

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

CASE NO. 23752

ALYSON 3332 FED COM #203H

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. 23752

TABLE OF CONTENTS

- **Matador Exhibit A:** Compulsory Pooling Application Checklist
- **Matador Exhibit B:** Application of MRC Permian Company for Compulsory Pooling
- **Matador Exhibit C:** Affidavit of Hawks Holder, Landman
 - Matador Exhibit C-1: C-102
 - Matador Exhibit C-2: Land Tract Map
 - Matador Exhibit C-3: Uncommitted ORRI
- **Matador Exhibit D:** Self-Affirmed Statement of Andrew Parker, Geologist
 - Matador Exhibit D-1: Locator map
 - Matador Exhibit D-2: Subsea structure & cross-section map
 - Matador Exhibit D-3: Stratigraphic cross-section
- **Matador Exhibit E:** Self-Affirmed Statement of Notice
- **Matador Exhibit F:** Affidavit of Publication for the Case

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

| | |
|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| Case: 23752 | 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 COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO. |
| Entries of Appearance/Intervenors: | Permian Resources, Operating, LLC and Mewbourne Oil Company |
| Well Family | Alsyon |
| Formation/Pool | |
| Formation Name(s) or Vertical Extent: | Wolfcamp Formation |
| Primary Product (Oil or Gas): | Oil |
| Pooling this vertical extent: | N/A |
| Pool Name and Pool Code: | WC-015 G-07 S203032G; WOLFCAMP [97963] |
| Well Location Setback Rules: | Statewide oil rules |
| Spacing Unit | |
| 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 |
| Other Situations | |
| Depth Severance: Y/N. If yes, description | No BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico |
| Proximity Tracts: If yes, description | No Exhibit No. A Submitted by: MRC Permian Company |
| Proximity Defining Well: if yes, description | N/A Hearing Date: September 7, 2023 Case No. 23752 |
| Applicant's Ownership in Each Tract | Exhibit C-3 |
| 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 |

| | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| Well #1: <i>Received by OCD: 9/5/2023 10:30:57 AM</i> | Alyson 3332 Fed Com #203H well SHL: 854' FSL, 1,017' FEL (Unit P) of Section 33 BHL: 1,980' FSL, 2,532' FEL (Unit J) of Section 32 Target: Wolfcamp 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 | |
| | | |
| AFE Capex and Operating Costs | | |
| Drilling Supervision/Month \$ | N/A | |
| Production Supervision/Month \$ | N/A | |
| Justification for Supervision Costs | N/A | |
| Requested Risk Charge | N/A | |
| 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-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 | |
| Joinder | | |
| 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 | |
| Geology | | |
| Summary (including special considerations) | Exhibit D | |
| Spacing Unit Schematic | Exhibit D-1 | |
| Gunbarrel/Lateral Trajectory Schematic | N/A | |

| | |
|------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| Well Orientation (with rationale) | Exhibit D |
| Target Formation | Exhibit D, D-3 |
| HSU Cross Section | Exhibit D-3 |
| Depth Severance Discussion | N/A |
| Forms, Figures and Tables | |
| C-102 | Exhibit C-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 |
| Additional Information | |
| Special Provisions/Stipulations | N/A |
| CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate. | |
| Printed Name (Attorney or Party Representative): | Paula M. Vance |
| Signed Name (Attorney or Party Representative): |  |
| Date: | 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. 23752

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 Wolfcamp 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 203H** 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.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B
Submitted by: MRC Permian Company
Hearing Date: September 7, 2023
Case No. 23752**

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
Santa Fe, NM 87504
505-988-4421
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 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 Wolfcamp 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 203H** 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. 23752

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 203H** 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. 23752**

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 Wolfcamp well will be placed in the WC-015 G-07 S203032G; WOLFCAMP [97963] 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 Wolfcamp 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.

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

Submitted by: MRC Permian Company
Hearing Date: September 7, 2023
Exhibit No. C-1
Revised August 1, 2011
Case No. 23752

Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|----------------------------|----------------------------|--------------------------------|
| ¹ API Number | ² Pool Code | ³ Pool Name |
| | 97963 | WC-015 G-07 S203032G; Wolfcamp |
| ⁴ Property Code | ⁵ Property Name | |
| | ALYSON 3332 FED COM | |
| ⁶ OGRID No. | ⁷ Operator Name | ⁸ Well Number |
| 228937 | MATADOR PRODUCTION COMPANY | 203H |
| | | ⁹ Elevation |
| | | 3394' |

¹⁰Surface Location

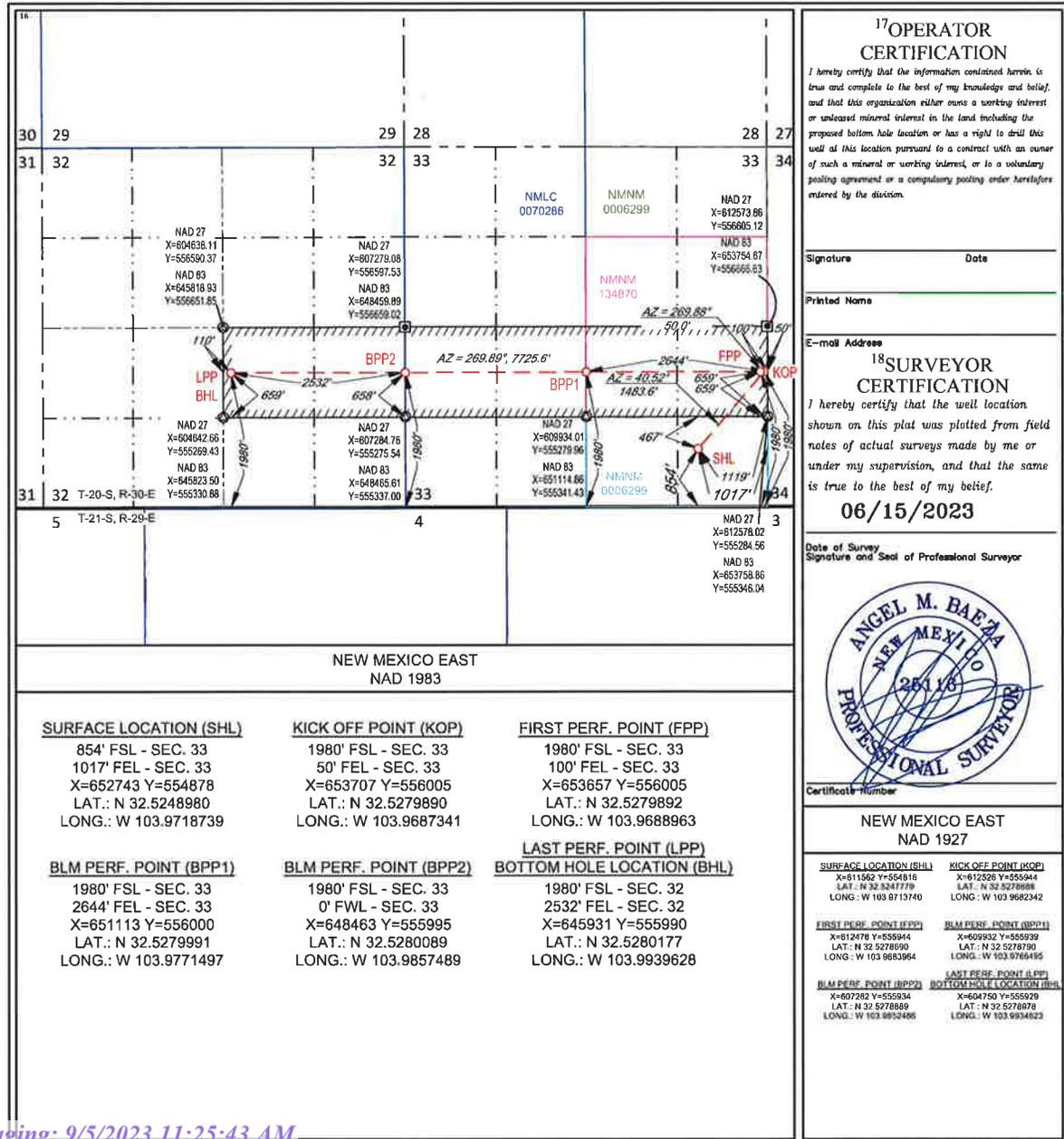
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| P | 33 | 20-S | 30-E | - | 854' | SOUTH | 1017' | EAST | EDDY |

¹¹Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| J | 32 | 20-S | 30-E | - | 1980' | SOUTH | 2532' | EAST | EDDY |

| | | | |
|-------------------------------|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
| 240 | | | |

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



¹⁷OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this 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 _____

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

06/15/2023

Date of Survey _____
Signature and Seal of Professional Surveyor

ANGEL M. BAEZA
NEW MEXICO
PROFESSIONAL SURVEYOR
25118

Certificate Number _____

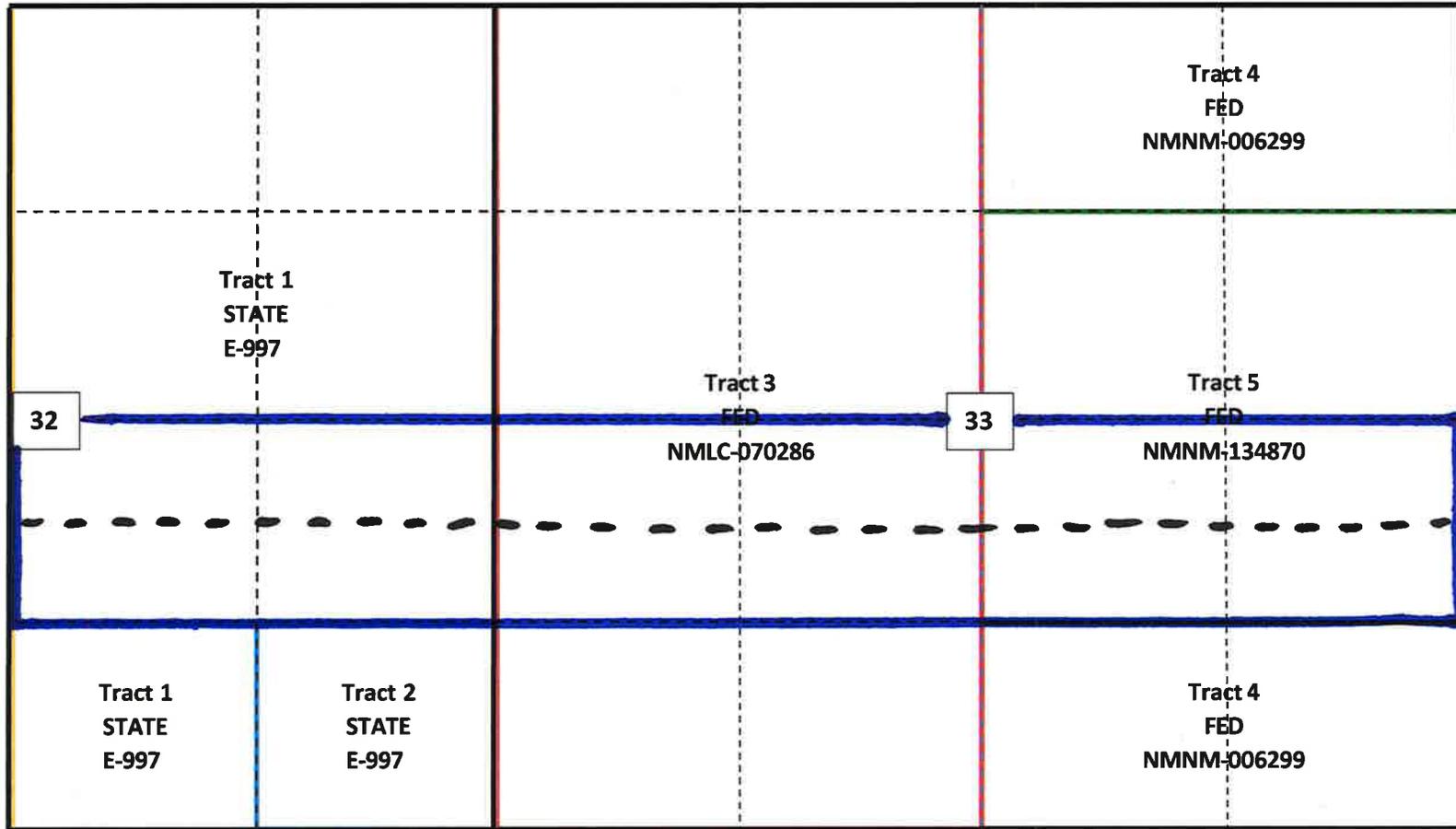
NEW MEXICO EAST
NAD 1927

| | | |
|------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SURFACE LOCATION (SHL) 854' FSL - SEC. 33 1017' FEL - SEC. 33 X=652743 Y=554878 LAT.: N 32.5248980 LONG.: W 103.9718739 | KICK OFF POINT (KOP) 1980' FSL - SEC. 33 50' FEL - SEC. 33 X=653707 Y=556005 LAT.: N 32.5279890 LONG.: W 103.9687341 | FIRST PERF. POINT (FPP) 1980' FSL - SEC. 33 100' FEL - SEC. 33 X=653657 Y=556005 LAT.: N 32.5279892 LONG.: W 103.9688963 |
| BLM PERF. POINT (BPP1) 1980' FSL - SEC. 33 2644' FEL - SEC. 33 X=651113 Y=556000 LAT.: N 32.5279991 LONG.: W 103.9771497 | BLM PERF. POINT (BPP2) 1980' FSL - SEC. 33 0' FWL - SEC. 33 X=648463 Y=555995 LAT.: N 32.5280089 LONG.: W 103.9857489 | LAST PERF. POINT (LPP) BOTTOM HOLE LOCATION (BHL) 1980' FSL - SEC. 32 2532' FEL - SEC. 32 X=645931 Y=555990 LAT.: N 32.5280177 LONG.: W 103.9939628 |

| | |
|---------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| SURFACE LOCATION (SHL) X=611582 Y=554816 LAT.: N 32.5247779 LONG.: W 103.9713740 | KICK OFF POINT (KOP) X=612226 Y=555944 LAT.: N 32.5279888 LONG.: W 103.9682342 |
| FIRST PERF. POINT (FPP) X=612478 Y=555944 LAT.: N 32.5278990 LONG.: W 103.9683964 | BLM PERF. POINT (BPP1) X=609932 Y=555939 LAT.: N 32.5278790 LONG.: W 103.9766495 |
| BLM PERF. POINT (BPP2) X=607282 Y=555934 LAT.: N 32.5278888 LONG.: W 103.9924085 | LAST PERF. POINT (LPP) BOTTOM HOLE LOCATION (BHL) X=604750 Y=555929 LAT.: N 32.5278878 LONG.: W 103.9934952 |

Exhibit C-2

Alyson 3332 Fed Com Tract Map



*Alyson 3332
Fed Com
#203H*

Exhibit C-3

Alyson 3332 Fed Com #203H Notice List

MRC Permian 100.000000%
 Voluntary Joinder 0.000000%
 Compulsory Pool 0.000000%

| Compulsory Pool Interest Owner: | Description: |
|----------------------------------------------------------------------------------------------------|--------------|
| 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 |
| 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 |

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. 23752

**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. 23750, 23752 and 23753

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

CASE NO. 23751

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 Upper Wolfcamp of the Wolfcamp formation.
6. **Matador Exhibit D-2** is a subsea structure map prepared off the top of the Wolfcamp formation. The contour interval is 50 feet. The structure map shows the Wolfcamp formation gently dipping to the southeast. The structure appears consistent across the proposed

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D
Submitted by: MRC Permian Company
Hearing Date: September 7, 2023
Case Nos. 23750-23753

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 Wolfcamp 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 Wolfcamp 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 Wolfcamp 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 Wolfcamp formation in the area of the spacing units proposed in these cases.

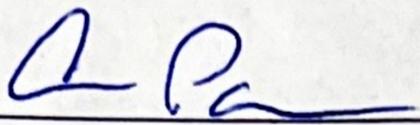
11. In my opinion, each quarter-quarter section will be productive and contribute more-or-less equally to production from each horizontal spacing unit.

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.

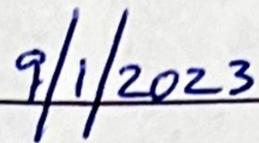
13. Approving Matador's applications will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

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.

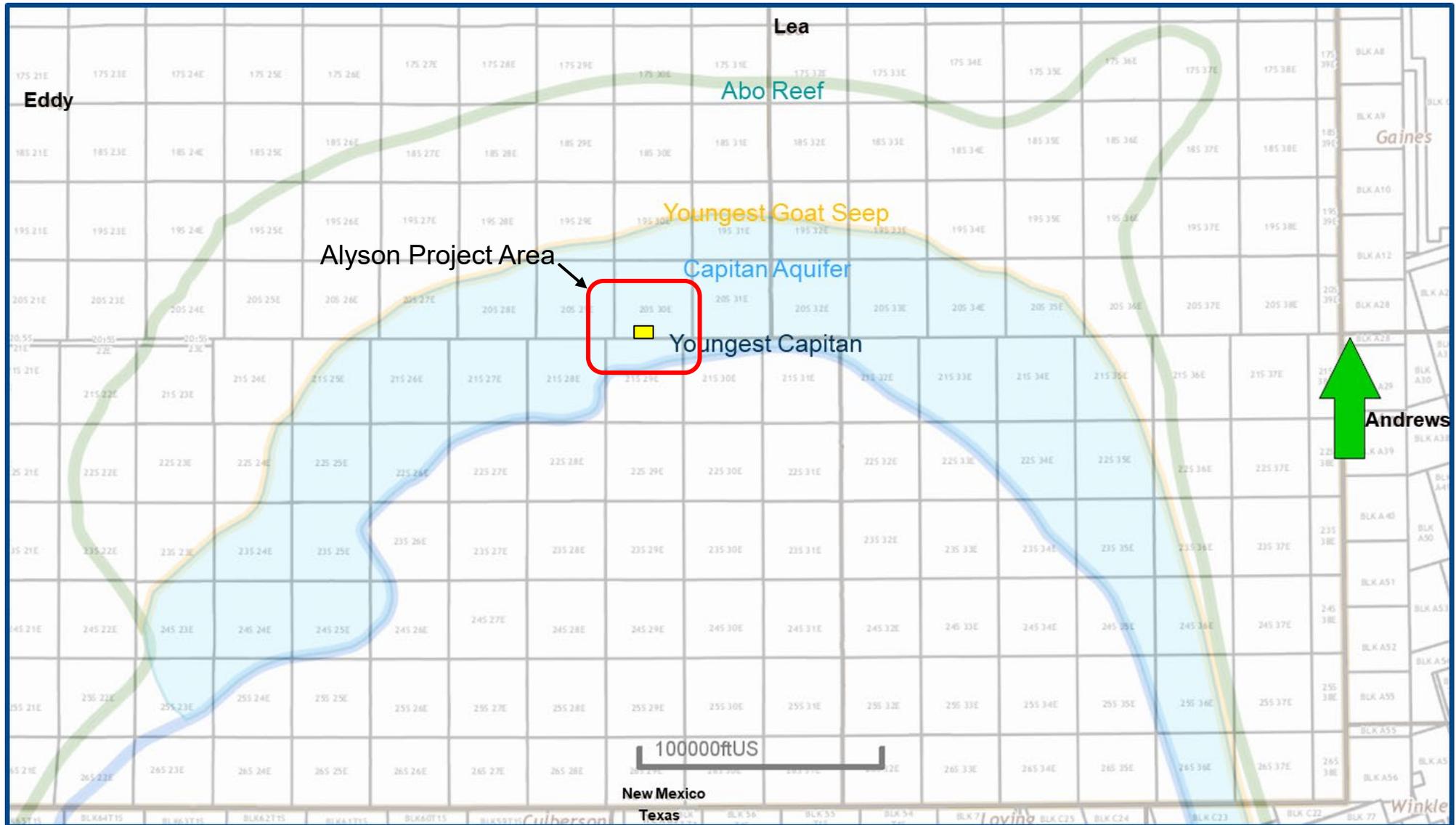


Andrew Parker

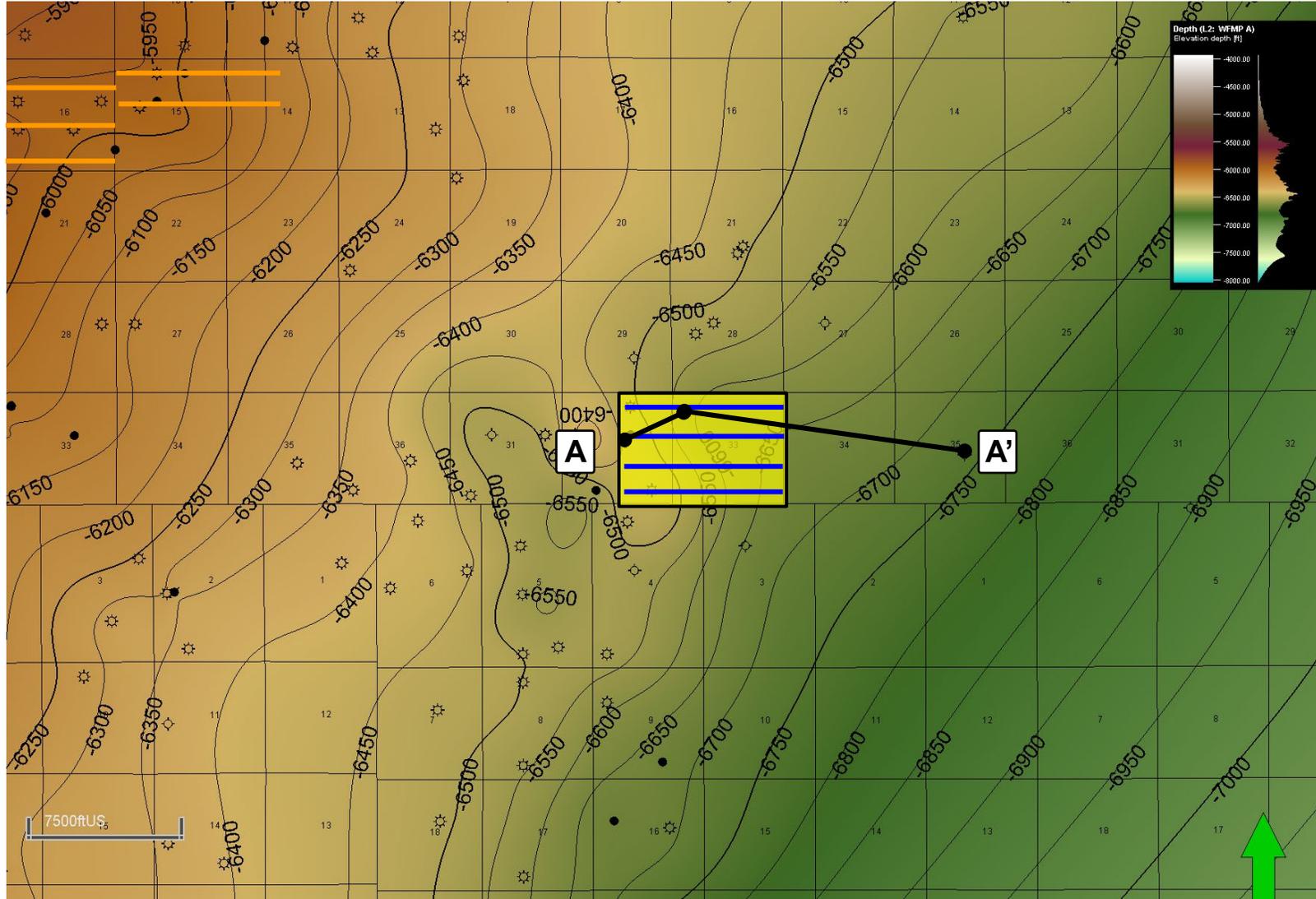


Date

Locator Map



WC-015 G-07 S203032G; WOLFCAMP, (97963) Structure Map (Top Wolfcamp Subsea) A – A' Reference Line



Map Legend

Alyson Wells



Wolfcamp Wells



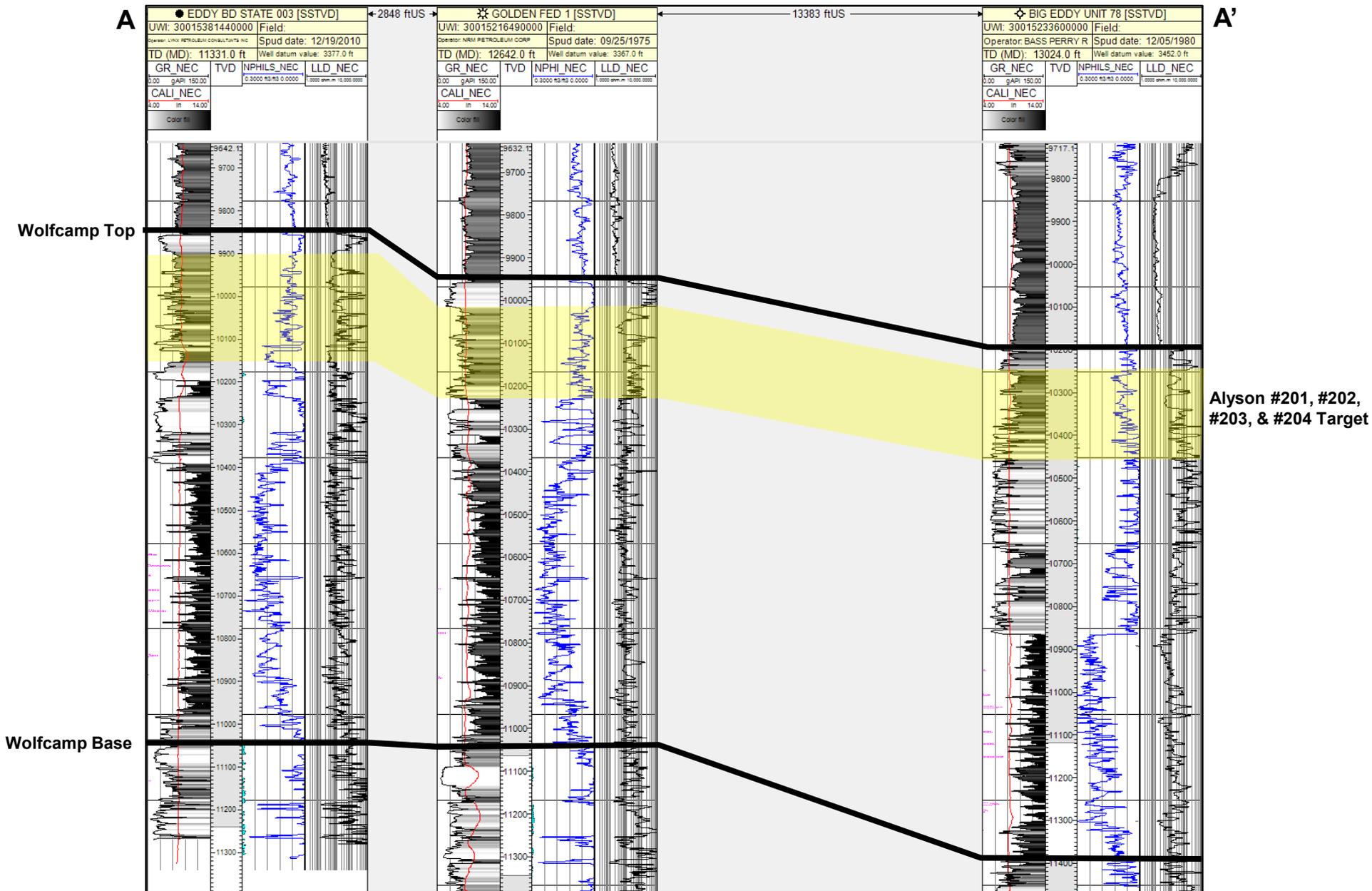
Project Area



C. I. = 50'

WC-015 G-07 S203032G; WOLFCAMP, (97963) 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. 23750-23753



**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. 23752

**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. 2375&**



Paula M. Vance

9/4/23

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 203H

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.

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 - Alyson 203H Well - Case no. 23752
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 Ridglea 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. |

MRC - Alyson 203H Well - Case no. 23752
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 203H Well - Case no. 23752
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. |
|------------------------|------------------------------|----------------------|----------|----|------------|---------------------------------------------------------------------------------------------------|

Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0005804097

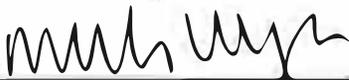
This is not an invoice

HOLLAND AND HART
PO BOX 2208

SANTA FE, NM 87504-2208

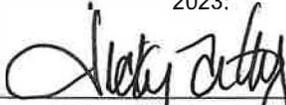
I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements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

9/19/25

My commission expires

VICKY FELTY
Notary Public
State of Wisconsin

Ad # 0005804097
PO #: 23752
of Affidavits 1

This is not an invoice

69: CF9 'H<9 'C=@7 CBG9F J5 HCB'8 =J-G-CB'
GubHU: YZBYK 'A YI]W<
9I \]V]hBc":
Gi Va]HtX'Vm'AF7 'DYfa]Ub'7 ca dUbm
<YU]b['8 UY. 'GYdHYa VYf '+Z&\$&'
7 UgY'Bc" &' +) &

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. 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 1-800-6591779, 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; DASC0 Energy Corporation; Fonay Oil & Gas, LLC;

rower 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. 23752: 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 Wolfcamp 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 203H 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.
#5804097, Current Argus,
August 23, 2023