

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

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

CASE NO. 24865

SECOND NOTICE OF REVISED EXHIBITS

MRC Permian Company (“MRC”), applicant in the above referenced case, gives notice that it is filing the attached revised exhibit for acceptance into the record.

Revised Exhibits C-1 through C-5 are updated exhibits and landman statement, to include a more detailed ownership breakdown by tract.

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert
Adam G. Rankin
Paula M. Vance
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ATTORNEYS FOR MRC PERMIAN COMPANY

CERTIFICATE OF SERVICE

I hereby certify that on May 7, 2025, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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Attorney for Fasken Oil and Ranch, Ltd.



Adam G. Rankin

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING MAY 8, 2025**

CASE No. 24865

MONIKA #203H WC WELL

LEA COUNTY, NEW MEXICO



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

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

CASE NO. 24865

TABLE OF CONTENTS

- **Matador Exhibit A:** Compulsory Pooling Application Checklist
- **Matador Exhibit B:** Application of Matador Production Company for Compulsory Pooling
- **Matador Revised Exhibit C:** Self-Affirmed Statement of Addison Costley, Landman
 - Matador *Revised* Exhibit C-1: C-102s
 - Matador *Revised* Exhibit C-2: Land Tract Map
 - Matador *Revised* Exhibit C-3: Uncommitted Interest Owners
 - Matador *Revised* Exhibit C-4: Sample Well Proposal Letters and AFE
 - Matador *Revised* Exhibit C-5: Chronology of Contacts
- **Matador Exhibit D:** Self-Affirmed Statement of Joshua Burrus, Geologist
 - Matador Exhibit D-1: Locator map
 - Matador Exhibit D-2: Subsea structure
 - Matador Exhibit D-3: Structural cross-section
- **Matador Exhibit E:** Self-Affirmed Statement of Notice
- **Matador Exhibit F:** Affidavit of Publication

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 24865	APPLICANT'S RESPONSE
Date	April 15, 2025
Applicant	MRC Permian Company
Designated Operator & OGRID (affiliation if applicable)	Matador Production Company (OGRID No. 228937)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	<p>BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. A Submitted by: Matador Production Company Hearing Date: May 8, 2025 Case Nos. 24865</p> <p>APPLICATION OF MRC PERMIAN COMPANY FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.</p>
Entries of Appearance/Intervenors:	XTO Energy, Inc. and Fasken Oil and Ranch, Ltd
Well Family	Monika
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Gas
Pooling this vertical extent:	N/A
Pool Name and Pool Code (Only if NSP is requested):	Humble City; Wolfcamp [33510]
Well Location Setback Rules (Only if NSP is Requested):	Statewide gas rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640
Building Blocks:	40 acres
Orientation:	Stand-up
Description: TRS/County	E/2 of Sections 11 and 14, Township 17 South, Range 37 East, NMPM, Lea 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	Yes
Proximity Defining Well: if yes, description	The location of the proposed well is expected to remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to allow inclusion of this acreage in the proposed horizontal well spacing unit.
Applicant's Ownership in Each Tract	See 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	Monkia 1411 Com #203H well SHL: 1,267' FSL & 1,628' FEL (Unit O) of Section 14 BHL: 110' FNL & 1,270' FEL (Unit A) of Section 11 Target: Bone Spring Orientation: Stand-up Completion: Standard Location / Proximity Well
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 \$	\$10,000
Production Supervision/Month \$	\$1,000
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-4
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-2
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:	4/8/2025

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

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

CASE NO. 24865

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 underlying the E2 of Sections 11 and 14, Township 17 South, Range 37 East, NMPM, Lea 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 well spacing unit.
3. Applicant seeks to initially dedicate the above-referenced spacing unit to the proposed **Monika 203H** well, to be horizontally drilled from a surface location in the SE4 of Section 14, with a first take point in the SE4SE4 (Unit P) of Section 14 and a last take point in the NE4NE4 (Unit A) of Section 11.
4. The location of the proposed well is expected to remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to allow inclusion of this acreage in the proposed horizontal well spacing unit.

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

**Submitted by: Matador Production Company
Hearing Date: May 8, 2025
Case Nos. 24865**

5. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject spacing unit.

6. 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 the October 10, 2024, hearing docket 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 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% charge 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
Paula M. Vance
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505-983-6043 Facsimile
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pmvance@hollandhart.com

ATTORNEYS FOR MRC PERMIAN COMPANY

CASE _____ : **Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks 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 E2 of Sections 11 and 14, Township 17 South, Range 37 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed **Monika 203H** well, to be horizontally drilled from a surface location in the SE4 of Section 14, with a first take point in the SE4SE4 (Unit P) of Section 14 and a last take point in the NE4NE4 (Unit A) of Section 11. The location of the proposed well is expected to remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to allow inclusion of this acreage in the proposed horizontal well spacing unit. 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 proposed spacing unit, and a 200% charge for risk involved in drilling the proposed well. The subject area is located approximately 5.5 miles west of Knowles, New Mexico.

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CASE NOS. 24865

SELF-AFFIRMED STATEMENT OF ADDISON COSTLEY

Addison Costley, of lawful age and being first duly sworn, declares as follows:

1. My name is Addison Costley. I work for MRC Energy Company, an affiliate of MRC Permian Company (“MRC”), as a Landman.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of public record.
3. I am familiar with the application filed by 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 comprised of the E/2 of Sections 11 and 14, Township 17 South, Range 37 East, NMPM, Lea County, New Mexico, and initially dedicate this Wolfcamp spacing unit to the proposed **Monika 203H** well, to be horizontally drilled from a surface location in the SE4 of Section 14, with a first take point in the SE4SE4 (Unit P) of Section 14 and a last take point in the NE4NE4 (Unit A) of Section 11. The location of the proposed well is expected to remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to allow inclusion of this 640 acres in the proposed horizontal well spacing unit.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Revised Exhibit No. C
Submitted by: Matador Production Company
Hearing Date: May 8, 2025
Case Nos. 24865**

5. MRC understands this well will be placed in the HUMBLE CITY; WOLFCAMP [33510].

6. **MRC Exhibit C-1** contains the Form C-102s for the proposed initial well.

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 unit. The land in the proposed spacing unit is comprised entirely of fee lands.

9. **MRC Exhibit C-3** identifies the working interest owners that MRC is seeking to pool, on a tract by tract basis, along with their ownership interest in each tract of the proposed horizontal spacing unit. The parties that MRC is seeking to pool are highlighted yellow on Exhibit C-3.

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 the working interest parties it seeks to pool. **MRC Exhibit C-4** contains a representative copy of the forms of well proposal letters that were sent to the leased working interest partners and unleased mineral owners, along with the AFE that was sent for the well. The costs reflected in the AFE are consistent with what other operators have incurred for drilling similar horizontal wells in the area.

12. **MRC Exhibit C-5** contains a summary of MRC's contacts with the uncommitted working interest owner we seek to pool in this case. As indicated on MRC Exhibit C-5, MRC has been able to contact and have discussions with many of the working interest owners we seek to pool. Also as shown on Exhibit C-5, there are some working interest owners that MRC has not yet been able to contact, but it appears that MRC's well proposals were delivered to those owners.

MRC will continue its efforts to contact those owners we have not yet been able to contact. In my opinion, MRC has undertaken good faith efforts to reach an agreement with the uncommitted working interest owner 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 \$10,000/month while drilling, and \$1,000/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, including 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.



Addison Costley

5/1/2025

Date

Exhibit C-1

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024	
	Submittal Type:	<input type="checkbox"/> Initial Submittal	
		<input type="checkbox"/> Amended Report	
		<input type="checkbox"/> As Drilled	

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 33510	Pool Name HUMBLE CITY; WOLFCAMP
Property Code	Property Name MONIKA 1411 COM	Well Number 203H
OGRID No. 228937	Operator Name MATADOR PRODUCTION COMPANY	Ground Level Elevation 3732'
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
O	14	17-S	37-E	-	1267' S	1628' E	N 32.8309732	W 103.2188380	LEA

Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
A	11	17-S	37-E	-	110' N	1270' E	N 32.8562162	W 103.2176911	LEA

Dedicated Acres 640	Infill or Defining Well -	Defining Well API -	Overlapping Spacing Unit (Y/N) -	Consolidated Code -
Order Numbers			Well Setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No	

Kick Off Point (KOP)

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
P	14	17-S	37-E	-	50' S	1270' E	N 32.8276259	W 103.2176660	LEA

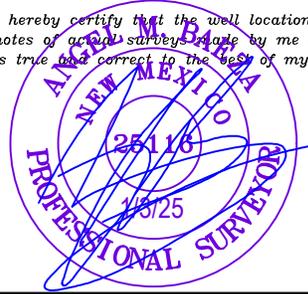
First Take Point (FTP)

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
P	14	17-S	37-E	-	100' S	1270' E	N 32.8277634	W 103.2176663	LEA

Last Take Point (LTP)

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
A	11	17-S	37-E	-	110' N	1270' E	N 32.8562162	W 103.2176911	LEA

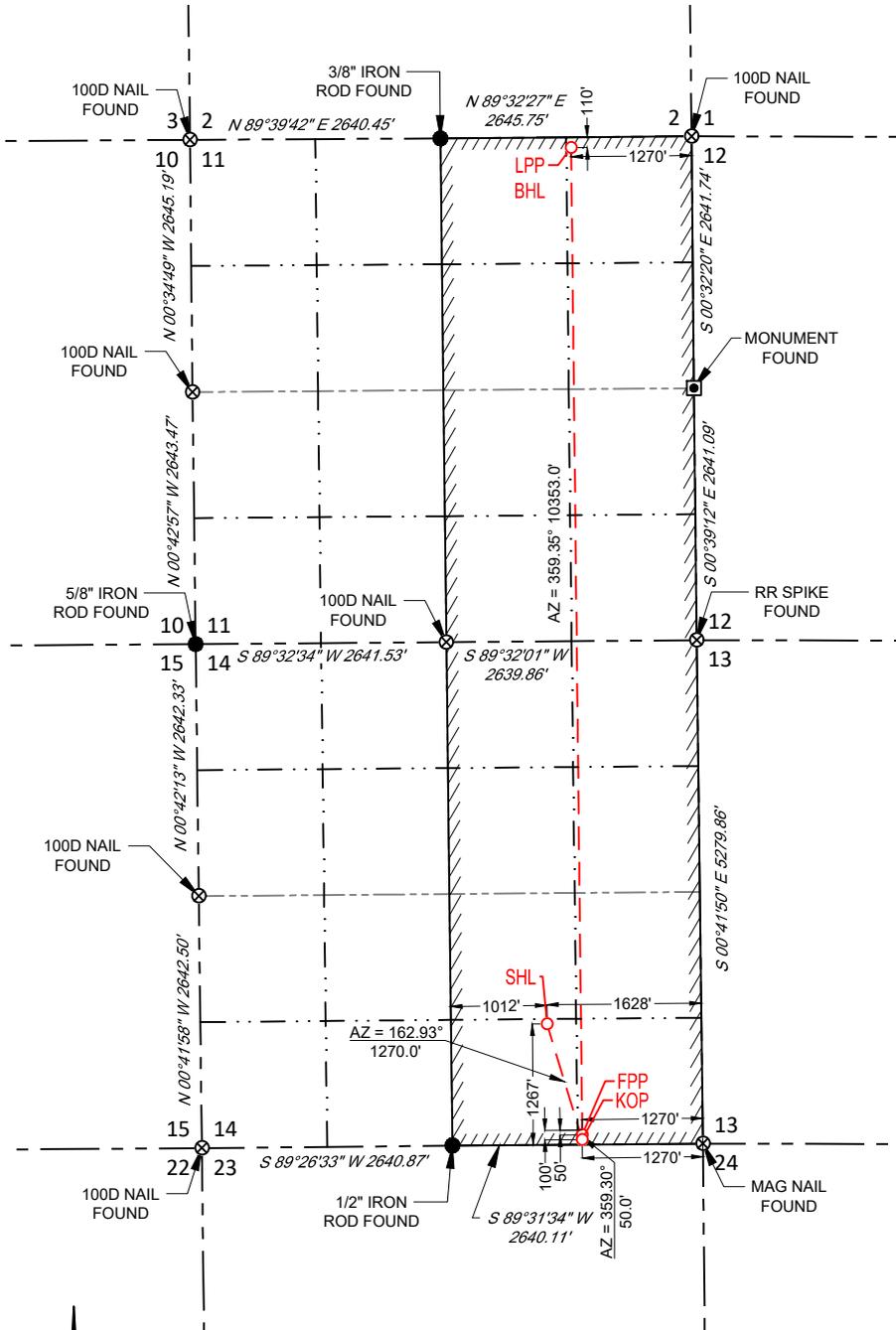
Unitized Area or Area of Uniform Intrest -	Spacing Unity Type <input type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation
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<p>OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, 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 a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p><i>If this well is a horizontal well, I further certify that this organization has received The consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i></p>	<p>SURVEYORS CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual survey made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <div style="text-align: center;">  </div>
Signature _____ Date _____	Signature and Seal of Professional Surveyor _____ Date _____
Print Name _____	Certificate Number _____ Date of Survey 11/21/2024
E-mail Address _____	

S:\SURVEY\MATADOR_RESOURCE\MONIKA_1411_14-17S-37E\FINAL_PRODUCT\FIG_01\MONIKA_1411_COM_2018_REV11.dwg SHRETT HARSH 10/23/23 AM



SECTION 14, TOWNSHIP 17-S, RANGE 37-E, N.M.P.M.
LEA COUNTY, NEW MEXICO



SURFACE LOCATION (SHL)
 NEW MEXICO EAST
 NAD 1983
 X=883675 Y=667846
 LAT.: N 32.8309732
 LONG.: W 103.2188380
 1267' FSL 1628' FEL

KICK OFF POINT (KOP)
 NEW MEXICO EAST
 NAD 1983
 X=884047 Y=666632
 LAT.: N 32.8276259
 LONG.: W 103.2176660
 50' FSL 1270' FEL

FIRST PERF. POINT (FPP)
 NEW MEXICO EAST
 NAD 1983
 X=884047 Y=666682
 LAT.: N 32.8277634
 LONG.: W 103.2176663
 100' FSL 1270' FEL

LAST PERF. POINT (LPP)
BOTTOM HOLE LOCATION (BHL)
 NEW MEXICO EAST
 NAD 1983
 X=883930 Y=677034
 LAT.: N 32.8562162
 LONG.: W 103.2176911
 110' FNL 1270' FEL



SCALE: 1" = 2000'
0' 1000' 2000'

LEASE NAME & WELL NO.: MONIKA 1411 COM 203H

SECTION 14 TWP 17-S RGE 37-E SURVEY N.M.P.M.
 COUNTY LEA STATE NM
 DESCRIPTION 1267' FNL & 1628' FEL

DISTANCE & DIRECTION
FROM INT. OF NM-238 S. & NM-529, GO WEST ON NM-529 ±4.1 MILES,
THENCE NORTH (RIGHT) ON A LEASE RD ±1.5 MILES, THENCE RIGHT
(RIGHT) ON A LEASE RD ±1.1 MILES, THENCE EAST (RIGHT) ON A LEASE
RD ±0.5 MILE TO A POINT ±453 FEET NORTHWEST OF THE LOCATION.



Angel M. Baeza, P.S. No. 25116

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET
 THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY MATADOR PRODUCTION COMPANY. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.
 AS OF THE DATE OF SURVEY, ALL ABOVE GROUND APPURTENANCES WITHIN 300' OF THE STAKED LOCATION ARE SHOWN HEREON.



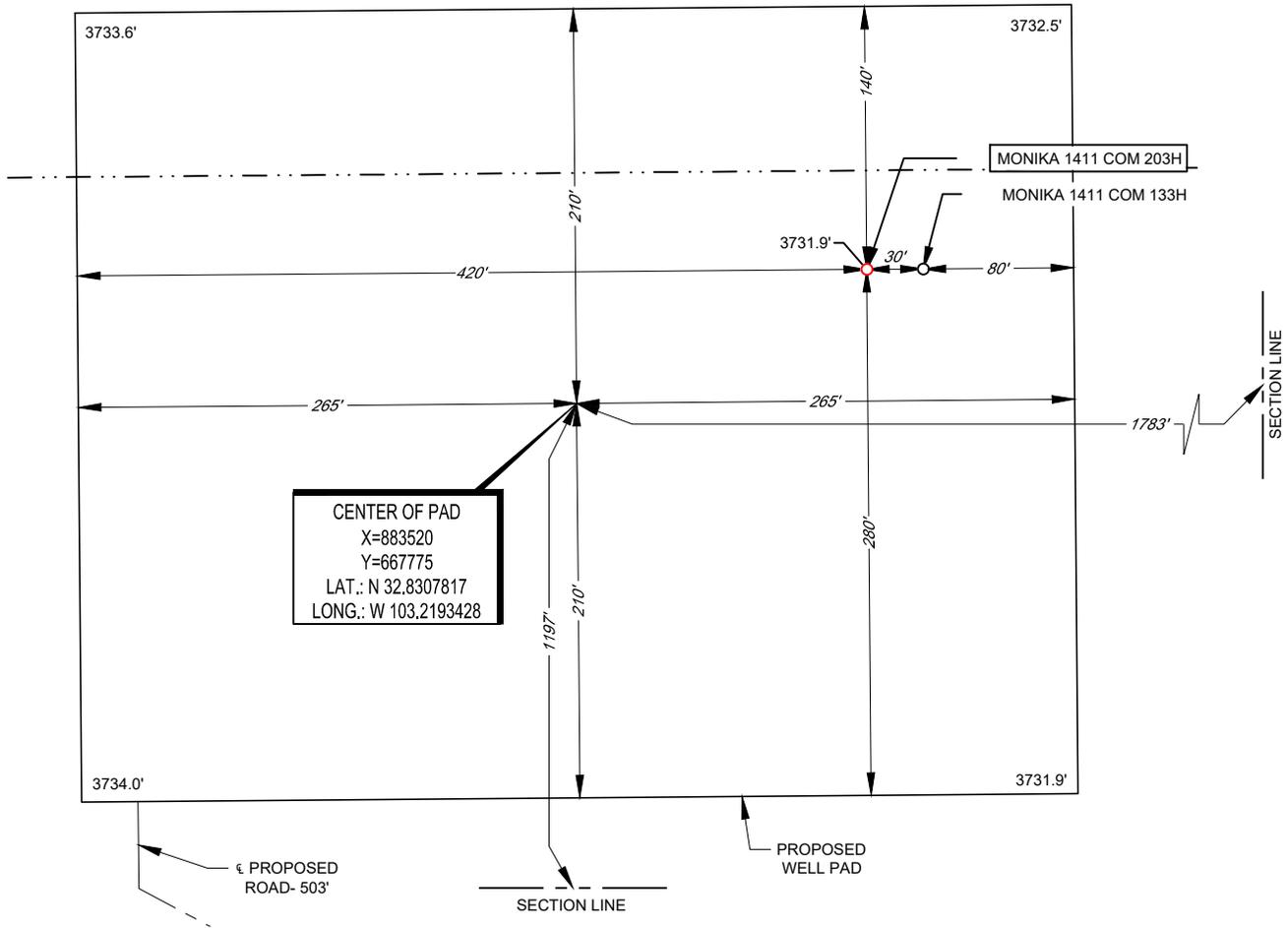
481 WINSOTT ROAD, Ste. 200 • BENBROOK, TEXAS 76126
 TELEPHONE: (817) 744-7512 • FAX (817) 744-7554
 2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705
 TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743
 WWW.TOPOGRAPHIC.COM



LEGEND

- SECTION LINE
- PROPOSED ROAD

SECTION 14, TOWNSHIP 17-S, RANGE 37-E, N.M.P.M.
LEA COUNTY, NEW MEXICO



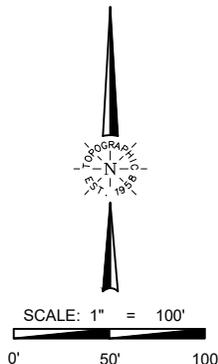
CENTER OF PAD
 X=883520
 Y=667775
 LAT.: N 32.8307817
 LONG.: W 103.2193428



Angel M. Baeza, P.S. No. 25116

LEASE NAME & WELL NO.: MONIKA 1411 COM 203H
 203H LATITUDE N 32.8309732 203H LONGITUDE W 103.2188380

CENTER OF PAD IS 1197' FSL & 1783' FEL



ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET. ELEVATIONS USED ARE NAVD88, OBTAINED THROUGH AN OPUS SOLUTION.

THIS PROPOSED PAD SITE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY MATADOR PRODUCTION COMPANY. ONLY THE DATA SHOWN ABOVE IS BEING CERTIFIED TO, ALL OTHER INFORMATION WAS INTENTIONALLY OMITTED. THIS PLAT IS ONLY INTENDED TO BE USED FOR A PERMIT AND IS NOT A BOUNDARY SURVEY. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.

ORIGINAL DOCUMENT SIZE: 8.5" X 11"



481 WINSOTT ROAD, Ste. 200 • BENBROOK, TEXAS 76126
 TELEPHONE: (817) 744-7512 • FAX (817) 744-7554
 2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705
 TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743
 WWW.TOPOGRAPHIC.COM

Exhibit C-2

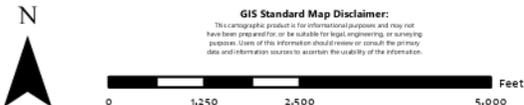
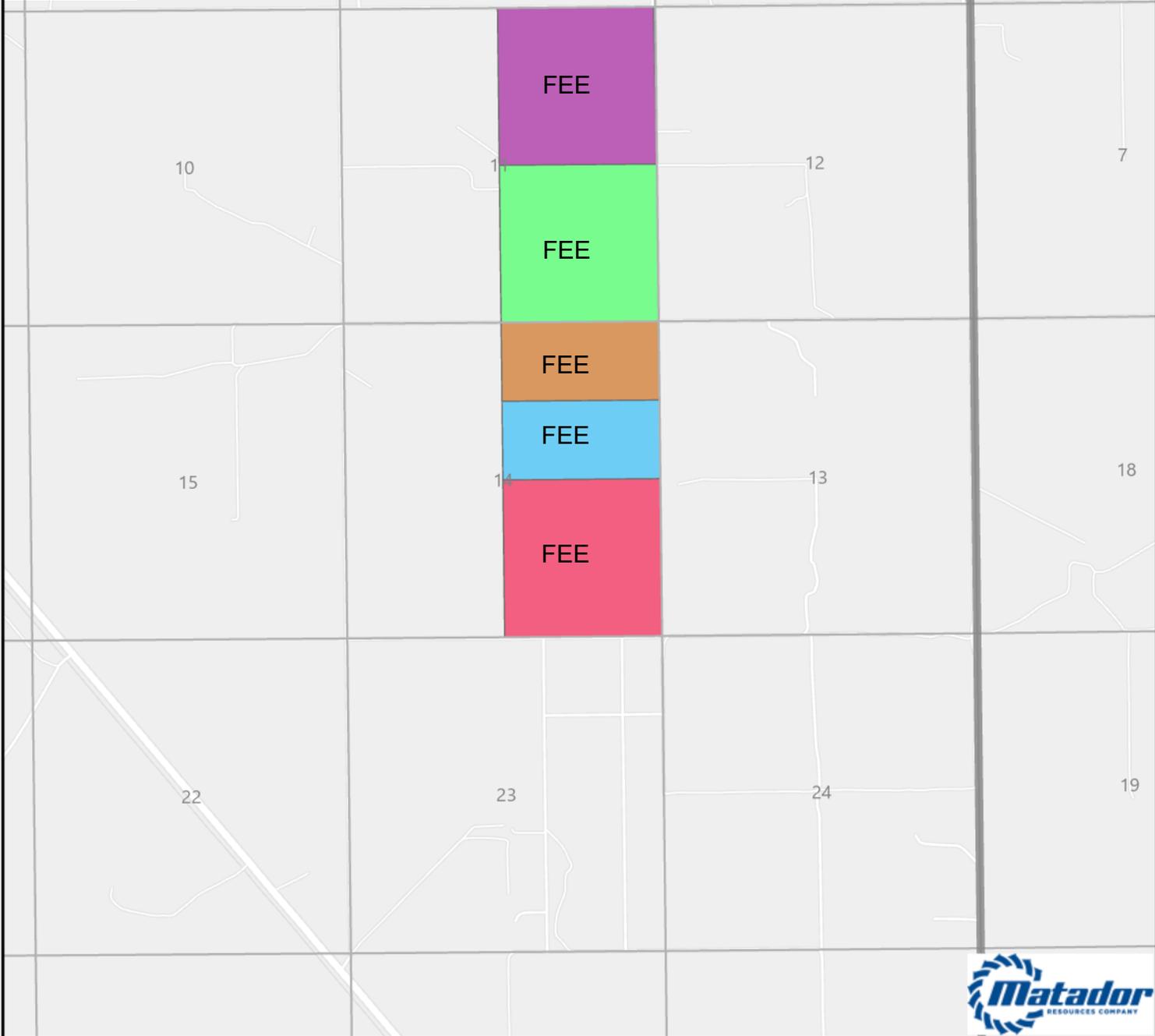
BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Revised Exhibit No. C-2
Submitted by: Matador Production Company
Hearing Date: May 8, 2025
Case Nos. 24865

Monika #203H

Date Published:
12/12/2024



- Tract 1
- Tract 2
- Tract 3
- Tract 4
- Tract 5



GIS Standard Map Disclaimer:
 This cartographic product is for informational purposes and may not have been prepared for, or be suitable for, legal, engineering, or planning purposes. Users of this information should review or consult the primary data and information sources to ascertain the validity of the information.

1:30,000
 1 inch equals 2,500 feet

Map Prepared by: Lillian.yeargins
 Date: December 12, 2024
 Project: \\gis\UserData\lyeargins\--projects\Tract Maps\Tract Maps.aprx
 Spatial Reference: NAD 1983 StatePlane New Mexico East FIPS 3001 Feet
 Sources: IHS; ESRI; US DOI BLM Carlsbad, NM Field Office, GIS Department;
 Texas Cooperative Wildlife Collection, Texas A&M University;
 United States Census Bureau (TIGER).

Exhibit C-3

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Revised Exhibit No. C-3
Submitted by: Matador Production Company
Hearing Date: May 8, 2025
Case Nos. 24865

Monika #203H (Slot 3&4 - WCMP)			
Summary of Interests			
Tract 1			
Interest Owners:	Description:	Net Mineral Acres:	Working Interest in Tract:
MRC Permian Company	Committed Working Interest	160.000	100.00000%
Tract 2			
Interest Owners:	Description:	Net Mineral Acres:	Working Interest in Tract:
MRC Permian Company	Committed Working Interest	160.000	100.00000%
Tract 3			
Interest Owners:	Description:	Net Mineral Acres:	Working Interest in Tract:
Greyhound Resources, LLC	Committed Working Interest	40.83432	51.04290%
Rodney Carter	Anticipated Voluntary Joinder	2.00000	2.500000%
Powhatan Carter III	Anticipated Voluntary Joinder	2.00000	2.500000%
Charles and Beverly Overton Revocable Trust	Anticipated Voluntary Joinder	2.00000	2.500000%
Christine Johnson, f/k/a Christine Schlicher, as her separate property	Anticipated Voluntary Joinder	0.54728	0.684104%
David Petroleum Corporation	Anticipated Voluntary Joinder	5.13018	6.412729%
James Coe Schlicher, as his separate property	Anticipated Voluntary Joinder	0.54728	0.684104%
Kay R. McMillan, Trustee of the Kay R. McMillan Survivor's Trust	Anticipated Voluntary Joinder	4.27525	5.344063%
Oak Valley Mineral and Land, LP	Anticipated Voluntary Joinder	2.50000	3.125000%
DEBCO, LLC	Uncommitted Working Interest	0.40157	0.50197%
Roy G. Barton, Jr., as his separate property	Uncommitted Working Interest	2.29470	2.86838%
MJK Mineral Partners, LTD	Uncommitted Working Interest	0.13607	0.17009%
Angela Corr, f/k/a Angela E. Kastman, as her separate property	Uncommitted Mineral Interest	1.00000	1.250000%
Anna F. Kastman Jenkins, as her separate property	Uncommitted Mineral Interest	1.00000	1.250000%
Benton A. Kastman, whose marital status is unknown	Uncommitted Mineral Interest	1.00000	1.250000%
Brandon A. Kastman, whose marital status is unknown	Uncommitted Mineral Interest	1.00000	1.250000%
Melonie F. Kastman, as her separate property	Uncommitted Mineral Interest	1.00000	1.250000%
Norma J. Chanley, f/k/a Norma J. Barton, as her separate property	Uncommitted Mineral Interest	6.66667	8.333333%
South Fifth Energy, LLC	Uncommitted Mineral Interest	4.00000	5.000000%
XTO Holdings, LLC	Uncommitted Mineral Interest	1.66667	2.083333%
Tract 4			
Interest Owners:	Description:	Net Mineral Acres:	Working Interest in Tract:
Greyhound Resources, LLC	Committed Working Interest	60.657520	75.82190%
DEBCO, LLC	Uncommitted Working Interest	0.521161	0.65145%
Roy G. Barton, Jr., as his separate property	Uncommitted Working Interest	2.978063	3.72258%
MJK Mineral Partners, LTD	Uncommitted Working Interest	0.176590	0.22074%
Angela Corr, f/k/a Angela E. Kastman, as her separate property	Uncommitted Mineral Interest	1.000000	1.250000%
Anna F. Kastman Jenkins, as her separate property	Uncommitted Mineral Interest	1.000000	1.250000%
Benton A. Kastman, whose marital status is unknown	Uncommitted Mineral Interest	1.000000	1.250000%
Brandon A. Kastman, whose marital status is unknown	Uncommitted Mineral Interest	1.000000	1.250000%
Melonie F. Kastman, as her separate property	Uncommitted Mineral Interest	1.000000	1.250000%
Norma J. Chanley, f/k/a Norma J. Barton, as her separate property	Uncommitted Mineral Interest	6.666666	8.333333%
South Fifth Energy, LLC	Uncommitted Mineral Interest	4.000000	5.000000%
Tract 5			
Interest Owners:	Description:	Net Mineral Acres:	Working Interest in Tract:
MRC Permian Company	Committed Working Interest	75.0780864	46.92380%
Breckenridge Partnership, Ltd.	Anticipated Voluntary Joinder	2.4218752	1.51367%
Slash Exploration Limited Partnership	Anticipated Voluntary Joinder	9.6874992	6.05469%
Worrall Investment Corporation	Uncommitted Working Interest	7.2656240	4.541015%
Sharbro Energy, LLC	Uncommitted Working Interest	5.8870224	3.679389%
SR Primo Holdings, LLC	Uncommitted Working Interest	1.3786032	0.861627%
Lucinda Loveless f/k/a Lucinda Loveless Henderson f/k/a Lucinda Loveless Hershenhorn, as her separate property	Uncommitted Working Interest	2.2523440	1.407715%
Lucinda Loveless, as Trustee of the Lucinda Loveless Revocable Trust dated December 21, 2006, as amended and restated	Uncommitted Working Interest	2.2523440	1.407715%
Loveless Land Holdings, LLC	Uncommitted Working Interest	7.6046880	4.752930%
Chesapeake Exploration, LLC	Uncommitted Working Interest	41.1719136	25.732446%
Sharon Bishop, as her separate property	Uncommitted Mineral Interest	1.6666656	1.041666%
Saundra Smith, as her separate property	Uncommitted Mineral Interest	1.6666672	1.041667%
Sharmyn Lilly a/k/a Sharmyn Lumsden, as her separate property	Uncommitted Mineral Interest	1.6666672	1.041667%

* MRC Permian is seeking to force pool the parties highlighted in yellow

Exhibit C-4

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Revised Exhibit No. C-4
Submitted by: Matador Production Company
Hearing Date: May 8, 2025
Case Nos. 24865

MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240

Voice 972.371.5474

addison.costley@matadorresources.com

**Addison Costley
Landman**

August 12, 2024

VIA CERTIFIED RETURN RECEIPT MAIL

Fasken Acquisitions 02, Ltd
303 W. Wall Street, Ste. 1800
Midland, TX 79701

Re: Monika 133H and 203H wells (the “Wells”)
Participation Proposal
E2 of Sections 11, 14, Township 17 South, Range 37 East
Lea County, New Mexico

Dear Sir/Madam:

MRC Permian Company (“MRC”) proposes the drilling of the following Matador Production Company’s Monika 133H & Monika 203H wells, located in the E2 of Sections 11 and 14, Township 17 South, Range 37 East, Lea 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 two (2) enclosed Authority for Expenditure (“AFE”) dated August 8, 2024.
- **Monika 133H:** to be drilled from a legal location with a proposed surface hole location located in the SW/4SE/4 of Section 14-17S-37E, a proposed first take point located at 2,310’ FEL and 100’ FSL of Section 14-17S-37E, and a proposed last take point located at 2,310’ FEL and 100’ FNL of Section 11-17S-37E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~9,500’TVD) to a Measured Depth of approximately 19,664’.
- **Monika 203H:** to be drilled from a legal location with a proposed surface hole location located in the SW/4SE/4 of Section 14-17S-37E, a proposed first take point located at 1,270’ FEL and 100’ FSL of Section 14-17S-37E, and a proposed last take point located at 1,270’ FEL and 100’ FNL of Section 11-17S-37E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~9,900’TVD) to a Measured Depth of approximately 20,064’.

MRC requests that you indicate your election to participate in the drilling and completion of the Well 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, attached hereto, covering the E2 of Sections 11 and 14, Township 17 South, Range 37 East, Lea County, New Mexico, and has the following general provisions:

- 100/300/300 Non-consenting penalty
- \$10,000/\$1,000 Drilling and Producing rate
- Matador Production Company named as Operator

If your election is to participate in the drilling and completion of the Well, please sign and return a copy of the enclosed AFE within thirty (30) days of receipt of this notice. Please be aware that the enclosed AFE is only an estimate of costs to be incurred and by electing to participate in the Well, 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



Addison Costley

Fasken Acquisitions 02, Ltd hereby elects to:

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Monika 133H.**
 _____ Not to participate in the **Monika 133H.**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Monika 203H.**
 _____ Not to participate in the **Monika 203H.**

Fasken Acquisitions 02, Ltd

By: _____

Title: _____

Date: _____

Contact Number: _____

MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240

Voice 972.371.5474

addison.costley@matadorresources.com

Addison Costley
Landman

August 12, 2024

VIA CERTIFIED RETURN RECEIPT MAIL

Saundra Smith
5620 84th Street
Lubbock, TX 79424

Re: Monika 133H and 203H wells (the “Wells”)
Participation Proposal
E2 of Sections 11, 14, Township 17 South, Range 37 East
Lea County, New Mexico

Dear Sir/Madam:

MRC Permian Company (“MRC”) proposes the drilling of the following Matador Production Company’s Monika 133H & Monika 203H wells, located in E2 of Sections 11 and 14, Township 17 South, Range 37 East, Lea 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 two (2) enclosed Authority for Expenditure (“AFE”) dated August 8, 2024.
- **Monika 133H:** to be drilled from a legal location with a proposed surface hole location located in the SW/4SE/4 of Section 36-15S-36E, a proposed first take point located at 2,310’ FEL and 100’ FSL of Section 14-17S-37E, and a proposed last take point located at 2,310’ FEL and 100’ FNL of Section 11-17S-37E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~9,500’TVD) to a Measured Depth of approximately 19,664’.
- **Monika 203H:** to be drilled from a legal location with a proposed surface hole location located in the SW/4SE/4 of Section 14-17S-37E, a proposed first take point located at 1,270’ FEL and 100’ FSL of Section 14-17S-37E, and a proposed last take point located at 1,270’ FEL and 100’ FNL of Section 11-17S-37E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~9,900’TVD) to a Measured Depth of approximately 20,064’.

MRC requests that you indicate your election to participate in the drilling and completion of the Well in the space provided below, sign and return one (1) copy of this letter to the undersigned.

As an alternative to participation in the well Matador is interested in leasing your mineral interest, subject to title verification, for \$300/net mineral acre, 3/16 royalty, a 3-year primary term and a 3-year extension option. Should you elect to lease your minerals, a lease form will be provided at a later date for signature.

MRC is proposing to drill the Wells under the terms of the modified 1989 AAPL form of Operating Agreement, attached hereto, covering the E2 of Sections 11 and 14, Township 17 South, Range 37 East, Lea County, New Mexico, and has the following general provisions:

- 100/300/300 Non-consenting penalty
- \$10,000/\$1,000 Drilling and Producing rate
- Matador Production Company named as Operator

If your election is to participate in the drilling and completion of the Well, please sign and return a copy of the enclosed AFE within thirty (30) days of receipt of this notice. Please be aware that the enclosed AFE is only an estimate of costs to be incurred and by electing to participate in the Well, 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



Addison Costley

Saundra Smith hereby elects to:

_____ Not to participate in the **Monika 133H.**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Monika 133H.**

_____ Hereby elects to lease our minerals for \$300/net mineral acre, 3/16 royalty, a 3-year primary term and a 3-year extension option.

_____ Not to participate in the **Monika 203H.**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Monika 203H.**

_____ Hereby elects to lease our minerals for \$300/net mineral acre, 3/16 royalty, a 3-year primary term and a 3-year extension option.

Saundra Smith

By: _____

Title: _____

Date: _____

Contact Number: _____

MATADOR PRODUCTION COMPANY

ONE LINCOLN CENTRE • 5400 LBJ FREEWAY • SUITE 1500 • DALLAS, TEXAS 75240
Phone (972) 371-5200 • Fax (972) 371-5201

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	8/8/2024	AFE NO.:	0
WELL NAME:	Monika State Com #203H	FIELD:	0
LOCATION:	Sections 11&14-17S-37E	MD/TVD:	20064/9900'
COUNTY/STATE:	Lea	LATERAL LENGTH:	about 10,000'
MRC WI:			
GEOLOGIC TARGET:	Wolfcamp		
REMARKS:	Drill and complete a 2-mile horizontal Wolfcamp well with about 41 frac stages.		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Land / Legal / Regulatory	\$ 100,000			\$ 100,000	\$ 110,000
Location, Surveys & Damages	264,500	13,000	15,000	100,000	392,500
Drilling	1,142,590				1,142,590
Cementing & Float Equip	338,000				338,000
Logging / Formation Evaluation		3,750			3,750
Mud Logging	36,250				36,250
Mud Circulation System	144,650				144,650
Mud & Chemicals	394,350	63,000			457,350
Mud / Wastewater Disposal	156,000			1,000	157,000
Freight / Transportation	16,000	42,000			58,000
Rig Supervision / Engineering	135,000	100,800	7,500	18,000	261,300
Drill Bits	92,500				92,500
Fuel & Power	162,000	397,643			559,643
Water	39,000	993,425		1,000	1,033,425
Drlg & Completion Overhead	12,500				12,500
Plugging & Abandonment					
Directional Drilling, Surveys	290,848				290,848
Completion Unit, Swab, CTU		222,500	25,000		247,500
Perforating, Wireline, Slickline		159,618			159,618
High Pressure Pump Truck		136,600		5,000	141,600
Stimulation		2,574,765			2,574,765
Stimulation Flowback & Disp		15,500	255,000		270,500
Insurance	16,051				16,051
Labor	174,500	63,500	110,000		348,000
Rental - Surface Equipment	123,698	289,290	70,000	10,000	492,988
Rental - Downhole Equipment	243,900	94,500			338,400
Rental - Living Quarters	39,350	46,465		5,000	90,815
Contingency	197,196	264,159	48,250	7,000	516,605
Operations Center	22,225				22,225
TOTAL INTANGIBLES >	4,141,107	5,480,514	530,750	157,000	10,309,372

TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	\$ 101,778				\$ 101,778
Intermediate Casing	316,557				316,557
Drilling Liner					
Production Casing	590,225				590,225
Production Liner					
Tubing			180,000		180,000
Wellhead	96,000		45,000		141,000
Packers, Liner Hangers		48,703	5,000		53,703
Tanks				128,000	128,000
Production Vessels				202,200	202,200
Flow Lines			40,000	40,000	80,000
Rod string					
Artificial Lift Equipment			320,000		320,000
Compressor				45,000	45,000
Installation Costs				154,000	154,000
Surface Pumps				15,000	15,000
Non-controllable Surface	450		5,000	2,000	7,450
Non-controllable Downhole					
Downhole Pumps					
Measurement & Meter Installation			16,000	266,000	282,000
Gas Conditioning / Dehydration					
Interconnecting Facility Piping			20,000	220,000	240,000
Gathering / Bulk Lines					
Valves, Dumps, Controllers			5,000		5,000
Tank / Facility Containment				40,000	40,000
Flare Stack				50,000	50,000
Electrical / Grounding			45,000	185,000	230,000
Communications / SCADA			2,500	25,000	27,500
Instrumentation / Safety			12,500	87,000	99,500
TOTAL TANGIBLES >	1,105,009	48,703	696,000	1,459,200	3,308,912
TOTAL COSTS >	5,246,117	5,529,217	1,226,750	1,616,200	13,618,284

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Patrick Walsh	Team Lead - WTX/NM	
Completions Engineer:	Will Statton		FM
Production Engineer:	Josh Bryant		

MATADOR RESOURCES COMPANY APPROVAL:

EVP _____	Chief Geologist _____	
BE	NLF	
CFO _____	COO, EVP _____	
BW	CC	
EVP, Reservoir _____		
WTE		

NON OPERATING PARTNER APPROVAL:

Company Name: _____	Working Interest (%): _____	Tax ID: _____
Signed by: _____	Date: _____	
Title: _____	Approval: <input type="checkbox"/> Yes <input type="checkbox"/> No (mark one)	

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. Tubing installation approved under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including, legal, curative, regulatory, brokerage and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well. Participants shall be covered by and billed proportionately for Operator's well control and general liability insurance unless participant provides Operator a certificate evidencing its own insurance in an amount acceptable to the Operator by the date of spud.

Exhibit C-5

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Revised Exhibit No. C-5
Submitted by: Matador Production Company
Hearing Date: May 8, 2025
Case Nos. 24865

Summary of Communications Monika 203H (Slot 3&4- WCMP)

Uncommitted Working Interest Owner

1. DEBCO, LLC

In addition to sending well proposals, Matador has had discussions with **DEBCO, LLC** regarding their interest and possible voluntary joinder.

2. Roy G Barton, Jr., as his separate property

In addition to sending well proposals, Matador has had discussions with **Roy G Barton, Jr.**, regarding their interest and possible voluntary joinder.

3. MJK Mineral Partners, LTD

In addition to sending well proposals, Matador has had discussions with **MJK Mineral Partners, LTD** regarding their interest and possible voluntary joinder.

4. Angela Corr, f/k/a Angela E Kastman, as her separate property

In addition to sending well proposals, Matador has had discussions with **Angela Corr** regarding their interest and possible voluntary joinder.

5. Anna F. Kastman, whose marital status is unknown

In addition to sending well proposals, Matador has had discussions with **Anna F. Kastman** regarding their interest and possible voluntary joinder.

6. Benton A. Kastman, whose marital status is unknown

In addition to sending well proposals, Matador has had discussions with **Benton A. Kastman** regarding their interest and possible voluntary joinder.

7. Brandon A. Kastman, whose marital status is unknown

In addition to sending well proposals, Matador has had discussions with **Brandon A. Kastman** regarding their interest and possible voluntary joinder.

8. Melonie F. Kastman, as her separate property

In addition to sending well proposals, Matador has had discussions with **Melonie F. Kastman** regarding their interest and possible voluntary joinder.

9. Norma J. Chanley, f/k/a Norma J. Barton, as her separate property

In addition to sending well proposals, Matador has had discussions with **X Norma J. Chanley** regarding their interest and possible voluntary joinder.

10. South Fifth Energy, LLC

- Proposal sent August 12, 2024
- Proposal delivered August 15, 2024
- Called and left voicemail on December 30, 2024
- Called and left voicemail on April 7, 2025

11. XTO Holdings, LLC

In addition to sending well proposals, Matador has had discussions with **XTO Holdings, LLC** regarding their interest and possible voluntary joinder.

12. Worrall Investment Corporation

- Proposal sent August 12, 2024
- Proposal delivered August 15, 2024
- Have thus far been unable to locate a phone number for Worrall Investment Corporation

13. Sharbro Energy, LLC

In addition to sending well proposals, Matador has had discussions with **Sharbro Energy, LLC** regarding their interest and possible voluntary joinder.

14. SR Primo Holdings, LLC

In addition to sending well proposals, Matador has had discussions with **SR Primo Holdings, LLC** regarding their interest and possible voluntary joinder.

15. Lucinda Loveless, as her separate property

- Proposal sent August 12, 2024
- Proposal delivered August 15, 2024
- Called and left voicemail on December 27, 2024
- Called and left voicemail on April 7, 2025

16. Lucinda Loveless, as Trustee of the Lucinda Loveless Revocable Trust dated December 21, 2006, as amended and restated

- Proposal sent August 12, 2024
- Proposal delivered August 15, 2024
- Called and left voicemail on December 27, 2024
- Called and left voicemail on April 7, 2025

17. Loveless Land Holdings, LLC

- Proposal sent August 12, 2024
- Proposal delivered August 15, 2024
- Called and left voicemail on December 27, 2024
- Called and left voicemail on April 7, 2025

19. Chesapeake Exploration, LLC

- Proposal sent August 12, 2024
- Proposal delivered August 14, 2024
- Called and left voicemail on December 27, 2024
- Called and left voicemail on April 8, 2025

20. Sharon Bishop, as her separate property

- Proposal sent August 12, 2024
- Proposal delivered August 20, 2024
- Called and left voicemail on October 21, 2024
- Called and left voicemail on October 23, 2024
- Called and left voicemail on April 8, 2025

21. Saundra Smith, as her separate property

- Proposal sent August 12, 2024
- Proposal delivered August 20, 2024
- Called and left voicemail on October 21, 2024
- Called and left voicemail on October 23, 2024
- Called and left voicemail on April 8, 2025

22. Sharmyn Lumsden, as her separate property

- Proposal sent August 12, 2024
- Proposal delivered August 20, 2024
- Called and left voicemail on October 21, 2024
- Called and left voicemail on October 23, 2024
- Called and left voicemail on April 8, 2025

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

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

CASE NO. 24865

SELF-AFFIRMED STATEMENT OF JOSHUA BURRUS

1. My name is Joshua Burrus. I work for MRC Energy Company, an affiliate of Matador Production Company (“Matador”), as a Senior Staff Geologist.

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 south/southeast. 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: May 8, 2025
Case Nos. 24865

8. **MRC Exhibit D-3** is a structural cross-section 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, resistivity, and porosity, where available. The proposed target interval for the proposed well 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 standup well orientation is the preferred orientation for development in this area for Wolfcamp wells based on the maximum horizontal stress orientation in the 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 the horizontal spacing unit.

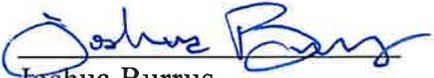
12. In my opinion, horizontal drilling will be the most efficient method to develop this acreage, to prevent the drilling of unnecessary wells, and to result in the greatest ultimate recovery.

13. In my opinion, 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

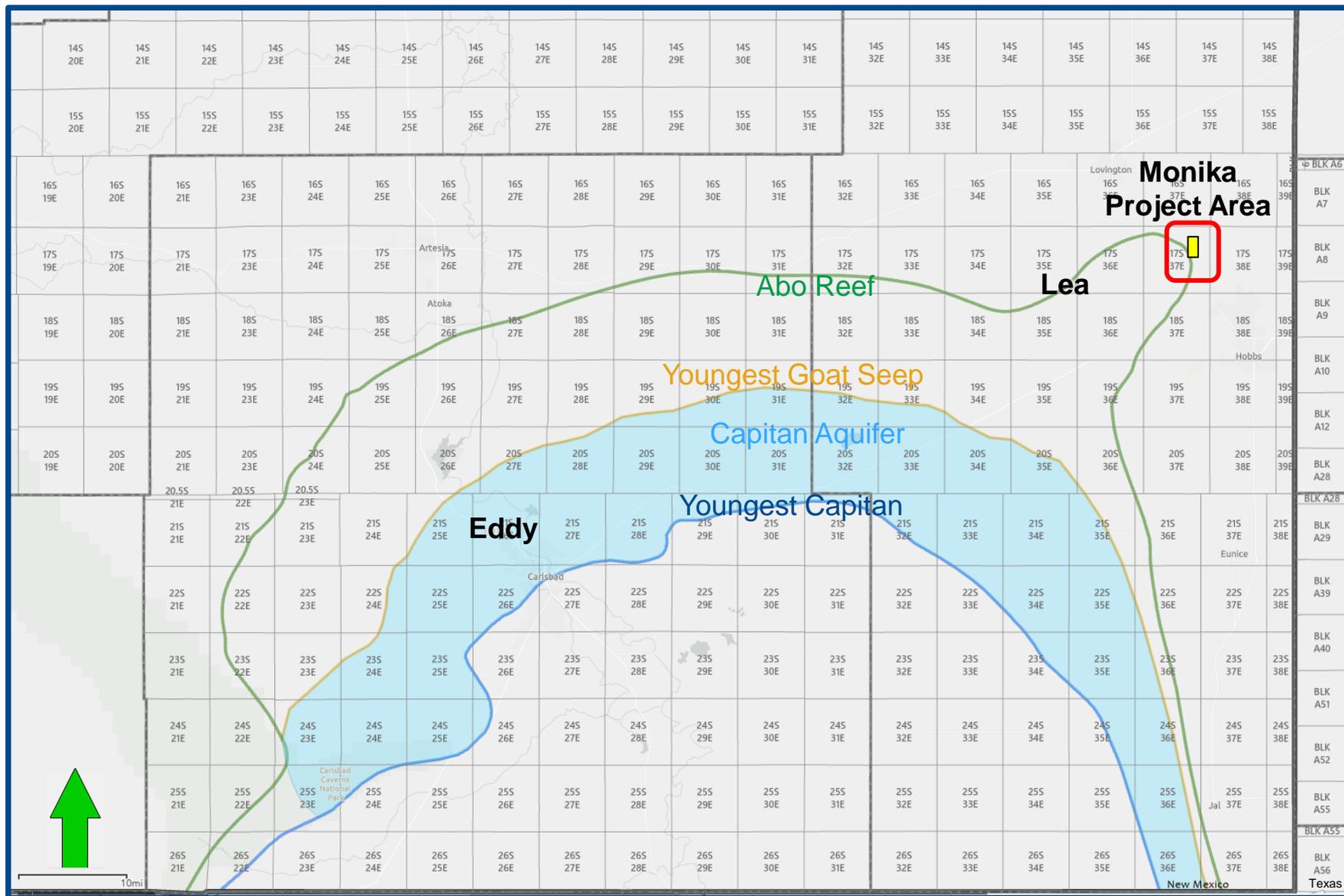
statement will be used as written testimony in this case. This statement is made on the date next to my signature below.


Joshua Burrus

04/02/2025
Date

Locator Map

Exhibit D-1



BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. D-1

Submitted by: Matador Production Company

Hearing Date: May 8, 2025

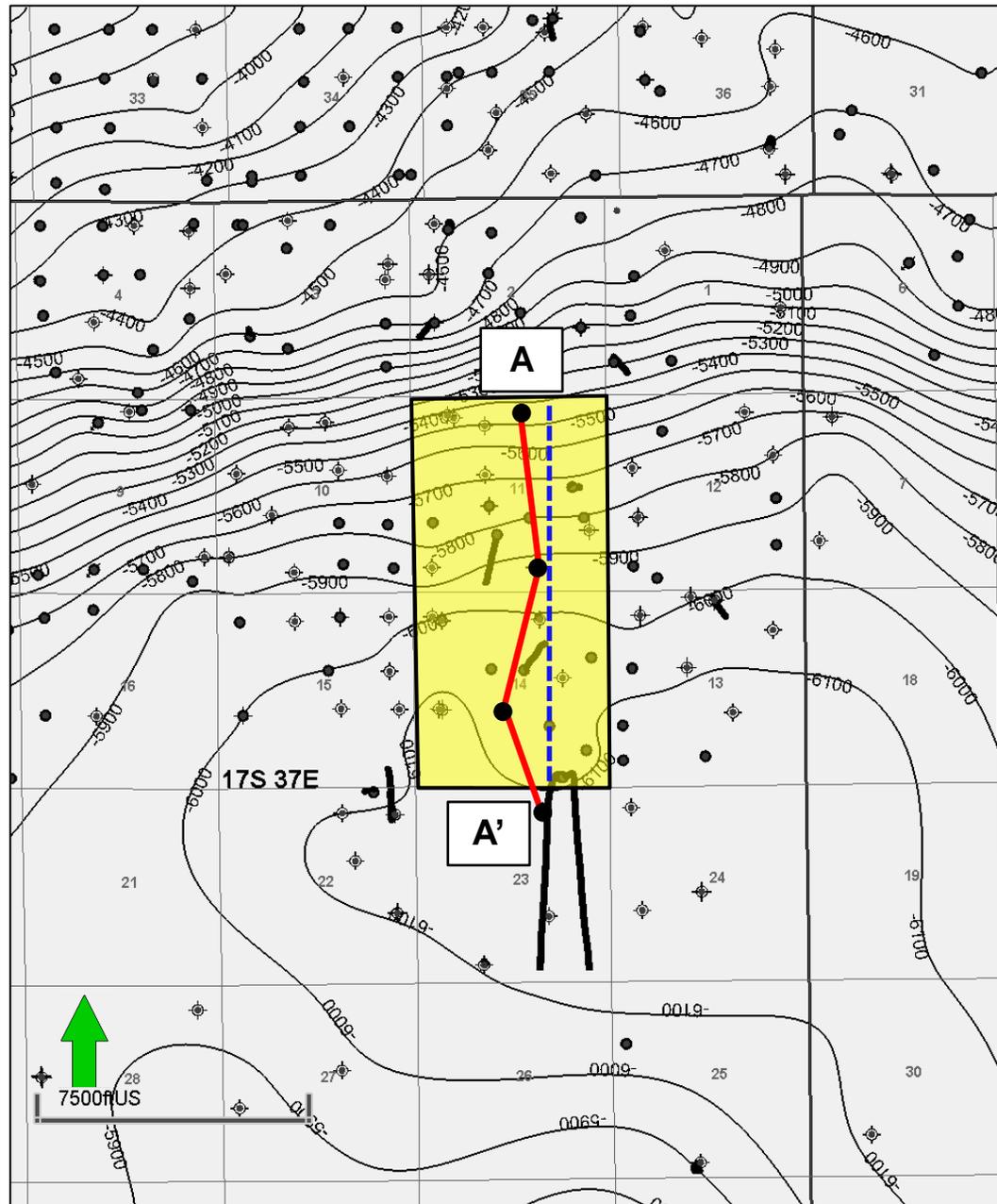
Case Nos. 24865



D-1

Humble City; Wolfcamp (Pool Code 33510) Structure Map (Top Wolfcamp Subsea) A – A' Reference Line

Exhibit D-2



Map Legend

Monika #203H



Project Area

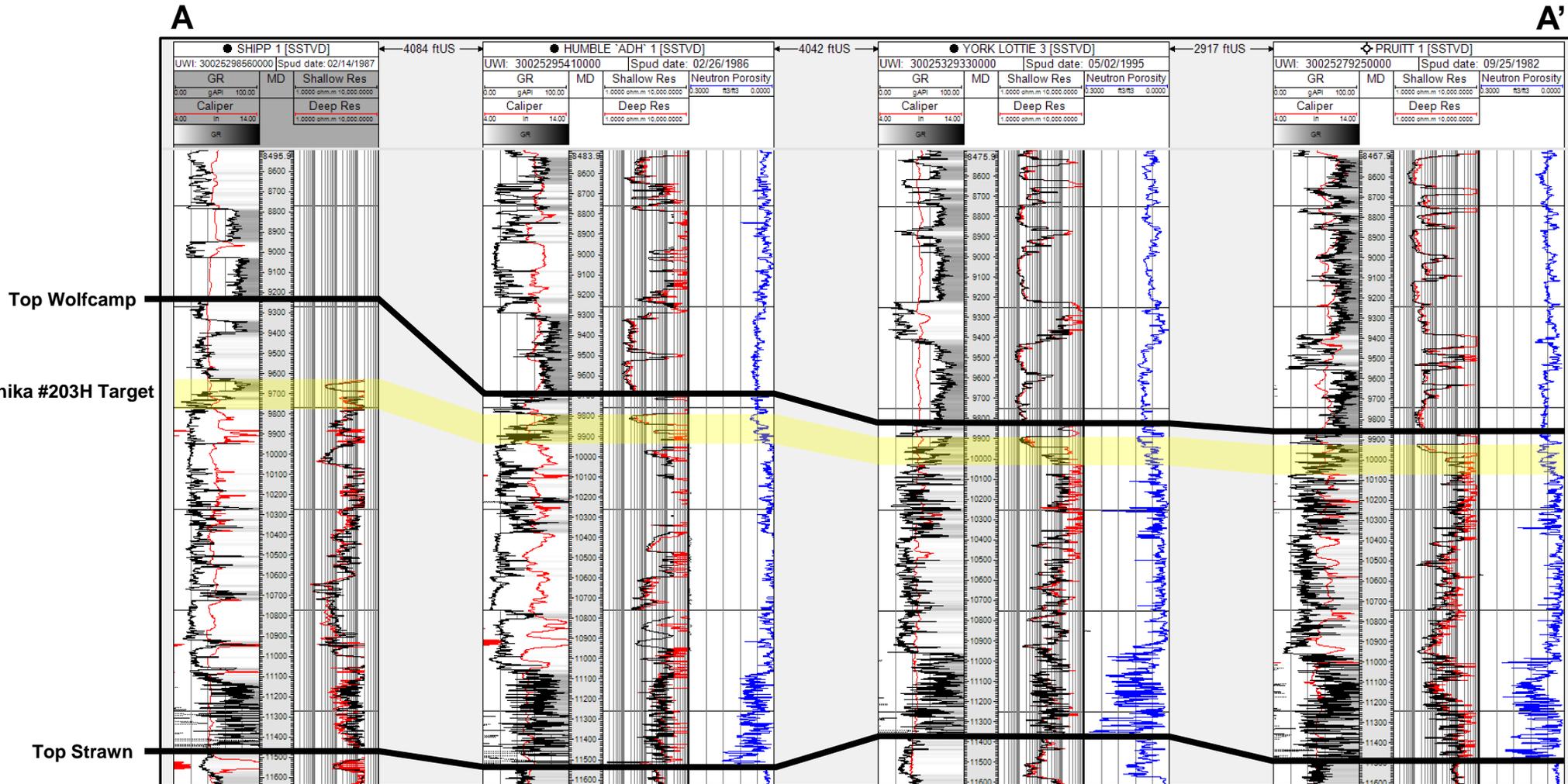


C. I. = 100'

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. D-2
 Submitted by: Matador Production Company
 Hearing Date: May 8, 2025
 Case Nos. 24865

Humble City; Wolfcamp (Pool Code 33510) Structural Cross Section A – A' Reference Line

Exhibit D-3



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Exhibit No. D-3

Submitted by: Matador Production Company

Hearing Date: May 8, 2025

Case Nos. 24865



D-3

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

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

CASE NO. 24865

**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 April 8, 2025.

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: Matador Production Company
Hearing Date: May 8, 2025
Case Nos. 24865**


Paula M. Vance _____

4/8/25 _____
Date



Michael H. Feldewert
Partner
Phone (505) 988-4421
mfeldewert@hollandhart.com

September 20, 2024

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico: *Monika 203H well*

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 October 10, 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 Addison Costley at (972) 371-5474 or at addison.costly@matadorresources.com.

Sincerely,

Michael H. Feldewert
ATTORNEY FOR MRC PERMIAN COMPANY

Location
110 North Guadalupe, Suite 1
Santa Fe, NM 87501-1849

Mailing Address
P.O. Box 2208
Santa Fe, NM 87504-2208

Contact
p: 505.988.4421 | f: 505.983.6043
www.hollandhart.com

Holland & Hart LLP Anchorage Aspen Billings Boise Boulder Cheyenne Denver Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C.

MRC - Monika 133H BS and 203H WC wells - Case nos. 24864-24865
Postal Delivery Report

9414811898765487001957	Angela Corr, f/k/a Angela E. Kastman	PO Box 5930	Lubbock	TX	79408-5930	Your item has been delivered to an agent. The item was picked up at USPS at 8:08 am on September 24, 2024 in LUBBOCK, TX 79408.
9414811898765487001964	Anna F. Kastman Jenkins	5668 Country View Ln	Frisco	TX	75036-4634	Your item was delivered to an individual at the address at 3:03 pm on September 30, 2024 in FRISCO, TX 75036.
9414811898765487001926	Apache Corporation	2000 W Sam Houston Pkwy S Ste 200	Houston	TX	77042-3643	Your item was delivered to an individual at the address at 1:45 pm on September 25, 2024 in HOUSTON, TX 77042.
9414811898765487001902	Benton A. Kastman	PO Box 997	Lubbock	TX	79408-0997	Your item has been delivered to an agent. The item was picked up at USPS at 8:11 am on September 24, 2024 in LUBBOCK, TX 79408.
9414811898765487001940	Berrendo Assets, LLC	4024 Goodfellow Dr	Dallas	TX	75229-2810	Your item was delivered to an individual at the address at 2:18 pm on September 24, 2024 in DALLAS, TX 75229.
9414811898765487001988	Brandon A. Kastman	1950 W Bell St	Houston	TX	77019-4814	Your item has been delivered to the original sender at 5:29 pm on November 4, 2024 in SANTA FE, NM 87501.
9414811898765487001933	Breckenridge Partnership, Ltd	PO Box 1973	Roswell	NM	88202-1973	Your item was picked up at the post office at 1:02 pm on September 27, 2024 in ROSWELL, NM 88201.
9414811898765487001971	Chesapeake Exploration, LLC	PO Box 18496	Oklahoma City	OK	73154-0496	Your item has been delivered and is available at a PO Box at 7:27 am on September 23, 2024 in OKLAHOMA CITY, OK 73154.
9414811898765487001612	Chevron USA, Inc.	6301 Deauville	Midland	TX	79706-2964	Your item was delivered to an individual at the address at 12:59 pm on September 27, 2024 in MIDLAND, TX 79706.
9414811898765487001650	David Petroleum corp.	116 W 1st St	Roswell	NM	88203-4702	Your item was delivered to an individual at the address at 10:01 am on September 26, 2024 in ROSWELL, NM 88203.

MRC - Monika 133H BS and 203H WC wells - Case nos. 24864-24865
Postal Delivery Report

9414811898765487001667	DEBCO Dborah L. Goluska, Agent	PO Box 1090	Roswell	NM	88202-1090	Your item was picked up at the post office at 1:30 pm on September 26, 2024 in ROSWELL, NM 88201.
9414811898765487001629	Fasken Acquisitions 02, Ltd	303 W Wall St Ste 1800	Midland	TX	79701-5106	Your item has been delivered to the original sender at 2:29 pm on October 17, 2024 in SANTA FE, NM 87501.
9414811898765487001605	Gunsight Limited Partnershp	PO Box 1973	Roswell	NM	88202-1973	Your item was picked up at the post office at 1:02 pm on September 27, 2024 in ROSWELL, NM 88201.
9414811898765487001698	Loveless land Holdings, LLC	4024 Goodfellow Dr	Dallas	TX	75229-2810	Your item was delivered to an individual at the address at 2:18 pm on September 24, 2024 in DALLAS, TX 75229.
9414811898765487001643	Lucinda Loveless Hershenhorn	PO Box 8	Hondo	NM	88336-0008	Your item was picked up at a postal facility at 10:25 am on October 2, 2024 in HONDO, NM 88336.
9414811898765487001681	Melonie F. Kastman	4347 W Northwest Hwy unit 120-36	Dallas	TX	75220-3864	Your item was delivered to an individual at the address at 12:40 pm on September 24, 2024 in DALLAS, TX 75220.
9414811898765487001636	MJK Mineral Partners, Ltd	PO Box 750	Marble Falls	TX	78654-0750	Your item was picked up at the post office at 1:04 pm on September 23, 2024 in MARBLE FALLS, TX 78654.
9414811898765487001117	Norma J. Chanley, f/k/a Norma J. Barton	PO Box 728	Hobbs	NM	88241-0728	Your item was picked up at the post office at 2:27 pm on October 2, 2024 in HOBBS, NM 88240.
9414811898765487001155	Resource Development Technology LLC	7175 W Jefferson Ave Ste 2000	Lakewood	CO	80235-2383	Your item has been delivered to the original sender at 2:29 pm on October 17, 2024 in SANTA FE, NM 87501.
9414811898765487001124	Roy G. Barton, Jr.	1919 N Turner St	Hobbs	NM	88240-2712	Your item was delivered to the front desk, reception area, or mail room at 12:06 pm on September 26, 2024 in HOBBS, NM 88240.

MRC - Monika 133H BS and 203H WC wells - Case nos. 24864-24865
Postal Delivery Report

9414811898765487001100	Saundra Smith	5620 84th St	Lubbock	TX	79424-4644	Your item was delivered to an individual at the address at 2:48 pm on September 26, 2024 in LUBBOCK, TX 79424.
9414811898765487001148	Sharbro Energy, LLC	PO Box 840	Artesia	NM	88211-0840	Your item was picked up at the post office at 10:49 am on September 24, 2024 in ARTESIA, NM 88210.
9414811898765487001186	Sharmyn Lilly a/k/a, Sharmyn Lumsden	5620 84th St	Lubbock	TX	79424-4644	Your item was delivered to an individual at the address at 2:48 pm on September 26, 2024 in LUBBOCK, TX 79424.
9414811898765487001131	Sharon Bishop	5620 84th St	Lubbock	TX	79424-4644	Your item was delivered to an individual at the address at 2:48 pm on September 26, 2024 in LUBBOCK, TX 79424.
9414811898765487001179	Slash Exploration Limited Partnership	PO Box 1973	Roswell	NM	88202-1973	Your item was picked up at the post office at 1:02 pm on September 27, 2024 in ROSWELL, NM 88201.
9414811898765487001315	South Fifth Energy, LLC	PO Box 130	Ruidoso	NM	88355-0130	Your item was picked up at the post office at 11:41 am on October 2, 2024 in RUIDOSO, NM 88345.
9414811898765487001353	SR Primo Holdings, LLC	1002 Camino Del Llano	Artesia	NM	88210-9366	Your item was delivered to the front desk, reception area, or mail room at 12:43 pm on September 26, 2024 in ARTESIA, NM 88210.
9414811898765487001360	The Lucinda Loveless Revocable Trust dated December 21, 2006	PO Box 8	Hondo	NM	88336-0008	Your item was picked up at a postal facility at 10:25 am on October 2, 2024 in HONDO, NM 88336.
9414811898765487001322	Worrall Investment Corporation	PO Box 1834	Roswell	NM	88202-1834	Your item was picked up at the post office at 9:53 am on September 30, 2024 in ROSWELL, NM 88201.
9414811898765487001308	XTO Holdings, LLC	22777 Springwoods Village Pkwy	Spring	TX	77389-1425	Your item was delivered to an individual at the address at 10:15 am on September 23, 2024 in SPRING, TX 77389.

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
September 24, 2024
and ending with the issue dated
September 24, 2024.



Publisher

Sworn and subscribed to before me this
24th day of September 2024.



Business Manager

My commission expires



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

LEGAL NOTICE
September 24, 2024

Case No. 24865: Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico. Notice to all affected interest owners, including all heirs, devisees and successors of: Angela Corr, f/k/a Angela E. Kastman; Anna F. Kastman Jenkins; Apache Corporation; Benton A. Kastman; Berrendo Assets, LLC; Brandon A. Kastman; Breckenridge Partnership, Ltd.; Chesapeake Exploration, LLC; Chevron USA, Inc.; David Petroleum Corp.; DEBCO Deborah L. Goluska, Agent; Fasken Acquisitions 02, Ltd.; Gunsight Limited Partnership; Loveless land Holdings, LLC; Lucinda Loveless Hershenhorn; Melonie F. Kastman; MJK Mineral Partners, Ltd.; Norma J. Chanley, f/k/a Norma J. Barton; Resource Development Technology LLC; Roy G. Barton, Jr.; Sandra Smith; Sharbro Energy, LLC; Sharmyn Lilly a/k/a, Sharmyn Lumsden; Sharon Bishop; Slash Exploration Limited Partnership; South Fifth Energy, LLC; SR Primo Holdings, LLC; The Lucinda Loveless Revocable Trust dated December 21, 2006; Worrall Investment Corporation; XTO Holdings, 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 October 10, 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 all uncommitted interests in a standard 640-acre, more or less, horizontal well spacing unit in the Wolfcamp formation comprised of the E2 of Sections 11 and 14, Township 17 South, Range 37 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed **Monika 203H** well, to be horizontally drilled from a surface location in the SE4 of Section 14, with a first take point in the SE4SE4 (Unit P) of Section 14 and a last take point in the NE4NE4 (Unit A) of Section 11. The location of the proposed well is expected to remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to allow inclusion of this acreage in the proposed horizontal well spacing unit. 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 proposed spacing unit, and a 200% charge for risk involved in drilling the proposed well. The subject area is located approximately 5.5 miles west of Knowles, New Mexico. #00294317

67100754

00294317

HOLLAND & HART LLC
110 N GUADALUPE ST., STE. 1
SANTA FE, NM 87501

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. F
Submitted by: Matador Production Company
Hearing Date: May 8, 2025
Case Nos. 24865