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

APPLICATION OF MRC PERMIAN COMPANY FOR COMPULSORYPOOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 26058

AMENDED 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 478.73-acre, more or less, horizontal well spacing unit in the Bone Spring formation underlying the S/2 N/2 of Sections 16 and 17, and Lot 2, SE/4 NW/4 and S/2 NE/4 (S/2 N/2 equivalent) of irregular Section 18, Township 21 South, Range 31 East, NMPM, Eddy 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 **Corby Federal Com 106H**, **Corby Federal Com 112H**, and **Corby Federal Com 146H** wells, all to be horizontally drilled from surface locations in the SE/4 NW/4 (Unit F) of irregular Section 18, with first take points in Lot 2 (SW/4 NW/4 equivalent) of irregular Section 18, and last take points in the SE/4 NE/4 (Unit H) of Section 16.

4. Application is filing this amended application because it has removed the **Corby Federal Com 102H** as an initial well.

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 September 3, 2026, hearing docket and after notice and hearing as required by law, the Division enter an order:

A. 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 wells to be drilled thereon;

C. Authorizing Applicant to recover its costs of drilling, completing, and equipping the wells;

D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

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ATTORNEYS FOR MRC PERMIAN COMPANY AND MATADOR PRODUCTION COMPANY

CASE 26058: **Amended Application of MRC Permian Company for Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling the uncommitted interest owners in a standard 478.73-acre, more or less, horizontal well spacing unit in the Bone Spring formation underlying the S/2 N/2 of Sections 16 and 17, and Lot 2, SE/4 NW/4 and S/2 NE/4 (S/2 N/2 equivalent) of irregular Section 18, Township 21 South, Range 31 East, NMPM, Eddy County, New Mexico. Applicant seeks to initially dedicate the above-referenced spacing unit to the proposed **Corby Federal Com 106H**, **Corby Federal Com 112H**, and **Corby Federal Com 146H** wells, all to be horizontally drilled from surface locations in the SE/4 NW/4 (Unit F) of Section 18, with first take points in Lot 2 (SW/4 NW/4 equivalent) of irregular Section 18, and last take points in the SE/4 NE/4 (Unit H) of Section 16. Also, to be considered will be the cost of drilling and completing the wells 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 wells. The subject area is located approximately 22 miles northeast of Loving, New Mexico.