

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING AUGUST 8, 2024**

CASE NO. 24697

*BILL WILSHUSEN 2221 FED COM #201H
& #202H WELLS*

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. 24697

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COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 24697	APPLICANT'S RESPONSE
Date	August 8, 2024
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:	N/A
Well Family	Bill Wilshusen
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp Formation
Primary Product (Oil or Gas):	Gas
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Carlsbad; Wolfcamp, East (Gas) [74160]
Well Location Setback Rules:	Statewide gas rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640 acres
Building Blocks:	320 acres
Orientation:	Laydown
Description: TRS/County	N/2 of Sections 21 and 22, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit C-3
Well(s)	BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. A Submitted by: Matador Production Company Hearing Date: August 8, 2024 Case No. 24697

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	Bill Wilshusen 2221 Fed Com 201H well SHL: 1,812' FNL, 308' FEL (Unit H) of Section 22 BHL: 652' FNL, 110' FWL (Unit D) of Section 21 Target: Wolfcamp Orientation: Laydown Completion: Standard Location
Well #2	Bill Wilshusen 2221 Fed Com 202H well SHL: 1,842' FNL, 308' FEL (Unit H) of Section 22 BHL: 1,980' FNL, 110' FWL (Unit E) of Section 21 Target: Wolfcamp Orientation: Laydown Completion: Standard Location
Horizontal Well First and Last Take Points	Exhibit C-1
Completion Target (Formation, TVD and MD)	Exhibit C-4
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-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	Exhibit C-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-3

Chronology of Contact with Non-Joined Working Interests	Exhibit C-5
Overhead Rates In Proposal Letter	Exhibit C-4
Cost Estimate to Drill and Complete	Exhibit C-4
Cost Estimate to Equip Well	Exhibit C-4
Cost Estimate for Production Facilities	Exhibit C-4
Geology	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit D-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-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:	7/30/2024

**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. 24697

APPLICATION

MRC Permian Company (“MRC” or “Applicant”), through undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in a standard 640-acre, more or less, horizontal well spacing unit in the Wolfcamp formation comprised of the N/2 of Sections 21 and 22, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico. In support of its application, MRC states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to designate Matador Production Company (OGRID No. 228937) as the operator of the proposed horizontal well spacing unit.
3. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Bill Wilshusen Fed Com #201H** well, to be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 22, with a first take point in the NE/4 NE/4 (Unit A) of Section 22 and a last take point in the NW/4 NW/4 (Unit D) of Section 21; and **Bill Wilshusen Fed Com #202H** well, to be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 22, with a first take point in the SE/4 NE/4 (Unit H) of Section 22 and a last take point in the SW/4 NW/4 (Unit E) of Section 21.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B
Submitted by: Matador Production Company
Hearing Date: August 8, 2024
Case No. 24697**

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.

5. The pooling of this horizontal well spacing unit 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 August 8, 2024, 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 spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping the wells;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

HOLLAND & HART LLP

By: _____

Michael H. Feldewert
Adam G. Rankin
Paula M. Vance
Post Office Box 2208
Santa Fe, NM 87504
505-988-4421
505-983-6043 Facsimile
mfeldewert@hollandhart.com
agrarkin@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 a standard 640-acre, more or less, horizontal well spacing unit in the Wolfcamp formation comprised of the N/2 of Sections 21 and 22, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico. Said unit will be initially dedicated to the proposed **Bill Wilshusen Fed Com #201H** well, to be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 22, with a first take point in the NE/4 NE/4 (Unit A) of Section 22 and a last take point in the NW/4 NW/4 (Unit D) of Section 21; and **Bill Wilshusen Fed Com #202H** well, to be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 22, with a first take point in the SE/4 NE/4 (Unit H) of Section 22 and a last take point in the SW/4 NW/4 (Unit E) of Section 21. 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 proposed spacing unit, and a 200% charge for risk involved in drilling said wells. The subject area is located approximately 3 miles northeast of Carlsbad, New Mexico.

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

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CASE NO. 24697

SELF-AFFIRMED STATEMENT OF HAWKS HOLDER

Hawks Holder, of lawful age and being first duly sworn, declares as follows:

1. My name Hawks Holder. I work for MRC Energy Company, an affiliate of MRC Permian Company (“MRC”), as a Senior 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 MRC in this case, and I am familiar with the status of the lands in the subject area.

4. In this case, MRC is seeking an order pooling all uncommitted interests in the Wolfcamp formation in the standard 640-acre, more or less, horizontal well spacing unit in the Wolfcamp formation underlying the N/2 of Sections 21 and 22, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico, and initially dedicate this Wolfcamp spacing unit to the proposed **Bill Wilshusen 2221 Fed Com #201H** well to be horizontally drilled from a surface hole location in the SE/4 NE/4 of Section 22, T21S-R27E with a first take point in the NE/4 NE/4 of Section 22, T21S-R27E and a last take point in the NW/4 NW/4 of Section 21, T21S-R27E; and the proposed **Bill Wilshusen 2221 Fed Com #202H** well to be horizontally drilled from a surface hole location in the SE/4 NE/4 of Section 22, T21S-R27E with a first take

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C
Submitted by: Matador Production Company
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point in the SE/4 NE/4 of Section 22, T21S-R27E and a last take point in the SW/4 NW/4 of Section 21, T21S-R27E

5. MRC understands this well will be placed in the CARLSBAD;WOLFCAMP, EAST (GAS) [74160] pool.

6. **MRC Exhibit C-1** contains the draft Form C-102s for the proposed wells.

7. 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.

8. **MRC Exhibit C-2** identifies the tracts of land comprising the proposed horizontal spacing units. The land in the proposed spacing unit is comprised of fee, state and federal lands.

9. **MRC Exhibit C-3** identifies for the working interest owners that MRC is seeking to pool along with their respective ownership interest in the proposed horizontal spacing unit. **MRC Exhibit C-3** also identifies the overriding royalty interest owners and record title owners that MRC seeks to pool in this case.

10. There are no depth severances within the Wolfcamp formation for this acreage.

11. While MRC was working to put this unit together, MRC proposed the above well to each of the working interest parties it seeks to pool. **MRC Exhibit C-4** contains a sample well proposal letter that was sent to those parties, along with the AFEs sent to working interest owners for each well. The costs reflected in the AFEs are consistent with what other operators have incurred for drilling similar horizontal wells in the area.

12. **MRC Exhibit C-5** contains a summary chronology of MRC's contacts and attempted contacts with the uncommitted working interest owners. In addition to sending the well proposal letters, MRC has attempted to call or email each of the uncommitted working interest owners for whom MRC has been able to find contact information. As indicated on Exhibit C-5,

Matador has had discussions with or received nonconsent elections back from each of the working interest parties we seek to pool in this case. In my opinion, MRC has undertaken good faith efforts to reach an agreement with the uncommitted working interest owners that MRC seeks to pool in this case.

13. MRC 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. MRC respectfully requests that these administrative and overhead costs be incorporated into any order entered by the Division in this case.

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

15. **MRC Exhibits C-1 through C-5** were either prepared by me or compiled under my direction and supervision.

16. 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.



Hawks Holder

7/29/24

Date

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

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 30-015-		² Pool Code 74160		³ Pool Name Carlsbad; Wolfcamp, East (Gas)			
⁴ Property Code		⁵ Property Name BILL WILSHUSEN 2221 FED COM			⁶ Well Number 201H		
⁷ GRID No. 228937		⁸ Operator Name MATADOR PRODUCTION COMPANY			⁹ Elevation 3235'		
¹⁰ Surface Location							
UL or lot no. H	Section 22	Township 21-S	Range 27-E	Lot Idn -	Feet from the North/South line 1812'	Feet from the East/West line 308'	County EDDY
¹¹ Bottom Hole Location If Different From Surface							
UL or lot no. D	Section 21	Township 21-S	Range 27-E	Lot Idn -	Feet from the North/South line 652'	Feet from the East/West line 110'	County EDDY
¹² Dedicated Acres 640		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.

NEW MEXICO EAST
NAD 1983

<u>SURFACE LOCATION (SHL)</u>	<u>KICK OFF POINT (KOP)</u>	<u>FIRST PERFORATION POINT (FPP)</u>
1812' FNL - SEC. 22	652' FNL - SEC. 22	652' FNL - SEC. 22
308' FEL - SEC. 22	50' FEL - SEC. 22	100' FEL - SEC. 22
X=591687 Y=533991	X=591939 Y=535154	X=591889 Y=535153
LAT.: N 32.4678986	LAT.: N 32.4710933	LAT.: N 32.4710929
LONG.: W 104.1700749	LONG.: W 104.1692516	LONG.: W 104.1694138
<u>BLM PERF. POINT (BPP1)</u>	<u>BLM PERF. POINT (BPP2)</u>	<u>LAST PERFORATION POINT (LPP)</u>
624' FNL - SEC. 22	645' FNL - SEC. 21	652' FNL - SEC. 21
0' FWL - SEC. 22	1323' FWL - SEC. 21	110' FWL - SEC. 21
X=586660 Y=535127	X=582681 Y=535107	X=581468 Y=535101
LAT.: N 32.4710422	LAT.: N 32.4710021	LAT.: N 32.4709897
LONG.: W 104.1863695	LONG.: W 104.1992738	LONG.: W 104.2032057
<u>BOTTOM HOLE LOCATION (BHL)</u>		
624' FNL - SEC. 22		
0' FWL - SEC. 22		
X=586660 Y=535127		
LAT.: N 32.4710422		
LONG.: W 104.1863695		

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.

05/08/2024

Date of Survey _____
Signature and Seal of Professional Surveyor

Certificate Number _____

NEW MEXICO EAST
NAD 1927

<u>SURFACE LOCATION (SHL)</u>	<u>KICK OFF POINT (KOP)</u>
X=550996 Y=533890	X=550758 Y=535893
LAT.: N 32.4677802	LAT.: N 32.4709748
LONG.: W 104.1695711	LONG.: W 104.1687478
<u>FIRST PERFORATION POINT (FPP)</u>	<u>BLM PERF. POINT (BPP1)</u>
X=550708 Y=535080	X=545478 Y=535067
LAT.: N 32.4709744	LAT.: N 32.4709245
LONG.: W 104.1695089	LONG.: W 104.1685852
<u>BLM PERF. POINT (BPP2)</u>	<u>LAST PERFORATION POINT (LPP)</u>
X=541500 Y=535047	X=540287 Y=535041
LAT.: N 32.4708841	LAT.: N 32.4708717
LONG.: W 104.1697691	LONG.: W 104.2027009

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-1

Submitted by: Matador Production Company
Hearing Date: August 8, 2024
Case No. 24697

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 E. Hondo 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 30-015-		² Pool Code 74160		³ Pool Name Carlsbad; Wolfcamp, East (Gas)					
⁴ Property Code		⁵ Property Name BILL WILSHUSEN 2221 FED COM		⁶ Well Number 202H					
⁷ OCRID No. 228937		⁸ Operator Name MATADOR PRODUCTION COMPANY		⁹ Elevation 3235'					
¹⁰ Surface Location									
UL or lot no. H	Section 22	Township 21-S	Range 27-E	Lot Idn -	Feet from the 1842'	North/South line NORTH	Feet from the 308'	East/West line EAST	County EDDY
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. E	Section 21	Township 21-S	Range 27-E	Lot Idn -	Feet from the 1980'	North/South line NORTH	Feet from the 110'	East/West line WEST	County EDDY
¹² Dedicated Acres 640		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.

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 holds 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 _____

Company 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.

05/08/2024

Date of Survey _____
Signature and Seal of Professional Surveyor

Certificate Number _____

NEW MEXICO EAST
NAD 1927

<u>SURFACE LOCATION (SHL)</u>	<u>KICK OFF POINT (KOP)</u>	<u>FIRST PERFORATION POINT (FPP)</u>
1842' FNL - SEC. 22 308' FEL - SEC. 22 X=591687 Y=533961 LAT.: N 32.4678162 LONG.: W 104.1700755	1980' FNL - SEC. 22 50' FEL - SEC. 22 X=591946 Y=533826 LAT.: N 32.4674429 LONG.: W 104.1692361	1980' FNL - SEC. 22 100' FEL - SEC. 22 X=591896 Y=533825 LAT.: N 32.4674424 LONG.: W 104.1693982

<u>BLM PERF. POINT (BPP1)</u>	<u>BLM PERF. POINT (BPP2)</u>	<u>LAST PERFORATION POINT (LPP)</u>
1952' FNL - SEC. 22 0' FWL - SEC. 22 X=586667 Y=533799 LAT.: N 32.4673918 LONG.: W 104.1863518	1973' FNL - SEC. 21 1325' FWL - SEC. 21 X=582684 Y=533779 LAT.: N 32.4673518 LONG.: W 104.1992696	1980' FNL - SEC. 21 110' FWL - SEC. 21 X=581468 Y=533773 LAT.: N 32.4673393 LONG.: W 104.2032095

<u>BOTTOM HOLE LOCATION (BHL)</u>	<u>BLM PERF. POINT (BPP2)</u>	<u>LAST PERFORATION POINT (LPP)</u>
X=540177.28 Y=534370.21 NAD27 X=540177.69 Y=533047.38 NAD83 X=561358.61 Y=533107.73	X=545490.22 Y=533044.47 NAD83 X=586671.19 Y=533104.87	X=550816.40 Y=533091.84 NAD83 X=581999.41 Y=533162.29

Exhibit C-2

Bill Wilshusen 2221 Fed Com Tract Map

	21		22			
N/2	Tract 1	Tract 2	Tract 3	Tract 5	Tract 4	
	FEE	FEDERAL; NMNM-140712	STATE VC-683	STATE K-3977	STATE L-2351	N/2 N/2; Case 24620
				Tract 5		N/2; Case 24697
				STATE K-3977		S/2 N/2; Case 24621

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. C-2
 Submitted by: Matador Production Company
 Hearing Date: August 8, 2024
 Case No. 24697

Exhibit C-3

Bill Wilshusen 2221 Fed Com #201H/#202H
MRC Permian **56.237500%**
Voluntary Joinder **4.897589%**
Compulsary Pool **38.864911%**

Owner	Description	Tract	Interest
Devon Energy Production Company, L.P.	WI	3, 4, 5	22.924954%
Permian Resources Operating, LLC	WI	5	3.125000%
Carolyn B. Yates	WI	5	0.187499%
Aeron A. Yates and John Frances Messa, Co-Trustees of the Aaeron A. Yates Children's Trust	WI	5	0.053313%
Carolyn B. Yates and Bruno J. Bulovas, Jr., Co-Trustees of the Steven M. Yates Children's Trust	WI	5	0.053311%
Aeron A. Yates	WI	5	0.020834%
SITL Energy, LLC	WI	1	4.687500%
Osprey Oil and Gas II, LLC	WI	1	4.687500%
R.E.B. Resources, LLC	WI	1	3.125000%
BMT II BPEOR NM, LLC	ORRI		
BMT I BPEOR NM, LLC	ORRI		
PetroYates, Inc.	ORRI		
Yates Energy Royalty Interests LLC	ORRI		
Spiral, Inc.	ORRI		
Tommy Phipps and Werta Jean Phipps, Trustees of the Phipps Living Trust	ORRI		
George M. Yates	ORRI		
Harvey E. Yates, Jr.	ORRI		
Marifred M. Handley, Trustee of the Joe F. Handley and Marifred M. Handley Revocable Trust	ORRI		
Marifred M. Handley	ORRI		
Jay Paul Miller	ORRI		
David Scott Miller	ORRI		
Julie J. Lara	ORRI		
Cibola Land Corporation	ORRI		
Clendon York	ORRI		
Lendon York	ORRI		
Jatonna York Birchell	ORRI		
Donna York Bliven	ORRI		
OXY USA WTP Limited Partnership	Record Title		
Devon Energy Production Company, L.P.	Record Title		

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-3
Submitted by: Matador Production Company
Hearing Date: August 8, 2024
Case No. 24697

Exhibit C-4

Matador Production Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
Cell 806.282.6846 • Office 972.619.4336 • Fax 972-371-5201
hawks.holder@matadorresources.com

Hawks Holder
Senior Landman

March 18, 2024

VIA CERTIFIED RETURN RECEIPT MAIL

Aeron A. Yates
2843 Seccomb St.
Ft. Collins, CO 80526

Re: Bill Wilshusen Fed Com #121H, #201H, #122H & #202H (the "Wells")
Participation Proposal
N2 of Sections 21 & 22, Township 21 South, Range 27 East
Eddy County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Bill Wilshusen Fed Com #121H, Bill Wilshusen Fed Com #201H, Bill Wilshusen Fed Com #122H & Bill Wilshusen Fed Com #202H, wells, located in the N2 of Sections 21 & 22, Township 21 South, Range 27 East, Eddy County, New Mexico.

In connection with the above, please note the following:

The estimated cost of drilling, testing, completing, and equipping of each Well is itemized on the four (4) enclosed Authority for Expenditures ("AFE"), dated January 10, 2024.

- **Bill Wilshusen Fed Com #121H:** to be drilled from a legal location with a proposed surface hole location in the SE/4NE/4 of Section 22-21S-27E, a proposed first take point located at 100' FEL and 660' FNL of Section 22-21S-27E, and a proposed last take point located at 100' FWL and 660' FNL of Section 21-21S-27E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~7,500' TVD) to a Measured Depth of approximately 17,804'.
- **Bill Wilshusen Fed Com #201H:** to be drilled from a legal location with a proposed surface hole location in the SE/4NE/4 of Section 22-21S-27E, a proposed first take point located at 100' FEL and 660' FNL of Section 22-21S-27E, and a proposed last take point located at 100' FWL and 660' FNL of Section 21-21S-27E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~8,975' TVD) to a Measured Depth of approximately 19,242'.
- **Bill Wilshusen Fed Com #122H:** to be drilled from a legal location with a proposed surface hole location in the SE/4NE/4 of Section 22-21S-27E, a proposed first take point located at 100' FEL and 1,980' FNL of Section 22-21S-27E, and a proposed last take point located at 100' FWL and 1,980' FNL of Section 21-21S-27E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~7,500' TVD) to a Measured Depth of approximately 17,804'.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-4
Submitted by: Matador Production Company
Hearing Date: August 8, 2024
Case No. 24697

- **Bill Wilshusen Fed Com #202H:** to be drilled from a legal location with a proposed surface hole location in the SE/4NE/4 of Section 22-21S-27E, a proposed first take point located at 100' FEL and 1,980' FNL of Section 22-21S-27E, and a proposed last take point located at 100' FWL and 1,980' FNL of Section 21-21S-27E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~8,975' TVD) to a Measured Depth of approximately 19,242'.

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 will be provided at a later date, covering The N2 of Sections 21 & 22, Township 21 South, Range 27 East, Eddy County, New Mexico, and has the following general provisions:

- 100%/300%/300% Non-consenting penalty
- \$8,000/\$800 Drilling and Producing rate
- Matador Production Company named as Operator

If your election is to participate in the drilling and completion of the Wells, please sign and return a copy of the enclosed 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



Hawks Holder

Aeron A. Yates hereby elects to:

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Bill Wilshusen Fed Com #121H** well.
_____ Not to participate in the **Bill Wilshusen Fed Com #121H**.

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Bill Wilshusen Fed Com #201H** well.
_____ Not to participate in the **Bill Wilshusen Fed Com #201H**.

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Bill Wilshusen Fed Com #122H** well.
_____ Not to participate in the **Bill Wilshusen Fed Com #122H**.

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Bill Wilshusen Fed Com #202H** well.
_____ Not to participate in the **Bill Wilshusen Fed Com #202H**.

Aeron A. Yates

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) 371-5291

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	January 10, 2024	AFE NO.:	
WELL NAME:	Bill Wfishusen Fed Com #201H	FIELD:	Wolfcamp
LOCATION:	Section 22&21 21S 27E	MD/TVD:	19242/8975'
COUNTY/STATE:	Eddy, NM	LATERAL LENGTH:	9,800
MRC WI:			
GEOLOGIC TARGET:	Wolfcamp		
REMARKS:	Drill and complete a horizontal 2 mile long Wolfcamp A-XY sand target		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
INTANGIBLE COSTS					
Land / Legal / Regulatory	\$ 58,000	\$ -	\$ -	\$ 10,000	\$ 68,000
Location, Surveys & Damages	157,500	13,000	16,000	12,500	199,000
Drilling	886,838	-	-	-	886,838
Cementing & Float Equip	342,000	-	-	-	342,000
Logging / Formation Evaluation	-	3,750	3,000	-	6,750
Flowback - Labor	-	-	18,180	-	18,180
Flowback - Surface Rentals	-	-	127,850	-	127,850
Flowback - Rental Living Quarters	-	-	-	-	-
Mud Logging	19,575	-	-	-	19,575
Mud Circulation System	111,273	-	-	-	111,273
Mud & Chemicals	200,000	50,000	25,000	-	275,000
Mud / Wastewater Disposal	194,000	-	-	1,000	195,000
Freight / Transportation	22,500	40,500	7,000	-	70,000
Rig Supervision / Engineering	128,250	92,800	6,000	1,800	228,850
Drill Bits	105,500	-	-	-	105,500
Fuel & Power	154,500	428,538	15,000	-	608,038
Water	45,000	684,601	3,000	1,000	813,601
Drig & Completion Overhead	10,000	-	-	-	10,000
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	303,353	-	-	-	303,353
Directional Unit, Swab, CTU	-	200,000	9,000	-	209,000
Perforating, Wireline, Slickline	-	165,643	-	-	165,643
High Pressure Pump Truck	-	123,400	8,000	-	131,400
Stimulation	-	2,514,025	-	-	2,514,025
Stimulation Flowback & Disp	-	15,500	50,400	-	65,900
Insurance	34,636	-	-	-	34,636
Labor	215,500	60,250	15,000	5,000	295,750
Rental - Surface Equipment	98,648	297,110	10,000	20,000	425,758
Rental - Downhole Equipment	198,750	88,000	-	-	286,750
Rental - Living Quarters	58,125	38,540	-	5,000	101,665
Contingency	173,808	218,283	31,041	5,630	428,743
Operations Center	21,252	-	-	-	21,252
TOTAL INTANGIBLES >	3,649,977	4,914,921	341,451	81,930	8,948,279
TANGIBLE COSTS					
Surface Casing	\$ 51,182	\$ -	\$ -	\$ -	\$ 51,182
Intermediate Casing	60,070	-	-	-	60,070
Drilling Liner	127,540	-	-	-	127,540
Production Casing	608,432	-	-	-	608,432
Production Liner	-	-	-	-	-
Tubing	-	-	125,100	-	125,100
Wellhead	128,500	-	45,000	-	173,500
Packers, Liner Hangers	-	50,190	8,000	-	58,190
Tanks	-	-	-	78,250	78,250
Production Vessels	-	-	-	187,500	187,500
Flow Lines	-	-	-	120,000	120,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	80,000	-	80,000
Compressor	-	-	-	21,250	21,250
Installation Costs	-	-	-	80,000	80,000
Surface Pumps	-	-	5,000	25,825	30,825
Non-controllable Surface	-	-	-	2,000	2,000
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	11,000	59,500	70,500
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	65,000	65,000
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	-	-	-
Tank / Facility Containment	-	-	-	10,000	10,000
Flare Stack	-	-	-	21,875	21,875
Electrical / Grounding	-	-	30,000	41,250	71,250
Communications / SCADA	-	-	12,000	10,000	22,000
Instrumentation / Safety	-	-	-	28,250	28,250
TOTAL TANGIBLES >	972,724	80,190	314,100	738,500	2,075,513
TOTAL COSTS >	4,622,700	4,995,111	655,551	800,430	11,043,792

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Peny Hawks	Team Lead - WTX/NM	<u>WTE</u>
Completions Engineer:	Jack Hmdir		WTE
Production Engineer:	Gerritt Ullrich		

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, Res	<u>WTE</u>	EVP Geoscience	<u>NLF</u>	CCO- Drilling, Completion and Production	<u>CC</u>
Executive VP, Legal	<u>CA</u>				
President	<u>BC</u>				

NON OPERATING PARTNER APPROVAL:

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

This form on this AFE and conditions apply and they are not intended as contracts or any similar form or the like. This form is provided as a guide only. The user shall be responsible for ensuring that the AFE is completed in accordance with the AFE. The user shall be responsible for ensuring that the AFE is completed in accordance with the AFE. The user shall be responsible for ensuring that the AFE is completed in accordance with the AFE.

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:	January 10, 2024	AFE NO.:	
WELL NAME:	Bill Wislhusen Fed Com #202H	FIELD:	Wolfcamp
LOCATION:	Section 22&21 21S 27E	MD/TVD:	19242/8975'
COUNTY/STATE:	Eddy, NM	LATERAL LENGTH:	9,800
MRC Wt:			
GEOLOGIC TARGET:	Wolfcamp		
REMARKS:	Drill and complete a horizontal 2 mile long Wolfcamp A-XY sand target		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
INTANGIBLE COSTS					
Land / Legal / Regulatory	\$ 58,000	\$ -	\$ -	\$ 10,000	\$ 68,000
Location, Surveys & Damages	157,500	13,000	15,000	12,500	198,000
Drilling	886,808	-	-	-	886,808
Cementing & Float Equip	342,000	-	-	-	342,000
Logging / Formation Evaluation	-	3,750	3,000	-	6,750
Flowback - Labor	-	-	18,180	-	18,180
Flowback - Surface Rentals	-	-	127,850	-	127,850
Flowback - Rental Living Quarters	-	-	-	-	-
Mud Logging	19,575	-	-	-	19,575
Mud Circulation System	111,273	-	-	-	111,273
Mud & Chemicals	300,000	56,000	25,000	-	381,000
Mud / Wastewater Disposal	195,000	-	-	1,000	196,000
Freight / Transportation	22,500	40,500	7,000	-	70,000
Rig Supervision / Engineering	128,250	92,800	8,000	1,800	228,850
Drill Bits	106,600	-	-	-	106,600
Fuel & Power	184,500	425,538	15,000	-	625,038
Water	45,000	564,801	3,000	1,000	613,601
Drig & Completion Overhead	10,000	-	-	-	10,000
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	303,353	-	-	-	303,353
Completion Unit, Swab, CTU	-	200,000	9,000	-	209,000
Perforating, Wireline, Slickline	-	165,643	-	-	165,643
High Pressure Pump Truck	-	123,400	8,000	-	129,400
Stimulation	-	2,514,025	-	-	2,514,025
Stimulation Flowback & Disp	-	15,500	50,400	-	65,900
Insurance	34,638	-	-	-	34,638
Labor	216,500	60,250	15,000	5,000	296,750
Rental - Surface Equipment	98,648	207,110	10,000	20,000	425,758
Rental - Downhole Equipment	198,750	86,000	-	-	284,750
Rental - Living Quarters	58,125	38,540	-	5,000	101,665
Contingency	173,600	218,283	31,041	5,830	428,743
Operations Center	21,252	-	-	-	21,252
TOTAL INTANGIBLES >	3,649,977	4,914,921	341,451	61,930	8,948,279
TANGIBLE COSTS					
Surface Casing	\$ 51,192	\$ -	\$ -	\$ -	\$ 51,192
Intermediate Casing	60,070	-	-	-	60,070
Drilling Liner	127,540	-	-	-	127,540
Production Casing	608,432	-	-	-	608,432
Production Liner	-	-	-	-	-
Tubing	-	-	125,100	-	125,100
Wellhead	125,500	-	45,000	-	170,500
Packers, Liner Hangers	-	50,180	8,000	-	58,180
Tanks	-	-	-	76,250	76,250
Production Vessels	-	-	-	187,500	187,500
Flow Lines	-	-	-	120,000	120,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	80,000	-	80,000
Compressor	-	-	-	21,250	21,250
Installation Costs	-	-	-	80,000	80,000
Surface Pumps	-	-	5,000	25,825	30,825
Non-controllable Surface	-	-	-	2,000	2,000
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	11,000	69,500	80,500
Measurement & Meter Installation	-	-	-	-	-
Gas Conditioning / Dehydration	-	-	-	65,000	65,000
Interconnecting Facility Piping	-	-	-	-	-
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	-	10,000	10,000
Tank / Facility Containment	-	-	-	21,875	21,875
Flare Stack	-	-	-	71,250	71,250
Electrical / Grounding	-	-	30,000	41,250	71,250
Communications / SCADA	-	-	12,000	10,000	22,000
Instrumentation / Safety	-	-	-	28,250	28,250
TOTAL TANGIBLES >	972,724	50,190	314,100	738,500	2,075,514
TOTAL COSTS >	4,622,701	4,965,111	655,551	800,430	11,043,792

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Perry Hawk	Team Lead - WTX/NM	<u>WTE</u>
Completions Engineer:	Jack Hmer		WTE
Production Engineer:	Garrett Littrell		

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, Res	<u>WTE</u>	EVP Geoscience	<u>NLF</u>	COO- Drilling, Completion and Production	<u>CC</u>
Executive VP, Legal	<u>CA</u>				
President	<u>BC</u>				

NON OPERATING PARTNER APPROVAL:

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

This AFE is an estimate only and may not be continued as a lease or any other type of agreement. All rights are reserved by the operator. The operator is not responsible for the accuracy of the information provided in this AFE. The Participant agrees to pay its proportionate share of all actual costs incurred, including legal, engineering, geology, and other costs, under the terms of the applicable lease and operating agreement, unless otherwise specified in writing. The operator shall be deemed to have accepted the AFE and shall be deemed to have agreed to the terms and conditions of the AFE. The operator shall be deemed to have agreed to the terms and conditions of the AFE. The operator shall be deemed to have agreed to the terms and conditions of the AFE.

Exhibit C-5

Summary of Communication – Bill Wilshusen 2221 Fed Com Wells

Devon Energy Production Company, L.P.:

- 3/18/2024: Proposals mailed via Certified Mail.
- 3/24/2024: Proposals delivered (received signed return receipt).
- 4/29/2024: Joint Operating Agreement mailed via Certified Mail.
- 4/3/2024-6/20/2024: Discussions with Devon regarding this project.

Permian Resources Operating, LLC:

- 5/28/2024: Proposals and Joint Operating Agreement mailed via Certified Mail.
- 6/2/2024: Proposals delivered (received signed return receipt).
- 6/2/2023- 6/20/2024: Discussions with Permian regarding this project.

Carolyn B. Yates:

- 3/18/2024: Proposals mailed via Certified Mail.
- 3/26/2024: Proposals delivered (received signed return receipt)
- 4/29/2024: Joint Operating Agreement mailed via Certified Mail.
- 4/10/2024: Received election for non-consent.
- Following receipt of non-consent, attempted to call with no response.

Aeron A. Yates and John Frances Messa, Co-Trustees of the Aeron A. Yates Children's Trust:

- 3/18/2024: Proposals mailed via Certified Mail.
- 3/25/2024: Proposals delivered (received signed return receipt).
- 4/29/2024: Joint Operating Agreement mailed via Certified Mail.
- 4/3/2024: Received election for non-consent.
- Following receipt of non-consent, spoke with me on the phone regarding planned operations.

Carolyn B. Yates and Bruno J. Bulovas, Jr., Co-Trustees of the Steven M. Yates Children's Trust:

- 3/18/2024: Proposals mailed via Certified Mail.
- 3/26/2024: Proposals delivered (received signed return receipt).
- 4/29/2024: Joint Operating Agreement mailed via Certified Mail.
- 4/10/2024 Received election for non-consent.
- Following receipt of non-consent, spoke with me on the phone regarding planned operations.

Aeron A. Yates:

- 3/18/2024: Proposals mailed via Certified Mail.
- 3/25/2024: Proposals delivered (received signed return receipt).
- 4/29/2024: Joint Operating Agreement mailed via Certified Mail.
- 4/3/2024 Received election for non-consent.
- Following receipt of non-consent, reached out with no response.

SITL Energy, LLC

- 7/1/2024: Proposals and Joint Operating Agreement mailed via Certified Mail.
- 7/8/2024: Proposals delivered (received signed return receipt).

- 7/8/2024- 7/20/2024: Discussions with SITL regarding this project.

R.E.B. Resources, LLC

- 7/1/2024: Proposals and Joint Operating Agreement mailed via Certified Mail.
- 7/8/2024: Proposals delivered (received signed return receipt).
- 7/8/2024- 7/20/2024: Discussions with R.E.B. regarding this project.

Osprey Oil and Gas II, LLC

- 7/1/2024: Proposals and Joint Operating Agreement mailed via Certified Mail.
- 7/8/2024: Proposals delivered (received signed return receipt).
- 7/8/2024- 7/20/2024: Discussions with Osprey regarding this project.

**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. 24697

SELF-AFFIRMED STATEMENT OF ANDREW PARKER

Andrew Parker, of lawful age and being first duly sworn, declares as follows:

1. My name is Andrew Parker. I work for MRC Energy Company, an affiliate of MRC Permian Company and Matador Production Company, as a Senior Vice President of Geosciences.
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 application filed by MRC in this case, and I have conducted a geologic study of the lands in the subject area.
4. **MRC Exhibit D-1** is a locator map outlining the horizontal spacing unit with a black box shaded in yellow, with the larger area identified in a red box.
5. In this case, MRC intends to develop the Upper Wolfcamp of the Wolfcamp formation.
6. **MRC Exhibit D-2** is a subsea structure map prepared off the top of the Wolfcamp formation. The contour interval is 100 feet. The structure map shows the Wolfcamp formation gently dipping to the east. The structure appears consistent across the proposed wellbore path. I do not observe any faulting, pinchouts, or other geologic impediments to horizontal drilling.
7. Also included on MRC Exhibit D-2 is a line of cross section from A to A'.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D
Submitted by: Matador Production Company
Hearing Date: August 8, 2024
Case No. 24697**

8. **MRC Exhibit D-3** is a structural cross-section prepared displaying open-hole logs run over the Wolfcamp formation from the four 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. The proposed target interval for the proposed wells is labeled and marked with a yellow shaded area. The logs in the cross-section demonstrate that the targeted interval, within the Wolfcamp formation, is consistent in thickness, across the entirety of the proposed spacing unit.

9. In my opinion, the laydown orientation is the preferred orientation for development in this area for Wolfcamp wells because the maximum horizontal stress is closer to north-south than east-west 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 unit proposed in this case.

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 MRC's application will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

14. **MRC 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.

A handwritten signature in black ink, appearing to read "A Parker", written over a horizontal line.

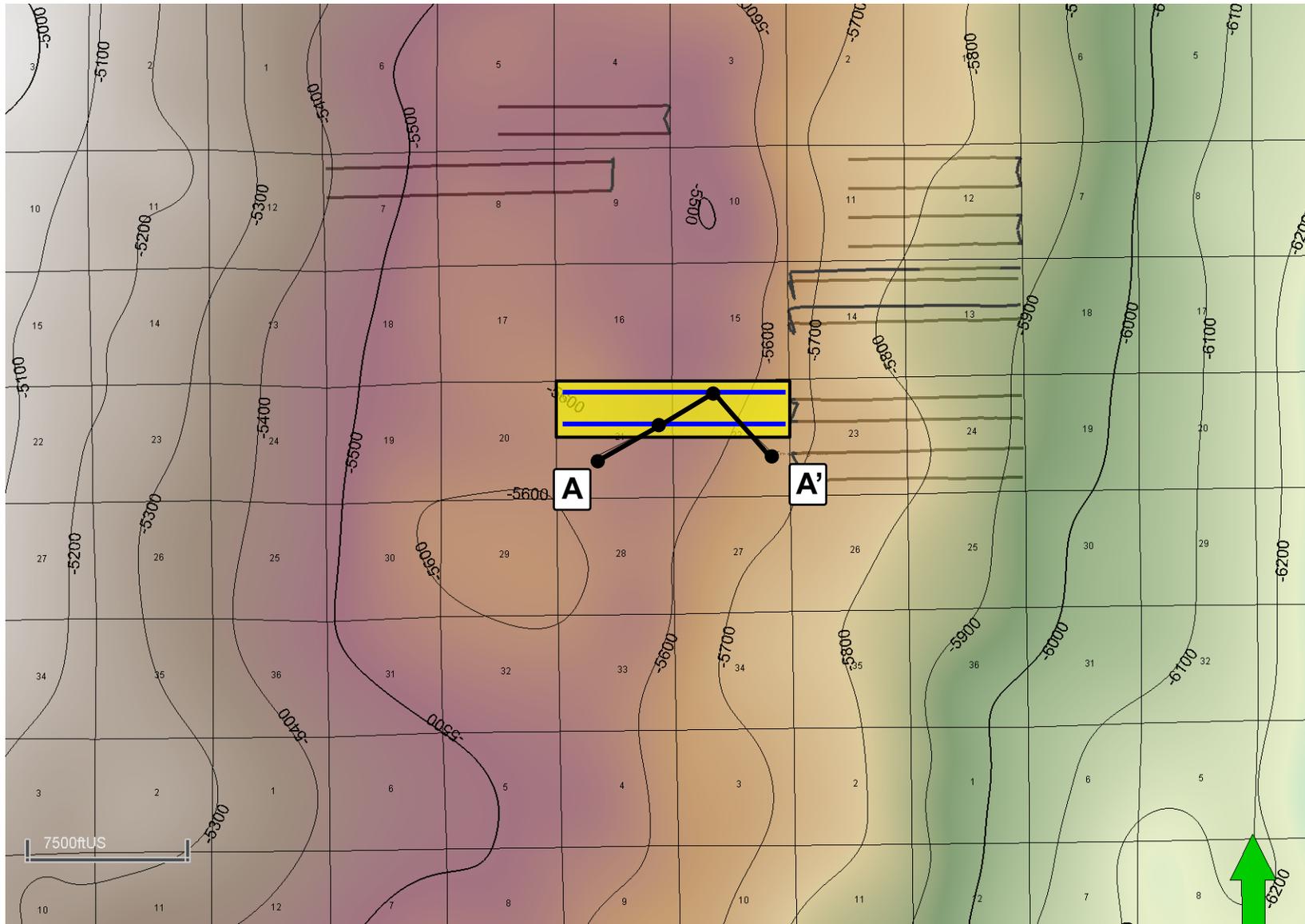
Andrew Parker

A handwritten date "7/29/2024" in black ink, written over a horizontal line.

Date

Carlsbad; Wolfcamp, East (Gas) [74160] Structure Map (Top Wolfcamp Subsea) A – A' Reference Line

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D-2
Submitted by: Matador Production Company
Hearing Date: August 8, 2024
Case No. 24697



Map Legend

Bill Wilshusen Wells



Wolfcamp Wells



Project Area



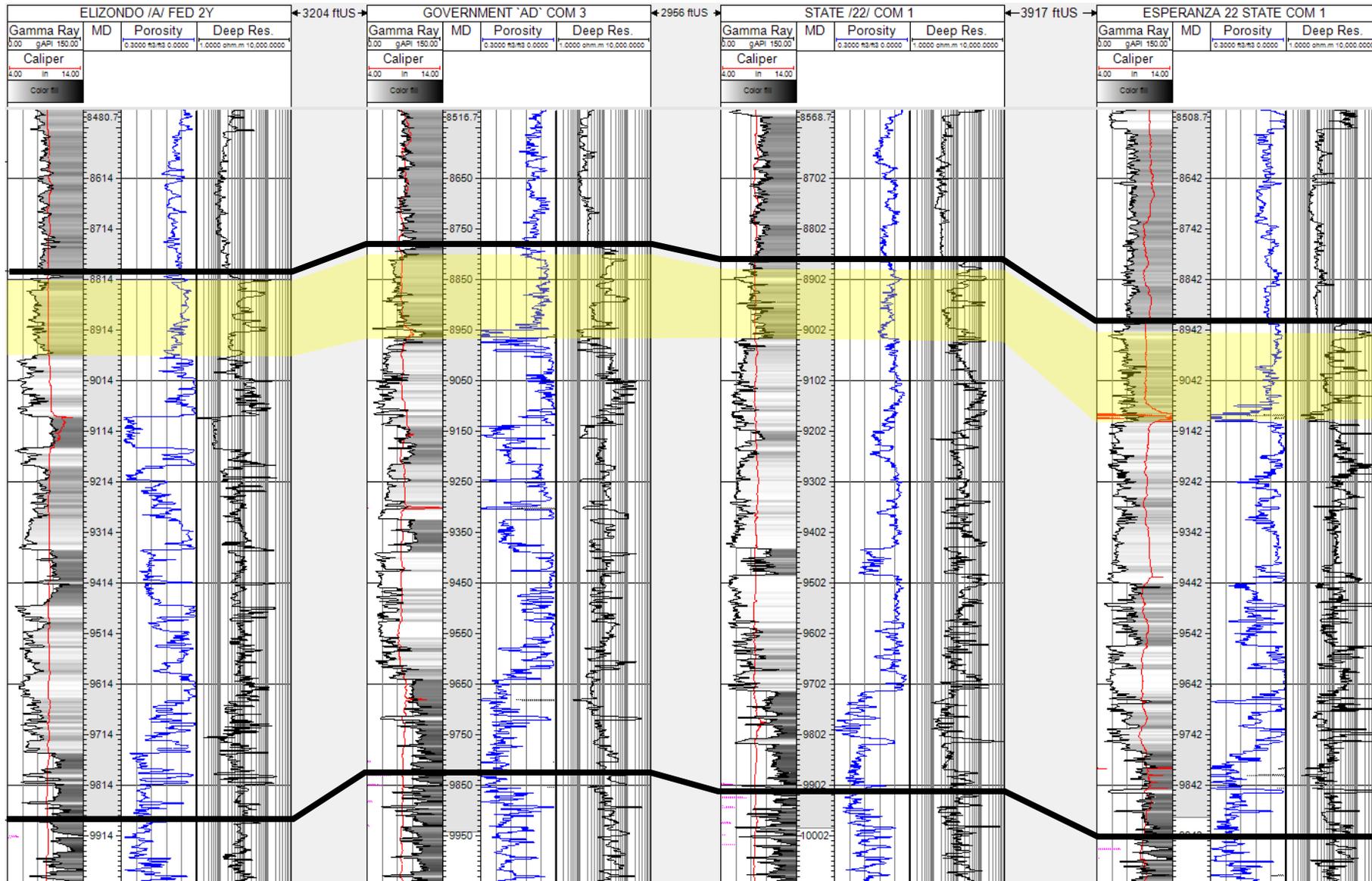
C. I. = 100'

Carlsbad; Wolfcamp, East (Gas) [74160] Structural Cross-Section A – A'

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D-3
Submitted by: Matador Production Company
Hearing Date: August 8, 2024
Case No. 24697

A

A'



Wolfcamp
Top
#201 & #202
Target

Wolfcamp
Base

**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. 24697

**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 July 29, 2024.

5. I caused a notice to be published to all parties subject to this request for 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: Matador Production Company
Hearing Date: August 8, 2024
Case No. 24697**



Paula M. Vance

07/31/2024

Date



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

July 19, 2024

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: Bill Wilshusen Fed Com #201H & #202H 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 August 8, 2024, and the status of the hearing can be monitored through the Division’s website at <https://www.emnrd.nm.gov/ocd/>.

It is anticipated that hearings will be held in a hybrid format with both in-person and virtual participation options. The meeting will be held in the Pecos Hall Hearing Room at the Wendall Chino Building, 1st Floor, 1220 South St. Francis Dr., Santa Fe, New Mexico. To participate virtually in the 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,

Paula M. Vance
ATTORNEY FOR MRC PERMIAN COMPANY

T 505.988.4421
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 - Bill Wilshusen 201H-202H - Case no. 24697

Postal Delivery Report

9414811898765466407589	Aeron A. Yates	2843 Seccomb St	Fort Collins	CO	80526-6211	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765466407534	Aeron A Yates & John Frances Messa CoTrustees of the Aaeron A. Yates Childrens Trust	2843 Seccomb St	Fort Collins	CO	80526-6211	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765466407572	BMT I BPEOR NM, LLC	201 Main St Ste 2600	Fort Worth	TX	76102-3134	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765466406216	BMT II BPEOR NM, LLC	201 Main St Ste 2600	Fort Worth	TX	76102-3134	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765466406261	Carolyn B. Yates	50 Orchard Pines Pl	The Woodlands	TX	77382-5601	Your item was delivered to an individual at the address at 11:38 am on July 23, 2024 in SPRING, TX 77382.
9414811898765466406223	Carolyn B Yates & Bruno J Bulovas Jr CoTrstees of the Steven M. Yates Childrens Trust	50 Orchard Pines Pl	The Woodlands	TX	77382-5601	Your item was delivered to an individual at the address at 11:38 am on July 23, 2024 in SPRING, TX 77382.
9414811898765466406209	Cibola Land Corporation	PO Box 1668	Albuquerque	NM	87103-1668	Your item was picked up at the post office at 12:05 pm on July 22, 2024 in ALBUQUERQUE, NM 87102.
9414811898765466406292	Clendon York	102 E Riverside Dr Apt 1	Carlsbad	NM	88220-5244	This is a reminder to arrange for redelivery of your item or your item will be returned to sender.

MRC - Bill Wilshusen 201H-202H - Case no. 24697

Postal Delivery Report

9414811898765466406247	David Scott Miller	PO Box 511	Show Low	AZ	85902-0511	Your item arrived at the SANTA FE, NM 87501 post office at 9:09 am on July 27, 2024 and is ready for pickup.
9414811898765466406285	Devon Energy Production Company, L.P.	333 W Sheridan Ave	Oklahoma City	OK	73102-5010	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765466406230	Devon Energy Production Company, L.P.	5 Greenway Plz Ste 110	Houston	TX	77046-0521	Your item has been delivered to an agent. The item was picked up at USPS at 10:46 am on July 25, 2024 in HOUSTON, TX 77046.
9414811898765466406278	Donna York Bliven	506 W Orchard Ln Apt 17	Carlsbad	NM	88220-4679	Your item was returned to the sender at 4:14 pm on July 23, 2024 in CARLSBAD, NM 88220 because the forwarding order for this address is no longer valid.
9414811898765466406810	Explorers Petroleum Corporation	PO Box 1933	Roswell	NM	88202-1933	Your item was picked up at the post office at 1:01 pm on July 23, 2024 in ROSWELL, NM 88201.
9414811898765466406858	George M. Yates	PO Box 1933	Roswell	NM	88202-1933	Your item was picked up at the post office at 1:01 pm on July 23, 2024 in ROSWELL, NM 88201.
9414811898765466406865	Harvey E. Yates, Jr.	PO Box 1608	Albuquerque	NM	87103-1608	Your item was picked up at the post office at 12:05 pm on July 22, 2024 in ALBUQUERQUE, NM 87102.
9414811898765466406827	Jalapeno Corporation	PO Box 1608	Albuquerque	NM	87103-1608	Your item was picked up at the post office at 12:05 pm on July 22, 2024 in ALBUQUERQUE, NM 87102.

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Postal Delivery Report

9414811898765466406803	Jatonna York Birchell	6220 W 48th Ave	Spokane	WA	99224-5659	Your item was delivered to an individual at the address at 9:31 am on July 22, 2024 in SPOKANE, WA 99224.
9414811898765466406896	Jay Paul Miller	7401 Crystal Ridge Rd SW	Albuquerque	NM	87121-3503	This is a reminder to arrange for redelivery of your item or your item will be returned to sender.
9414811898765466406841	Julie J. Lara	6780 Eagle Rd	Las Cruces	NM	88012-6213	Your item was delivered to an individual at the address at 4:12 pm on July 22, 2024 in LAS CRUCES, NM 88012.
9414811898765466406889	Lendon York	102 E Riverside Dr Apt 1	Carlsbad	NM	88220-5244	This is a reminder to arrange for redelivery of your item or your item will be returned to sender.
9414811898765466406834	Marifred M. Handley	9201 W Carlsbad Hwy	Hobbs	NM	88240-9267	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765466406872	Marifred M. Handley, Trustee of the Joe F. Handley and Marifred M. Handley Revocable Trus	9201 W Carlsbad Hwy	Hobbs	NM	88240-9267	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765466406711	Osprey Oil and Gas II, LLC	707 N Carrizo St	Midland	TX	79701-3240	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765466406759	OXY USA WTP Limited Partnership	333 W Sheridan Ave	Oklahoma City	OK	73102-5010	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.

MRC - Bill Wilshusen 201H-202H - Case no. 24697

Postal Delivery Report

9414811898765466406766	Permian Resources Operating, LLC	5 Greenway Plz Ste 110	Houston	TX	77046-0521	Your item has been delivered to an agent at the front desk, reception, or mail room at 11:30 am on July 24, 2024 in HOUSTON, TX 77046.
9414811898765466406728	PetroYates, Inc.	PO Box 1608	Albuquerque	NM	87103-1608	Your item was picked up at the post office at 12:05 pm on July 22, 2024 in ALBUQUERQUE, NM 87102.
9414811898765466406704	R.E.B. Resources, LLC	308 N Colorado St Ste 200	Midland	TX	79701-4631	Your item was delivered to an individual at the address at 2:23 pm on July 22, 2024 in MIDLAND, TX 79701.
9414811898765466406797	SITL Energy, LLC	308 N Colorado St Ste 200	Midland	TX	79701-4631	Your item was delivered to an individual at the address at 2:23 pm on July 22, 2024 in MIDLAND, TX 79701.
9414811898765466406742	Spiral, Inc.	PO Box 1933	Roswell	NM	88202-1933	Your item was picked up at the post office at 1:01 pm on July 23, 2024 in ROSWELL, NM 88201.
9414811898765466406780	Tommy Phipps and Werta Jean Phipps, Trustees of the Phipps Living Trust	PO Box 11090	Midland	TX	79702-8090	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765466406773	Yates Energy Corporation	PO Box 2323	Roswell	NM	88202-2323	Your item was picked up at the post office at 10:19 am on July 22, 2024 in ROSWELL, NM 88201.
9414811898765466406919	Yates Energy Royalty Interests LLC	PO Box 2323	Roswell	NM	88202-2323	Your item was picked up at the post office at 10:19 am on July 22, 2024 in ROSWELL, NM 88201.

AFFIDAVIT OF PUBLICATION

CARLSBAD CURRENT-ARGUS
PO BOX 507
HUTCHINSON, KS 67504-0507

STATE OF NEW MEXICO } SS
COUNTY OF EDDY }

Account Number: 83
Ad Number: 6960
Description: Case #24697
Ad Cost: \$182.14

Nicole Bitton, being first duly sworn, says:

That she is the Agent of the the Carlsbad Current-Argus, a Weekly newspaper of general circulation, printed and published in Carlsbad, Eddy County, New Mexico; that the publication, a copy of which is attached hereto, was published in said newspaper on the following dates:

July 27, 2024

That said newspaper was regularly issued and circulated on those dates.
SIGNED:

N Bitton

Agent

Subscribed to and sworn to me this 27th day of July 2024.

Kelli Metzger



KELLI METZGER
NOTARY PUBLIC, STATE OF OHIO
MY COMMISSION EXPIRES OCTOBER 19, 2024

Notary Public

Van Wert County *Ohio*

ID#: _____
My commission expires: *Oct-19-2024*

Holland And Hart
110 N Guadalupe ST # 1
Santa Fe, NM 87501-1849

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. F
Submitted by: Matador Production Company
Hearing Date: August 8, 2024
Case No. 24697

LEGAL NOTICE

Case No. 24697: Application of MRC Permian Company for Compulsory Pooling, Eddy County, New Mexico. Notice to all affected interest owners, including all heirs, devisees and successors of: Aeron A. Yates; Aeron A. Yates and John Frances Messa, Co-Trustees of the Aeron A. Yates Children's Trust; BMT I BPEOR NM, LLC; BMT II BPEOR NM, LLC; Carolyn B. Yates; Carolyn B. Yates and Bruno J. Bulovas, Jr., Co-Trustees of the Steven M. Yates Children's Trust; Cibola Land Corporation; Clendon York; David Scott Miller; Devon Energy Production Company, L.P.; Devon Energy Production Company, L.P.; Donna York Bliven; Explorers Petroleum Corporation; George M. Yates; Harvey E. Yates, Jr.; Jalapeno Corporation; Jatonna York Birchell; Jay Paul Miller; Julie J. Lara; Lendon York; Marifred M. Handley; Marifred M. Handley, Trustee of the Joe F. Handley and Marifred M. Handley Revocable Trust; Osprey Oil and Gas II, LLC; OXY USA WTP Limited Partnership; Permian Resources Operating, LLC; PetroYates, Inc.; R.E.B. Resources, LLC; SITL Energy, LLC; Spiral, Inc.; Tommy Phipps and Werta Jean Phipps, Trustees of the Phipps Living Trust; Yates Energy Corporation; Yates Energy Royalty Interests LLC. The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearing 8:30 a.m. on August 8, 2024, to consider this application. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the hearings electronically, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/> or contact Freya Tschantz, at Freya.Tschantz@emnrd.nm.gov. Applicant in the above-styled cause seeks an order pooling a standard 640-acre, more or less, horizontal well spacing unit in the Wolfcamp formation comprised of the N/2 of Sections 21 and 22, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico. Said unit will be initially dedicated to the proposed Bill Wilshusen Fed Com #201H well, to be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 22,

with a first take point in the NE/4 NE/4 (Unit A) of Section 22 and a last take point in the NW/4 NW/4 (Unit D) of Section 21; and Bill Wilshusen Fed Com #202H well, to be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 22, with a first take point in the SE/4 NE/4 (Unit H) of Section 22 and a last take point in the SW/4 NW/4 (Unit E) of Section 21. 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 proposed spacing unit, and a 200% charge for risk involved in drilling said wells. The subject area is located approximately 3 miles northeast of Carlsbad, New Mexico.

6960-Published in the Carlsbad Current-Argus on July 27, 2024.