

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING SEPTEMBER 7, 2023**

CASE NO. 23743

BIGGERS 112H & 122H WELLS

LEA COUNTY, NEW MEXICO



**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,
LEA COUNTY, NEW MEXICO.**

CASE NO. 23743

**HEARING PACKAGE
TABLE OF CONTENTS**

- **MATADOR Exhibit A:** Compulsory Pooling Application Checklist
- **MATADOR Exhibit B:** Filed Application
- **MATADOR Exhibit C:** Affidavit of Isaac Evans, Landman
 - MATADOR Exhibit C-1: Overlapping Spacing Unit Map
 - MATADOR Exhibit C-2: Draft C-102s
 - MATADOR Exhibit C-3: Tract Map
 - MATADOR Exhibit C-4: Uncommitted Interest Owners
 - MATADOR Exhibit C-5: Overriding Royalty Interest Owners
 - MATADOR Exhibit C-6: Sample Well Proposal Letter & AFEs
 - MATADOR Exhibit C-7: Chronology of Contacts
- **MATADOR Exhibit D:** Affidavit of Liz Olson, Geologist
 - MATADOR Exhibit D-1: Locator Map
 - MATADOR Exhibit D-2: Subsea Structure Map
 - MATADOR Exhibit D-3: Structural Cross Section
- **MATADOR Exhibit E:** Notice Affidavit
- **MATADOR Exhibit F:** Affidavit of Publication

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

| | |
|--|--|
| Case: 23743 | APPLICANT'S RESPONSE |
| Date | September 7, 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, LEA COUNTY, NEW MEXICO. |
| Entries of Appearance/Intervenors: | |
| Well Family | Biggers Fed Com |
| 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: | WC-025 G-08 S2535240; Bone Spring (97088) |
| Well Location Setback Rules: | Statewide oil rules |
| Spacing Unit | |
| Type (Horizontal/Vertical) | Horizontal |
| Size (Acres) | 320-acres |
| Building Blocks: | 40 acres |
| Orientation: | South-North |
| Description: TRS/County | E2W2 of Sections 7 and 18, Township 25 South, Range 35 East, NMPM, Lea County |
| 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 |
| 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: Matador Production Company
Hearing Date: September 7, 2023
Case No. 23743

| | |
|---|---|
| Well #1 | Biggers Fed Com 112H (API pending) SHL: 390' FSL & 2082' FWL (Unit N) of Section 18 BHL: 60' FNL & 2310' FWL (Unit C) of Section 7 Target: Bone Spring Orientation: South-North Completion: Standard Location |
| Well #2 | Biggers Fed Com 122H (API pending) SHL: 390' FSL & 2052' FWL (Unit N) of Section 18 BHL: 60' FNL & 1650' FWL (Unit C) of Section 7 Target: Bone Spring Orientation: South-North Completion: Standard Location |
| Horizontal Well First and Last Take Points | Exhibit C-2 |
| Completion Target (Formation, TVD and MD) | Exhibit C-6 |
| | |
| 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-3 |
| Tract List (including lease numbers and owners) | Exhibit C-3 |
| List (including lease numbers and owners) of Tracts subject to notice requirements. | N/A |
| Pooled Parties (including ownership type) | Exhibit C-4 & C-5 |
| Unlocatable Parties to be Pooled | N/A |
| Ownership Depth Severance (including percentage above & below) | N/A |
| Joinder | |
| Sample Copy of Proposal Letter | Exhibit C-6 |
| List of Interest Owners (ie Exhibit A of JOA) | Exhibit C-4 |
| Chronology of Contact with Non-Joined Working Interests | Exhibit C-7 |
| Overhead Rates In Proposal Letter | Exhibit C-6 |
| Cost Estimate to Drill and Complete | Exhibit C-6 |
| Cost Estimate to Equip Well | Exhibit C-6 |
| Cost Estimate for Production Facilities | Exhibit C-6 |
| Geology | |

| | |
|--|--|
| Summary (including special considerations) | Exhibit D |
| Spacing Unit Schematic | Exhibit C-2, D-2 |
| Gunbarrel/Lateral Trajectory Schematic | Exhibit C-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-2 |
| Tracts | Exhibit C-3 |
| Summary of Interests, Unit Recapitulation (Tracts) | Exhibit C-4 |
| General Location Map (including basin) | Exhibit D-1 |
| Well Bore Location Map | Exhibit C-2 |
| 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 | Also seeks approval of overlapping horizontal well spacing units |
| CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate. | |
| Printed Name (Attorney or Party Representative): | Michael H. Feldewert |
| Signed Name (Attorney or Party Representative): |  |
| Date: | 9/5/2023 |

**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,
LEA COUNTY, NEW MEXICO.**

CASE NO. 23743

APPLICATION

MRC Permian Company (“MRC” or “Applicant”), through undersigned attorneys, 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 underlying E2W2 of Sections 7 and 18, Township 25 South, Range 35 East, NMPM, Lea 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 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 spacing unit.
3. Applicant seeks to initially dedicate the above-referenced horizontal well spacing unit to the proposed **Biggers 18&7 Fed Com 112H** and the **Biggers 18&7 Fed Com 122H** wells to be horizontally drilled from the SE4SW4 (Unit N) of Section 18 to a bottom hole location in the NE4NW4 (Unit C) of Section 7.
4. This proposed horizontal well spacing unit will overlap a horizontal spacing unit in the WC-025 G-09 S243532M; Wolfbone Pool (98098), an interval and pool different from that

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B
Submitted by: Matador Production Company
Hearing Date: September 7, 2023
Case No. 23743**

targeted by the proposed wells, comprised of the W2 equivalent of irregular Sections 6 and 7 of Township 25 South, Range 35 East, dedicated to the following wells:

- COG Stove Pipe Fed Com 601H (30-025-46556)
- COG Stove Pipe Fed Com 603H (30-025-46500)
- COG Stove Pipe Fed Com 702H (30-025-46557)
- COG Stove Pipe Fed Com 706H (30-025-46503)
- COG Stove Pipe Fed Com 707H (30-025-46504)

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. Approval of this overlapping horizontal well spacing unit 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.

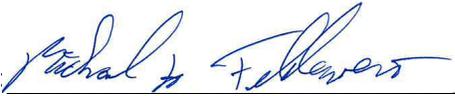
WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on September 7, 2023, and, after notice and hearing as required by law, the Division enter an order:

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

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Adam G. Rankin
Julia Broggi
Paula M. Vance
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505-983-6043 Facsimile
mfeldewert@hollandhart.com
agrarkin@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, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (a) approving an overlapping 320-acre, more or less, standard horizontal well spacing unit in the Bone Spring formation underlying the E2W2 of Sections 7 and 18, Township 25 South, Range 35 East, NMPM, Lea 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 **Biggers 18&7 Fed Com 112H** and the **Biggers 18&7 Fed Com 122H** wells to be horizontally drilled from the SE4SW4 (Unit N) of Section 18 to a bottom hole location in the NE4NW4 (Unit C) of Section 7. This proposed horizontal well spacing unit will overlap a horizontal spacing unit in the WC-025 G-09 S243532M; Wolfbone Pool (98098), an interval and pool different from by that targeted by the proposed wells, comprised of the W2 equivalent of irregular Sections 6 and 7 of Township 25 South, Range 35 East, dedicated to the following wells:

- COG Stove Pipe Fed Com 601H (30-025-46556)
- COG Stove Pipe Fed Com 603H (30-025-46500)
- COG Stove Pipe Fed Com 702H (30-025-46557)
- COG Stove Pipe Fed Com 706H (30-025-46503)
- COG Stove Pipe Fed Com 707H (30-025-46504)

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 12 miles west of Jal, New Mexico.

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

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

CASE NOS. 23743

SELF-AFFIRMED STATEMENT OF ISAAC EVANS

Isaac Evans, of lawful age and being first duly sworn, declares as follows:

1. My name is Isaac Evans. I work for 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 public record.
3. I am familiar with the application filed by Matador in this case, and I am familiar with the status of the lands in the subject area.
4. In this case, Matador is seeking an order pooling all uncommitted interests in the Bone Spring formation in the standard 320-acre, more or less, horizontal well spacing unit comprised of the E/2 W/2 of Sections 7 and 18, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico, and initially dedicate this Bone Spring spacing unit to the proposed **Biggers 18&7 Fed Com 112H** and the **Biggers 18&7 Fed Com 122H** wells to be horizontally drilled from the SE/4 SW/4 (Unit N) of Section 18 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 7.

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

Submitted by: Matador Production Company
Hearing Date: September 7, 2023
Case No. 23743

5. Matador understands this well will be placed in the WC-025 G-08 S2535240; Bone Spring (97088) pool.

6. This 320-acre horizontal well spacing unit will overlap a horizontal spacing unit in the WC-025 G-09 S243532M; Wolfbone Pool (98098), an interval and pool different from by that targeted by the proposed wells, comprised of the W2 equivalent of irregular Sections 6 and 7 of Township 25 South, Range 35 East, dedicated to the following wells: COG Stove Pipe Fed Com 601H (30-025-46556), COG Stove Pipe Fed Com 603H (30-025-46500), COG Stove Pipe Fed Com 702H (30-025-46557), COG Stove Pipe Fed Com 706H (30-025-46503) and COG Stove Pipe Fed Com 707H (30-025-46504).

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

8. Matador previously provided Holland and Hart with a list of the working interest owners in both Matador's proposed spacing unit in this case as well as the working interest owners in the COG Stove Pipe Fed Com 601H (30-025-46556), COG Stove Pipe Fed Com 603H (30-025-46500), COG Stove Pipe Fed Com 702H (30-025-46557), COG Stove Pipe Fed Com 706H (30-025-46503) and COG Stove Pipe Fed Com 707H (30-025-46504) wells, along with the Bureau of Land Management, and requested that they be provided with notice of this hearing.

9. **Matador Exhibit C-2** contains the Form C-102 for each of the proposed wells.

10. 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.

11. **Matador Exhibit C-3** identifies the tracts of land comprising the proposed horizontal spacing units. The land in the proposed spacing unit is comprised of fee and federal lands.

12. **Matador Exhibit C-4** identifies for the working interest owners that Matador is seeking to pool along with their respective ownership interest in the proposed horizontal spacing unit. **Matador Exhibit C-4** also identifies the record title owners that Matador seeks to pool in this case.

13. **Matador Exhibit C-5** identifies the overriding royalty owners that Matador seeks to pool in this case.

14. There are no depth severances within the Bone Spring formation for this acreage.

15. While Matador was working to put this unit together, Matador proposed the above well to each of the working interest parties it seeks to pool. **Matador Exhibit C-6** contains a sample well proposal letter that was sent to those parties, along with the AFE sent to working interest owners for each well. The costs reflected in the AFE are consistent with what other operators have incurred for drilling similar horizontal wells in the area.

16. In addition to sending well proposal letters and AFEs, I have called or emailed each of the working interest owners Matador seeks to pool, to the extent we had contact information. As indicated in **Matador Exhibit C-7**, we have been able to contact and have discussions with all of the working interest owners we seek to pool.

17. **Matador Exhibit C-7** contains a summary chronology of Matador's contacts and attempted contacts with the uncommitted working interest owners. In my opinion, Matador has undertaken good faith efforts to reach an agreement with the uncommitted mineral owners that Matador seeks to pool in this case.

18. Matador has made an estimate of overhead and administrative costs for drilling and producing the proposed well. It is \$8,000/month while drilling, and \$800/month while producing. These costs are consistent with what other operators are charging in this area for these types of wells. Matador respectfully requests that these administrative and overhead costs be incorporated into any order entered by the Division in this case.

19. I provided Matador’s outside counsel, Holland & Hart, a list of names and addresses for the parties that Matador is seeking to pool. In compiling this notice list, Matador conducted a diligent search of all public records in the county where the proposed wells are located and of phone directories, including computer searches.

20. **Matador Exhibits C-1 through C-7** were either prepared by me or compiled under my direction and supervision.

21. 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.



Isaac Evans

9-1-2023

Date

Exhibit C-1

Biggers Fed Com (E2W2) Overlapping Tract Map

Date Published:
8/23/2023

24S 35E



STOVE PIPE FEDERAL COM #706H
30025465030000
Third Bone Spring Sand
12,583' TVD

STOVE PIPE FEDERAL COM #603H
30025465000000
Wolfcamp A
12,865' TVD

STOVE PIPE FEDERAL COM #601H
30025465560000
Third Bone Spring Sand
12,566' TVD

STOVE PIPE FEDERAL COM #707H
30025465040000
Wolfcamp A
12,843' TVD

STOVE PIPE FEDERAL COM #702H
30025465570000
Wolfcamp A
12,816' TVD

12

8

25S 34E

25S 35E

Biggers Fed Com #122H
Second Bone Spring Sand
11,110' TVD

Biggers Fed Com #112H
First Bone Spring Sand
10,515' TVD

13

13

17

Overlapping Tract

Stove Pipe Federal Com #601H
Stove Pipe Federal Com #603H
Stove Pipe Federal Com #702H
Stove Pipe Federal Com #706H
Stove Pipe Federal Com #707H

E2W2 Biggers Fed Com Pooling

Horizontal Wellbores



GIS Standard Map Disclaimer:
This cartographic product is for informational purposes and may not have been prepared for or be suitable for use in engineering or surveying purposes. Users of this information should refer to the primary data and information sources to ascertain the suitability of the information.

1:24,000

1 inch equals 2,000 feet



Map Prepared by: amercio.gamarral
Date: August 23, 2023
Project: \\gis\UserData\agamarra\--temp\20230621 Leslie-Biggers Tract Map\Leslie-Biggers Tract Map.aprx
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

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-2
Submitted by: Matador Production Company
Hearing Date: September 7, 2023
Case No. 23743**

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 97088 | | ³ Pool Name WL-025 G-08 52535340; Bone Springs | |
| ⁴ Property Code | | ⁵ Property Name BIGGERS FED COM | | | ⁶ Well Number 112H |
| ⁷ OGRID No. 228937 | | ⁸ Operator Name MATADOR PRODUCTION COMPANY | | | ⁹ Elevation 3344' |

¹⁰Surface Location

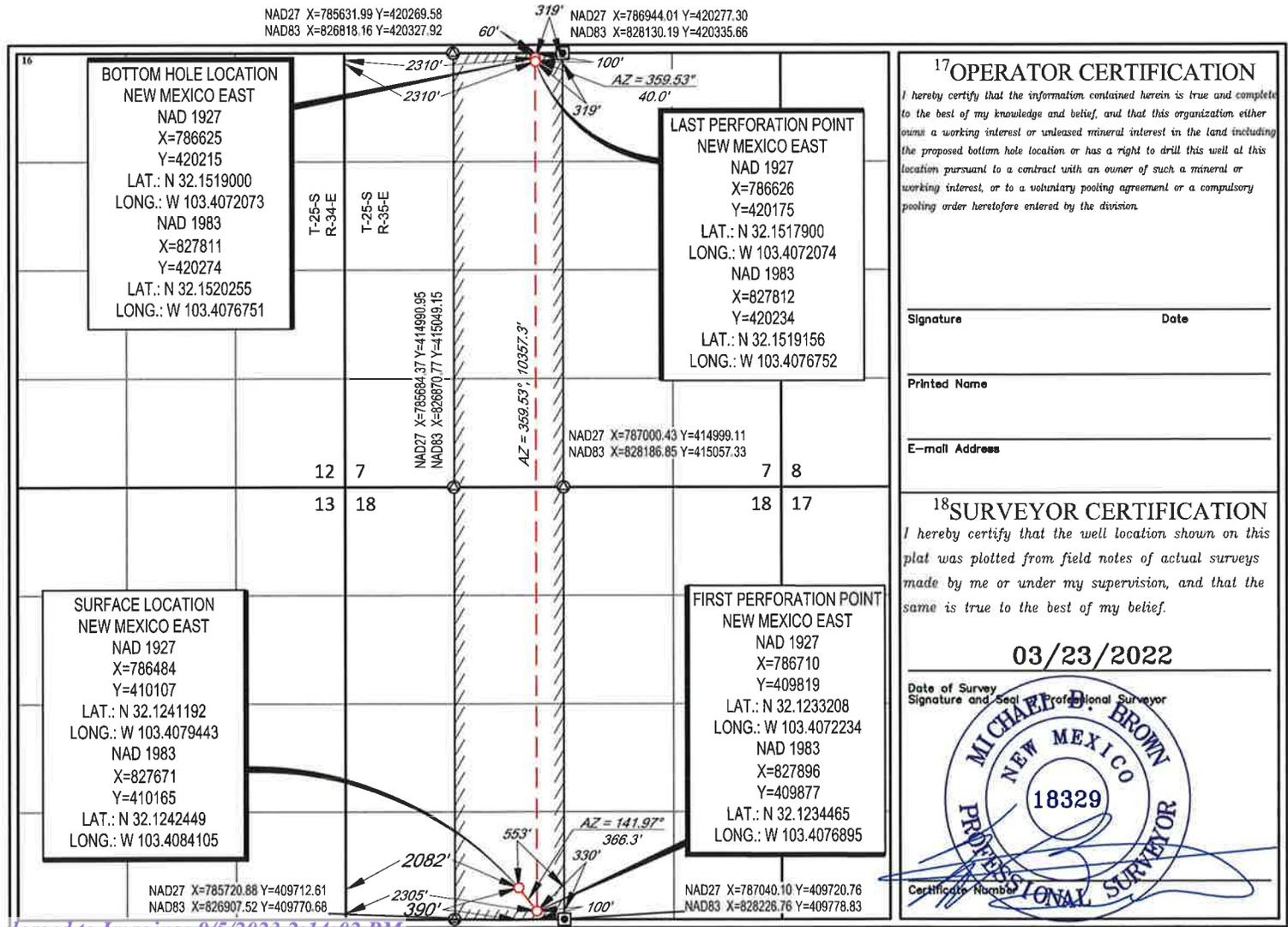
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| N | 18 | 25-S | 35-E | - | 390' | SOUTH | 2082' | WEST | LEA |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| C | 7 | 25-S | 35-E | - | 60' | NORTH | 2310' | WEST | LEA |

| | | | |
|--------------------------------------|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 320 | ¹³ Joint or Infill | 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.



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 97088 | | ³ Pool Name WC-025 G-09 52535340; Bone Springs | |
| ⁴ Property Code | | ⁵ Property Name BIGGERS FED COM | | | ⁶ Well Number 122H |
| ⁷ OGRID No. 228937 | | ⁸ Operator Name MATADOR PRODUCTION COMPANY | | | ⁹ Elevation 3345' |

¹⁰Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| N | 18 | 25-S | 35-E | - | 390' | SOUTH | 2052' | WEST | LEA |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| C | 7 | 25-S | 35-E | - | 60' | NORTH | 1650' | WEST | LEA |

| | | | |
|--------------------------------------|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 320 | ¹³ Joint or Infill | 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.

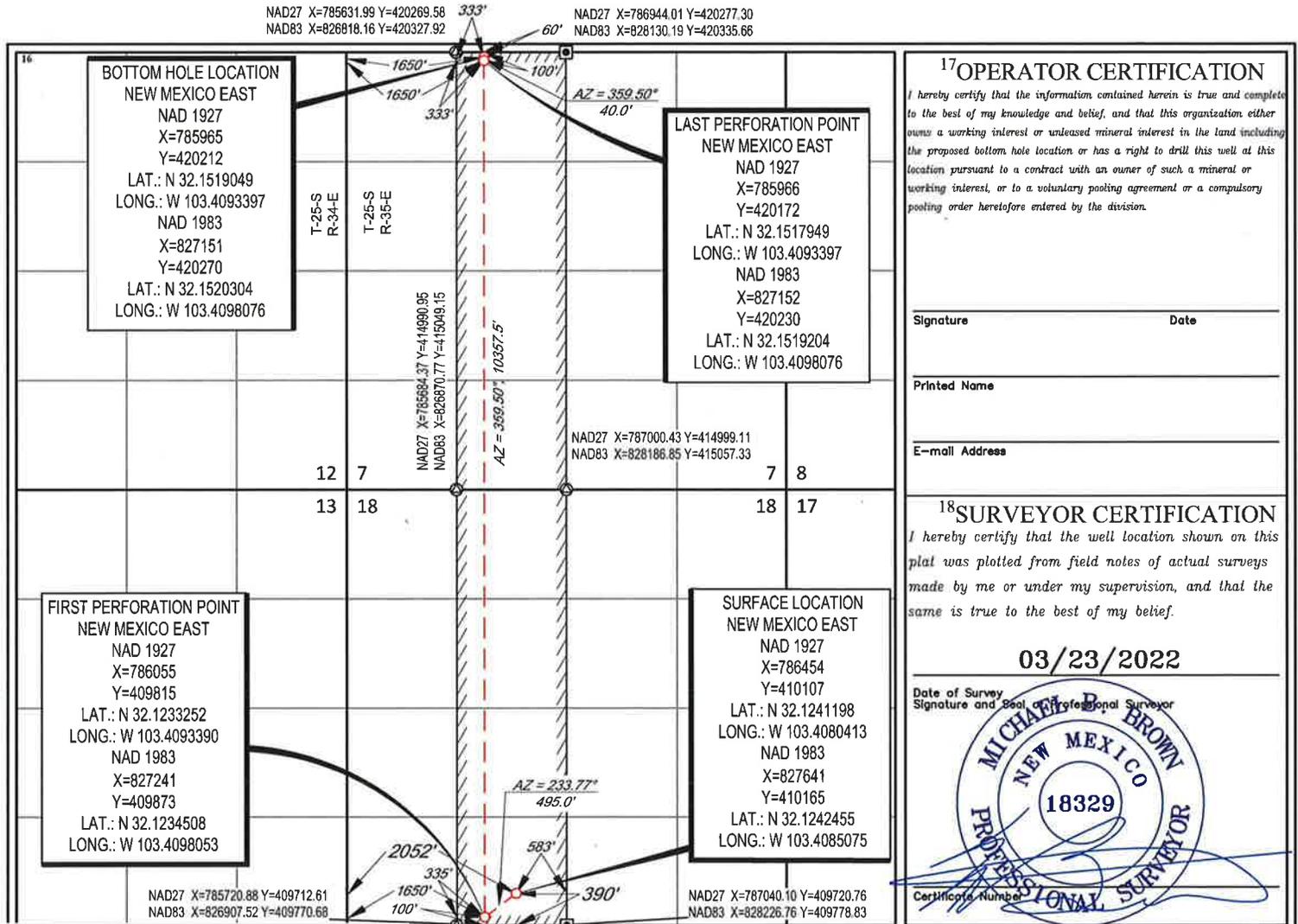


Exhibit C-3

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-3
Submitted by: Matador Production Company
Hearing Date: September 7, 2023
Case No. 23743**

Biggers Fed Com (E2W2) Tract Map

Date Published:
8/22/2023



| | |
|--|---------------------------|
|  | Tract 1 NMNM 136226 (Fed) |
|  | Tract 2 NMNM 132950 (Fed) |
|  | Tract 3 NMNM 119760 (Fed) |



GIS Standard Map Disclaimer:
 This cartographic product is for informational purposes and may not have been designed for, or be suitable for, use as engineering or surveying projects. Users of this information should consult the primary data and information sources to ascertain the quality of the information.

Scale: 0, 500, 1,000, 2,000 Feet

1:18,000

1 inch equals 1,500 feet

Map Prepared by: americano.gamarral
 Date: August 22, 2023
 Project: \\gis\UserData\agamarra\temp\20230821 Leslie-Biggers Tract Map\Leslie-Biggers Tract Map.aprx
 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-4

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico**

Exhibit No. C-4

Submitted by: Matador Production Company

Hearing Date: September 7, 2023

Case No. 23743

Summary of Interests

| MRC Permian Company Working Interest | | | | 50.000000% |
|--------------------------------------|------------------------------------|-------|------------|------------|
| Compulsory Pool Interest Total: | | | | 50.000000% |
| Interest Owner: | Description: | Tract | Interest: | |
| COG Production, LLC | Uncommitted Working Interest Owner | 3 | 25.000000% | |
| COG Operating, LLC | Uncommitted Working Interest Owner | 2 | 25.000000% | |
| COG Production, LLC | Record Title Owner | 3 | N/A | |
| COG Operating, LLC | Record Title Owner | 2 | N/A | |
| | | | | |
| | | | | |



Exhibit C-5

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-5
Submitted by: Matador Production Company
Hearing Date: September 7, 2023
Case No. 23743**

| ORRI Owners |
|------------------------|
| Name |
| Malaga Royalty, LLC |
| Malaga EF7, LLC |
| Mongoose Minerals, LLC |

Exhibit C-6

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-6
Submitted by: Matador Production Company
Hearing Date: September 7, 2023
Case No. 23743**

Matador Production Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
Voice 972.587.4628 • Fax 214.866.4883
isaac.evans@matadorresources.com

Isaac C. Evans
Senior Staff Landman

June 6, 2023

VIA CERTIFIED RETURN RECEIPT MAIL

COG Operating, LLC
600 W. Illinois Avenue
Midland, Texas 79701
Attn: NM OBO Land

Re: Biggers 18&7 Fed Com #111H, #112H, #121H, #122H, #221H & #222H (the "Wells")
Participation Proposal
Lots 1 – 4 (W/2W/2), E/2NW/4, E/2SW/4 of Section 7 & Lots 1 – 4 (W/2W/2), E/2W/2 of Section 18,
Township 25 South, Range 35 East, Lea County, New Mexico

Dear Sir/Madam:

MRC Permian Company hereby rescinds the well proposals dated June 24, 2021 related to the Biggers 18&7 Fed Com #111H, Biggers 18&7 Fed Com #112H, Biggers 18&7 Fed Com #121H & Biggers 18&7 Fed Com #122H wells, located in the W/2 of Sections 18 and 7, Township 25 South, Range 35 East, Lea County, New Mexico.

To provide further clarification and details, MRC Permian Company ("MRC") now proposes the drilling of Matador Production Company's Biggers 18&7 Fed Com #111H, Biggers 18&7 Fed Com #112H, Biggers 18&7 Fed Com #121H & Biggers 18&7 Fed Com #122H wells, located in Lots 1 – 4 (W/2W/2), E/2NW/4, E/2SW/4 of Section 7 & Lots 1 – 4 (W/2W/2), E/2W/2 of Section 18, Township 25 South, Range 35 East, Lea County, New Mexico.

MRC also proposes the drilling of Matador Production Company's Biggers 18&7 Fed Com #221H & Biggers 18&7 Fed Com #222H wells, located in Lots 1 – 4 (W/2W/2), E/2NW/4, E/2SW/4 of Section 7 & Lots 1 – 4 (W/2W/2), E/2W/2 of Section 18, Township 25 South, Range 35 East, Lea County, New Mexico.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping of the Biggers 18&7 Fed Com #111H, Biggers 18&7 Fed Com #112H, Biggers 18&7 Fed Com #121H & Biggers 18&7 Fed Com #122H is itemized on the four (4) enclosed Authority for Expenditures ("AFE") dated February 23, 2023.
- The estimated cost of drilling, testing, completing, and equipping of the Biggers 18&7 Fed Com #221H & Biggers 18&7 Fed Com #222H is itemized on the two (2) enclosed Authority for Expenditures ("AFE") dated May 25, 2023.
- **Biggers 18&7 Fed Com #111H:** to be drilled from a legal location with a proposed surface hole location in Lot 4 (SW/4SW/4) of Section 18-25S-35E, a proposed first take point located at 100' FSL and 990' FWL of Section 18-25S-35E, and a proposed last take point located at 100' FNL and 990' FWL of Section 7-25S-35E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,550' TVD) to a Measured Depth of approximately 20,717'.

- **Biggers 18&7 Fed Com #112H:** to be drilled from a legal location with a proposed surface hole location in the SE/4SW/4 of Section 18-25S-35E, a proposed first take point located at 100' FSL and 2,305' FWL of Section 18-25S-35E, and a proposed last take point located at 100' FNL and 2,310' FWL of Section 7-25S-35E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,515' TVD) to a Measured Depth of approximately 20,682'.
- **Biggers 18&7 Fed Com #121H:** to be drilled from a legal location with a proposed surface hole location in Lot 4 (SW/4SW/4) of Section 18-25S-35E, a proposed first take point located at 100' FSL and 335' FWL of Section 18-25S-35E, and a proposed last take point located at 100' FNL and 335' FWL of Section 7-25S-35E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~11,110' TVD) to a Measured Depth of approximately 21,277'.
- **Biggers 18&7 Fed Com #122H:** to be drilled from a legal location with a proposed surface hole location in the SE/4SW/4 of Section 18-25S-35E, a proposed first take point located at 100' FSL and 1,650' FWL of Section 18-25S-35E, and a proposed last take point located at 100' FNL and 1,650' FWL of Section 7-25S-35E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~11,110' TVD) to a Measured Depth of approximately 20,976'.
- **Biggers 18&7 Fed Com #221H:** to be drilled from a legal location with a proposed surface hole location in Lot 4 (SW/4SW/4) of Section 18-25S-35E, a proposed first take point located at 100' FSL and 660' FWL of Section 18-25S-35E, and a proposed last take point located at 100' FNL and 660' FWL of Section 7-25S-35E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~13,010' TVD) to a Measured Depth of approximately 23,277'.
- **Biggers 18&7 Fed Com #222H:** to be drilled from a legal location with a proposed surface hole location in the SE/4SW/4 of Section 18-25S-35E, a proposed first take point located at 100' FSL and 1,980' FWL of Section 18-25S-35E, and a proposed last take point located at 100' FNL and 1,980' FWL of Section 7-25S-35E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~13,000' TVD) to a Measured Depth of approximately 23,267'.

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.

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.

MRC is proposing to drill the Wells under the terms of the modified 1989 AAPL form of Operating Agreement, which is enclosed for your review. The proposed Operating Agreement is dated January 1, 2023, by and between Matador Production Company, as Operator and MRC Permian Company, et al as Non-Operators, covers certain depths in Lots 1 – 4 (W/2W/2), E/2NW/4, E/2SW/4 of Section 7 & Lots 1 – 4 (W/2W/2), E/2W/2 of Section 18, Township 25 South, Range 35 East, Lea 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 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.

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

Sincerely,

MRC PERMIAN COMPANY



Isaac C. Evans

COG Operating, LLC hereby elects to:

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Biggers 18&7 Fed Com #111H** well.

_____ Not to participate in the **Biggers 18&7 Fed Com #111H**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Biggers 18&7 Fed Com #112H** well.

_____ Not to participate in the **Biggers 18&7 Fed Com #112H**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Biggers 18&7 Fed Com #121H** well.

_____ Not to participate in the **Biggers 18&7 Fed Com #121H**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Biggers 18&7 Fed Com #122H** well.

_____ Not to participate in the **Biggers 18&7 Fed Com #122H**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Biggers 18&7 Fed Com #221H** well.

_____ Not to participate in the **Biggers 18&7 Fed Com #221H**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Biggers 18&7 Fed Com #222H** well.

_____ Not to participate in the **Biggers 18&7 Fed Com #222H**

COG Operating, 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: | February 23, 2023 | AFE NO.: | |
| WELL NAME: | Biggers 18&7 Fed Com 112H | FIELD: | |
| LOCATION: | Sections 18&7-25S-35E | MD/TVD: | 20682/10515' |
| COUNTY/STATE: | Lea, NM | LATERAL LENGTH: | 10,000 |
| MRC WI: | | | |
| 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 | | |

| | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | FACILITY COSTS | TOTAL COSTS |
|-----------------------------------|------------------|------------------|------------------|----------------|-------------------|
| INTANGIBLE COSTS | | | | | |
| Land / Legal / Regulatory | \$ 58,000 | \$ - | \$ 15,000 | \$ 10,000 | \$ 83,000 |
| Location, Surveys & Damages | 156,333 | 13,000 | 15,000 | 16,667 | 201,000 |
| Drilling | 1,091,703 | - | - | - | 1,091,703 |
| Cementing & Float Equip | 249,000 | - | - | - | 249,000 |
| Logging / Formation Evaluation | - | 3,780 | 3,000 | - | 6,780 |
| Flowback - Labor | - | - | 8,400 | - | 8,400 |
| Flowback - Surface Rentals | - | - | 118,240 | - | 118,240 |
| Flowback - Rental Living Quarters | - | - | - | - | - |
| Mud Logging | 22,500 | - | - | - | 22,500 |
| Mud Circulation System | 54,175 | - | - | - | 54,175 |
| Mud & Chemicals | 355,000 | 68,000 | 23,000 | - | 446,000 |
| Mud / Wastewater Disposal | 165,000 | - | - | 1,000 | 166,000 |
| Freight / Transportation | 12,750 | 40,150 | - | - | 52,900 |
| Rig Supervision / Engineering | 124,000 | 97,460 | 10,000 | 1,800 | 233,260 |
| Drill Bits | 73,700 | - | - | - | 73,700 |
| Fuel & Power | 195,000 | 475,588 | - | - | 670,588 |
| Water | 35,000 | 871,500 | 2,000 | 1,000 | 909,500 |
| Drlg & Completion Overhead | 10,000 | - | - | - | 10,000 |
| Plugging & Abandonment | - | - | - | - | - |
| Directional Drilling, Surveys | 331,959 | - | - | - | 331,959 |
| Completion Unit, Swab, CTU | - | 189,750 | 9,000 | - | 198,750 |
| Perforating, Wireline, Slickline | - | 212,132 | - | - | 212,132 |
| High Pressure Pump Truck | - | 71,500 | 8,000 | - | 79,500 |
| Stimulation | - | 2,778,221 | - | - | 2,778,221 |
| Stimulation Flowback & Disp | - | 17,050 | 195,000 | - | 212,050 |
| Insurance | 37,228 | - | - | - | 37,228 |
| Labor | 168,500 | 119,350 | 10,000 | 5,000 | 302,850 |
| Rental - Surface Equipment | 118,641 | 368,795 | 10,000 | 5,000 | 520,436 |
| Rental - Downhole Equipment | 193,750 | 113,300 | 2,000 | - | 309,050 |
| Rental - Living Quarters | 48,330 | 67,331 | - | 5,000 | 120,661 |
| Contingency | 279,886 | 283,551 | 42,864 | 4,547 | 610,848 |
| TOTAL INTANGIBLES > | 3,778,455 | 5,806,458 | 471,504 | 50,013 | 10,106,430 |
| TANGIBLE COSTS | | | | | |
| Surface Casing | \$ 86,032 | \$ - | \$ - | \$ - | \$ 86,032 |
| Intermediate Casing | 653,703 | - | - | - | 653,703 |
| Drilling Liner | - | - | - | - | - |
| Production Casing | 1,016,360 | - | - | - | 1,016,360 |
| Production Liner | - | - | - | - | - |
| Tubing | - | - | 117,300 | - | 117,300 |
| Wellhead | 73,000 | - | 45,000 | - | 118,000 |
| Packers, Liner Hangers | - | 94,341 | 6,000 | - | 100,341 |
| Tanks | - | - | - | 35,000 | 35,000 |
| Production Vessels | - | - | - | 138,375 | 138,375 |
| Flow Lines | - | - | - | 120,000 | 120,000 |
| Rod string | - | - | - | - | - |
| Artificial Lift Equipment | - | - | 56,000 | - | 56,000 |
| Compressor | - | - | - | 27,500 | 27,500 |
| Installation Costs | - | - | - | 140,300 | 140,300 |
| Surface Pumps | - | - | 5,000 | 21,500 | 26,500 |
| Non-controllable Surface | - | - | - | 2,000 | 2,000 |
| Non-controllable Downhole | - | - | - | - | - |
| Downhole Pumps | - | - | - | - | - |
| Measurement & Meter Installation | - | - | 11,000 | 72,667 | 83,667 |
| Gas Conditioning / Dehydration | - | - | - | - | - |
| Interconnecting Facility Piping | - | - | - | 83,829 | 83,829 |
| Gathering / Bulk Lines | - | - | - | - | - |
| Valves, Dumps, Controllers | - | - | 2,000 | - | 2,000 |
| Tank / Facility Containment | - | - | - | 13,333 | 13,333 |
| Flare Stack | - | - | - | 27,500 | 27,500 |
| Electrical / Grounding | - | - | 2,000 | 53,333 | 55,333 |
| Communications / SCADA | - | - | 5,000 | 13,333 | 18,333 |
| Instrumentation / Safety | - | - | - | 61,333 | 61,333 |
| TOTAL TANGIBLES > | 1,829,095 | 94,341 | 249,300 | 810,004 | 2,982,740 |
| TOTAL COSTS > | 5,607,550 | 5,900,799 | 720,804 | 860,017 | 13,089,170 |

PREPARED BY MATADOR PRODUCTION COMPANY:

| | | | |
|-----------------------|--------------|--------------------|------------|
| Drilling Engineer: | Blake Hermes | Team Lead - WTX/NM | <i>BCH</i> |
| Completions Engineer: | Trace Saha | | CSC |
| Production Engineer: | Jan Mosnes | | |

MATADOR RESOURCES COMPANY APPROVAL:

| | | | |
|-----------------------|-----|--|-----|
| Executive VP, COO/CFO | DEL | EVP COO- Drilling, Completion and Production | BG |
| Executive VP, Legal | CA | SVP Geoscience | ELF |
| President | MVH | | |

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 identical to actual costs on a specific item or the total cost of the project. Funding obligations are approved unless 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, corrective, 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 covered by and held proportionately to Operator's well control and general liability insurance unless participant provides Operator a certificate endorsing its own insurance in an amount acceptable to the Operator for the life of the well.

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: | February 23, 2023 | AFE NO.: | |
| WELL NAME: | Biggers 18&7 Fed Com 122H | FIELD: | |
| LOCATION: | Sections 18&7-25S-35E | MD/TVD: | 20976/11110' |
| COUNTY/STATE: | Lea, NM | LATERAL LENGTH: | 10,000 |
| MRC WI: | | | |
| GEOLOGIC TARGET: | Second Bone Spring Sand | | |
| REMARKS: | Drill and complete a horizontal 2 mile long Second 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 | \$ - | \$ 15,000 | \$ 10,000 | \$ 83,000 |
| Location, Surveys & Damages | 156,333 | 13,000 | 15,000 | 16,667 | 201,000 |
| Drilling | 1,021,243 | - | - | - | 1,021,243 |
| Cementing & Float Equip | 249,000 | - | - | - | 249,000 |
| Logging / Formation Evaluation | - | 3,780 | 3,000 | - | 6,780 |
| Flowback - Labor | - | - | 8,400 | - | 8,400 |
| Flowback - Surface Rentals | - | - | 118,240 | - | 118,240 |
| Flowback - Rental Living Quarters | - | - | - | - | - |
| Mud Logging | 22,500 | - | - | - | 22,500 |
| Mud Circulation System | 50,825 | - | - | - | 50,825 |
| Mud & Chemicals | 355,000 | 66,000 | 23,000 | - | 444,000 |
| Mud / Wastewater Disposal | 165,000 | - | - | 1,000 | 166,000 |
| Freight / Transportation | 12,750 | 40,150 | - | - | 52,900 |
| Rig Supervision / Engineering | 116,000 | 97,460 | 10,000 | 1,800 | 225,260 |
| Drill Bits | 73,700 | - | - | - | 73,700 |
| Fuel & Power | 180,000 | 475,588 | - | - | 655,588 |
| Water | 35,000 | 871,500 | 2,000 | 1,000 | 909,500 |
| Drig & Completion Overhead | 10,000 | - | - | - | 10,000 |
| Plugging & Abandonment | - | - | - | - | - |
| Directional Drilling, Surveys | 336,167 | - | - | - | 336,167 |
| Completion Unit, Swab, CTU | - | 189,750 | 9,000 | - | 198,750 |
| Perforating, Wireline, Slickline | - | 212,132 | - | - | 212,132 |
| High Pressure Pump Truck | - | 71,500 | 8,000 | - | 79,500 |
| Stimulation | - | 2,899,750 | - | - | 2,899,750 |
| Stimulation Flowback & Disp | - | 17,050 | 195,000 | - | 212,050 |
| Insurance | 37,757 | - | - | - | 37,757 |
| Labor | 168,500 | 119,350 | 10,000 | 5,000 | 302,850 |
| Rental - Surface Equipment | 107,779 | 388,795 | 10,000 | 5,000 | 511,574 |
| Rental - Downhole Equipment | 187,250 | 113,300 | 2,000 | - | 302,550 |
| Rental - Living Quarters | 46,470 | 67,331 | - | 5,000 | 118,801 |
| Contingency | 271,126 | 283,551 | 42,864 | 4,547 | 602,088 |
| TOTAL INTANGIBLES > | 3,860,200 | 5,929,987 | 471,504 | 50,013 | 10,111,704 |
| TANGIBLE COSTS | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | FACILITY COSTS | TOTAL COSTS |
| Surface Casing | \$ 86,032 | \$ - | \$ - | \$ - | \$ 86,032 |
| Intermediate Casing | 653,703 | - | - | - | 653,703 |
| Drilling Liner | - | - | - | - | - |
| Production Casing | 1,030,595 | - | - | - | 1,030,595 |
| Production Liner | - | - | - | - | - |
| Tubing | - | - | 124,200 | - | 124,200 |
| Wellhead | 73,000 | - | 28,000 | - | 101,000 |
| Packers, Liner Hangers | - | 94,341 | 6,000 | - | 100,341 |
| Tanks | - | - | - | 35,000 | 35,000 |
| Production Vessels | - | - | - | 138,375 | 138,375 |
| Flow Lines | - | - | - | 120,000 | 120,000 |
| Rod string | - | - | - | - | - |
| Artificial Lift Equipment | - | - | 26,000 | - | 26,000 |
| Compressor | - | - | - | 27,500 | 27,500 |
| Installation Costs | - | - | - | 140,300 | 140,300 |
| Surface Pumps | - | - | 5,000 | 21,500 | 26,500 |
| Non-controllable Surface | - | - | - | 2,000 | 2,000 |
| Non-controllable Downhole | - | - | - | - | - |
| Downhole Pumps | - | - | - | - | - |
| Measurement & Meter Installation | - | - | 11,000 | 72,667 | 83,667 |
| Gas Conditioning / Dehydration | - | - | - | - | - |
| Interconnecting Facility Piping | - | - | - | 83,829 | 83,829 |
| Gathering / Bulk Lines | - | - | - | - | - |
| Valves, Dumps, Controllers | - | - | 2,000 | - | 2,000 |
| Tank / Facility Containment | - | - | - | 13,333 | 13,333 |
| Flare Stack | - | - | - | 27,500 | 27,500 |
| Electrical / Grounding | - | - | 2,000 | 53,333 | 55,333 |
| Communications / SCADA | - | - | 5,000 | 13,333 | 18,333 |
| Instrumentation / Safety | - | - | - | 61,333 | 61,333 |
| TOTAL TANGIBLES > | 1,843,330 | 94,341 | 209,200 | 810,004 | 2,956,874 |
| TOTAL COSTS > | 5,503,529 | 6,024,329 | 680,704 | 860,017 | 13,068,579 |

PREPARED BY MATADOR PRODUCTION COMPANY:

| | | | |
|-----------------------|--------------|--------------------|---|
| Drilling Engineer: | Blake Hermes | Team Lead - WTX/NM |  |
| Completions Engineer: | Trace Saha | | CSC |
| Production Engineer: | Jan Mosnes | | |

MATADOR RESOURCES COMPANY APPROVAL:

| | | | |
|-----------------------|-----|--|-----|
| Executive VP, COO/CFO | DEL | EVP COO- Drilling, Completion and Production | BG |
| Executive VP, Legal | CA | SVP Geoscience | ELF |
| President | MVH | | |

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 confirmed as savings on any specific item at 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 the 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 governing this well. Participants shall be covered by and held proportionately for Operator's well control and general liability insurance unless participant provides Operator a certificate evidencing its own insurance as an amount acceptable to the Operator by the date of sign.

Exhibit C-7

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-7
Submitted by: Matador Production Company
Hearing Date: September 7, 2023
Case No. 23743**

Summary of Communications – E2W2 Biggers Fed Com

Uncommitted Working Interest:

1. COG Production, LLC

In addition to sending well proposals, Matador has had discussions with COG Production, LLC regarding this project and potential voluntary joinder.

2. COG Operating, LLC

In addition to sending well proposals, Matador has had discussions with COG Operating, LLC regarding this project and potential voluntary joinder.

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

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

**CASE NOS. 23742, 23743,
23744 and 23745**

AFFIDAVIT OF LIZ OLSON

Liz Olson, of lawful age and being first duly sworn, declares as follows:

1. My name is Liz Olson and I am employed by MRC Energy Company, an affiliate of Matador Production Company (“Matador”), as a Senior Geologist.

2. I graduated from Washington and Lee University in 2014 with a bachelor’s degree in geology. Following graduation, I worked for Advanced Resources International, an energy research and consulting firm, for about one year before attending Louisiana State University where I earned a master’s degree in geology and geophysics and a graduate certificate in Applied Depositional Systems in 2017. During the Summer of 2016, I worked as a geoscience intern for Indigo Natural Resources. After receiving my master’s degree, I interned with Anadarko Petroleum Corporation during the Summer of 2018 and then started as an employee of Anadarko following my internship in January 2019. While at Anadarko, I worked as a geologist in the Delaware Basin. I left Anadarko (then Occidental Petroleum) in December 2019 and started working for Matador in February 2020 as a geologist. Since I have been at Matador, I have been working as a geologist in the Delaware Basin, including in Eddy and Lea Counties, New Mexico. As part of my employment for Matador, I am also required to complete at least 40 hours of

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

**Submitted by: Matador Production Company
Hearing Date: September 7, 2023
Case No. 23743**

continuing education each year. I am also a member of the American Association of Petroleum Geologists and the West Texas Geological Society.

3. I am familiar with the applications filed by Matador in these cases and have conducted a geologic study of the lands in the subject area.

4. **Matador Exhibit D-1** is a locator map outlining the horizontal spacing units with a black box shaded in yellow, with the larger area identified in a red box.

5. The target intervals for the initial wells in these proposed spacing units are the First Bone Spring and Second Bone Spring of the Bone Spring formation.

6. **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 west/southwest. The structure appears consistent across the proposed spacing units, and I do not observe any faulting, pinch outs, or other geologic impediments to horizontal drilling.

7. Also included on Matador Exhibit D-2 is a line of cross section from A to A'.

8. **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 units.

9. 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.

10. In my opinion, each quarter-quarter section will be productive and contribute more-or-less equally to production from these horizontal spacing units.

11. 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.

12. In my opinion, the standup orientation is the preferred orientation for development in this area for the target intervals of these wells because the maximum horizontal stress is approximately east-west in this area.

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

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

FURTHER AFFIANT SAYETH NOT



LIZ OLSON

STATE OF TEXAS)
)
COUNTY OF Dallas)

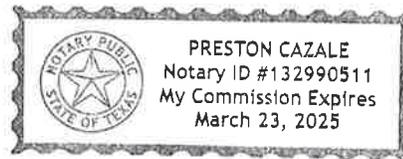
SUBSCRIBED and SWORN to before me this 30th day of August 2023 by Liz Olson.



NOTARY PUBLIC

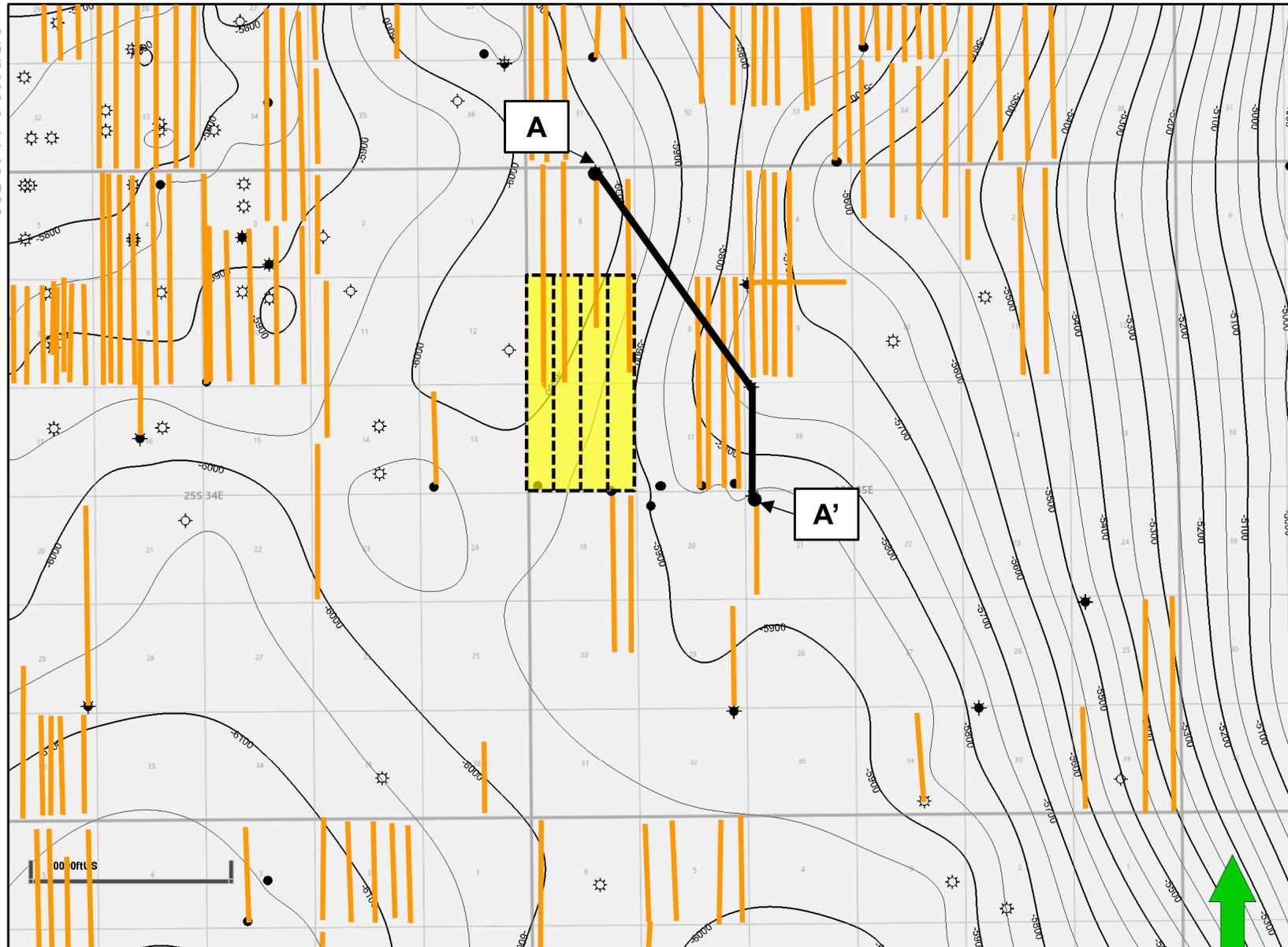
My Commission Expires:

3/23/2025



WC-025 G-08 S253534O; Bone Spring (Pool Code 97088) Structure Map (Top Bone Spring Subsea) A – A' Reference Line

Exhibit D-2

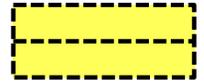


Map Legend

Bone Spring Wells



Project Area



C. I. = 50'

Biggers Fed Com #111H, #121H, #112H, #122H, #113H, #123H, #114H, and #124H

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. D-2

Submitted by: Matador Production Company

Hearing Date: September 7, 2023

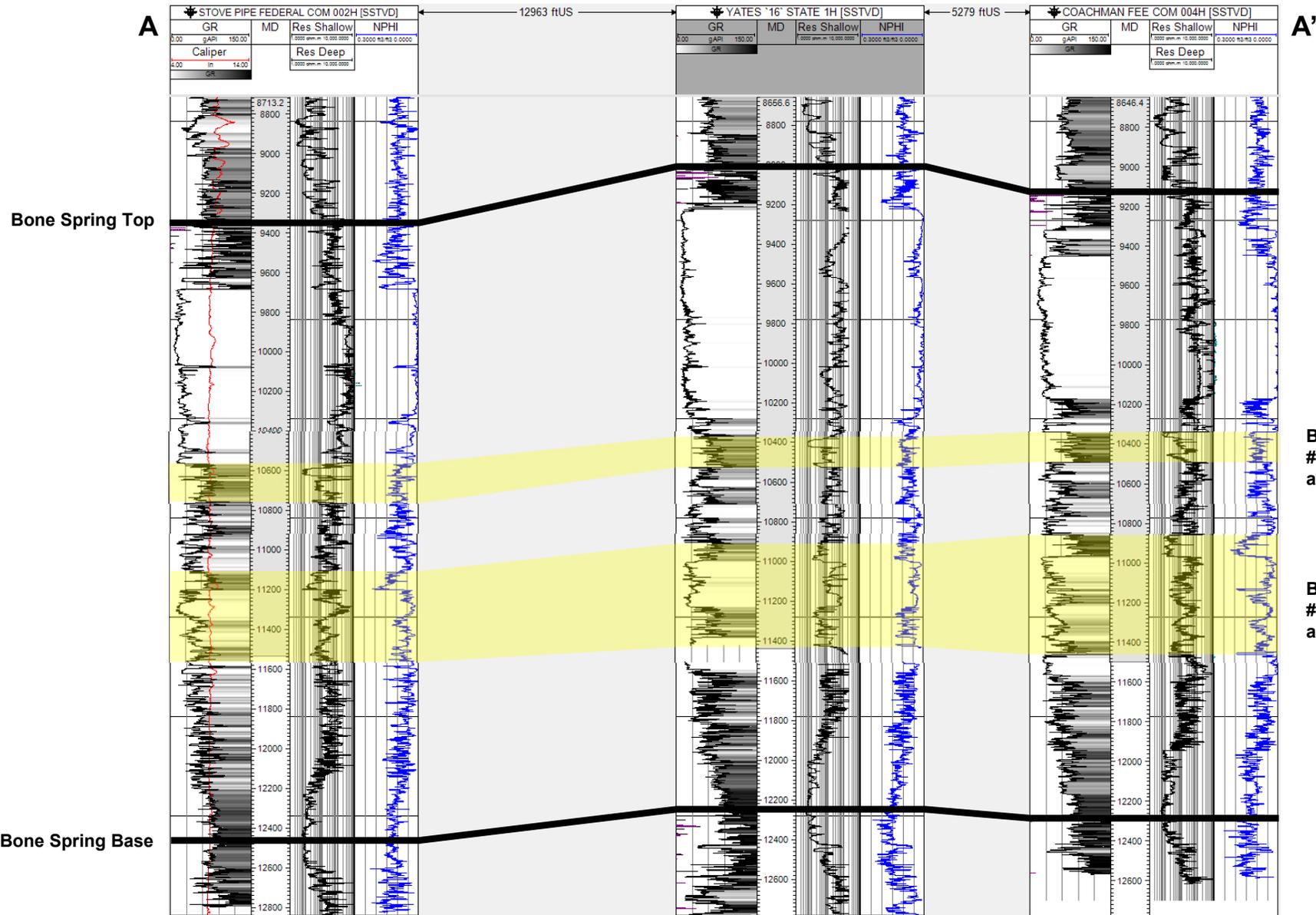
Case No. 23743



D-2

WC-025 G-08 S253534O; Bone Spring (Pool Code 97088) Structural Cross-Section A – A'

Exhibit D-3



Biggers Fed Com #111H, #121H, #112H, #122H, #113H, #123H, #114H, and #124H

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Exhibit No. D-3

Submitted by: Matador Production Company

Hearing Date: September 7, 2023

Case No. 23743



D-3

SUBSCRIBED AND SWORN to before me this 5th day of September 2023 by Michael H. Feldewert.



Notary Public

My Commission Expires:

4/24/23

STATE OF NEW MEXICO
NOTARY PUBLIC
KARI D PEREZ
COMMISSION # 1138272
COMMISSION EXPIRES 06/28/2026



Michael Feldewert
Partner
Phone (505) 988-4421
Email mhfeldewert@hollandhart.com

August 18, 2023

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico: Biggers 18&7 Fed Com 112H and 122H 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 September 7, 2023, and the status of the hearing can be monitored through the Division’s website at <https://www.emnrd.nm.gov/ocd/>.

Due to the remodeling of the state building where the New Mexico Oil Conservation Division is located, 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 Isaac Evans at (972) 587-4628 or at Isaac.evans@matadorresources.com.

Sincerely,

Michael H. Feldewert
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 - Biggers 112H 122H wells Case no. 23743
 Postal Delivery Report

| | | | | | | |
|------------------------|------------------------------|--------------------|----------|----|------------|--|
| 9414811898765410124463 | COG Operating, LLC | 600 W Illinois Ave | Midland | TX | 79701-4882 | Your item was delivered to the front desk, reception area, or mail room at 8:02 am on August 23, 2023 in MIDLAND, TX 79701. |
| 9414811898765410124425 | COG Production, LLC | 600 W Illinois Ave | Midland | TX | 79701-4882 | Your item was delivered to the front desk, reception area, or mail room at 8:02 am on August 23, 2023 in MIDLAND, TX 79701. |
| 9414811898765410124401 | Malaga Royalty, LLC | PO Box 2064 | Midland | TX | 79702-2064 | Your item was delivered to the front desk, reception area, or mail room at 11:06 am on August 23, 2023 in MIDLAND, TX 79701. |
| 9414811898765410124494 | Malaga EF7, LLC | PO Box 2064 | Midland | TX | 79702-2064 | Your item was delivered to the front desk, reception area, or mail room at 11:06 am on August 23, 2023 in MIDLAND, TX 79701. |
| 9414811898765410124449 | Mongoose Minerals, LLC | 600 W Illinois Ave | Midland | TX | 79701-4882 | Your item was delivered to the front desk, reception area, or mail room at 8:02 am on August 23, 2023 in MIDLAND, TX 79701. |
| 9414811898765410124487 | The United States of America | 620 E Greene St | Carlsbad | NM | 88220-6292 | Your item was delivered to an individual at the address at 11:44 am on August 22, 2023 in CARLSBAD, NM 88220. |

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 August 22, 2023 and ending with the issue dated August 22, 2023.


Publisher

Sworn and subscribed to before me this 22nd day of August 2023.


Business Manager

My commission expires January 29, 2027

(Seal) STATE OF NEW MEXICO
NOTARY PUBLIC
GUSSIE RUTH BLACK
COMMISSION # 1087526
COMMISSION EXPIRES 01/29/2027

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 August 22, 2023

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, September 7, 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 August 27, 2023.

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

<https://nmemnrd.webex.com/nmemnrd/j.php?MTID=m83c3ecf5b757a93f26a029c5b871606d>
Webinar number: 2484 767 1008

Join by video system: 24847671008@nmemnrd.webex.com
You can also dial 173.243.2.68 and enter your webinar number

Join by phone: 1-844-992-4726 United States Toll Free
+1-408-418-9388 United States Toll
Access code: 2484 767 1008

Panelist password: edC57GzhwV8 (33257494 from phones and video systems)

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 affected interest owners, including: COG Operating, LLC; COG Production, LLC; Malaga Royalty, LLC; Malaga EF7, LLC; Mongoose Minerals, LLC; and The United States of America.

Case No. 23743: Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (a) approving an overlapping 320-acre, more or less, standard horizontal well spacing unit in the Bone Spring formation underlying the E2W2 of Sections 7 and 18, Township 25 South, Range 35 East, NMPM, Lea 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 Biggers 18&7 Fed Com 112H and the Biggers 18&7 Fed Com 122H wells to be horizontally drilled from the SE4SW4 (Unit N) of Section 18 to a bottom hole location in the NE4NW4 (Unit C) of Section 7. This proposed horizontal well spacing unit will overlap a horizontal spacing unit in the WC-025 G-09 S243532M; Wolfbone Pool (98098), an interval and pool different from that targeted by the proposed wells, comprised of the W2 equivalent of irregular Sections 6 and 7 of Township 25 South, Range 35 East, dedicated to the following wells:

- COG Stove Pipe Fed Com 601H (30-025-46556)
- COG Stove Pipe Fed Com 603H (30-025-46500)
- COG Stove Pipe Fed Com 702H (30-025-46557)
- COG Stove Pipe Fed Com 706H (30-025-46503)
- COG Stove Pipe Fed Com 707H (30-025-46504)

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 12 miles west of Jal, New Mexico.
#00281899

67100754

00281899

HOLLAND & HART LLC
PO BOX 2208
SANTA FE, NM 87504-2208

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. F
Submitted by: Matador Production Company
Hearing Date: September 7, 2023
Case No. 23743