

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

**APPLICATION OF MRC PERMIAN  
COMPANY TO AMEND ORDER NO. R-21271,  
AS AMENDED, AND DISMISS ORDER NO. R-  
21272, EDDY COUNTY, NEW MEXICO.**

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

**APPLICATION**

MRC Permian Company (“MRC” or “Applicant”), through its undersigned attorneys, hereby files this application with the Oil Conservation Division (“Division”) to amend pooling Order No. R-21271, as amended, to incorporate the acreage under Order No. R-21272, and dismiss Order No. R-21272. In support of its application, MRC states:

1. Matador Production Company (OGRID No. 228937) is the designated operator under Order No. R-21271, as amended, and Order No. R-21272, as amended, both of which were entered on April 30, 2020.

2. Order No. R-21271, under Case No. 20908, pooled uncommitted mineral interests in the Wolfcamp formation (Burton Flat; Wolfcamp, East (oil) [98315]) underlying a standard 320-acre horizontal well spacing unit comprised of the N/2 N/2 of Sections 21 and 22, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico. This standard horizontal well spacing unit, based on 40-acre building blocks, is dedicated to the **Michael K&B 2122 Fed Com #201H** well (API No. 30-015-53688), which was horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 20 to a bottomhole location in the NE/4 NE/4 (Unit A) of Section 22.

3. Order No. R-21272, under Case No. 20909, pooled uncommitted mineral interests in the Wolfcamp formation (Burton Flat; Wolfcamp, East (oil) [98315]) underlying a standard 320-acre horizontal well spacing unit comprised of the S/2 N/2 of Sections 21 and 22, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico. This standard horizontal well spacing unit, based on 40-acre building blocks, is dedicated to the **Michael K&B 2122 Fed Com #202H** well (API No. 30-015-53687), which was horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 20 to a bottomhole location in the SE/4 NE/4 (Unit H) of Section 22.

4. Applicant was originally informed by the Division's District geologist that the acreage in both cases would be assigned to an oil pool subject to 40-acre standard spacing; however, Matador was subsequently informed by the Division that the acreage is in a gas pool (Burton Flat; Wolfcamp, East (gas) [73480]) subject to 320-acre standard spacing.

5. Thus, Applicant seeks to amend Order No. R-21271, as amended, by combining the dedicated acreage from the two original units to form a standard 640-acre, more or less, spacing unit in the Wolfcamp formation comprised of the N/2 of Sections 21 and 22, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico.

6. The owners and their proportionate interests are uniform between Order Nos. R-21271 and R-21272 will remain unchanged in the proposed larger, horizontal well spacing unit.

7. All other provisions under Order No. R-21271, as amended, are proposed to remain unchanged.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 1, 2023, and, after notice and hearing as required by law, the Division enter an order approving this Application.

Respectfully submitted,

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**ATTORNEYS FOR MRC PERMIAN COMPANY**

CASE \_\_\_\_\_ : **Application of MRC Permian Company to Amend Order No. R-21271, as Amended, and Dismiss Order R-21272, Eddy County, New Mexico.** Applicant seeks to amend pooling Order No. R-21271, as amended, to incorporate the acreage under Order No. R-21272, and dismiss Order No. R-21272. The units under the existing orders are comprised as follows:

- Order No. R-21271 pooled uncommitted mineral interests in the Wolfcamp formation (Burton Flat; Wolfcamp, East (oil) [98315]) underlying a standard 320-acre horizontal well spacing unit comprised of the N/2 N/2 of Sections 21 and 22, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico. This standard horizontal well spacing unit, based on 40-acre building blocks, is dedicated to the **Michael K&B 2122 Fed Com #201H** well (API No. 30-015-53688), which was horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 20 to a bottomhole location in the NE/4 NE/4 (Unit A) of Section 22.
- Order No. R-21272 pooled uncommitted mineral interests in the Wolfcamp formation (Burton Flat; Wolfcamp, East (oil) [98315]) underlying a standard 320-acre horizontal spacing unit comprised of the S/2 N/2 of Sections 21 and 22, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico. This standard horizontal well spacing unit, based on 40-acre building blocks, is dedicated to the **Michael K&B 2122 Fed Com #202H** well (API No. 30-015-53687), which was horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 20 to a bottomhole location in the SE/4 NE/4 (Unit H) of Section 22.

The Oil Conservation Division has since dedicated these units to a gas pool subject to 320-acre spacing. Thus, Applicant seeks to amend Order No. R-21271, combining the dedicated acreage from the two original units to form a standard 640-acre, more or less, horizontal well spacing unit in the Wolfcamp formation (Burton Flat; Wolfcamp, East (gas) [73480]) comprised of the N/2 of Sections 21 and 22, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico. All other provisions under Order No. R-21271, as amended, are proposed to remain unchanged. This area is located about 13.5 miles northeast of Carlsbad, New Mexico.