

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING APRIL 6, 2023**

CASE NO. 23367

*GEORGE 14 & 15-24S-28E #114H WELL
GEORGE 14 & 15-24S-28E #134H WELL*

EDDY COUNTY, NEW MEXICO



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

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

CASE NO. 23367

TABLE OF CONTENTS

- **MRC Exhibit A:** Compulsory Pooling Application Checklist
- **MRC Exhibit B:** Application of MRC Permian Company for Compulsory Pooling
- **MRC Exhibit C:** Affidavit of Hanna Bollenbach, Landman
 - MRC Exhibit C-1: Overlap Diagram
 - MRC Exhibit C-2: Overlap Notice
 - MRC Exhibit C-3: C-102s
 - MRC Exhibit C-4: Land Tract Map
 - MRC Exhibit C-5: Uncommitted Working Interest Owners
 - MRC Exhibit C-6: ORRI & NPRI
 - MRC Exhibit C-7: Sample Well Proposal Letters with AFE
 - MRC Exhibit C-8: Chronology of Contacts
- **MRC Exhibit D:** Affidavit of Dan Brugioni, Geologist
 - MRC Exhibit D-1: Locator map
 - MRC Exhibit D-2: Bone Spring subsea structure & cross-section map
 - MRC Exhibit D-3: Bone Spring stratigraphic cross-section
- **MRC Exhibit E:** Self-Affirmed Statement of Notice
- **MRC Exhibit F:** Affidavit of Publication for the Case

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 23367	APPLICANT'S RESPONSE
Date	April 6, 2023
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 FOR APPROVAL OF AN OVERLAPPING HORIZONTAL WELL SPACING UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	N/A
Well Family	George
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Malaga; Bone Spring (42780)
Well Location Setback Rules:	Statewide oil rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320
Building Blocks:	40 acres
Orientation:	East-West
Description: TRS/County	S/2 S/2 of Sections 14 and 15, Township 24 South, Range 28 East, NMPM, Eddy 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	Exhibit C-4, C-5
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

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

Submitted by: MRC Permian Company

Hearing Date: April 6, 2023

Case No. 23367

Well #1	George 14 & 15-24S-28E #114H well SHL: 1,156' FSL, 786' FEL (Unit P) of Section 14 FTP: 660' FSL, 100' FEL (Unit P) of Section 14 LTP: 660' FSL, 110' FWL (Unit M) of Section 15 BHL: 660' FSL, 110' FWL (Unit M) of Section 15 Target: Bone Spring Orientation: East-West Completion: Standard Location
Well #2	George 14 & 15-24S-28E #134H well SHL: 1,126' FSL, 756' FEL (Unit P) of Section 14 FTP: 660' FSL, 100' FEL (Unit P) of Section 14 LTP: 660' FSL, 110' FWL (Unit M) of Section 15 BHL: 660' FSL, 110' FWL (Unit M) of Section 15 Target: Bone Spring Orientation: East-West Completion: Standard Location
Horizontal Well First and Last Take Points	Exhibit C-3
Completion Target (Formation, TVD and MD)	Exhibit C-7
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
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-4
Tract List (including lease numbers and owners)	Exhibit C-4, C-5
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-5, C-6
Unlocatable Parties to be Pooled	No
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit C-7
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-5, C-6
Chronology of Contact with Non-Joined Working Interests	Exhibit C-8

Overhead Rates In Proposal Letter	Exhibit C-7
Cost Estimate to Drill and Complete	Exhibit C-7
Cost Estimate to Equip Well	Exhibit C-7
Cost Estimate for Production Facilities	Exhibit C-7
Geology	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-1
Gunbarrel/Lateral Trajectory Schematic	N/A
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-3
Tracts	Exhibit C-4
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-4, C-5, C-6
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-3
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:	4/4/2023

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

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

CASE NO. 23367

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 (a) approving a standard 320-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the S/2 S/2 of Sections 14 and 15, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico, and (b) pooling all uncommitted mineral interests in this overlapping horizontal well spacing unit. In support of its application, MRC states:

1. Applicant is a working interest owner in the proposed overlapping 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 overlapping horizontal spacing unit.
3. Applicant seeks to initially dedicate the above-referenced overlapping horizontal spacing unit to the proposed **George 14 & 15-24S-28E #114H** and **George 14 & 15-24S-28E #134H** wells, both to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 14 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 15.

4. This 320-acre horizontal well spacing unit will overlap the following existing horizontal well spacing unit covering portions of the subject acreage:

- 160-acre, more or less, horizontal well spacing unit comprised of the S/2 S/2 of Section 14, Township 24 South, Range 28 East, dedicated to the Tiger 14 24S 28E RB #124H well (API: 30-015-43012).

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 pooling of interests 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 March 2, 2023, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving the overlapping horizontal well spacing unit and pooling all uncommitted interests therein;
- B. Designating Matador Production Company as operator of this overlapping 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% penalty 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,

HOLLAND & HART LLP

By: 

Michael H. Feldewert
Adam G. Rankin
Julia Broggi
Paula M. Vance
Post Office Box 2208
Santa Fe, NM 87504
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505-983-6043 Facsimile
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arankin@hollandhart.com
jbroggi@hollandhart.com
pmvance@hollandhart.com

ATTORNEYS FOR MRC PERMIAN COMPANY

CASE _____: **Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order (a) approving a standard 320-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the S/2 S/2 of Sections 14 and 15, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico, and (b) pooling all uncommitted mineral interests in this overlapping horizontal well spacing unit. Said unit will be initially dedicated to the proposed **George 14 & 15-24S-28E #114H** and **George 14 & 15-24S-28E #134H** wells, both to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 14 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 15. This 320-acre horizontal well spacing unit will overlap the following existing horizontal well spacing unit covering portions of the subject acreage:

- 160-acre, more or less, horizontal well spacing unit comprised of the S/2 S/2 of Section 14, Township 24 South, Range 28 East, dedicated to the Tiger 14 24S 28E RB #124H well (API: 30-015-43012).

Also, to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately a half mile south of Malaga, New Mexico.

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

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

CASE NO. 23367

AFFIDAVIT OF HANNA BOLLENBACH

Hanna Bollenbach, of lawful age and being first duly sworn, states the following:

1. My name is Hanna Bollenbach and I am employed by MRC Energy Company, an affiliate of Matador Production Company (“Matador”), 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 record.

3. I am familiar with the applications filed by Matador in this case and the status of the lands in the subject area.

4. In this case, Matador seeks an order (a) approving a standard 320-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the S/2 S/2 of Sections 14 and 15, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico, and (b) pooling all uncommitted mineral interests in this overlapping horizontal well spacing unit. Matador proposes to dedicate the above-referenced spacing unit to the proposed initial **George 14 & 15-24S-28E #114H** and **George 14 & 15-24S-28E #134H** wells, both to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 14 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 15.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C
Submitted by: MRC Permian Company
Hearing Date: April 6, 2023
Case No. 23367**

5. This 320-acre horizontal well spacing unit will overlap the following existing horizontal well spacing unit covering portions of the subject acreage:

- 160-acre, more or less, horizontal well spacing unit comprised of the S/2 S/2 of Section 14, Township 24 South, Range 28 East, dedicated to the Tiger 14 24S 28E RB #124H well (API: 30-015-43012).

6. Matador is the designated operator of the above-referenced existing horizontal well spacing unit. The proposed spacing unit will have a completed interval located within the entirety of the existing horizontal well spacing unit, among other acreage.

7. A map showing the overlapping spacing units is attached as **Matador Exhibit C-1**.

8. **Matador Exhibit C-2** contains a copy of the notice that Matador sent to the working interest owners in the existing spacing unit for the Tiger 14 24S 28E RB #124H well and the proposed spacing unit in Matador's current application. Matador has not received written notice of any objection to the notice of overlapping spacing unit.

9. **Matador Exhibit C-3** contains draft Form C-102's for the initial wells in the overlapping horizontal spacing unit. These forms demonstrate that the completed interval for each well will meet the standard setback requirements for horizontal oil wells.

10. Matador understands that these Bone Spring wells will be place in the Malaga; Bone Spring (42780) pool.

11. **Matador Exhibit C-4** identifies the tracts of land comprising each of the proposed horizontal spacing units. The subject acreage is comprised of fee acreage.

12. There are no depth severances within the Bone Spring formation underlying this acreage.

13. **Matador Exhibit C-5** identifies the working interest owner that Matador is seeking to pool in the proposed horizontal spacing unit.

14. **Matador Exhibit C-6** identifies the overriding royalty interests and non-participating royalty interests that Matador is seeking to pool in the proposed horizontal spacing unit.

15. **Matador Exhibit C-7** contains a sample of the well proposal letters and AFEs sent to the working interest owner that Matador is seeking to pool. The costs reflected in these AFEs are consistent with what other operators have incurred for drilling similar horizontal wells in the area in this formation.

16. **Matador Exhibit C-8** contains a general summary of the contacts with the uncommitted working interest owner that Matador seeks to pool. As shown in Exhibit C-8, Matador has located and had discussions with this uncommitted working interest owner regarding this application.

17. Matador requests that the overhead and administrative costs for drilling and producing the proposed wells be set at \$8,000 per month while drilling and \$800 per month while producing. These costs are consistent with what other operators are charging in this area for similar wells.

18. Matador has provided the law firm of Holland & Hart LLP with the names and addresses (where available) of the parties that Matador seeks to pool, along with those owners in the existing spacing unit for the Tiger 14 24S 28E RB #124H and instructed that they be notified of this hearing.

19. **Matador Exhibits C-1 through C-8** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NAUGHT.



 HANNA BOLLENBACH

STATE OF TEXAS)
)
 COUNTY OF DALLAS)

SUBSCRIBED and SWORN to before me this 29th day of March 2023 by Hanna Bollenbach.



 NOTARY PUBLIC

My Commission Expires:

3/23/2025

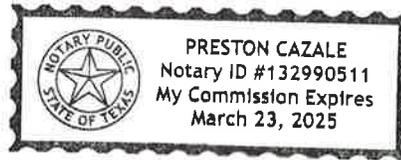
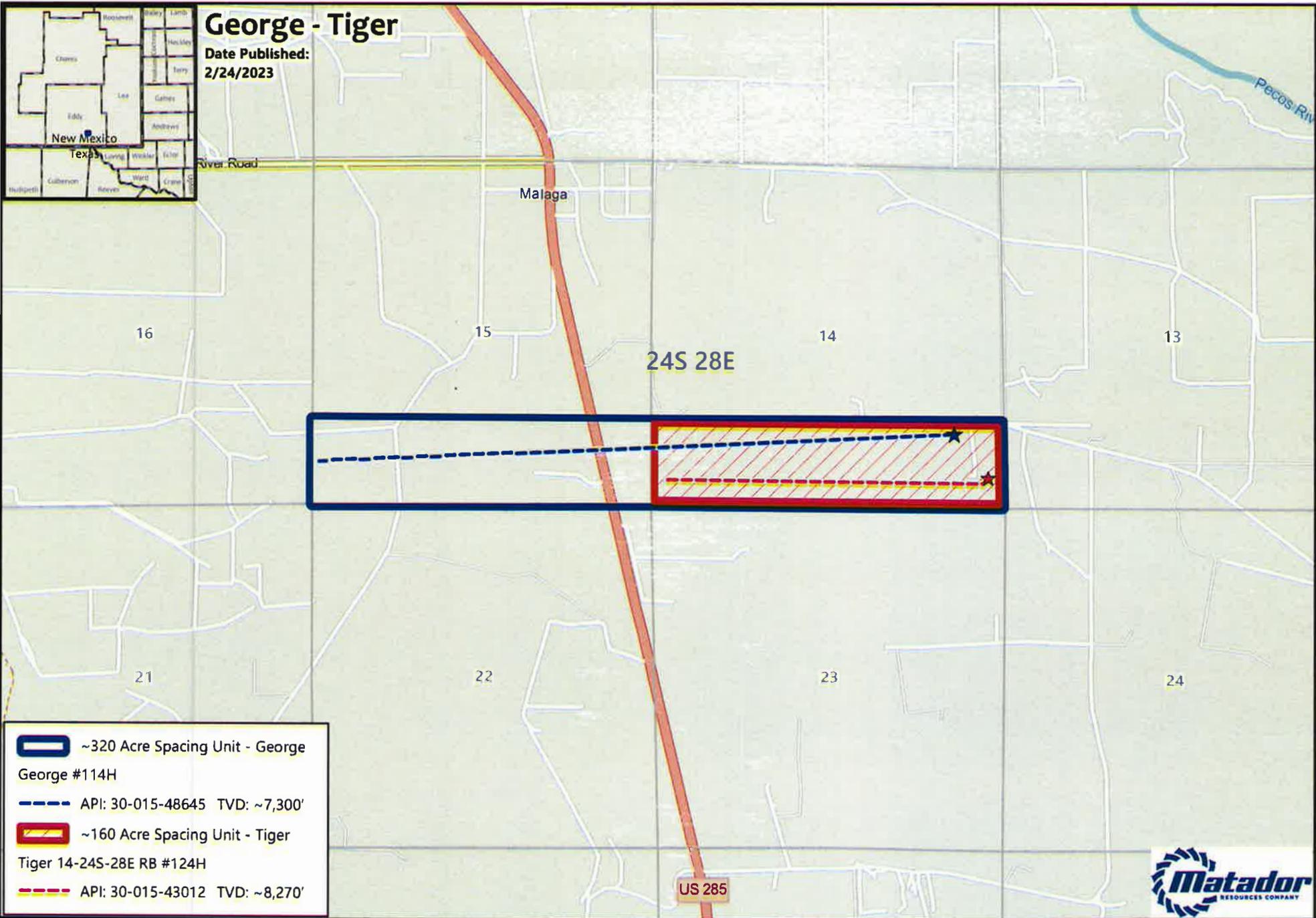


EXHIBIT C-1



George - Tiger

Date Published:
2/24/2023

-  ~320 Acre Spacing Unit - George
George #114H
-  API: 30-015-48645 TVD: ~7,300'
-  ~160 Acre Spacing Unit - Tiger
Tiger 14-24S-28E RB #124H
-  API: 30-015-43012 TVD: ~8,270'



GIS Standard Map Disclaimer:
This map is provided for informational purposes only and should not be used for legal or financial decisions. The user assumes all liability for any use of this information without the express written consent of the provider.



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

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C1
Submitted by: MRC Permian Company
Hearing Date: April 6, 2023
Case No. 23367



Map Prepared by: amercio.gamara
Date: February 24, 2023
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-2

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO ALL WORKING INTEREST OWNERS IN THE AGREAGE AFFECTED BY PROPOSED OVERLAPPING SPACING UNIT

March 1, 2023

Re: Notice of Overlapping Spacing Unit
(Malaga; Bone Spring [42780])
Matador's George 14 15 24S 28E #114H (API 30-015-48645)

To Whom It May Concern:

Matador Production Company has proposed the above-referenced well for the initial development of the Bone Spring formation under the S/2 S/2 of Sections 14 and 15, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico.

This letter is to advise you that this proposed development plan will require the formation of the 320 acre, more or less, spacing unit comprised of the S/2 S/2 of Sections 14 and 15, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico, which will initially be dedicated to:

- (i) Matador's George 14 15 24S 28E #114H (API 30-015-48645), to be drilled from a surface location within SE/4 SE/4 of Section 14, T-24-S, R-28-E to a bottom hole location within SW/4 SW/4 of Section 15, T-24-S, R-28-E. This well is targeting the First Bone Spring of the Bone Spring formation, with an approximate TVD of 7,300'.

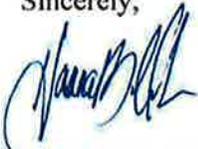
Matador's proposed 320-acre spacing unit will overlap the following existing spacing unit and well:

- (i) Matador's Tiger 14 24S 28E RB #124H (API 30-015-43012), to be drilled from a surface location within SE/4 SE/4 of Section 14, T-24-S, R-28-E to a bottom hole location within SW/4 SW/4 of Section 14, T-24-S, R-28-E. This well is targeting the Second Bone Spring of the Bone Spring formation, with an approximate TVD of 8,270'.

Pursuant to NMAC 19.15.16.15.B(9) and 19.15.15.12.B, you have a right to object the overlapping spacing unit by delivering a written statement of objection to our office within twenty (20) days of the mailing of this notice. If no objection is received within this 20-day period, we will proceed with obtaining any remaining regulatory approvals for the proposed spacing unit.

If you have any questions about this matter, please contact me at your convenience.

Sincerely,



Hanna Bollenbach
Senior Landman for Matador Production Company
972-619-4341
hanna.bollenbach@matadorresources.com

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C2
Submitted by: MRC Permian Company
Hearing Date: April 6, 2023
Case No. 23367

EXHIBIT C-3

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Artesia, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

FORM C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 42780		³ Pool Name Malaga; Bone Springs	
⁴ Property Code		⁵ Property Name GEORGE 14 15 24S 28E		⁶ Well Number 114H	
⁷ OGRID No. 228937		⁸ Operator Name MATADOR PRODUCTION COMPANY		⁹ Elevation 2975'	

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lat Ida	Feet from the	North/South line	Feet from the	East/West line	County
P	14	24-S	28-E	-	1156'	SOUTH	786'	EAST	EDDY

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lat Ida	Feet from the	North/South line	Feet from the	East/West line	County
M	15	24-S	28-E	-	660'	SOUTH	110'	WEST	EDDY

¹² Dedicated Acres 320	¹³ Joint or InEIL	¹⁴ Consolidation Code	¹⁵ Order No.
--------------------------------------	------------------------------	----------------------------------	-------------------------

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

¹⁷OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this information either was a working interest or retained interest, or was a right to drill this well at this location, pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *[Signature]* Date: 1/9/2023

Printed Name: *Hanna Bollenbach*

E-mail Address: *hanna.bollenbach@matadorresources.com*

¹⁸SURVEYOR 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 to the best of my belief.

Date of Survey: 12/29/2022

Signature and Seal: *[Signature]*

Certificate Number: *[Seal]*

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C3
Submitted by: MRC Permian Company
Hearing Date: April 6, 2023
Case No. 23367

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

FORM C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 42780		³ Pool Name Malaga; Bone Spring	
⁴ Property Code		⁵ Property Name GEORGE			⁶ Well Number 134H
⁷ OGRID No. 228937		⁸ Operator Name MATADOR PRODUCTION COMPANY			⁹ Elevation 2976'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	14	24-S	28-E	-	1126'	SOUTH	756'	EAST	EDDY

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	15	24-S	28-E	-	660'	SOUTH	110'	WEST	EDDY

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

9		10		10		11		11		12	
16		15		15		14		14		13	
16		22		22		23		23		24	
21		22		22		23		23		24	

**LAST PERFORATION POINT/
BOTTOM HOLE LOCATION
NEW MEXICO EAST**
NAD 1927
X=577332
Y=441115
LAT.: N 32.2124945
LONG.: W 104.0832935
NAD 1983
X=618515
Y=441173
LAT.: N 32.2126161
LONG.: W 104.0837858

**SURFACE LOCATION
NEW MEXICO EAST**
NAD 1927
X=587240
Y=441509
LAT.: N 32.2135094
LONG.: W 104.0512542
NAD 1983
X=628424
Y=441567
LAT.: N 32.2136315
LONG.: W 104.0517452

**FIRST PERFORATION POINT
NEW MEXICO EAST**
NAD 1927
X=587904
Y=441033
LAT.: N 32.2121967
LONG.: W 104.0491104
NAD 1983
X=629088
Y=441091
LAT.: N 32.2123188
LONG.: W 104.0496013

¹⁷OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided 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 such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *Hanna Bollenback* Date: 1/10/2023
Printed Name: Hanna Bollenback
E-mail Address: hanna.bollenback@matadorresources.com

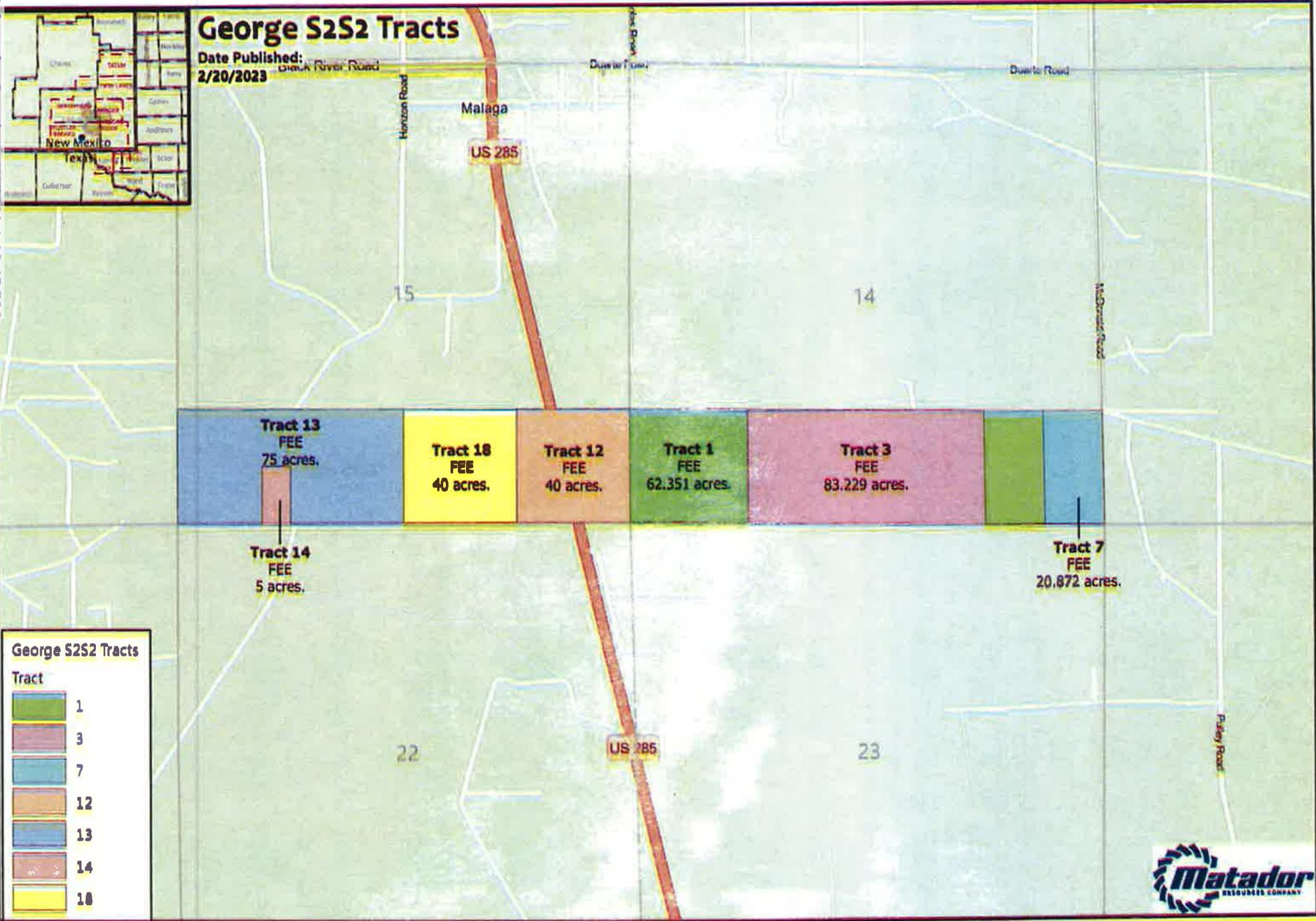
¹⁸SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.

12/29/2022
Date of Survey
Signature and Seal of Professional Surveyor
MICHAEL B. BROWN
NEW MEXICO
18329
PROFESSIONAL SURVEYOR
Certificate Number

EXHIBIT C-4

George S2S2 Tracts

Date Published:
2/20/2023



George S2S2 Tracts

Tract

- 1
- 3
- 7
- 12
- 13
- 14
- 18



GIS Standard Map Disclaimer:

0 500 1,000 2,000 Feet

1:18,000
1 inch equals 1,500 feet

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C4
Submitted by: MRC Permian Company
Hearing Date: April 6, 2023
Case No. 23367

Map Prepared by: amercio.gomara
Date: February 20, 2023
Project: \\p1\houston\gis\amercio\101\2023\20230220 George S2S2\George S2S2.aprx
Spatial Reference: NAD 1983 StatePlane New Mexico East FIPS 5001 Feet
Sources: ITR; ESRI; US DCR PLM Carlsbad; NM Field Office; GIS Department; Texas Cooperative Wildlife Collection; Texas A&M University; United States Census Bureau (2010)

EXHIBIT C-5

Summary of Interests

MRC Permian Company:			69.819924%
Compulsory Pool:			07.559869%
Voluntary Joinder:			22.620207%
Interest Owner:	Tract:	Description:	Interest:
OXY USA, Inc.	1	Uncommitted Working Interest Owner	7.559869%

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. C5
 Submitted by: MRC Permian Company
 Hearing Date: April 6, 2023
 Case No. 23367



EXHIBIT C-6

CASE NO. 23367

ORRI to be Pooled

Cogent Energy, Inc. Profit Sharing Plan
Randall S. Cate, a married person
WPX Energy Permian, LLC
Masters Energy, LLC
KCK Resources, Inc.
Norma J. Barton, a/k/a Norma Chanley, as her separate property
Roy G. Barton, Jr., as his separate property
Devon Energy Production Company, LP

NPRI to be Pooled

Eric Carter and Sue Carter, husband and wife
Estate of Arno Holmes Schwamkrug, as his separate property
Georgann Schwamkrug, as her separate property
Dixie Arlene Schwamkrug Vermeeren, as her separate property
Anna Eve Schwamkrug Spalding, as her separate property
Tori Lane Schwamkrug, whose marital status is unknown
Amber Eve Schwamkrug, whose marital status is unknown
Kay Willene Schwamkrug Schroeder, as her separate property

EXHIBIT C-7

MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
Voice 972.619.4341 • Fax 214.866.4946
hanna.bollenbach@matadorresources.com

Hanna Bollenbach
Landman

January 11, 2023

VIA CERTIFIED RETURN RECEIPT MAIL

OXY USA, Inc.
5 Greenway Plaza, Suite 110
Houston, Texas 77046

Re: George 14&15-24S-28E #114H & #134H (the "Wells")
Participation Proposal
Sections 14 & 15, Township 24 South, Range 28 East
Eddy County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's George 14&15-24S-28E #114H and George 14&15-24S-28E #134H wells, located in Sections 14 & 15, Township 24 South, Range 28 East, Eddy County, New Mexico, to the Bone Spring formation.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping of each Well is itemized on the two (2) enclosed Authority for Expenditures ("AFE") both dated November 10, 2022.
- **George 14&15-24S-28E #114H:** to be drilled from a legal location with a proposed surface hole location in the SE/4SE/4 of Section 14-24S-28E and a proposed bottom hole location in the SW/4SW/4 of Section 15-24S-28E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (-7,420' TVD) to a Measured Depth of approximately 17,787'.
- **George 14&15-24S-28E #134H:** to be drilled from a legal location with a proposed surface hole location in the SE/4SE/4 of Section 14-24S-28E and a proposed bottom hole location in the SW/4SW/4 of Section 15-24S-28E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (-8,640' TVD) to a Measured Depth of approximately 19,007'.

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.

OXY USA, Inc. will own an approximate 0.082750089 working interest in each Well, subject to title verification.

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.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C7
Submitted by: MRC Permian Company
Hearing Date: April 6, 2023
Case No. 23367

MRC is proposing to drill the Wells under the terms of the modified 1989 AAPL form of Operating Agreement dated February 4, 2020, by and between Matador Production Company, as Operator and MRC Permian Company et al as Non-Operators covering the S/2 of Sections 14 & 15, Township 24 South, Range 28 East, Eddy County, New Mexico, and has the following general provisions:

- 100/300/300 Non-consenting penalty
- \$8,000/\$800 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 AFE(s) within thirty (30) days of receipt of this notice. Additionally, if your election is to participate, please accept this letter as an invoice notice and request for payment. Please remit payment for your proportionate share of costs to Matador Production Company on or before thirty (30) days after receipt of this estimate and invoice. Please be aware that the enclosed AFE(s) 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



Hanna Bollenbach

OXY USA, Inc. hereby elects to:

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's George 14&15-24S-28E #114H well, in the estimated amount of \$770,283.34.
_____ Not to participate in the George 14&15-24S-28E #114H

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's George 14&15-24S-28E #134H well, in the estimated amount of \$778,044.72.
_____ Not to participate in the George 14&15-24S-28E #134H

OXY USA, Inc.

By: _____

Title: _____

Date: _____

Contact Number: _____

MATADOR PRODUCTION COMPANY

ONE LINCOLN CENTRE • 5400 LBJ FREEWAY • SUITE 1800 • DALLAS, TEXAS 75240
Phone (972) 371-5200 • Fax (972) 371-5201

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	November 10, 2022	AFE NO.:	
WELL NAME:	George 14&15-24S-28E #114H	FIELD:	Bone Spring
LOCATION:	Section 14&15 24S 28E	MD/TVD:	17787/7420'
COUNTY/STATE:	Eddy, NM	LATERAL LENGTH:	9,800
MRC W/:			
GEOLOGIC TARGET:	First Bone Spring Sand		
REMARKS:	Drill and complete a horizontal 2 mile long First Bone Spring sand target with about 46 frac stages		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Land / Legal / Regulatory	\$ 58,000		\$ 50,000	\$ 10,000	\$ 118,000
Location, Surveys & Damages	136,333	13,000	25,000	12,500	186,833
Drilling	589,700				589,700
Cementing & Float Equip	186,000				186,000
Logging / Formation Evaluation		3,780	3,000		6,780
Flowback - Labor			31,050		31,050
Flowback - Surface Rentals			121,488		121,488
Flowback - Rental Living Quarters					
Mud Logging	22,500				22,500
Mud Circulation System	44,000				44,000
Mud & Chemicals	290,000	53,900	9,000		352,900
Mud / Wastewater Disposal	120,000		7,500	1,000	128,500
Freight / Transportation	12,750	41,600			54,350
Rig Supervision / Engineering	100,000	101,420	9,900	1,600	212,920
Drill Bits	73,700				73,700
Fuel & Power	108,000	527,283			635,283
Water	35,000	840,000	3,000	1,000	879,000
Drig & Completion Overhead	10,000				10,000
Plugging & Abandonment					
Directional Drilling, Surveys	215,657				215,657
Completion Unit, Swab, CTU		154,000	11,400		165,400
Perforating, Wireline, Slickline		188,070	7,000		195,070
High Pressure Pump Truck		60,060	8,000		68,060
Stimulation		1,873,337			1,873,337
Stimulation Flowback & Disp		17,050	50,400		67,450
Insurance	11,384				11,384
Labor	148,500	68,550	12,500	5,000	234,550
Rental - Surface Equipment	88,560	315,161	10,000	5,000	418,721
Rental - Downhole Equipment	122,500	94,600	2,000		219,100
Rental - Living Quarters	42,750	45,881		5,000	93,631
Contingency	46,683	260,623	35,374	4,330	346,920
Operations Center	19,320				19,320
TOTAL INTANGIBLES >	2,483,347	4,656,715	396,611	45,430	7,582,103

TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	\$ 32,180				\$ 32,180
In-Intermediate Casing	261,359				261,359
Drilling Liner					
Production Casing	489,145				489,145
Production Liner					
Tubing			128,238		128,238
Wellhead	58,000		30,000		88,000
Packers, Liner Hangers		67,344	6,000		73,344
Tanks				35,000	35,000
Production Vessels				126,181	126,181
Flow Lines				120,000	120,000
Rod string					
Artificial Lift Equipment			20,000		20,000
Compressor				27,500	27,500
Installation Costs				80,000	80,000
Surface Pumps			5,000	15,000	20,000
Non-controllable Surface				2,000	2,000
Non-controllable Downhole					
Downhole Pumps					
Measurement & Meter Installation			11,000	32,000	43,000
Gas Conditioning / Dehydration					
Interconnecting Facility Piping				53,125	53,125
Gathering / Bulk Lines					
Valves, Dumps, Controllers			2,000		2,000
Tank / Facility Containment				8,750	8,750
Flare Stack				20,625	20,625
Electrical / Grounding				40,000	40,000
Communications / SCADA			12,000	5,000	17,000
Instrumentation / Safety				39,000	39,000
TOTAL TANGIBLES >	840,684	67,344	214,238	604,181	1,726,447
TOTAL COSTS >	3,324,031	4,724,059	610,849	649,611	9,308,550

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Tyler Kinnon	Team Lead - WTX/NM	<i>JME</i>
Completions Engineer:	Colin Lesnick		JME
Production Engineer:	Kyle Christy		

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, Res	WTE	SVP Geoscience	NLF	COO- Drilling, Completion and Production	CC
Executive VP, Legal	CA				
President	BG				

NON OPERATING PARTNER APPROVAL:

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

EXHIBIT C-8

Summary of Communications - George

Working Interest Owner:

1. OXY USA, Inc.

In addition to sending well proposals, Matador has had discussions with OXY USA, Inc. regarding its interest and continue to discuss voluntary joinder.

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

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

CASE NO. 22367

AFFIDAVIT OF DANIEL BRUGIONI

Daniel Brugioni, of lawful age and being first duly sworn, declares as follows:

1. My name is Daniel Brugioni and I am employed by MRC Energy Company, an affiliate of Matador Production Company (“Matador”), as a Senior Geologist.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology. I am familiar with the application filed by Matador in this case and have conducted a geologic study of the lands in the subject area.
3. **Matador 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.
4. The target interval for the initial wells in this proposed spacing unit is the First Bone Spring and Third Bone Spring, respectively, of the Bone Spring formation.
5. **Matador Exhibit D-2** is a subsea structure map that I prepared for 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 east. The structure appears consistent across the proposed spacing unit and I do not observe any faulting, pinch outs, or other geologic impediments to horizontal drilling.
6. Also included on Matador 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: MRC Permian Company
Hearing Date: April 6, 2023
Case No. 23367

7. **Matador Exhibit D-3** is a structural cross-section that I prepared displaying open-hole logs run over the Bone Spring formation from the three representative wells denoted from A to A'. For each well in the cross-section, the following logs are included, when available: gamma ray, caliper, resistivity, and porosity. The proposed target interval of each of the respective proposed wells is labeled and marked with a yellow shaded area. The logs in the cross-section demonstrate that the targeted intervals, within the Bone Spring formation, are consistent in thickness across the entirety of the proposed spacing unit.

8. 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 units proposed in these cases.

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

10. 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.

11. In my opinion, the laydown orientation of the proposed wells is appropriate because there is no preferred orientation when comparing a standup orientation to a laydown orientation in this area.

12. Approving Matador's applications will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

13. **Matador Exhibits D-1 through 3** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NAUGHT

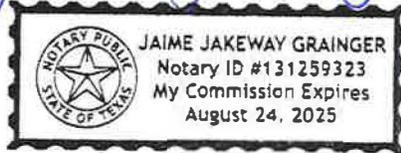
Daniel Brugioni
DANIEL BRUGIONI

STATE OF TEXAS)
)
COUNTY OF Dallas)

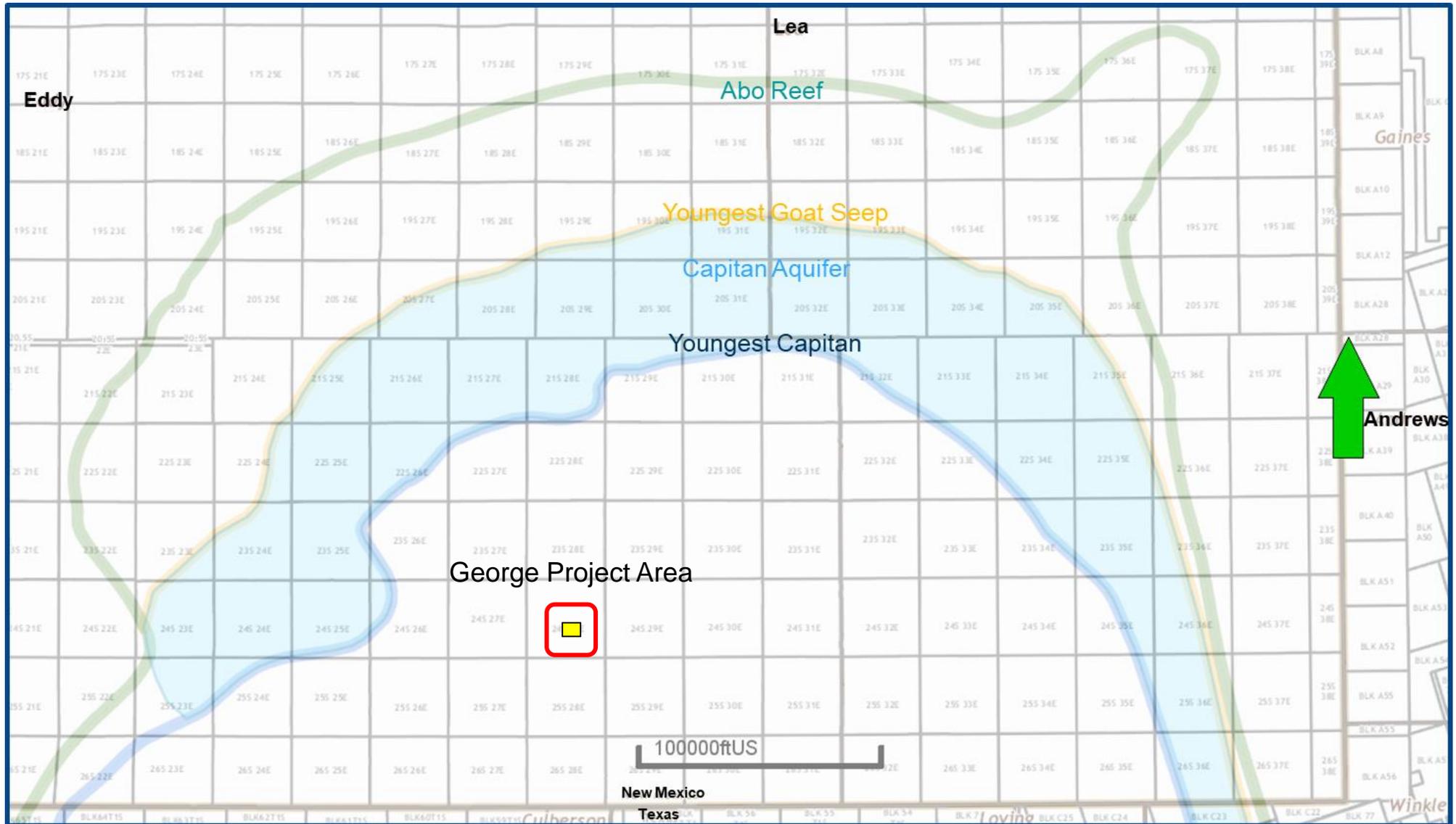
SUBSCRIBED and SWORN to before me this 20 th day of February 2023 by
Daniel Brugioni.

Jaime Jakeway Grainger
NOTARY PUBLIC

My Commission Expires:
8/24/2025

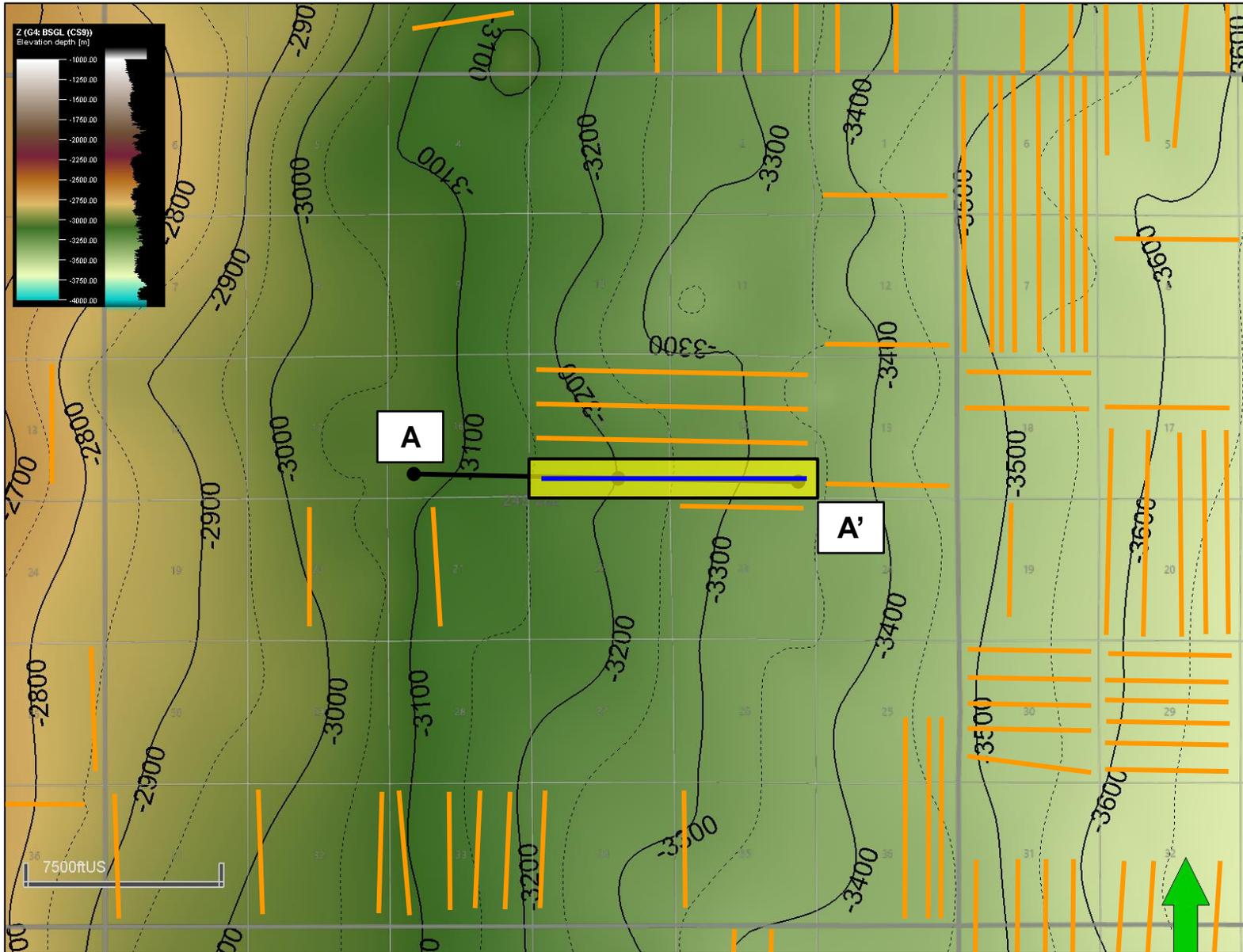


Locator Map



Structure Map (Top Bone Spring Subsea) A – A’ Reference Line

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D2
Submitted by: MRC Permian Company
Hearing Date: April 6, 2023
Case No. 23367



Map Legend

George Wells



Bone Spring Wells



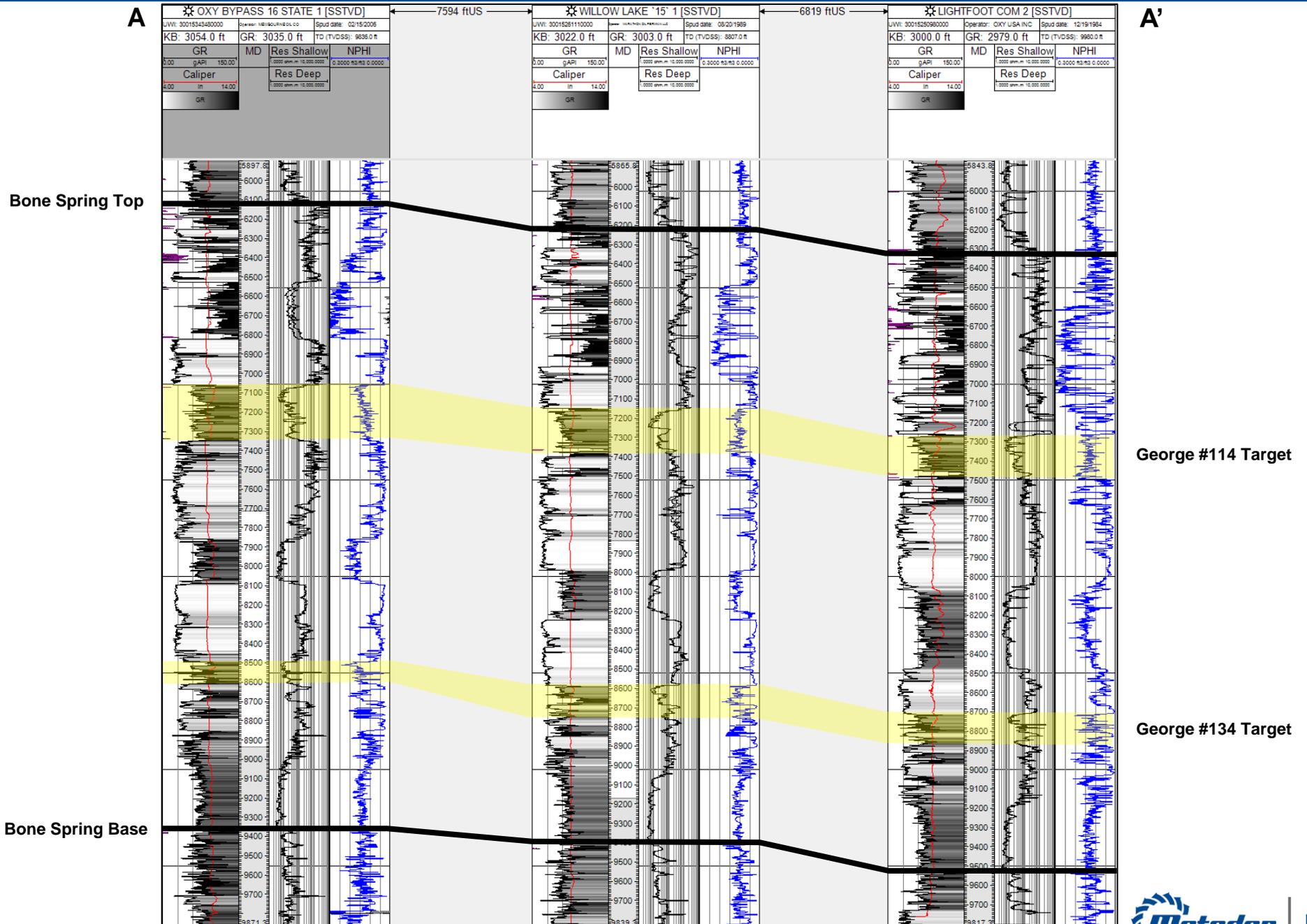
Project Area



C. I. = 50'

Malaga; Bone Spring (42780) Structural Cross-Section A – A'

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D3
Submitted by: MRC Permian Company
Hearing Date: April 6, 2023
Case No. 23367



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

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

CASE NO. 23367

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 matters 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 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 March 31, 2023.

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 publication is attached as Exhibit F.

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.


Paula M. Vance _____

4/4/23
Date _____

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. E
Submitted by: MRC Permian Company
Hearing Date: April 6, 2023
Case No. 23367



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

February 10, 2023

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS AND ALL WORKING INTEREST OWNERS AFFECTED BY THE PROPOSED OVERLAPPING SPACING UNIT

Re: Application of MRC Permian Company for Approval of an Overlapping Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico: *George 14 & 15-24S-28E #114H & 134H wells*

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 March 2, 2023, and the status of the hearing can be monitored through the Division’s website at <https://www.emnrd.nm.gov/ocd/>.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely beginning at 8:15 a.m. To participate in the electronic 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 Hanna Bollenbach at (972) 619-4341 or Hanna.Bollenbach@matadorresources.com.

Sincerely,

Paula M. Vance
ATTORNEY FOR MRC PERMIAN 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	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

MRC - George 114H, 134H wells
Case No 23367 Postal Delivery Report

TrackingNo	ToName	DeliveryAddress	City	State	Zip	USPS_Status
9414811898765838220594	OXY USA, Inc.	5 Greenway Plz Ste 110	Houston	TX	77046-0521	Your item has been delivered to an agent for final delivery in HOUSTON, TX 77046 on February 13, 2023 at 11:58 am.
9414811898765838220549	Devon Energy Production Company, LP	333 W Sheridan Ave	Oklahoma	OK	73102-5010	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765838220587	Eric Carter and Sue Carter, husband and wife	1517 S Adams Ave	Roswell	NM	88203-3723	Your item has been delivered to the original sender at 1:23 pm on March 16, 2023 in SANTA FE, NM 87501.
9414811898765838220570	Estate of Arno Holmes Schwamkrug,	2116 Thompson Rd Ste 116	Richmond	TX	77469-5416	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765838228217	Georgann Schwamkrug, as her separate property	18100 West Rd Apt 812	Houston	TX	77095-3781	Your item was delivered to an individual at the address at 1:23 pm on February 16, 2023 in HOUSTON, TX 77095.
9414811898765838228255	Dixie Arlene Schwamkrug Vermeeren, As Her Separate Property	1501 Cedar Point Rd	Sandusky	OH	44870-5209	Your item has been delivered to the original sender at 9:35 am on March 2, 2023 in SANTA FE, NM 87501.
9414811898765838228224	Anna Eve Schwamkrug Spalding, As Her Separate Property	350 Detroit St Apt 214	Denver	CO	80206-4365	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765838228200	Tori Lane Schwamkrug, Whose Marital Status Is Unknown	2030 Westcreek Ln Apt 527	Houston	TX	77027-3635	Your item was delivered to an individual at the address at 4:42 pm on February 21, 2023 in HOUSTON, TX 77027.
9414811898765838228248	Amber Eve Schwamkrug, Whose Marital Status Is Unknown	2503 Fairway Dr	Sugar Land	TX	77478-4014	Your item was delivered to an individual at the address at 1:20 pm on February 13, 2023 in SUGAR LAND, TX 77478.
9414811898765838228286	Kay Willene Schwamkrug Schroeder, As Her Separate Property	PO Box 681	Mandeville	LA	70470-0681	Your item was picked up at the post office at 5:42 pm on February 15, 2023 in MANDEVILLE, LA 70471.
9414811898765838228279	Cogent Energy, Inc. Profit Sharing Plan	PO Box 8329	Horseshoe	TX	78657-8329	Your item was picked up at the post office at 11:45 am on February 15, 2023 in HORSESHOE BAY, TX 78657.
9414811898765838228859	Randall S. Cate, a married person	6824 Island Cir	Midland	TX	79707-1413	Your item was delivered at 1:22 pm on March 16, 2023 in SANTA FE, NM 87501.
9414811898765838228866	WPX Energy Permian, LLC	3500 One Williams Ctr	Tulsa	OK	74172-0135	Your item was picked up at the post office at 9:35 am on March 2, 2023 in SANTA FE, NM 87501.
9414811898765838228828	Masters Energy, LLC	7500 Rialto Blvd Ste 2-280	Austin	TX	78735-0004	Your item was delivered to an individual at the address at 12:29 pm on February 14, 2023 in AUSTIN, TX 78735.

MRC - George 114H, 134H wells
Case No 23367 Postal Delivery Report

9414811898765838228897	Norma J. Barton, a/k/a Norma Chanley, As Her Separate Property	PO Box 978	Hobbs	NM	88241	Your item was delivered at 1:23 pm on March 16, 2023 in SANTA FE, NM 87501.
9414811898765838228842	Roy G. Barton, Jr., as his separate property	PO Box 729	Hobbs	NM	88241	Your item was delivered at 1:23 pm on March 16, 2023 in SANTA FE, NM 87501.
9414811898765838228835	KCK Resources, Inc.	5600 Fenway	Midland	TX	79707-5023	Your item was delivered to the front desk, reception area, or mail room at 1:53 pm on February 15, 2023 in MIDLAND, TX 79705.

Carlsbad Current Argus

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0005591523

This is not an invoice

HOLLAND AND HART
POBOX 2208

SANTA FE, NM 87504

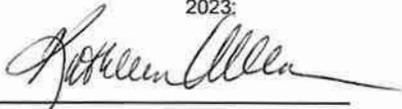
I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

02/14/2023

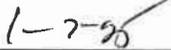


Legal Clerk

Subscribed and sworn before me this February 14, 2023:



State of WI, County of Brown
NOTARY PUBLIC



My commission expires

Ad # 0005591523
PO #: 5591523
of Affidavits: 1

This is not an invoice

69: CF9 'H<9 'C=@7 CBG9FJ5 HCB'8-J-G-CB'
GUbHU: YZBYk 'A Yl JvE
91 \ Jv]hiBc":
Gi Va]HvX'Vm'AF7 'DYfa]Ub'7 ca dUbm
<YUf]b['8 UHv. '5 df]' '* Z&\$&'
7 UgYBc" &' ' * +

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case. The hearing will be conducted remotely on **Thursday, March 2, 2023, beginning at 8:15 a.m.** To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at <https://www.emnrd.nm.gov/ocd/hearing-info/> or obtained from Marlene Salvidrez, at Marlene.Salvidrez@emnrd.nm.gov. Documents filed in the case may be viewed at <https://ocdimage.emnrd.nm.gov/Imaging/Default.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Marlene Salvidrez at Marlene.Salvidrez@emnrd.nm.gov, or the New Mexico Relay Network at 1-800-659-1779, no later than **February 22, 2023**.

Persons may view and participate in the hearings through the following link:

<https://nmemnrd.webex.com/nmemnrd/j.php?MTID=m0516cb02e24e73cc7cbc368389f56cb5>
Webinar number: : 24948591976
Panelist password: : 63axMJymRM4 (63296596 from phones and video systems)

Join by video system: 24948591976@nmemnrd.webex.com
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**STATE OF NEW MEXICO TO:
All named parties and persons
having any right, title, interest
or claim in the following case
and notice to the public.**

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All interest owners subject to pooling proceedings and all working interest owners affected by the proposed overlapping spacing unit, including: OXY USA, Inc.; Devon Energy Production Company, LP; Eric Carter and Sue Carter, husband and wife, their heirs and devisees; Estate of Arno Holmes Schwamkrug, as his separate property, his heirs and devisees; Georgann Schwamkrug, as her separate property, her heirs and devisees; Dixie Arlene Schwamkrug Vermeeren, as her separate property, her heirs and devisees; Anna Eve Schwamkrug Spalding, as her separate property, her heirs and devisees; Tori Lane Schwamkrug, whose marital status is unknown, her heirs and devisees; Amber Eve Schwamkrug, whose marital status is unknown, her heirs and devisees; Kay Willene Schwamkrug Schroeder, as her separate property, her heirs and devisees; Cogent Energy, Inc. Profit Sharing Plan; Randall S. Cate, a married person, his heirs and devisees; WPX Energy Permian, LLC; Masters Energy, LLC; Norma J. Barton, a/k/a Norma Chanley, as her separate property, her heirs and devisees; Roy G. Barton, Jr., as his separate property, his heirs and devisees; and KCK Resources, Inc.

Case No. 23367: Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (a) approving a standard 320-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the S/2 S/2 of Sections 14 and 15, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico, and (b) pooling all uncommitted mineral interests in this overlapping horizontal well spacing unit. Said unit will be initially dedicated to the proposed George 14 & 15-24S-28E #114H and George 14 & 15-24S-28E #134H wells, both to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 14 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 15. This 320-acre horizontal well spacing unit will overlap the following existing horizontal well spacing unit covering portions of the subject acreage:

- 160-acre, more or less, horizontal well spacing unit comprised of the S/2 S/2 of Section 14, Township 24 South, Range 28 East, dedicated to the Tiger 14 24S 28E RB #124H well (API: 30-015-43012).

Also, to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision.

thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately a half mile south of Malaga, New Mexico.
#5591523, Current Argus, February 14, 2023