

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

**APPLICATION OF MRC PERMIAN COMPANY  
FOR APPROVAL OF A STANDARD OVERLAPPING  
HORIZONTAL WELL SPACING UNIT  
AND COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

CASE NO. \_\_\_\_\_

**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 (a) approving a standard 640.85-acre, more or less, overlapping horizontal well spacing unit in the Wolfcamp (Purple Sage; Wolfcamp [98220]) formation underlying Lots 3-4, S/2 NW/4, and SW/4 (W/2 equivalent) of irregular Section 3 and the W/2 of Section 10, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico; and (b) pooling the uncommitted interest owners in this acreage. 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 **Tony La Russa State Com 200H** well, to be horizontally drilled from a surface location in Lot 4 (NW/4 NW/4 equivalent) of irregular Section 3, with a first take point in Lot 3 (NE/4 NW/4 equivalent) of irregular Section 3, and a last take point in the NW/4 NW/4 (Unit D) of Section 10.

4. This proposed standard horizontal well spacing unit will overlap the following existing horizontal well spacing units in the Wolfcamp formation:

- A 640.85-acre, more or less, spacing unit comprised of the W/2 of Sections 3 and 10 in the Wolfcamp formation dedicated to the Tony La Russa 0310 State Com 225H well, operated by Matador Production Company (“Matador”) (API No. 30-015-49520);
- A 640.85-acre, more or less, spacing unit comprised of the W/2 of Sections 3 and 10 in the Wolfcamp formation dedicated to the Tony La Russa 0310 State Com 226H well, operated by Matador (API No. 30-015- 49601);
- A 320.85-acre, more or less, spacing unit comprised of the W/2 of Section 3 in the Wolfcamp formation dedicated to the Tony La Russa 0310 State Com 201H well, operated by Matador (API No. 30-015- 45964); and
- A 320.85-acre, more or less, spacing unit comprised of the W/2 of Section 3 in the Wolfcamp formation dedicated to the Tony La Russa 0310 State Com 202H well, operated by Matador (API No. 30-015- 45965).

5. 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.

6. 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 June 4, 2026, hearing docket and after notice and hearing as required by law, the Division enter an order:

- A. Approving the overlapping standard horizontal well spacing unit and pooling all uncommitted interest owners in the horizontal spacing unit;
- 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,

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

**CASE \_\_\_\_\_:**     **Application of MRC Permian Company for Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order (a) approving a standard 640.85-acre, more or less, overlapping horizontal well spacing unit in the Wolfcamp (Purple Sage; Wolfcamp [98220]) formation underlying Lots 3-4, S/2 NW/4, and SW/4 (W/2 equivalent) of irregular Section 3 and the W/2 of Section 10, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico; and (b) pooling the uncommitted interest owners in this acreage. Applicant seeks to initially dedicate the above-referenced spacing unit to the proposed **Tony La Russa State Com 200H** well, to be horizontally drilled a surface location in Lot 4 (NW/4 NW/4 equivalent) of irregular Section 3, with a first take point in Lot 3 (NE/4 NW/4 equivalent) of irregular Section 3, and a last take point in the NW/4 NW/4 (Unit D) of Section 10. This proposed standard horizontal well spacing unit will overlap the following existing horizontal well spacing units in the Wolfcamp formation:

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- A 320.85-acre, more or less, spacing unit comprised of the W/2 of Section 3 in the Wolfcamp formation dedicated to the Tony La Russa 0310 State Com 201H well, operated by Matador (API No. 30-015- 45964); and
- A 320.85-acre, more or less, spacing unit comprised of the W/2 of Section 3 in the Wolfcamp formation dedicated to the Tony La Russa 0310 State Com 202H well, operated by Matador (API No. 30-015- 45965).

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 6.5 miles northwest of Malaga, New Mexico.