

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

**CASE NO. 23748**

*ALYSON 3332 FED COM #123H*

**EDDY COUNTY, NEW MEXICO**



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

**APPLICATION OF MRC PERMIAN  
COMPANY FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 23748**

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**COMPULSORY POOLING APPLICATION CHECKLIST****ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

<b>Case: 23748</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b>	<b>September 7, 2023</b>
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 COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	Permian Resources, Operating, LLC and Mewbourne Oil Company
Well Family	Alsyon
<b>Formation/Pool</b>	
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-015 G-04 S203032P; BONE SPRING [98008]
Well Location Setback Rules:	Statewide oil rules
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	240
Building Blocks:	40 acres
Orientation:	East-West
Description: TRS/County	N/2 S/2 of Section 33 and the N/2 SE/4 of Section 32, Township 20 South, Range 30 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
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No <b>BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico</b>
Proximity Tracts: If yes, description	No <b>Exhibit No. A Submitted by: MRC Permian Company</b>
Proximity Defining Well: if yes, description	N/A <b>Hearing Date: September 7, 2023 Case No. 23748</b>
Applicant's Ownership in Each Tract	Exhibit C-3
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed

Well #1: <i>Received by OCD: 9/5/2023 10:24:30 AM</i>	<b>Alyson 3332 Fed Com #123H well</b> SHL: 884' FSL, 1,018' FEL (Unit P) of Section 33 BHL: 1,980' FSL, 2,532' FEL (Unit J) of Section 32 Target: Bone Spring Orientation: East-West Completion: Standard Location	<i>Page 4 of 3</i>
Horizontal Well First and Last Take Points	Exhibit C-1	
Completion Target (Formation, TVD and MD)	Exhibit D-3	
<b>AFE Capex and Operating Costs</b>		
Drilling Supervision/Month \$	N/A	
Production Supervision/Month \$	N/A	
Justification for Supervision Costs	N/A	
Requested Risk Charge	N/A	
<b>Notice of Hearing</b>		
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	
<b>Ownership Determination</b>		
Land Ownership Schematic of the Spacing Unit	Exhibit C-2	
Tract List (including lease numbers and owners)	Exhibit C-2	
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-3	
Unlocatable Parties to be Pooled	N/A	
Ownership Depth Severance (including percentage above & below)	N/A	
<b>Joinder</b>		
Sample Copy of Proposal Letter	N/A	
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-3	
Chronology of Contact with Non-Joined Working Interests	N/A	
Overhead Rates In Proposal Letter	N/A	
Cost Estimate to Drill and Complete	N/A	
Cost Estimate to Equip Well	N/A	
Cost Estimate for Production Facilities	N/A	
<b>Geology</b>		
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
<b>Forms, Figures and Tables</b>	
C-102	Exhibit C-1
Tracts	Exhibit C-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-3
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
<b>Additional Information</b>	
Special Provisions/Stipulations	N/A
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Paula M. Vance
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	9/5/2023

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

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

CASE NO. 23748

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 pooling all uncommitted mineral owners in a standard 240-acre, more or less, horizontal well spacing unit in the Bone Spring formation underlying the N2S2 of Section 33 and the N2SE4 of Section 32, Township 20 South, Range 30 East, NMPM, Eddy County, New Mexico.

In support of its application, MRC states:

1. Applicant is a working interest owner in the proposed horizontal well spacing unit and has the right to drill thereon.
2. Applicant seeks to designate Matador Production Company (OGRID No. 228937) as the operator of the proposed horizontal spacing unit.
3. Applicant seeks to initially dedicate the above-referenced horizontal well spacing unit to the proposed **Alyson 3332 Fed Com 123H** well to be horizontally drilled from a surface hole location in the SE4SE4 (Unit P) of Section 33, with a first take point in the NE4SE4 (Unit I) and a last take point in the NW4SE4 (Unit J) of Section 32.
4. 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.

69: CF9 'H<9 'C=@7 CBG9FJ5 HCB'8 =J =G-CB'  
GUbHU: YZBYk 'A YI Jw  
91 \ Jv]hBc"6  
Gi Va ]HtX'Vm'A F7 'DYfa ]Ub'7 ca dUbm  
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7 UgY'Bc"&' +(,

5. 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. Pooling all uncommitted interest owners in the proposed horizontal well spacing unit;
- 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 well;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert  
Adam G. Rankin  
Julia Broggi  
Paula M. Vance  
Post Office Box 2208  
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505-988-4421  
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**ATTORNEYS FOR MRC PERMIAN COMPANY**

CASE \_\_\_\_\_:

**Application of MRC Permian Company for Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted mineral owners in a standard 240-acre horizontal well spacing unit in the Bone Spring formation underlying the N2S2 of Section 33 and the N2SE4 of Section 32, Township 20 South, Range 30 East, NMPM, Eddy County, New Mexico. Said unit will be initially dedicated to the proposed **Alyson 3332 Fed Com 123H** well to be horizontally drilled from a surface hole location in the SE4SE4 (Unit P) of Section 33, with a first take point in the NE4SE4 (Unit I) and a last take point in the NW4SE4 (Unit J) of Section 32. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 16 miles northeast of Carlsbad, New Mexico.

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

**APPLICATION OF MRC PERMIAN  
COMPANY FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 23748**

**AFFIDAVIT OF HAWKS HOLDER**

Hawks Holder, of lawful age and being first duly sworn, states the following:

1. My name is Hawks Holder 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 application filed by Matador in this case and the status of the lands in the subject area.
4. In this case, Matador seeks an order pooling all uncommitted mineral owners in a standard 240-acre, more or less, horizontal well spacing unit in the Bone Spring formation underlying the N/2 S/2 of Section 33 and the N/2 SE/4 of Section 32, Township 20 South, Range 30 East, NMPM, Eddy County, New Mexico. Matador proposes to dedicate the above-referenced spacing unit to the proposed initial **Alyson 3332 Fed Com 123H** well, to be horizontally drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 33, with a first take point in the NE/4 SE/4 (Unit I) of Section 33 and a last take point in the NW/4 SE/4 (Unit J) of Section 32.

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C  
Submitted by: MRC Permian Company  
Hearing Date: September 7, 2023  
Case No. 23748**

5. **Matador Exhibit C-1** contains a draft Form C-102 for the initial well in the horizontal spacing unit. This form demonstrates that the completed internal for the well will meet the standard setback requirements for horizontal oil wells.

6. Matador understands that this Bone Spring well will be placed in the WC-015 G-04 S203032P; BONE SPRING [98008] pool.

7. **Matador Exhibit C-2** identifies the tracts of land comprising the proposed horizontal spacing unit. The subject acreage is comprised of state and federal acreage.

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

9. **Matador Exhibit C-3** identifies the overriding royalty interest owners that Matador is seeking to pool in the proposed horizontal spacing unit.

10. Matador is only seeking to pool overriding royalty interest owners. Because these are non-cost bearing interests, Matador has not included a sample well proposal, AFE, or a chronology of contacts, and is not requesting overhead and administrative penalty costs. Matador owns 100% of the working interest in the proposed spacing unit.

11. Matador has provided the law firm of Holland & Hart LLP with the names and addresses of the parties that Matador seeks to pool and instructed that they be notified of this hearing.

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

FURTHER AFFIANT SAYETH NAUGHT.

  
\_\_\_\_\_  
HAWKS HOLDER

STATE OF TEXAS            )  
  )  
COUNTY OF DALLAS        )

SUBSCRIBED and SWORN to before me this 31<sup>st</sup> day of August 2023 by Hawks Holder.

  
\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires:

3/23/2025

# **Exhibit C-1**

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

Exhibit No. C-1  
Submitted by: MRC Permian Company  
Hearing Date: September 7, 2023  
Case No. 23748

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

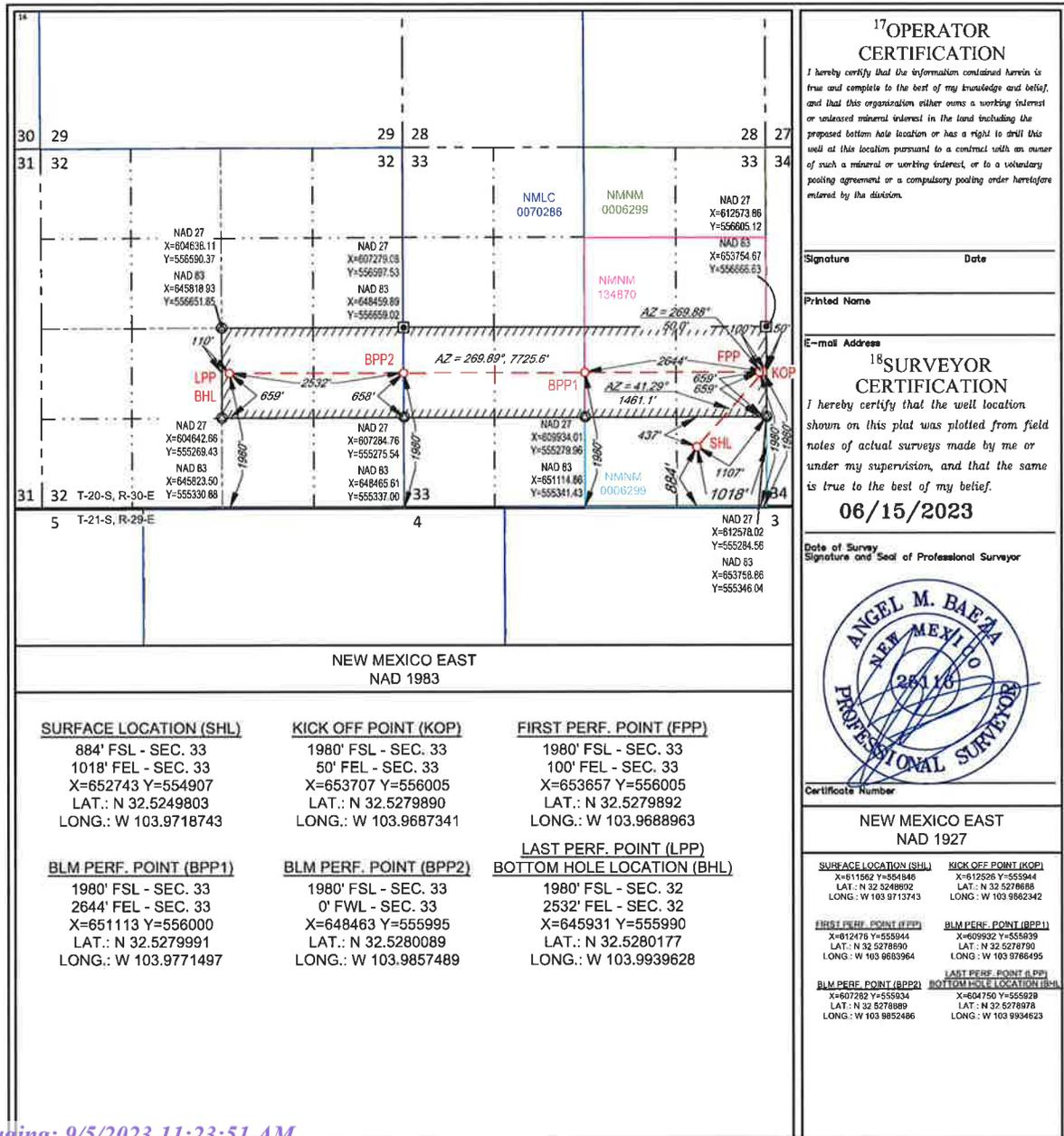
<sup>1</sup> API Number		<sup>2</sup> Pool Code 98008		<sup>3</sup> Pool Name WL-015 G-04 5203032P; Bone Springs	
<sup>4</sup> Property Code		<sup>5</sup> Property Name ALYSON 3332 FED COM		<sup>6</sup> Well Number 123H	
<sup>7</sup> GRID No. 228937		<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY		<sup>9</sup> Elevation 3393'	

<sup>10</sup> Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	33	20-S	30-E	-	884'	SOUTH	1018'	EAST	EDDY

<sup>11</sup> Bottom 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
J	32	20-S	30-E	-	1980'	SOUTH	2532'	EAST	EDDY

<sup>12</sup> Dedicated Acres 240	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.



**17 OPERATOR 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 unleased 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 \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_

E-mail Address \_\_\_\_\_

**18 SURVEYOR 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.

06/15/2023

Date of Survey \_\_\_\_\_  
Signature and Seal of Professional Surveyor

**ANGEL M. BAEZA**  
NEW MEXICO  
28113  
PROFESSIONAL SURVEYOR

Certificate Number \_\_\_\_\_

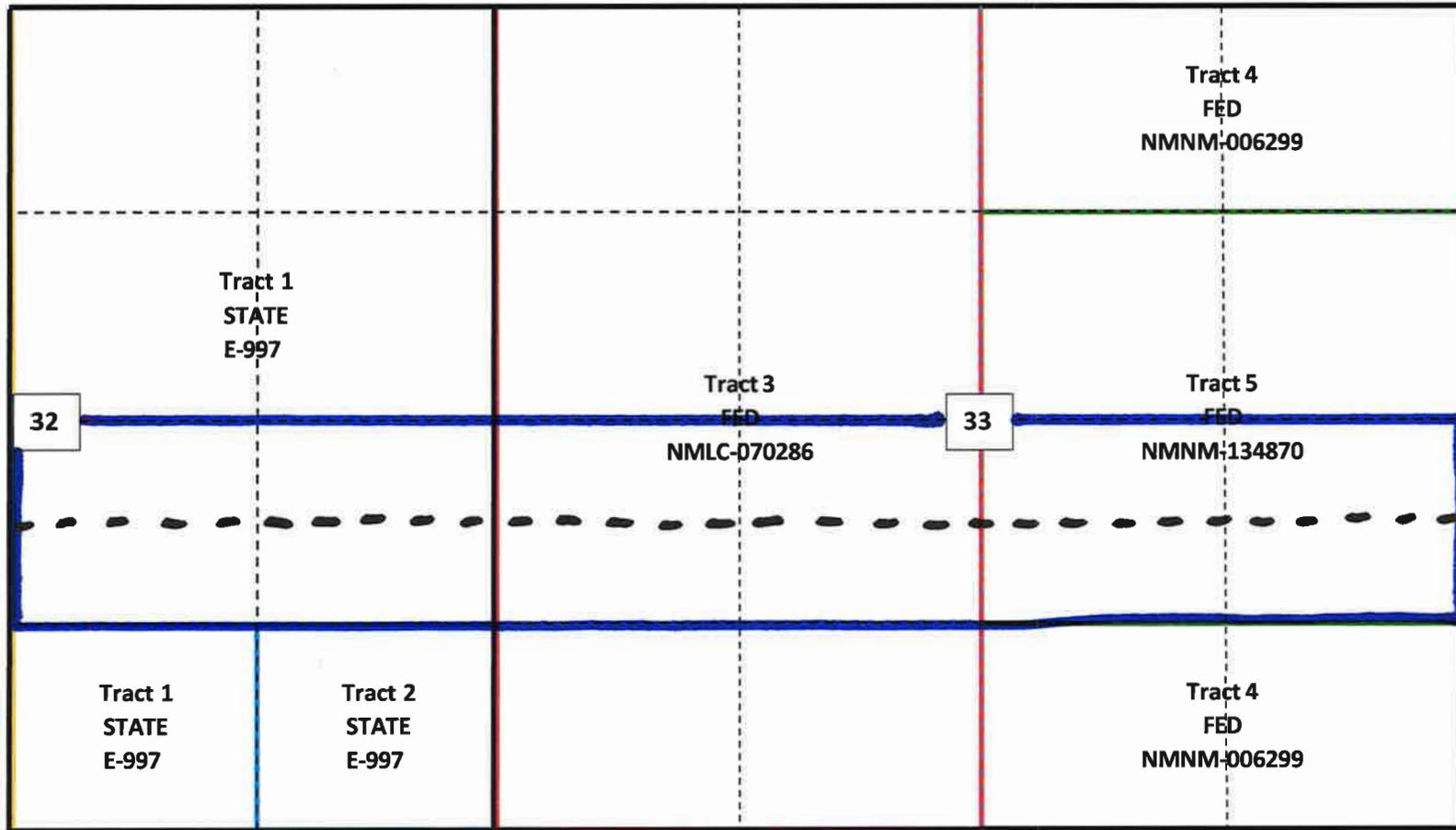
NEW MEXICO EAST  
NAD 1927

<b>SURFACE LOCATION (SHL)</b> 884' FSL - SEC. 33 1018' FEL - SEC. 33 X=652743 Y=554907 LAT.: N 32.5249803 LONG.: W 103.9718743	<b>KICK OFF POINT (KOP)</b> 1980' FSL - SEC. 33 50' FEL - SEC. 33 X=653707 Y=556005 LAT.: N 32.5279890 LONG.: W 103.9687341	<b>FIRST PERF. POINT (FPP)</b> 1980' FSL - SEC. 33 100' FEL - SEC. 33 X=653657 Y=556005 LAT.: N 32.5279892 LONG.: W 103.9688963
<b>BLM PERF. POINT (BPP1)</b> 1980' FSL - SEC. 33 2644' FEL - SEC. 33 X=651113 Y=556000 LAT.: N 32.5279991 LONG.: W 103.9771497	<b>BLM PERF. POINT (BPP2)</b> 1980' FSL - SEC. 33 0' FWL - SEC. 33 X=648463 Y=555995 LAT.: N 32.5280089 LONG.: W 103.9857489	<b>LAST PERF. POINT (LPP)</b> 1980' FSL - SEC. 32 2532' FEL - SEC. 32 X=645931 Y=555990 LAT.: N 32.5280177 LONG.: W 103.9939628

<b>SURFACE LOCATION (SHL)</b> X=611562 Y=554946 LAT.: N 32.5249802 LONG.: W 103.9713743	<b>KICK OFF POINT (KOP)</b> X=612526 Y=555944 LAT.: N 32.5278656 LONG.: W 103.9862342
<b>FIRST PERF. POINT (FPP)</b> X=612478 Y=555944 LAT.: N 32.5278990 LONG.: W 103.9863964	<b>BLM PERF. POINT (BPP1)</b> X=609932 Y=555939 LAT.: N 32.5278790 LONG.: W 103.9768495
<b>BLM PERF. POINT (BPP2)</b> X=607282 Y=555934 LAT.: N 32.5278989 LONG.: W 103.9852486	<b>BOTTOM HOLE LOCATION (BHL)</b> X=604750 Y=555928 LAT.: N 32.5278978 LONG.: W 103.9846623

## **Exhibit C-2**

### Alyson 3332 Fed Com Tract Map



*Alyson 3332  
Fed Com  
#12321*

# **Exhibit C-3**

**Alyson 3332 Fed Com #123H Notice List**

<b>MRC Permian</b>	<b>100.000000%</b>
<b>Voluntary Joinder</b>	<b>0.000000%</b>
<b>Compulsory Pool</b>	<b>0.000000%</b>

<b>Compulsory Pool Interest Owner:</b>	<b>Description:</b>
Merrion Oil & Gas Corporation	ORRI
Lynx Petroleum Consultants, Inc.	ORRI
Alexander Oil and Gas, LLC	ORRI
Hal Brunson	ORRI
Cope Properties, LLC	ORRI
DASCO Energy Corporation	ORRI
Fonay Oil & Gas, LLC	ORRI
Powder Horn Investments, LLC	ORRI
RR Resources Ltd. Co.	ORRI
Teaco Energy	ORRI
Underwood, LLC	ORRI
W&C Oil Properties, LLC	ORRI
Watson Oil and Gas, LLC	ORRI
Francis Hill Hudson, Trustee of Lindy's Living Trust u/t/a dated July 8, 1994	ORRI
Delmar Hudson Lewis, Trustee of the Delmar Hudson Lewis Living Trust u/t/a dated September 9, 2002	ORRI
Moore & Shelton Company, Ltd.	ORRI
Zorro Partners, Ltd.	ORRI
Javelina Partners	ORRI
Ard Oil, Ltd.	ORRI
Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust f/b/o J. Terrell	ORRI
Compound Properties	ORRI
Pat Guthrie, Trustee of the Guthrie Family Trust dated July 12, 1993	ORRI
B&G Royalties	ORRI
Penasco Petroleum, LLC	ORRI
Rolla R. Hinkle, III	ORRI
Barbe Development, LLC	ORRI
Chad Barbe	ORRI
The Toles Company	ORRI
Mark McClellan and Paula McClellan	ORRI
Pegasus Resources, LLC	ORRI
West Bend Energy Partners, LLC	ORRI
SMP Sidecar Titan Mineral Holdings, LP	ORRI
SMP Titan Mineral Holdings, LP	ORRI
MSH Family Real Estate Partnership II, LLC	ORRI

NOTE: All parties listed under "Compulsory Pool Interest Owner" are being pooled.

BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit No. C-3  
 Submitted by: MRC Permian Company  
 Hearing Date: September 7, 2023  
 Case No. 23748

SMP Titan Flex, LP	ORRI
XTO Delaware Basin, LLC	ORRI
CTV-SRB II BPEOR NM, LLC	ORRI
CTV-SRB I BPEOR NM, LLC	ORRI
CTV-CTAM BPEOR NM, LLC	ORRI
CTV-LMB II BPEOR NM, LLC	ORRI
CTV-LMB I BPEOR NM, LLC	ORRI
Francis Hill Hudson, Trustee of Lindy's Living Trust u/t/a dated July 8, 1994	Record Title
Delmar Hudson Lewis, Trustee of the Delmar Hudson Lewis Living Trust u/t/a dated September 9, 2002	Record Title
Moore & Shelton Company, Ltd.	Record Title
Zorro Partners, Ltd.	Record Title
Javelina Partners	Record Title
Ard Oil, Ltd.	Record Title
Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust f/b/o J. Terrell	Record Title
XTO Delaware Basin LLC	Record Title

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

**APPLICATIONS OF MRC PERMIAN  
COMPANY FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 23746, 23747 and 23748**

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

**CASE NO. 23749**

**SELF-AFFIRMED STATEMENT OF ANDREW PARKER**

1. My name is Andrew Parker. I work for MRC Energy Company, an affiliate of Matador Production Company ("Matador"), as a Senior Vice President of Geoscience.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.
3. I am familiar with the applications filed by Matador in these cases, and I 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. In these cases, Matador intends to develop the Second Bone Spring of the Bone Spring formation.
6. **Matador Exhibit D-2** is a subsea structure map prepared off the top of the Bone Spring formation. The contour interval is 50 feet. The structure map shows the Bone Spring

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. D  
Submitted by: MRC Permian Company  
Hearing Date: September 7, 2023  
Case Nos. 23746-23749

formation gently dipping to the southeast. The structure appears consistent across the proposed wellbore paths. I do not observe any faulting, pinchouts, 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 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: gamma ray, caliper, porosity, and resistivity, where available. The proposed target intervals for 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. In my opinion, the lay-down orientation is the preferred orientation for development in this area for Bone Spring wells because the maximum horizontal stress is north-south in this area.

10. 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.

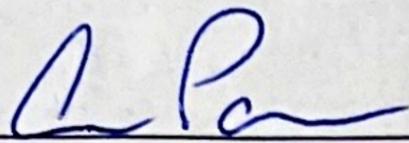
11. In my opinion, each quarter-quarter section will be productive and contribute more-or-less equally to production from each horizontal spacing unit.

12. 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.

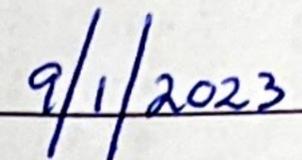
13. Approving Matador's applications will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

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

15. 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.

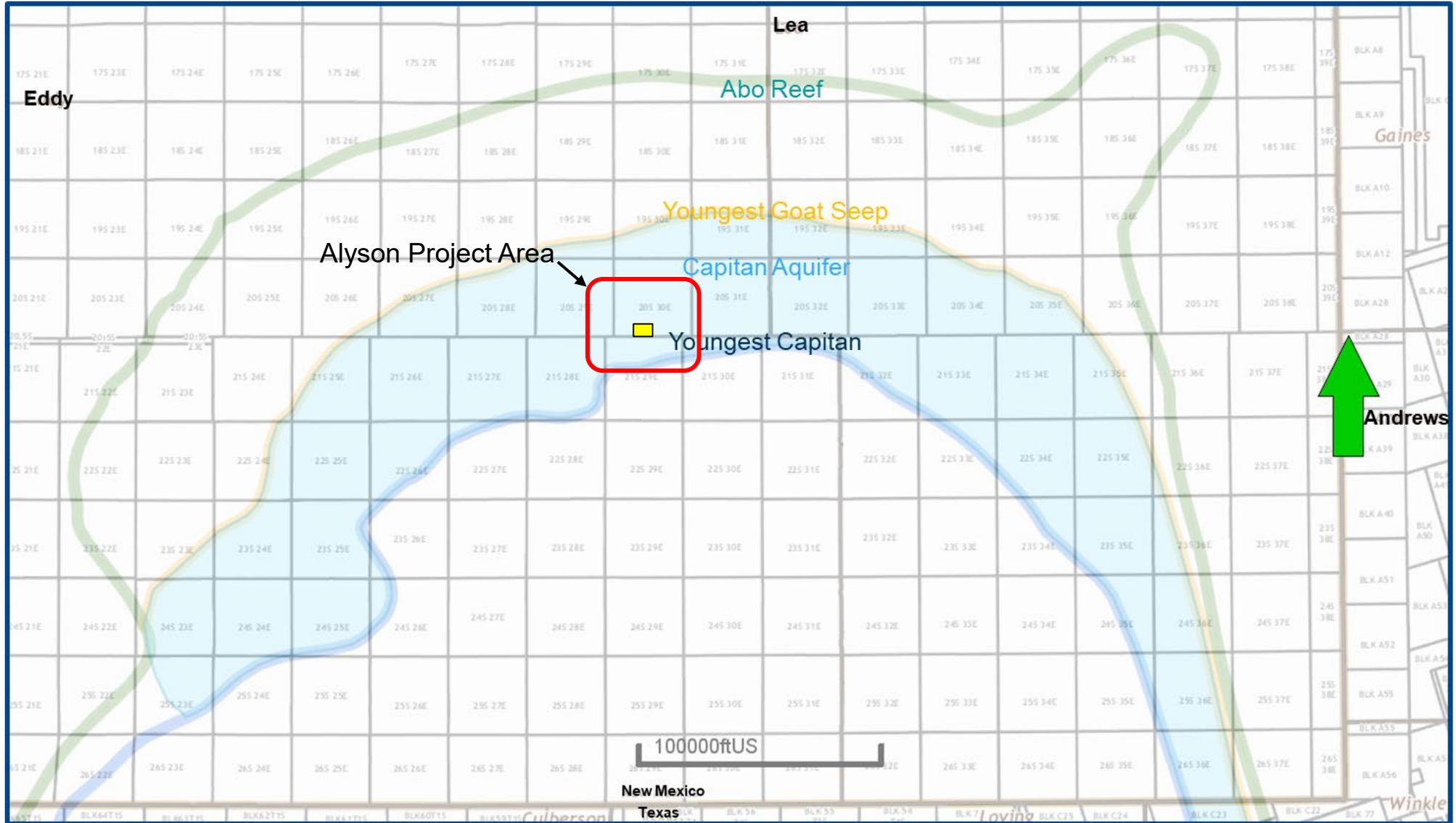
  
\_\_\_\_\_

Andrew Parker

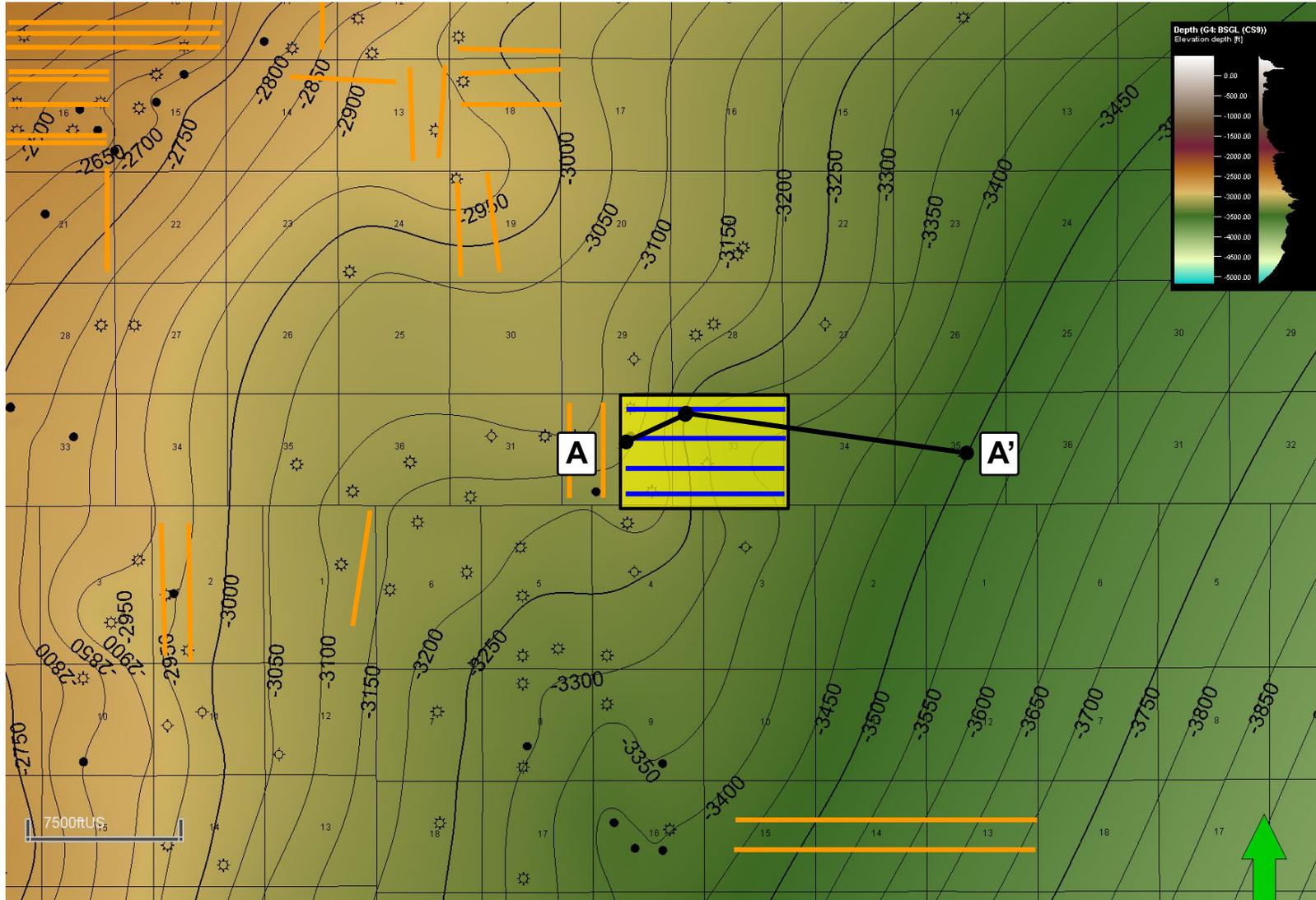
  
\_\_\_\_\_

Date

# Locator Map



# WC-015 G-04 S203032P; BONE SPRING, (98008) Structure Map (Top Bone Spring Subsea) A – A' Reference Line



## Map Legend

Alyson Wells



Bone Spring Wells



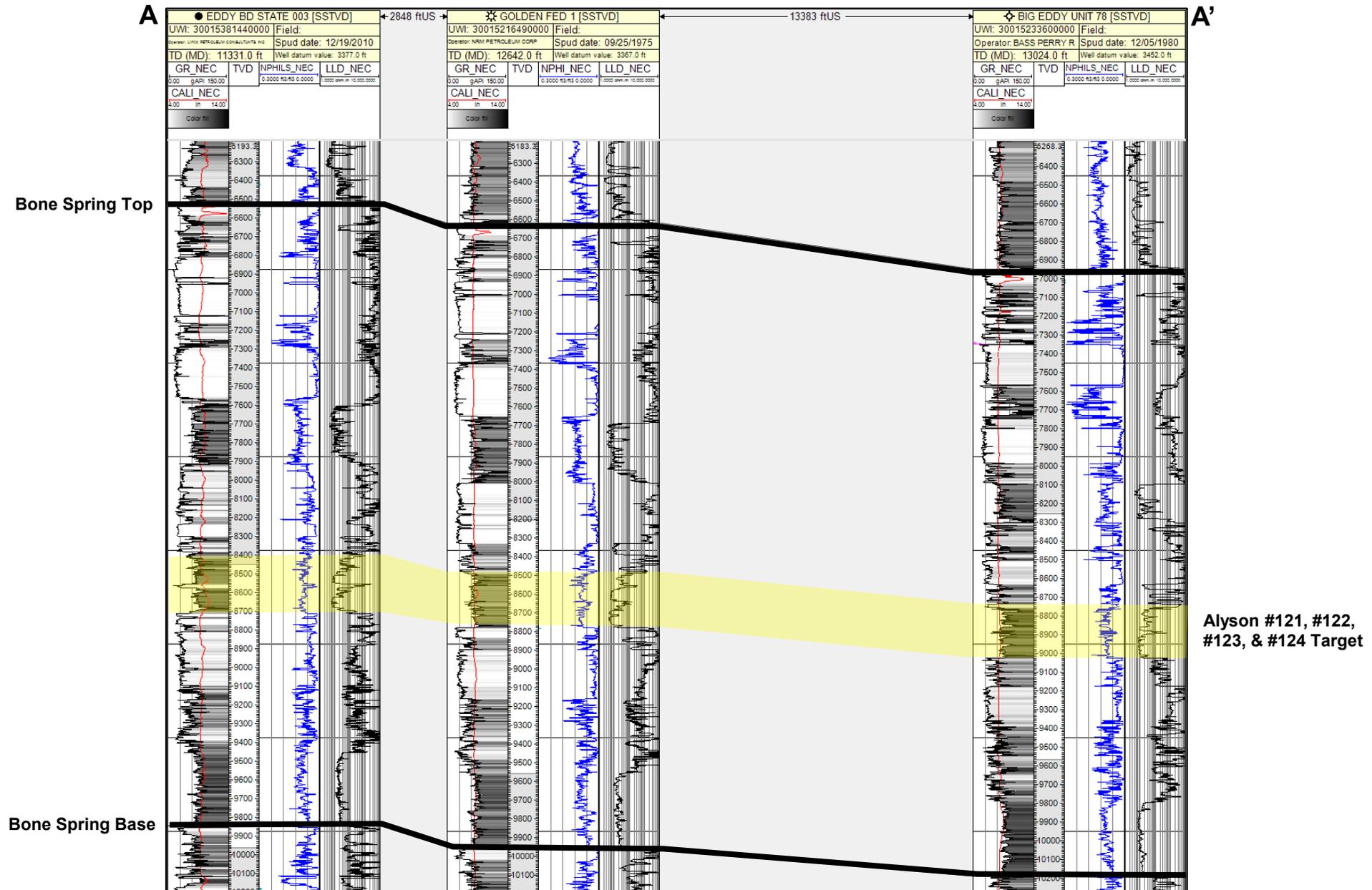
Project Area



C. I. = 50'

# WC-015 G-04 S203032P; BONE SPRING, (98008) Structural Cross-Section A – A'

Santa Fe, New Mexico  
Exhibit No. D-3  
Submitted by: MRC Permian Company  
Hearing Date: September 7, 2023  
Case Nos. 23746-23749



Alyson #121, #122, #123, & #124 Target

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

**APPLICATION OF MRC PERMIAN  
COMPANY FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 23748**

**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 matter 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 locatable 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 September 1, 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 herein.

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.

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. E  
Submitted by: MRC Permian Company  
Hearing Date: September 7, 2023  
Case No. 23748**



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Paula M. Vance

9/4/23

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Date



**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 Compulsory Pooling, Eddy County, New Mexico: Alyson 3332 Fed Com 123H**

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 Hawks Holder at (972) 619-4336 or at [hawks.holder@matadorresources.com](mailto:hawks.holder@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](http://www.hollandhart.com)

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

MRC - Alyson 123H Well - Case no. 23748  
Postal Delivery Report

9414811898765410125446	Merrion Oil & Gas Corporation	610 Reilly Ave	Farmington	NM	87401-2634	Your item was delivered to the front desk, reception area, or mail room at 12:06 pm on August 22, 2023 in FARMINGTON, NM 87401.
9414811898765410125439	Lynx Petroleum Consultants, Inc.	PO Box 1708	Hobbs	NM	88241-1708	Your item was picked up at the post office at 12:32 pm on August 24, 2023 in HOBBS, NM 88240.
9414811898765410125477	Alexander Oil and Gas, LLC	2121 S Columbia Ave	Tulsa	OK	74114-3505	Your item departed our USPS facility in ALBUQUERQUE, NM 87101 on August 30, 2023 at 6:41 pm. The item is currently in transit to the destination.
9414811898765410125514	Hal Brunson	3186 Crestview Dr	Pineville	LA	71360-5803	Your item was delivered to an individual at the address at 4:00 pm on August 22, 2023 in PINEVILLE, LA 71360.
9414811898765410125552	Cope Properties, LLC	4801 E Broadway Blvd	Tucson	AZ	85711-3633	Your item arrived at the SANTA FE, NM 87501 post office at 10:13 am on August 30, 2023 and is ready for pickup.
9414811898765410125569	DASCO Energy Corporation	225 E Bender Blvd Unit 150	Hobbs	NM	88240-2331	Your item was picked up at the post office at 4:03 pm on August 30, 2023 in HOBBS, NM 88240.
9414811898765410125521	Fonay Oil & Gas, LLC	5333 N Baggett St	Hobbs	NM	88242-9703	Your item arrived at the SANTA FE, NM 87501 post office at 11:41 am on August 28, 2023 and is ready for pickup.
9414811898765410125507	Powder Horn Investments, LLC	619 E Abo Dr	Hobbs	NM	88240-3405	This is a reminder to arrange for redelivery of your item or your item will be returned to sender.
9414811898765410125590	RR Resources Ltd. Co.	1629 W Bender Blvd	Hobbs	NM	88240-8010	Your item was delivered to the front desk, reception area, or mail room at 9:02 am on August 22, 2023 in HOBBS, NM 88240.
9414811898765410125545	Teaco Energy	320 N Turner St	Hobbs	NM	88240-8302	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765410125583	Underwood, LLC	2 20th St N Ste A	Birmingham	AL	35203-4019	Your item was returned to the sender on August 23, 2023 at 8:36 am in BIRMINGHAM, AL 35203 because of an incomplete address.
9414811898765410125538	W&C Oil Properties, LLC	1207 W Caprock St	Hobbs	NM	88240-1123	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765410125576	Watson Oil and Gas, LLC	PO Box 10	Hobbs	NM	88241-0010	Your item was picked up at the post office at 2:28 pm on August 24, 2023 in HOBBS, NM 88240.
9414811898765410122216	Francis Hill Hudson, Trustee of Lindys Living Trust u/t/a dated July 8, 1994	215 W Bandera Rd Ste 114-620	Boerne	TX	78006-2820	Your item was delivered to an individual at the address at 9:42 am on August 23, 2023 in BOERNE, TX 78006.
9414811898765410122254	Delmar Hudson Lewis, Trustee of the Delmar Hudson Lewis Living Trust u/t/a dated September 9, 2002	6300 Ridgela Pl Ste 1005A	Fort Worth	TX	76116-5763	Your item arrived at the SANTA FE, NM 87501 post office at 10:13 am on August 30, 2023 and is ready for pickup.
9414811898765410122261	Moore & Shelton Company, Ltd.	PO Box 3070	Galveston	TX	77552-0070	Your item was picked up at the post office at 1:33 pm on August 23, 2023 in GALVESTON, TX 77551.
9414811898765410122223	Zorro Partners, Ltd.	616 Texas St	Fort Worth	TX	76102-4612	Your item was delivered to the front desk, reception area, or mail room at 1:28 pm on August 22, 2023 in FORT WORTH, TX 76102.
9414811898765410122209	Javelina Partners	616 Texas St	Fort Worth	TX	76102-4612	Your item was delivered to the front desk, reception area, or mail room at 1:28 pm on August 22, 2023 in FORT WORTH, TX 76102.
9414811898765410122292	Ard Oil, Ltd.	PO Box 101027	Fort Worth	TX	76185-1027	Your item was delivered at 10:32 am on August 22, 2023 in FORT WORTH, TX 76109.

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Postal Delivery Report

9414811898765410122247	Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust f/b/o J.	PO Box 1600	San Antonio	TX	78296-1600	Your item has been delivered and is available at a PO Box at 9:31 am on August 23, 2023 in SAN ANTONIO, TX 78205.
9414811898765410122285	Compound Properties	PO Box 2990	Ruidoso	NM	88355-2990	Your item was picked up at the post office at 11:23 am on August 22, 2023 in RUIDOSO, NM 88345.
9414811898765410122278	Pat Guthrie, Trustee of the Guthrie Family Trust dated July 12, 1993	3105 E 4th St Apt 8D	Bartlesville	OK	74006-8241	Your item was picked up at the post office at 10:20 am on August 24, 2023 in BARTLESVILLE, OK 74003.
9414811898765410122810	B&G Royalties	PO Box 376	Artesia	NM	88211-0376	Your item was picked up at the post office at 9:37 am on August 22, 2023 in ARTESIA, NM 88210.
9414811898765410122858	Penasco Petroleum, LLC	PO Box 4168	Roswell	NM	88202-4168	Your item was picked up at the post office at 2:08 pm on August 22, 2023 in ROSWELL, NM 88201.
9414811898765410122827	Rolla R. Hinkle, III	PO Box 2292	Roswell	NM	88202-2292	Your item was picked up at the post office at 11:34 am on August 22, 2023 in ROSWELL, NM 88201.
9414811898765410122896	Barbe Development, LLC	121 W 3rd St	Roswell	NM	88201-4707	Your item was picked up at the post office at 11:36 am on August 29, 2023 in ROSWELL, NM 88201.
9414811898765410122841	Chad Barbe	PO Box 2107	Roswell	NM	88202-2107	Your item was picked up at the post office at 2:11 pm on August 22, 2023 in ROSWELL, NM 88201.
9414811898765410122889	The Toles Company	PO Box 1300	Roswell	NM	88202-1300	Your item was picked up at the post office at 11:00 am on August 22, 2023 in ROSWELL, NM 88201.
9414811898765410122834	Mark McClellan and Paula McClellan	PO Box 730	Roswell	NM	88202-0730	Your item was picked up at the post office at 10:05 am on August 22, 2023 in ROSWELL, NM 88201.
9414811898765410122711	Pegasus Resources, LLC	PO Box 733980	Dallas	TX	75373-3980	Your item was picked up at a postal facility at 6:22 pm on August 24, 2023 in DALLAS, TX 75260.
9414811898765410122759	West Bend Energy Partners, LLC	1320 S University Dr Ste 701	Fort Worth	TX	76107-8061	Your item was delivered to the front desk, reception area, or mail room at 2:11 pm on August 22, 2023 in FORT WORTH, TX 76107.
9414811898765410122766	SMP Sidecar Titan Mineral Holdings, LP	4143 Maple Ave Ste 500	Dallas	TX	75219-3294	Your item was delivered to an individual at the address at 10:11 am on August 22, 2023 in DALLAS, TX 75219.
9414811898765410122728	SMP Titan Mineral Holdings, LP	4143 Maple Ave Ste 500	Dallas	TX	75219-3294	Your item was delivered to an individual at the address at 10:11 am on August 22, 2023 in DALLAS, TX 75219.
9414811898765410122704	MSH Family Real Estate Partnership II, LLC	4143 Maple Ave Ste 500	Dallas	TX	75219-3294	Your item was delivered to an individual at the address at 10:03 am on August 24, 2023 in DALLAS, TX 75219.
9414811898765410122797	SMP Titan Flex, LP	4143 Maple Ave Ste 500	Dallas	TX	75219-3294	Your item was delivered to an individual at the address at 10:11 am on August 22, 2023 in DALLAS, TX 75219.
9414811898765410122742	XTO Delaware Basin, LLC	22777 Springwoods Village Pkwy	Spring	TX	77389-1425	Your item was delivered to an individual at the address at 8:17 am on August 22, 2023 in SPRING, TX 77389.
9414811898765410122780	CTV-SRB II BPEOR NM, LLC	201 Main St Ste 2300	Fort Worth	TX	76102-3137	Your item was delivered to an individual at the address at 9:55 am on August 22, 2023 in FORT WORTH, TX 76102.
9414811898765410122735	CTV-SRB I BPEOR NM, LLC	201 Main St Ste 2300	Fort Worth	TX	76102-3137	Your item was delivered to an individual at the address at 9:55 am on August 22, 2023 in FORT WORTH, TX 76102.
9414811898765410122773	CTV-CTAM BPEOR NM, LLC	201 Main St Ste 2300	Fort Worth	TX	76102-3137	Your item was delivered to an individual at the address at 9:39 am on August 28, 2023 in FORT WORTH, TX 76102.
9414811898765410122919	CTV-LMB II BPEOR NM, LLC	201 Main St Ste 2300	Fort Worth	TX	76102-3137	Your item was delivered to an individual at the address at 9:55 am on August 22, 2023 in FORT WORTH, TX 76102.
9414811898765410122957	CTV-LMB I BPEOR NM, LLC	201 Main St Ste 2300	Fort Worth	TX	76102-3137	Your item was delivered to an individual at the address at 9:55 am on August 22, 2023 in FORT WORTH, TX 76102.

MRC - Alyson 123H Well - Case no. 23748  
Postal Delivery Report

9414811898765410122964	New Mexico State Land Office	310 Old Santa Fe Trl	Santa Fe	NM	87501-2708	Your item was picked up at a postal facility at 6:24 am on August 23, 2023 in SANTA FE, NM 87501.
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# Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

## Affidavit of Publication

Ad # 0005804070

This is not an invoice

**HOLLAND AND HART**

PO BOX 2208

**SANTA FE, NM 87504-2208**

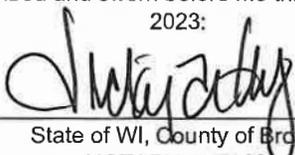
I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements 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:

**08/23/2023**

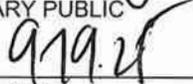


Legal Clerk

Subscribed and sworn before me this August 23, 2023:



State of WI, County of Brown  
NOTARY PUBLIC



My commission expires

VICKY FELTY  
Notary Public  
State of Wisconsin

Ad # 0005804070

PO #: 23748

# of Affidavits 1

This is not an invoice

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico

Exhibit No. F

Submitted by: MRC Permian Company

Hearing Date: September 7, 2023

Case No. 23748

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/hearinginfo/> or obtained from Marlene Salvidrez, at [Marlene.Salvidrez@emnrd.nm.gov](mailto: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](mailto:Marlene.Salvidrez@emnrd.nm.gov), or the New Mexico Relay Network at 1-800-6591779, 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: Merrion Oil & Gas Corporation; Lynx Petroleum Consultants, Inc.; Alexander Oil and Gas, LLC; Hal Brunson, his heirs and devisees; Cope Properties, LLC; DASCO Energy Corporation; Fonay Oil & Gas, LLC; ~~Quentin Horn Investments~~

rowder non investments, LLC; RR Resources Ltd. Co.; Teaco Energy; Underwood, LLC; W&C Oil Properties, LLC; Watson Oil and Gas, LLC; Francis Hill Hudson, Trustee of Lindy's Living Trust u/t/a dated July 8, 1994; Delmar Hudson Lewis, Trustee of the Delmar Hudson Lewis Living Trust u/t/a dated September 9, 2002; Moore & Shelton Company, Ltd.; Zorro Partners, Ltd.; Javelina Partners; Ard Oil, Ltd.; Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust f/b/o J. Terrell; Compound Properties; Pat Guthrie, Trustee of the Guthrie Family Trust dated July 12, 1993; B&G Royalties; Penasco Petroleum, LLC; Rolla R. Hinkle, III, his or her heirs and devisees; Barbe Development, LLC; Chad Barbe, his heirs and devisees; The Toles Company; Mark McClellan and Paula McClellan, their heirs and devisees; Pegasus Resources, LLC; West Bend Energy Partners, LLC; SMP Sidecar Titan Mineral Holdings, LP; SMP Titan Mineral Holdings, LP; MSH Family Real Estate Partnership II, LLC; SMP Titan Flex, LP; XTO Delaware Basin, LLC; CTV-SRB II BPEOR NM, LLC; CTV-SRB I BPEOR NM, LLC; CTV-CTAM BPEOR NM, LLC; CTV-LMB II BPEOR NM, LLC; CTV-LMB I BPEOR NM, LLC; and New Mexico State Land Office.

Case No. 23748: Application of MRC Permian Company for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted mineral owners in a standard 240-acre horizontal well spacing unit in the Bone Spring formation underlying the N2S2 of Section 33 and the N2SE4 of Section 32, Township 20 South, Range 30 East, NMPM, Eddy County, New Mexico. Said unit will be initially dedicated to the proposed Alyson 3332 Fed Com 123H well to be horizontally drilled from a surface hole location in the SE4SE4 (Unit P) of Section 33, with a first take point in the NE4SE4 (Unit I) and a last take point in the NW4SE4 (Unit J) of Section 32. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 16 miles northeast of Carlsbad, New Mexico. #5804070, Current Argus, August 23, 2023