section 36	Township 20-S	Range 32-E	Lot Idn -	Feet from the N/S 2529' S	Feet from the E/W 330' W	Latitude N 32.5293282	Longitude W 103.7272466	County LEA
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Unitized Area or Area of Uniform Interest E2E2 Sec. 1, T21S-R31E	Spacing Unity Type ☒ Horizontal ☐ Vertical	Ground Floor Elevation 3362'
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OPERATOR CERTIFICATION <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> <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> Addison Fisher 9/4/25	SURVEYORS CERTIFICATION <i>I hereby certify that the well location shown on this plat was taken 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> 
Signature Addison Fisher	Signature and Seal of Professional Surveyor Angel M. Baeza
Date 9/4/25	Date 8/20/25
E-mail Address addison.fisher@matadorresources.com	Certificate Number 25116
	Date of Survey 06/24/2025

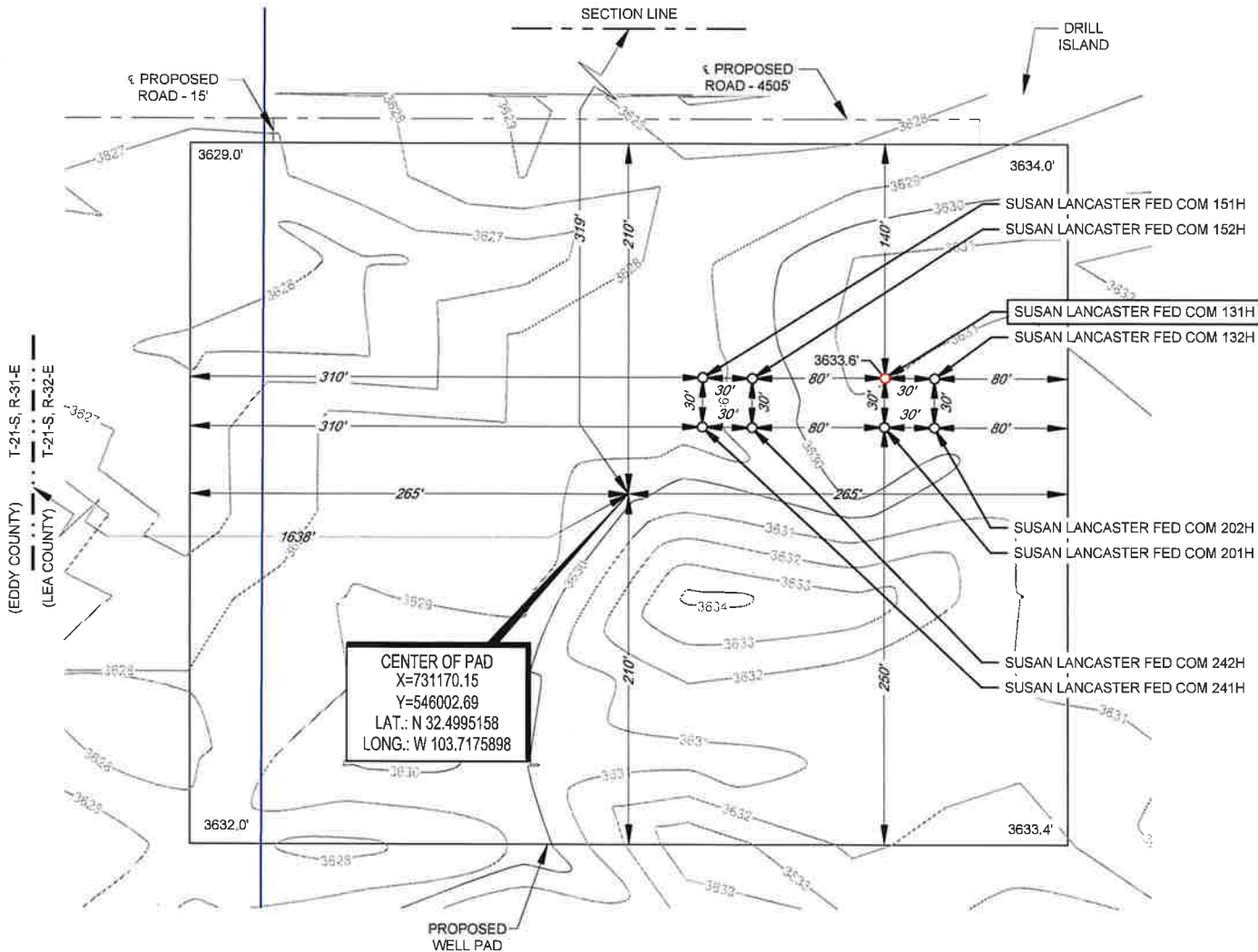


LEGEND

- COUNTY LINE
- SECTION LINE
- PROPOSED ROAD



SECTION 7, TOWNSHIP 21-S, RANGE 32-E, N.M.P.M.
LEA COUNTY, NEW MEXICO



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

LEASE NAME & WELL NO.: SUSAN LANCASTER FED COM 131H
131H LATITUDE N 32.4997099 131H LONGITUDE W 103.7170878

CENTER OF PAD IS 319' FNL & 1638' FWL



SCALE: 1" = 100'
0' 50' 100'

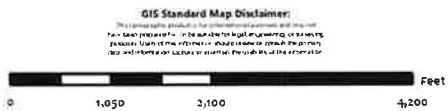
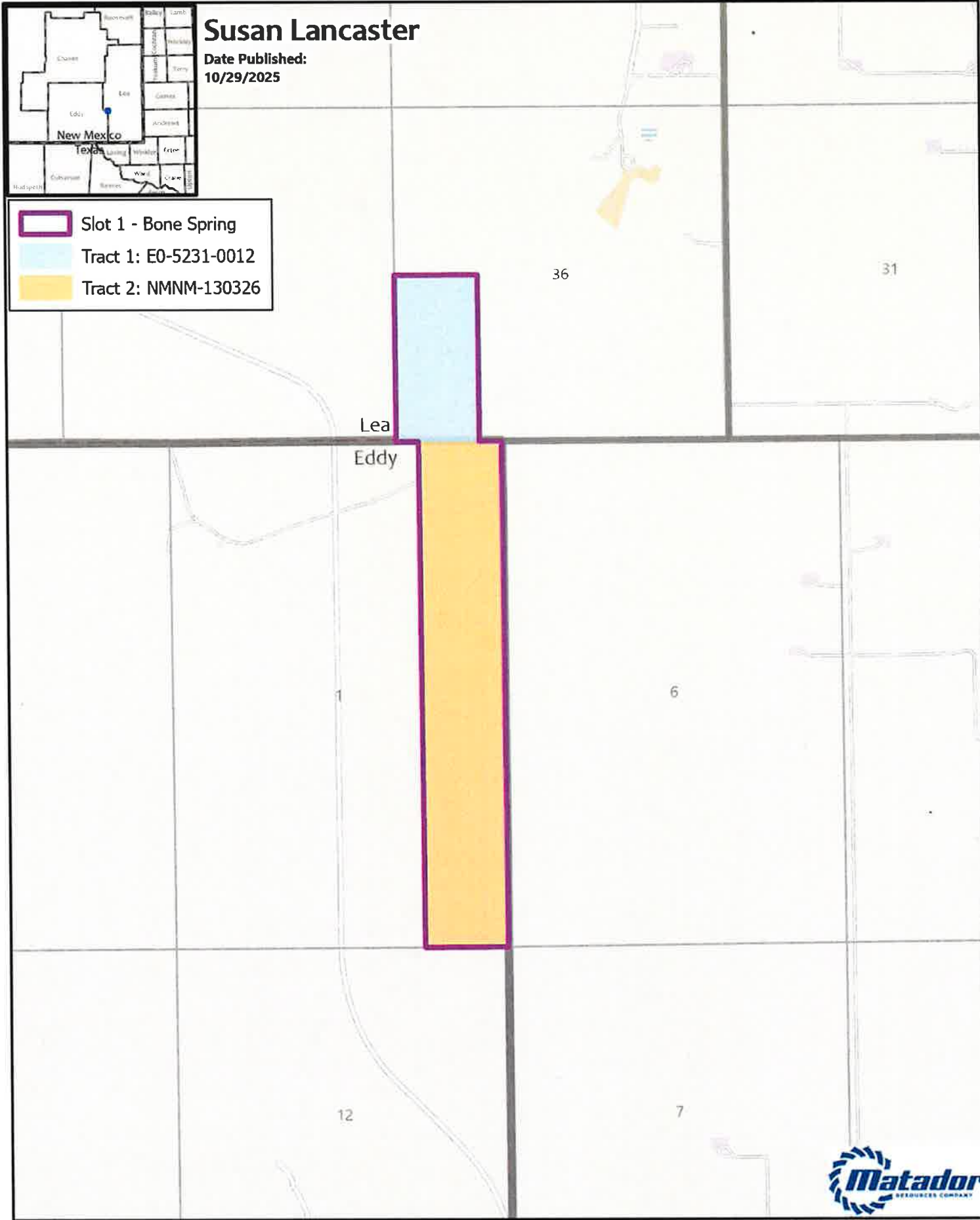
TOPOGRAPHIC
LOYALTY INNOVATION LEGACY
481 WINSOTT ROAD, Ste. 200 • BENBROOK, TEXAS 76126
TELEPHONE: (817) 744-7512 • FAX (817) 744-7554
2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705
TELEPHONE: (432) 682-1853 OR (800) 767-1653 • FAX (432) 682-1743
WWW.TOPOGRAPHIC.COM

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. ELEVATIONS USED ARE NAVD88, OBTAINED THROUGH AN OPUS SOLUTION.
THIS PROPOSED PAD SITE 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. ONLY THE DATA SHOWN ABOVE IS BEING CERTIFIED TO, ALL OTHER INFORMATION WAS INTENTIONALLY OMITTED. THIS PLAT IS ONLY INTENDED TO BE USED FOR A PERMIT AND IS NOT A BOUNDARY SURVEY. 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.

ORIGINAL DOCUMENT SIZE: 8.5" X 11"

S:\SURVEY\MATADOR_RESOURCES\SUSAN_LANCASTER_07-21S-32E\FINAL_PRODUCTS\SILO_SUSAN_LANCASTER_FED_COM_131H.DWG 8/20/2025 2:30:51 PM nicole.childs

Exhibit C-2



GIS Standard Map Disclaimer:
This map was prepared by the GIS Department and is not a legal document. It is for informational purposes only. It is not to be used for legal proceedings or to make any decisions. Users of this information should consult the primary data and information sources to verify the accuracy of the information.

1:24,000
1 inch equals 2,000 feet

Map Prepared by: amercio.gamarral
 Date: October 29, 2025
 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 C-3

Slot 1 Bone Spring Susan Lancaster Fed Com

MRC Permian75.1961%

Compulsary Pool24.8039%

Owner	Description	Tract	Interest
Paloma Permian Asset Co., LLC	WI	2	24.8039%
Chevron USA, Inc.	Record Title	2	

Susan Lancaster Fed Com Slot 1 - Bone Spring

Tract 1 (242.53 acres)	Net Mineral Acres	Working Interest in Tract
MRC Permian Company	242.53	100.0000%

Tract 2 (80 acres)	Net Mineral Acres	Working Interest in Tract
Paloma Permian Asset Co., LLC	80.00	100.0000%

Exhibit C-4

Matador Production Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
Cell 806.282.6846 • Office 972.619.4336 • Fax 972-371-5201
hawks.holder@matadorresources.com

Hawks Holder
Area Land Manager

September 11, 2025

VIA CERTIFIED RETURN RECEIPT MAIL

Paloma Permian AssetCo, LLC
1100 Louisiana St., Ste 5100
Houston, TX 77002

Re: Susan Lancaster Fed Com #101H, #102H, #111H, #112H, #141H, #121H, #122H, #151H #131H, #132H, #201H, #241H (the “Wells”) Participation Proposal
The SW/4 of Section 36, Township 20 South, Range 32 East
Lots 1, 8, 9, & 16, E/2SE/4 (E/2E/2) of Section 1 Township 21 South, Range 31 East
Lots 4, 5, 12, 13, 17, & 18 (W/2W/2) of Section 6, Township 21 South, Range 32 East
Eddy and Lea County, New Mexico

Dear Sir/Madam:

MRC Permian Company hereby rescinds the well proposals sent to Paloma Permian AssetCo, LLC dated June 6, 2025 related to the Susan Lancaster Fed Com #101H, Susan Lancaster Fed Com #102H, Susan Lancaster Fed Com #111H, Susan Lancaster Fed Com #112H, Susan Lancaster Fed Com #121H, Susan Lancaster Fed Com #122H, Susan Lancaster Fed Com #131H, Susan Lancaster Fed Com #132H, Susan Lancaster Fed Com #141H, Susan Lancaster Fed Com #142H, Susan Lancaster Fed Com #151H, Susan Lancaster Fed Com #152H, Susan Lancaster Fed Com #201H, Susan Lancaster Fed Com #202H, Susan Lancaster Fed Com #241H and Susan Lancaster Fed Com #242H, wells, located in the SW/4 of Section 36, Township 20 South, Range 32 East, Lots 1, 8, 9, & 16, E/2SE/4 (E/2E/2) of Section 1 Township 21 South, Range 31 East, Lots 4, 5, 12, 13, 17, & 18 (W/2W/2) of Section 6, Township 21 South, Range 32 East, Eddy and Lea County, New Mexico.

To provide further clarification and details, MRC Permian Company (“MRC”) now proposes the drilling of the following Matador Production Company’s Susan Lancaster Fed Com #101H, Susan Lancaster Fed Com #102H, Susan Lancaster Fed Com #111H, Susan Lancaster Fed Com #112H, Susan Lancaster Fed Com #141H, Susan Lancaster Fed Com #121H, Susan Lancaster Fed Com #122H, Susan Lancaster Fed Com #151H, Susan Lancaster Fed Com #131H, Susan Lancaster Fed Com #132H, Susan Lancaster Fed Com #201H, and Susan Lancaster Fed Com #241H wells, located in the SW/4 of Section 36, Township 20 South, Range 32 East, Lots 1, 8, 9, & 16, E/2SE/4 (E/2E/2) of Section 1 Township 21 South, Range 31 East, Lots 4, 5, 12, 13, 17, & 18 (W/2W/2) of Section 6, Township 21 South, Range 32 East, Eddy and Lea County, New Mexico.

Well Name	SHL	FTP	LTP	TVD	TMD	Formation
Susan Lancaster Fed Com #101H	NE4NW4 of 7-21S-32E	990’ FEL & 100’ FSL 1-21S-31E	330’ FWL & 2,530’ FSL 36-20S-32E	~8,890’	~19,194’	Avalon
Susan Lancaster Fed Com #102H	NE4NW4 of 7-21S-32E	330’ FWL & 100’ FSL 6-21S-32E	1,650’ FWL & 2,530’ FSL 36-20S-32E	~8,890’	~19,194’	Avalon

Susan Lancaster Fed Com #111H	NE4NW4 of 7-21S- 32E	990' FEL & 100' FSL 1-21S-31E	330' FWL & 2,530' FSL 36- 20S-32E	~9,440'	~19,744'	First Bone Spring
Susan Lancaster Fed Com #112H	NE4NW4 of 7-21S- 32E	330' FWL & 100' FSL 6-21S-32E	1,650' FWL & 2,530' FSL 36- 20S-32E	~9,440'	~19,744'	First Bone Spring
Susan Lancaster Fed Com #141H	NE4NW4 of 7-21S- 32E	330' FEL & 100' FSL 1-21S-31E	990' FWL & 2,530' FSL 36- 20S-32E	~9,860'	~20,164'	Second Bone Spring
Susan Lancaster Fed Com #121H	NE4NW4 of 7-21S- 32E	990' FEL & 100' FSL 1-21S-31E	330' FWL & 2,530' FSL 36- 20S-32E	~10,240'	~20,544'	Second Bone Spring
Susan Lancaster Fed Com #122H	NE4NW4 of 7-21S- 32E	330' FWL & 100' FSL 6-21S-32E	1,650' FWL & 2,530' FSL 36- 20S-32E	~10,240'	~20,544'	Second Bone Spring
Susan Lancaster Fed Com #151H	NE4NW4 of 7-21S- 32E	330' FEL & 100' FSL 1-21S-31E	990' FWL & 2,530' FSL 36- 20S-32E	~10,660'	~20,964'	Third Bone Spring
Susan Lancaster Fed Com #131H	NE4NW4 of 7-21S- 32E	990' FEL & 100' FSL 1-21S-31E	330' FWL & 2,530' FSL 36- 20S-32E	~11,400'	~21,704'	Third Bone Spring
Susan Lancaster Fed Com #132H	NE4NW4 of 7-21S- 32E	330' FWL & 100' FSL 6-21S-32E	1,650' FWL & 2,530' FSL 36- 20S-32E	~11,400'	~21,704'	Third Bone Spring
Susan Lancaster Fed Com #201H	NE4NW4 of 7-21S- 32E	330' FEL & 100' FSL 1-21S-31E	990' FWL & 2,530' FSL 36- 20S-32E	~11,560'	~21,864'	Wolfcamp
Susan Lancaster Fed Com #241H	NE4NW4 of 7-21S- 32E	990' FEL & 100' FSL 1-21S-31E	330' FWL & 2,530' FSL 36- 20S-32E	~12,250'	~22,554'	Wolfcamp

In connection with the above, please note the estimated cost of drilling, testing, completing, and equipping of each Well is itemized on the twelve (12) enclosed Authority for Expenditures ("AFE") dated September 11, 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 or its designated Operator will advise you of any such modifications.

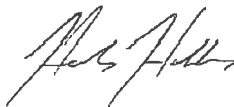
MRC requests that you indicate your election to participate, or not participate, in the drilling and completion of the proposed Well(s) in the space provided below. Accordingly, please sign and return one (1) copy of this letter to the undersigned.

If your election is to participate in the drilling and completion of the Well(s), 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. **Additionally, if you elect to participate in the Well(s), you must remit full payment for your proportionate share of the AFE costs to Operator on or before thirty (30) days after receipt of a cash call for your proportionate share of such costs. If such payment is not timely received by Operator as described above, you may be deemed to be in default pursuant to the applicable provisions of the JOA.**

Thank you for your consideration of this proposal. Please contact me if you have any questions.

Sincerely,

MRC PERMIAN COMPANY



Hawks Holder

Paloma Permian AssetCo, LLC hereby elects to:

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Susan Lancaster Fed Com #101H** well.
_____ Not to participate in the **Susan Lancaster Fed Com #101H**.

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Susan Lancaster Fed Com #102H** well.
_____ Not to participate in the **Susan Lancaster Fed Com #102H**.

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Susan Lancaster Fed Com #111H** well.
_____ Not to participate in the **Susan Lancaster Fed Com #111H**.

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Susan Lancaster Fed Com #112H** well.
_____ Not to participate in the **Susan Lancaster Fed Com #112H**.

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Susan Lancaster Fed Com #141H** well.
_____ Not to participate in the **Susan Lancaster Fed Com #141H**.

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Susan Lancaster Fed Com #121H** well.
_____ Not to participate in the **Susan Lancaster Fed Com #121H**.

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Susan Lancaster Fed Com #122H** well.
_____ Not to participate in the **Susan Lancaster Fed Com #122H**.

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Susan Lancaster Fed Com #151H** well.
_____ Not to participate in the **Susan Lancaster Fed Com #151H**.

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Susan Lancaster Fed Com #131H** well.
_____ Not to participate in the **Susan Lancaster Fed Com #131H**.

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Susan Lancaster Fed Com #132H** well.
_____ Not to participate in the **Susan Lancaster Fed Com #132H**.

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador
Production Company's **Susan Lancaster Fed Com #201H** well.
_____ Not to participate in the **Susan Lancaster Fed Com #201H**.

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador
Production Company's **Susan Lancaster Fed Com #241H** well.
_____ Not to participate in the **Susan Lancaster Fed Com #241H**.

Paloma Permian AssetCo, 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:	September 11, 2025	AFE NO.:	
WELL NAME:	Susan Lancaster Fed Com 131H	FIELD:	
LOCATION:	Sec. 36 20S-32E & Sec. 1 21S-31E	MD/TVD:	21,704'/11,400'
COUNTY/STATE:	Lea & Eddy County, NM	LATERAL LENGTH:	9,837
MRC WI:			
GEOLOGIC TARGET:	Thlrd Bone Spring		
REMARKS:	Drill and complete a horizontal 2.0-mile long Third Bone Spring Sand target.		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Land / Legal / Regulatory	\$ 75,000	\$ -	\$ -	\$ 10,000	\$ 85,000
Location, Surveys & Damages	149,500	13,000	15,000	37,500	215,000
Drilling	859,350			-	859,350
Cementing & Float Equip	278,032			-	278,032
Logging / Formation Evaluation	-	3,750	3,000	-	6,750
Flowback - Labor	-		42,400	-	42,400
Flowback - Surface Rentals	-		160,850	-	160,850
Flowback - Rental Living Quarters	-		60,000	-	60,000
Mud Logging	21,750			-	21,750
Mud Circulation System	127,250			-	127,250
Mud & Chemicals	270,000	42,000	25,000	-	337,000
Mud / Wastewater Disposal	175,000	-	-	1,000	176,000
Freight / Transportation	22,800	35,250	7,000	3,500	68,550
Rig Supervision / Engineering	120,000	67,200	6,000	5,400	198,600
Drill Bits	112,200			-	112,200
Fuel & Power	175,000	297,715	15,000	-	487,715
Water	54,500	468,179	3,000	1,000	526,679
Drig & Completion Overhead	-	-	-	-	-
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	313,226			-	313,226
Completion Unit, Swab, CTU	-	155,000	9,000	-	164,000
Perforating, Wireline, Slickline	-	160,793	-	-	160,793
High Pressure Pump Truck	-	71,100	6,000	-	77,100
Stimulation	-	1,942,958		-	1,942,958
Stimulation Flowback & Disp	-	15,500	166,250	-	181,750
Insurance	37,982			-	37,982
Labor	228,500	53,750	45,000	2,000	329,250
Rental - Surface Equipment	134,445	250,185	35,000	5,000	424,630
Rental - Downhole Equipment	208,000	69,000	-	-	277,000
Rental - Living Quarters	42,500	22,690	-	5,000	70,190
Contingency	171,363	172,511	59,850	7,040	410,764
Operations Center	22,218		-	-	22,218
TOTAL INTANGIBLES >	3,598,616	3,840,581	658,350	77,440	8,174,986
TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	\$ 92,324	\$ -	\$ -	\$ -	\$ 92,324
Intermediate Casing	207,280			-	207,280
Drilling Liner	208,950			-	208,950
Production Casing	616,397			-	616,397
Production Liner	-			-	-
Tubing	-		139,000	-	139,000
Wellhead	101,000		70,000	-	171,000
Packers, Liner Hangers	-	48,596	-	-	48,596
Tanks	-			73,750	73,750
Production Vessels	-			178,125	178,125
Flow Lines	-			120,000	120,000
Rod string	-			-	-
Artificial Lift Equipment	-		365,000	-	365,000
Compressor	-			48,125	48,125
Installation Costs	-			100,000	100,000
Surface Pumps	-		5,000	20,250	25,250
Non-controllable Surface	-			2,000	2,000
Non-controllable Downhole	-			-	-
Downhole Pumps	-			-	-
Measurement & Meter Installation	-		11,000	95,625	106,625
Gas Conditioning / Dehydration	-			-	-
Interconnecting Facility Piping	-			93,750	93,750
Gathering / Bulk Lines	-			-	-
Valves, Dumps, Controllers	-			-	-
Tank / Facility Containment	-			15,625	15,625
Flare Stack	-			22,500	22,500
Electrical / Grounding	-		60,000	87,500	147,500
Communications / SCADA	-		12,000	6,250	18,250
Instrumentation / Safety	-			60,000	60,000
TOTAL TANGIBLES >	1,225,951	48,596	662,000	923,500	2,860,047
TOTAL COSTS >	4,824,567	3,889,177	1,320,350	1,000,940	11,035,034

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	BB	Team Lead -WTX/NM	<u>Tw</u>
Completions Engineer:	JH		TW
Production Engineer:	GL		

MATADOR RESOURCES COMPANY APPROVAL:

EVP	_____	Chief Geologist	_____
	BE		AP
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 approval 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, surveys, 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 favored 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.

Exhibit C-5

Summary of Communications – Susan Lancaster Fed Com Slot 1 Bone Spring

Paloma Permian Asset Co, LLC:

- 9/11/2025 Well proposals mailed via certified mail to Paloma.
- 9/15/2025 Well proposals delivered via certified mail.
- 9/15/2025- present: Discussed via phone call and email Paloma's potential participation in the wells proposed.

Susan Lancaster Fed Com - Slot 1 Bone Spring						
Owner Name	Ownership Type	Ownership Status	Commitment Type	Notice Provided - Letter	Notice Provided - NOP	Exhibit
Paloma Permian Asset Co., LLC	WI	Uncommitted	N/A	10/24/2025	10/26/2025	Exhibit E and F
Chevron USA, Inc.	Record Title	Uncommitted	N/A	10/24/2025	10/26/2025	Exhibit E and F

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-6
Submitted by: Matador Production Company
Hearing Date: December 4, 2025
Case No. 25713

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

**APPLICATION OF MRC PERMIAN
COMPANY FOR COMPULSORY POOLING,
EDDY AND LEA COUNTIES, NEW MEXICO.**

CASE NO. 25713

SELF-AFFIRMED STATEMENT OF ANDREW PARKER, GEOLOGIST

1. My name is Andrew Parker. I work for MRC Energy Company, an affiliate of Matador Production Company ("Matador"), as a Senior Vice President of Geosciences.

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 Third Bone Spring of the Bone Spring formation.

6. **MRC Exhibit D-2** is a subsea structure map prepared off the top of the Bone Spring formation. The contour interval is 50 feet. The structure map shows the Bone Spring formation gently dipping to the southeast. 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: December 4, 2025
Case No. 25713

8. **MRC Exhibit D-3** is a structural cross-section prepared 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 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 Bone Spring 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 Bone Spring wells because the maximum horizontal stress is east-west 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 Bone Spring 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. 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.



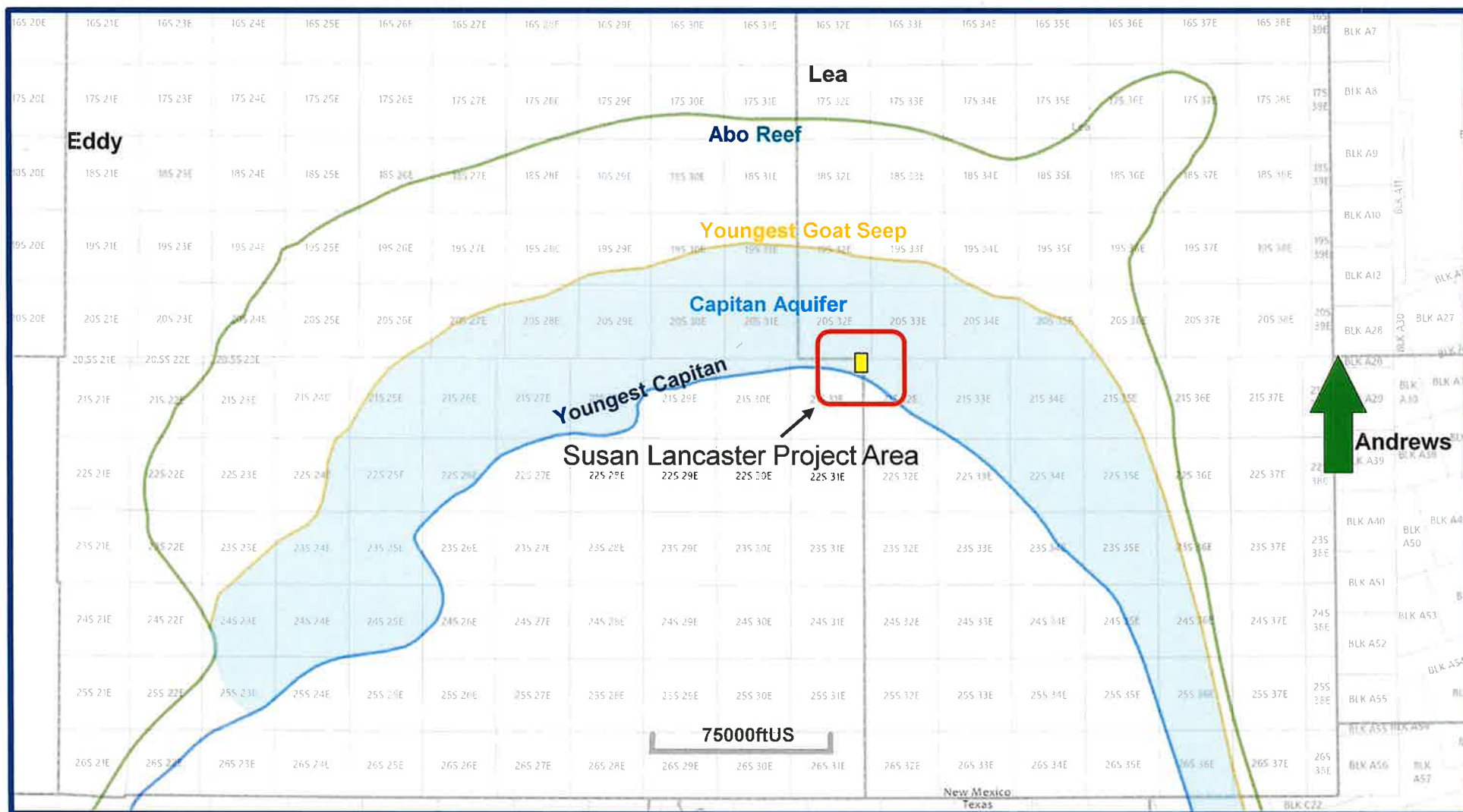
Andrew Parker



Date

Locator Map

Exhibit D-1



Susan Lancaster Fed Com #131H

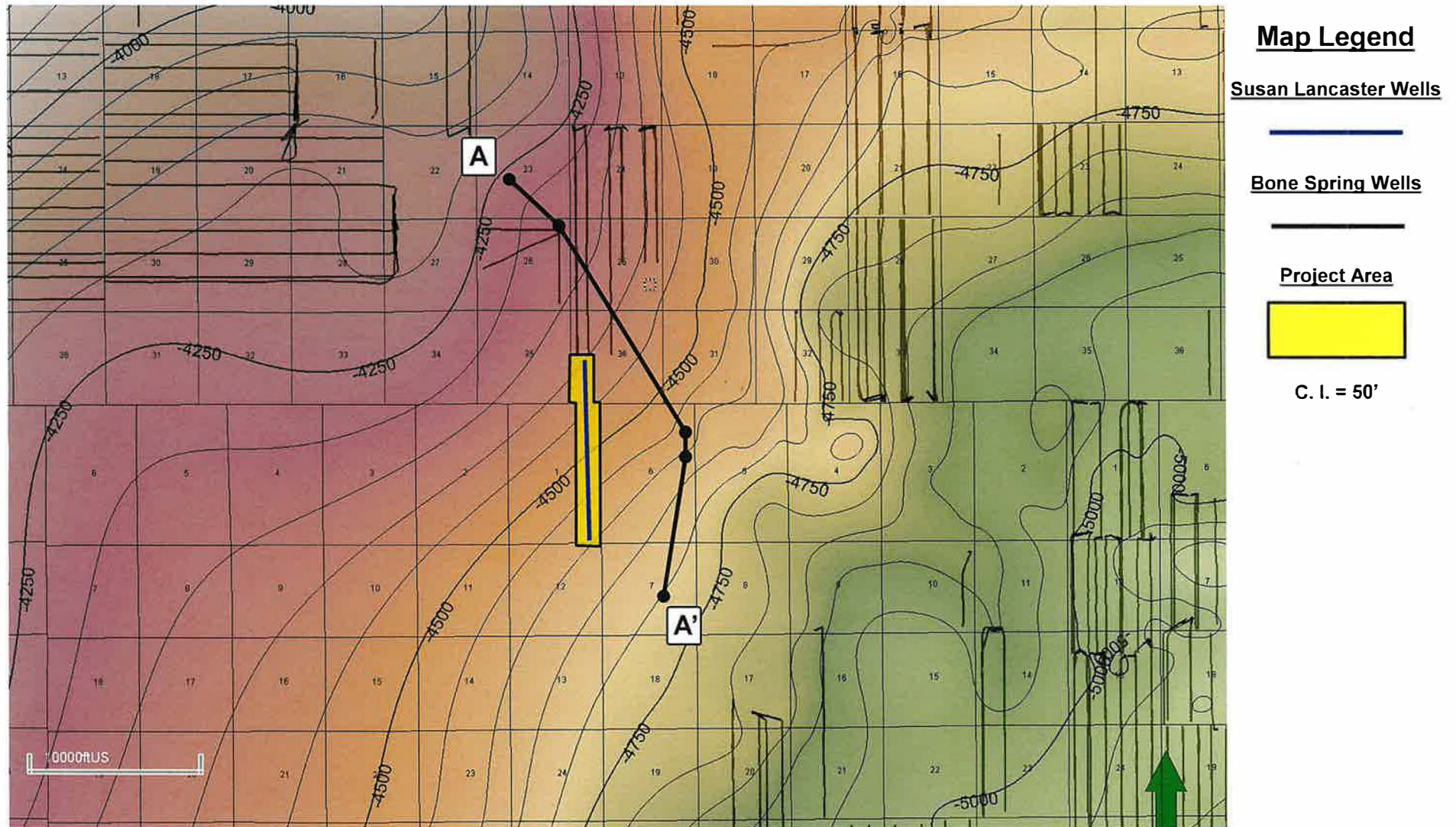
BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. D-1
 Submitted by: Matador Production Company
 Hearing Date: December 4, 2025
 Case No. 25713



D-1

**SALT LAKE; BONE SPRING [53560]
WC-015 G-06 S203127G; BONE SPRING [98232]
Structure Map (Top Bone Spring Subsea) A – A' Reference Line**

Exhibit D-2



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Exhibit No. D-2

Submitted by: Matador Production Company

Hearing Date: December 4, 2025

Case No. 25713



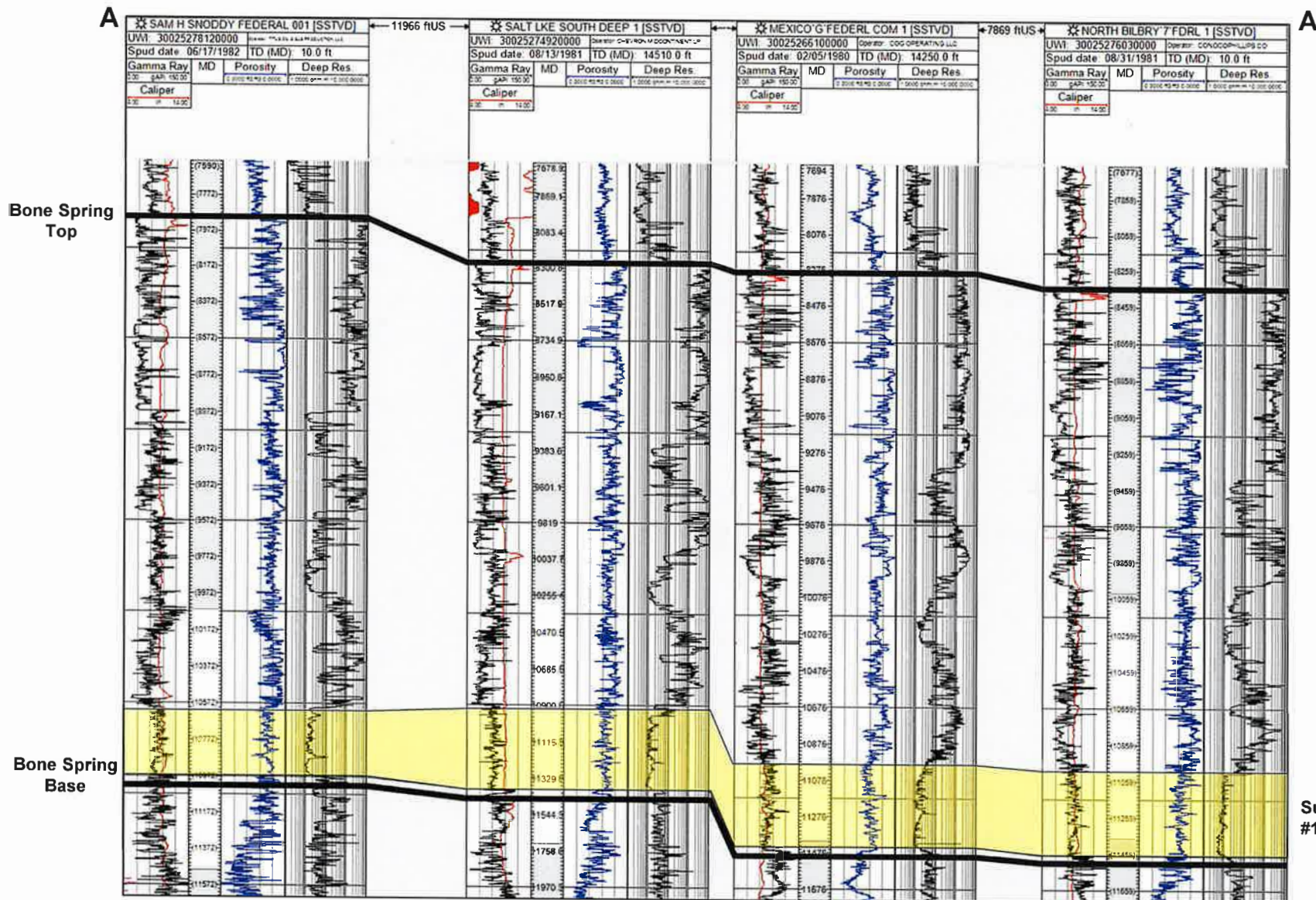
D-2

Susan Lancaster Fed Com #131H

SALT LAKE; BONE SPRING [53560] WC-015 G-06 S203127G; BONE SPRING [98232] Structural Cross-Section A – A'

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D-3
Submitted by: Matador Production Company
Hearing Date: December 4, 2025
Case No. 25713

Exhibit D-3



Susan Lancaster
#131H Target

Susan Lancaster Fed Com #131H



D-3

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

**APPLICATION OF MRC PERMIAN
COMPANY FOR COMPULSORY POOLING,
EDDY AND LEA COUNTIES, NEW MEXICO.**

CASE NO. 25713

**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 November 20, 2025.

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 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: December 4, 2025
Case No. 25713**



Paula M. Vance

11/20/25

Date



Paula M. Vance
Associate
Phone (505) 988-4421
Email pmvance@hollandhart.com

October 24, 2025

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL AFFECTED INTEREST OWNERS

Re: Application of MRC Permian Company for Compulsory Pooling, Lea and Eddy Counties, New Mexico: Susan Lancaster Federal Com 131H 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 November 13, 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 Hawks Holder at (972) 619-4336 or at hawks.holder@matadorresources.com.

Sincerely,

A handwritten signature in blue ink that reads 'Paula M. Vance'.

Paula M. Vance
**ATTORNEY FOR MRC PERMIAN COMPANY AND
MATADOR PRODUCTION COMPANY**

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

Alaska
Colorado
Idaho

Montana
Nevada
New Mexico

Utah
Washington, D.C.
Wyoming

MRC - Susan Lancaster 131H, 132H, and 201H wells - Case nos. 25713-25715
Postal Delivery Report

9214 8901 9403 8339 1893 00	Paloma Permian Asset Co LLC 1100 Louisiana St Ste 5100 Houston TX 77002	In-Transit
9214 8901 9403 8339 1893 17	CHEVRON USA INC 6301 DEAUVILLE MIDLAND TX 79706	Delivered Signature Received

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
October 26, 2025
and ending with the issue dated
October 26, 2025.

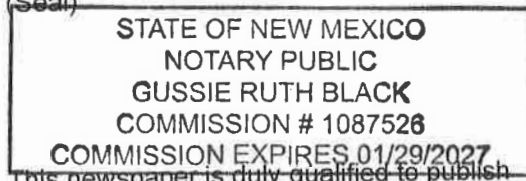

Publisher

Sworn and subscribed to before me this
26th day of October 2025.


Business Manager

My commission expires
January 29, 2027

(Seal)



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 NOTICE
October 26, 2025

Case No. 25713: Application of MRC Permian Company for Compulsory Pooling, Lea and Eddy Counties, New Mexico. Notice to all affected interest owners, including all heirs, devisees and successors of: Paloma Permian Asset Co, LLC and Chevron USA, Inc. The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearing 8:30 a.m. on November 13, 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: <https://www.emnrd.nm.gov/ocd/hearing-info/> or contact Freya Tschantz, at Freya.Tschantz@emnrd.nm.gov. Applicant in the above-styled cause seeks an order pooling the uncommitted interest owners in a standard 322.53-acre, more or less, horizontal well spacing unit in the Bone Spring formation underlying Lots 1, 8, 9, & 16, and the E/2 SE/4 (E/2 E/2 equivalent) of irregular Section 1, Township 21 South, Range 31 East, NMPM, Eddy County, New Mexico, as well as the W/2 SW/4 of Section 36, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico. Applicant seeks to initially dedicate the above-referenced spacing unit to the proposed Susan Lancaster Federal Com 131H well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of irregular Section 7, T21S-R32E, with a first take point in the SE/4 SE/4 (Unit P) of irregular Section 1, T21S-R31E, and a last take point in the NW/4 SW/4 (Unit L) of Section 36, T20S-R32E. Also, to be considered will be the cost of drilling and completing the well and the allocation of the costs 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 30 miles northeast of Carlsbad, New Mexico.
#00305593

67100754

00305593

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: December 4, 2025

Case No. 25713

Affidavit of Publication**Copy of Publication:**No. 68980

State of New Mexico

Publisher

County of Eddy:

Adrian Hedden

being duly sworn, says that he is the

Publisher

of the Carlsbad Current Argus, a weekly newspaper of

general circulation, published in English at Carlsbad,

said county and state, and that the hereto attached

Legal Ad

was published in a regular and entire issue of the said

Carlsbad Current Argus, a weekly newspaper duly qualified

for that purpose within the meaning of Chapter 167 of

the 1937 Session Laws of the state of New Mexico for

1 Consecutive weeks/day on the same

day as follows:

First Publication

October 28, 2025

Second Publication

Third Publication

Fourth Publication

Fifth Publication

Sixth Publication

Seventh Publication

Eighth Publication

Subscribed and sworn before me this

28th day of October 2025

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



Latisha Romine

Notary Public, Eddy County, New Mexico

Case No. 25713: Application of MRC Permian Company for Compulsory Pooling, Lea and Eddy Counties, New Mexico. Notice to all affected interest owners, including all heirs, devisees and successors of: Paloma Permian Asset Co, LLC and Chevron USA, Inc. The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division (Division) hereby gives notice that the Division will hold public hearing 8:30 a.m. on November 13, 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: <https://www.emnrd.nm.gov/ocd/hearing-info/> or contact Freya Tschantz, at Freya.Tschantz@emnrd.nm.gov. Applicant in the above-styled cause seeks an order pooling the uncommitted interest owners in a standard 322.53-acre, more or less, horizontal well spacing unit in the Bone Spring formation underlying Lots 1, 8, 9, & 16, and the E/2 SE/4 (E/2 E/2 equivalent) of irregular Section 1, Township 21 South, Range 31 East, NMPM, Eddy County, New Mexico, as well as the W/2 SW/4 of Section 36, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico. Applicant seeks to initially dedicate the above-referenced spacing unit to the proposed Susan Lancaster Federal Com 131H well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of irregular Section 7, T21S-R32E, with a first take point in the SE/4 SE/4 (Unit P) of irregular Section 1, T21S-R31E, and a last take point in the NW/4 SW/4 (Unit L) of Section 36, T20S-R32E. Also, to be considered will be the cost of drilling and completing the well and the allocation of the costs 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 30 miles northeast of Carlsbad, New Mexico. 68980-Published in Carlsbad Current Argus Oct. 28, 2025.