

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING AUGUST 22, 2024**

CASE No. 24307

JIM ROLFE BS 124H WELL

LEA COUNTY, NEW MEXICO



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

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

CASE NO. 24307p

**HEARING PACKAGE
TABLE OF CONTENTS**

- Compulsory Pooling Application Checklist
- Filed Application
- **Matador Exhibit A:** Self-Affirmed Statement of Isaac Evans, Landman
 - Matador Exhibit A-1: Draft C-102s
 - Matador Exhibit A-2: Tract Map
 - Matador Exhibit A-3: Working Interest Owners
 - Matador Exhibit A-4: Sample Well Proposal Letter & AFEs
 - Matador Exhibit A-5: Chronology of Contacts
- **Matador Exhibit B:** Self-Affirmed Statement of Andrew Parker, Geologist
 - Matador Exhibit B-1: Locator Map
 - Matador Exhibit B-2: Subsea Structure Map
 - Matador Exhibit B-3: Structural Cross Section
- **Matador Exhibit C:** Self-Affirmed Statement of Notice
- **Matador Exhibit D:** Affidavit of Publication

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

| | |
|--|---|
| Case: 24307 | APPLICANT'S RESPONSE |
| Date: August 22, 2024 | |
| Applicant | MRC Permian Company |
| Designated Operator & OGRID (affiliation if applicable) | Matador Production Company [OGRID 228937] |
| Applicant's Counsel: | Holland & Hart LLP |
| Case Title: | Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico |
| Entries of Appearance/Intervenors: | PBEX, LLC; E.G.L. Resources, Inc. |
| Well Family | Jim Rolfe |
| Formation/Pool | |
| Formation Name(s) or Vertical Extent: | Bone Spring |
| Primary Product (Oil or Gas): | Oil |
| Pooling this vertical extent: | N/A |
| Pool Name and Pool Code: | Airstrip; Bone Spring (960) |
| Well Location Setback Rules: | Statewide Rules |
| Spacing Unit | |
| Type (Horizontal/Vertical) | Horizontal |
| Size (Acres) | 320-acres |
| Building Blocks: | Quarter-Quarter sections |
| Orientation: | South-North |
| Description: TRS/County | E2E2 of Sections 22 and 27, T18S, R34E, NMPM, Lea County, New Mexico |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in the application? | Yes |
| Other Situations | |
| Depth Severance: Y/N. If yes, description | No |
| Proximity Tracts: If yes, description | N/A |
| Proximity Defining Well: if yes, description | N/A |
| Applicant's Ownership in Each Tract | Exhibit A-3 |
| Well(s) | |
| Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard) | |

| | |
|--|---|
| Well #1 | Jim Rolfe Fed Com 124H (API No. pending) SHL: 265' FSL & 1100' FEL (Unit P) of Sec. 27, T18S, R34E BHL: 110' FNL & 660' FEL (Unit A) of Sec. 22, T18S, R34E Completion Target: Bone Spring formation Well Orientation: South-North Completion Location expected to be: Standard |
| Horizontal Well First and Last Take Points | Exhibit A-1 |
| Completion Target (Formation, TVD and MD) | Exhibit A-4 |
| AFE Capex and Operating Costs | |
| Drilling Supervision/Month \$ | \$8,000 |
| Production Supervision/Month \$ | \$800 |
| Justification for Supervision Costs | Exhibit A |
| Requested Risk Charge | 200% |
| Notice of Hearing | |
| Proposed Notice of Hearing | See filed Application |
| Proof of Mailed Notice of Hearing (20 days before hearing) | Exhibit C |
| Proof of Published Notice of Hearing (10 days before hearing) | Exhibit D |
| Ownership Determination | |
| Land Ownership Schematic of the Spacing Unit | Exhibit A-2 |
| Tract List (including lease numbers and owners) | Exhibits A-2 and A-3 |
| 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 A-3 |
| Unlocatable Parties to be Pooled | Exhibit A-5 |
| Ownership Depth Severance (including percentage above & below) | N/A |
| Joinder | |
| Sample Copy of Proposal Letter | Exhibit A-4 |
| List of Interest Owners (ie Exhibit A of JOA) | Exhibit A-3 |
| Chronology of Contact with Non-Joined Working Interests | Exhibit A-5 |
| Overhead Rates In Proposal Letter | Exhibit A-4 |
| Cost Estimate to Drill and Complete | Exhibit A-4 |
| Cost Estimate to Equip Well | Exhibit A-4 |
| Cost Estimate for Production Facilities | Exhibit A-4 |
| Geology | |
| Summary (including special considerations) | Exhibit B |
| Spacing Unit Schematic | Exhibit B-2 |
| Gunbarrel/Lateral Trajectory Schematic | Exhibit B-2 |
| Well Orientation (with rationale) | Exhibit B |
| Target Formation | Exhibit B |

| | |
|--|---|
| HSU Cross Section | Exhibit B-3 |
| Depth Severance Discussion | N/A |
| Forms, Figures and Tables | |
| A-102 | Exhibit A-1 |
| Tracts | Exhibit A-2 |
| Summary of Interests, Unit Recapitulation (Tracts) | Exhibit A-3 |
| General Location Map (including basin) | Exhibit B-1 |
| Well Bore Location Map | Exhibits A-1, B-2 |
| Structure Contour Map - Subsea Depth | Exhibit B-2 |
| Cross Section Location Map (including wells) | Exhibit B-2 |
| Cross Section (including Landing Zone) | Exhibit B-3 |
| Additional Information | |
| Special Provisions/Stipulations | Applicant has dismissed the request for approval of an overlapping horizontal well spacing unit |
| CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate. | |
| Printed Name (Attorney or Party Representative): | Michael H. Feldewert |
| Signed Name (Attorney or Party Representative): |  |
| Date: | 15-Aug-24 |

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

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

CASE NO. 24307

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 (a) approving a standard 320-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the E2E2 of Sections 22 and 27, Township 18 South, Range 34 East and, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted mineral interests in this horizontal well spacing unit. 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 overlapping horizontal spacing unit.
3. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Jim Rolfe Fed Com 114H** and the **Jim Rolfe Fed Com 124H** wells to be horizontally drilled from a surface location in the SE4 of Section 27, with first take points in the SE4SE4 (Unit P) of Section 27 and last take points in the NE4NE4 (Unit A) of Section 22.
4. This proposed horizontal well spacing unit will overlap the following existing or proposed horizontal well spacing units in the Bone Spring formation:

- A 160-acre horizontal well spacing unit comprised of the E2E2 of Section 22 currently dedicated to the Oriole State 1H (30-025-41612) operated by COG Operating LLC and assigned to the Airstrip: Bone Spring Pool (960).
- A 160-acre horizontal well spacing unit comprised of the E2E2 of Section 27 proposed by MRC for the Jim Rolfe Fed Com 134H well to be drilled in a deeper interval of the Bone Spring formation.

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 approval of this overlapping horizontal spacing unit and the pooling of interests will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on April 4, 2024, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving the overlapping horizontal well spacing unit and pooling all uncommitted interests therein;
- B. Designating Matador Production Company as operator of this overlapping 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% penalty for the risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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 Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (a) approving a standard 320-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the E2E2 of Sections 22 and 27, Township 18 South, Range 34 East and, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted mineral interests in this horizontal well spacing unit. Said unit will be initially dedicated to the proposed **Jim Rolfe Fed Com 114H** and **Jim Rolfe Fed Com 124H** wells to be horizontally drilled from a surface location in the SE4 of Section 27, with first take points in the SE4SE4 (Unit P) of Section 27 and last take points in the NE4NE4 (Unit A) of Section 22. This proposed horizontal well spacing unit will overlap the following existing or proposed horizontal well spacing units in the Bone Spring formation:

- A 160-acre horizontal well spacing unit comprised of the E2E2 of Section 22 currently dedicated to the Oriole State 1H (30-025-41612) operated by COG Operating LLC and assigned to the Airstrip: Bone Spring Pool (960).
- A 160-acre horizontal well spacing unit comprised of the E2E2 of Section 27 proposed by MRC for the Jim Rolfe Fed Com 131H well to be drilled in a deeper interval of the Bone Spring formation.

Also, to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the wells, and a 200% charge for risk involved in drilling said wells. The subject area is located approximately 22 miles west of Hobbs, New Mexico.

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

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

CASE NO. 24307

SELF-AFFIRMED STATEMENT OF ISAAC EVANS

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

1. My name Isaac Evans. I work for MRC Energy Company, an affiliate of MRC Permian Company (“MRC”), as a Vice President – Land.
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 Bone Spring formation in the standard 320-acre, more or less, horizontal well spacing unit in the Bone Spring formation underlying the E/2 E/2 of Sections 22 and 27, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico, and initially dedicate this Bone Spring spacing unit to the proposed **Jim Rolfe Fed Com 124H** well to be horizontally drilled from a surface hole location in the SE/4 of Section 27, T18S-R34E with first take points in the SE/4 SE/4 of Section 27, T18S-R34E and last take points in the NE/4 NE/4 of Section 22, T18S-R34E .

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. A

Submitted by: Matador Production Company

Hearing Date: August 22, 2024

Case No. 24307

5. MRC understands this well will be placed in the Airstrip; Bone Spring [960] pool.

6. 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.

7. **MRC Exhibit A-1** contains the draft Form C-102 for the proposed well.

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

9. **MRC Exhibit A-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 A-3** also identifies the record title and overriding royalty interest owners that MRC seeks to pool in this case.

10. There are no depth severances within the Bone Spring 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 A-4** contains a sample well proposal letter that was sent to those parties, along with the AFE sent to working interest owners for each well. The costs reflected in the AFE are consistent with what other operators have incurred for drilling similar horizontal wells in the area.

12. In addition to sending well proposal letters and AFEs, I have attempted to call or email each of the working interest owners MRC seeks to pool. As indicated in **MRC Exhibit A-5**, we have been able to contact and have discussions with each of the working interest owners we seek to pool.

13. **MRC Exhibit A-5** contains a summary chronology of MRC's contacts and attempted contacts with the uncommitted working interest owners. 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.

14. 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.

15. 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.

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

17. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.



Isaac Evans

8-13-24

Date

EXHIBIT A-1

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A-1
Submitted by: Matador Production Company
Hearing Date: August 22, 2024
Case No. 24307**

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) 748-1263 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|----------------------------------|--|---|
| ¹ API Number | ² Pool Code 960 | ³ Pool Name A-Strip; Bone Springs |
| ⁴ Property Code | ⁵ Property Name JIM ROLFE FED COM | |
| ⁶ Well Number 124H | ⁷ Operator Name MATADOR PRODUCTION COMPANY | |
| ⁸ OGRID No. 228937 | ⁹ Elevation 4000' | |

| ¹⁰ Surface Location | | | | | | | | | |
|--------------------------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| P | 27 | 18-S | 34-E | - | 265' | SOUTH | 1100' | EAST | LEA |

| ¹¹ Bottom Hole Location If Different From Surface | | | | | | | | | |
|--|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| A | 22 | 18-S | 34-E | - | 110' | NORTH | 660' | EAST | LEA |

| | | | |
|--------------------------------------|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 320 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
|--------------------------------------|-------------------------------|----------------------------------|-------------------------|

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

The map shows a grid of sections 14, 15, 21, 22, 23, 26, 27, 28, and 33. A well location is marked with a vertical line and several points: SHL (Surface Location), KOP (Kick Off Point), FFP (First Perforation Point), BPP1 and BPP2 (BLM Perforation Points), LPP (Last Perforation Point), and BHL (Bottom Hole Location). Coordinates for each point are provided. The well is located in Section 27, Township 18-S, Range 34-E. The map also shows adjacent sections and their owners (NMNM 132071, 117557, 132072).

NEW MEXICO EAST
NAD 1983

SURFACE LOCATION (SHL)
265' FSL - SEC. 27
1100' FEL - SEC. 27
X=784375 Y=623737
LAT.: N 32.7122035
LONG.: W 103.5431530

KICK OFF POINT (KOP)
50' FSL - SEC. 27
660' FEL - SEC. 27
X=784816 Y=623526
LAT.: N 32.7116148
LONG.: W 103.5417227

FIRST PERFORATION POINT (FFP)
100' FSL - SEC. 27
660' FEL - SEC. 27
X=784816 Y=623576
LAT.: N 32.7117522
LONG.: W 103.5417230

BLM PERF. POINT (BPP1)
2642' FNL - SEC. 27
661' FEL - SEC. 27
X=784792 Y=626118
LAT.: N 32.7187386
LONG.: W 103.5417391

BLM PERF. POINT (BPP2)
0' FNL - SEC. 27
658' FEL - SEC. 27
X=784767 Y=628759
LAT.: N 32.7259997
LONG.: W 103.5417559

LAST PERFORATION POINT (LPP)
BOTTOM HOLE LOCATION (BHL)
110' FNL - SEC. 22
660' FEL - SEC. 22
X=784718 Y=633933
LAT.: N 32.7402189
LONG.: W 103.5417886

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 released mineral interest in the land including the proposed bottom hole location or has a right to drill this well of 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.

02/29/2024
Date of Survey
Signature and Seal of Professional Surveyor

Certificate Number _____

NEW MEXICO EAST
NAD 1927

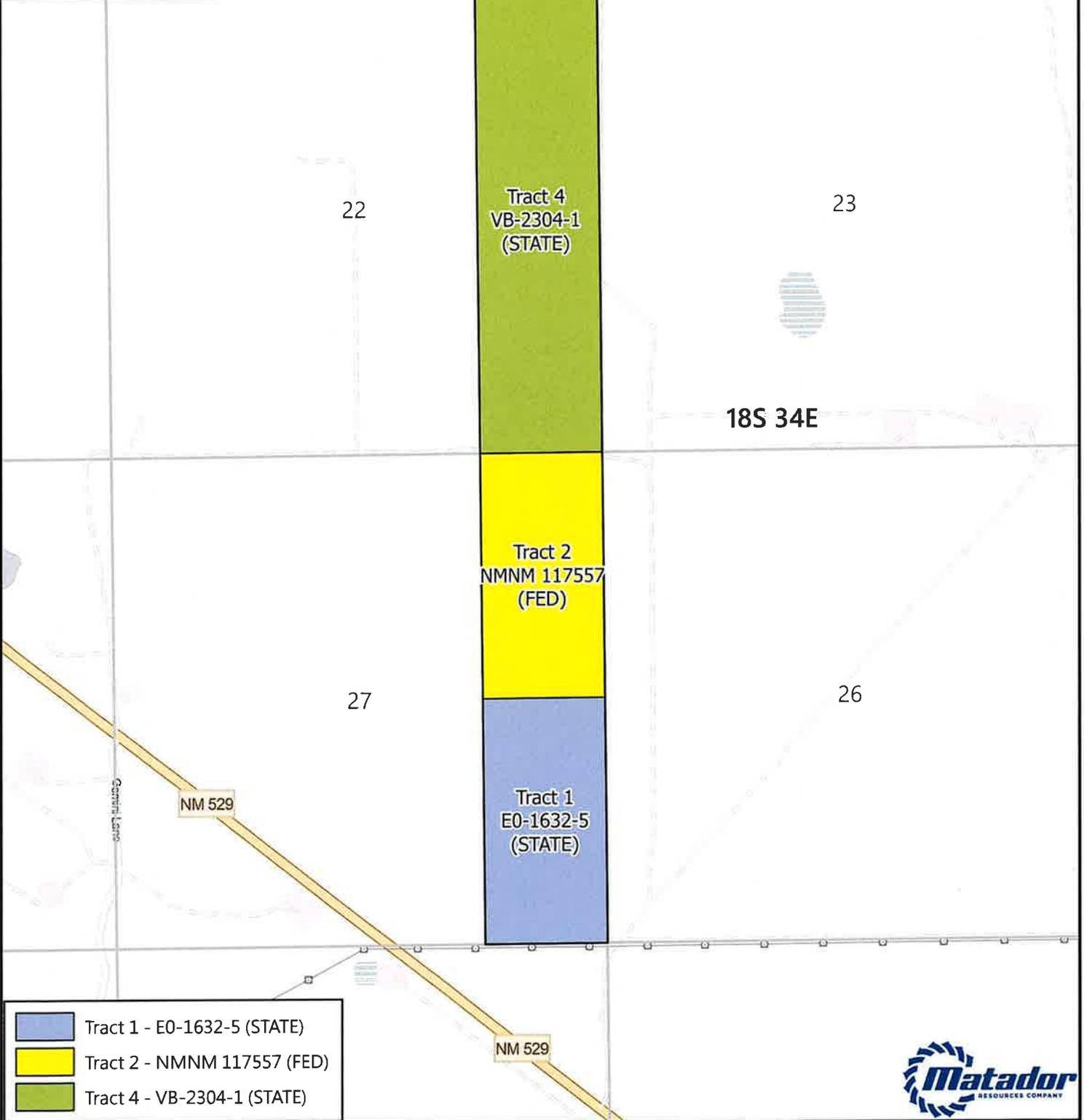
| | |
|--|--|
| SURFACE LOCATION (SHL) X=743195 Y=623873 LAT: N 32.7120799 LONG.: W 103.5426378 | KICK OFF POINT (KOP) X=743637 Y=623462 LAT: N 32.7114812 LONG.: W 103.5412276 |
| FIRST PERFORATION POINT (FFP) X=743836 Y=623512 LAT: N 32.7116286 LONG.: W 103.5412279 | BLM PERF. POINT (BPP1) X=743813 Y=626053 LAT: N 32.7186150 LONG.: W 103.5412435 |
| BLM PERF. POINT (BPP2) X=743588 Y=626895 LAT.: N 32.7258761 LONG.: W 103.5412632 | LAST PERFORATION POINT (LPP) BOTTOM HOLE LOCATION (BHL) X=743539 Y=633166 LAT: N 32.7400933 LONG.: W 103.5412924 |

EXHIBIT A-2

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A-2
Submitted by: Matador Production Company
Hearing Date: August 22, 2024
Case No. 24307**

E2E2 Jim Rolfe Fed Com Tract Map - Bone Spring

Date Published:
3/28/2024



| | |
|--|-----------------------------|
|  | Tract 1 - E0-1632-5 (STATE) |
|  | Tract 2 - NMNM 117557 (FED) |
|  | Tract 4 - VB-2304-1 (STATE) |



GIS Standard Map Disclaimer:
This cartographic product is for informational purposes and may not have been designed for use in the field for engineering or surveying purposes. Users of this information should review or consult the primary data and information sources to ensure the usability of the information.

N

0 500 1,000 2,000 Feet

1:18,000
1 inch equals 1,500 feet

Map Prepared by: americo.gamarra
Date: March 28, 2024
Project: \\gis\UserData\agamarra\temp\20240328 Jim Rolfe Tract Map\Jim Rolfe Tract Map.aprx
Spatial Reference: NAD 1983 StatePlane New Mexico East FIPS 3001 Feet
Sources: IHS; ESRI; US DOI BLM Carlsbad, NM Field Office, GIS Department; Texas Cooperative Wildlife Collection, Texas A&M University; United States Census Bureau (TIGER);

EXHIBIT A-3

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. A-3

Submitted by: Matador Production Company

Hearing Date: August 22, 2024

Case No. 24307

Summary of Interests

| MRC Permian Company Working Interest | | | 73.750000% |
|---|------------------------------------|-------|-------------------|
| Compulsory Pool Interest Total: | | | 26.250000% |
| Interest Owner: | Description: | Tract | Interest: |
| Marathon Oil Permian, LLC | Uncommitted Working Interest Owner | 4 | 20.000000% |
| EG3 Development, LLC | Uncommitted Working Interest Owner | 2 | 1.562500% |
| Allar Development, LLC | Uncommitted Working Interest Owner | 2 | 4.687500% |
| The Allar Company | Record Title Owner | 2 | N/A |
| Anadarko E&P Onshore, LLC | Record Title Owner | 1 | N/A |
| | | | |
| | | | |

Summary of ORRI Owners – E2E2 Jim Rolfe Fed Com – Bone Spring

ORRI

1. Post Oak Crown IV, LLC
2. Post Oak Crown IV-B, LLC
3. Crown Oil Partners, LP
4. Collins & Jones Investments, LLC
5. H. Jason Wacker
6. David W. Cromwell
7. LMC Energy, LLC
8. Kaleb Smith
9. Deane Durham
10. Mike Moylett
11. Oak Valley Mineral and Land, LP
12. Post Oak Mavros II, LLC
13. Sortida Resources, LLC
14. John Kyle Thoma, Trustee of the Cornerstone Family Trust
15. GMT New Mexico Royalty Company, LLC
16. SHG Energy, LLC
17. Sitka Consulting, LLC
18. Good News Minerals, LLC
19. Howard A. Rubin
20. Rubie Crosby Bell Family, LLC
21. Bryan Bell Family, LLC
22. BOKF, N.A., Successor Trustee of The Robert N. Enfield Irrevocable Trust B
23. Cathleen Ann Adams Revocable Trust
24. Arrott Family Revocable Trust
25. McMullen Minerals II, LP
26. Pegasus Resources II, LLC
27. Panhandle Properties, LLC
28. Free Ride, LLC
29. Stratford Investments, Ltd.
30. Ronita Jones
31. Brenda Lanier
32. Beverly Schmidt Couzzort Irrevocable Trust
33. Margaret Frances Grace Couzzort Irrevocable Trust
34. Catherine Claire Couzzort Irrevocable Trust
35. Fortress Energy Partners IV, LLC
36. Bandera Minerals III, LLC
37. Wendell W. Iverson, Jr.
38. Magnolia Royalty Company, Inc.
39. Sapphire Royalties, Inc.
40. Packard Fund
41. James M. Hotchkiss, Jr., Trustee
42. James M. Hotchkiss, Jr. & Isabel Hotchkiss, Trustees of the Hotchkiss 1988 Family Trust

43. Walter Condeff
44. Kathleen Ann Tallent
45. Mary Elizabeth Condeff
46. Frances A. Jay
47. Virginia R. Hatherly
48. Phillip R. Runyan
49. Russell T. Rudy Energy, LLC
50. Burlington Resources Oil & Gas Company, LP

EXHIBIT A-4

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A-4
Submitted by: Matador Production Company
Hearing Date: August 22, 2024
Case No. 24307**

Matador Production Company

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

Isaac C. Evans
Area Land Manager

January 18, 2024

VIA CERTIFIED RETURN RECEIPT MAIL

Franklin Mountain Energy 3, LLC
44 Cook Street, Suite 1000
Denver, Colorado 80206

Re: Jim Rolfe Fed Com #111H, #112H, #113H, #114H, #121H, #122H, #123H, #124H, #131H, #132H, #133H, #134H, #241H, #242H, #243H & #244H (the "Wells")
Participation Proposal
Sections 22 & 27, Township 18 South, Range 34 East, Lea County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Jim Rolfe Fed Com #111H, Jim Rolfe Fed Com #112H, Jim Rolfe Fed Com #113H, Jim Rolfe Fed Com #114H, Jim Rolfe Fed Com #121H, Jim Rolfe Fed Com #122H, Jim Rolfe Fed Com #123H, Jim Rolfe Fed Com #124H, Jim Rolfe Fed Com #131H, Jim Rolfe Fed Com #132H, Jim Rolfe Fed Com #133H, Jim Rolfe Fed Com #134H, Jim Rolfe Fed Com #241H, Jim Rolfe Fed Com #242H, Jim Rolfe Fed Com #243H & Jim Rolfe Fed Com #244H, located in Sections 22 & 27, Township 18 South, Range 34 East, Lea County, New Mexico.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping of the Jim Rolfe Fed Com #111H, Jim Rolfe Fed Com #112H, Jim Rolfe Fed Com #113H, Jim Rolfe Fed Com #114H, Jim Rolfe Fed Com #121H, Jim Rolfe Fed Com #122H, Jim Rolfe Fed Com #123H, Jim Rolfe Fed Com #124H, Jim Rolfe Fed Com #131H, Jim Rolfe Fed Com #132H, Jim Rolfe Fed Com #133H, Jim Rolfe Fed Com #134H, Jim Rolfe Fed Com #241H, Jim Rolfe Fed Com #242H, Jim Rolfe Fed Com #243H & Jim Rolfe Fed Com #244H is itemized on the sixteen (16) enclosed Authority for Expenditures ("AFE") dated January 3, 2024.
- **Jim Rolfe Fed Com #111H:** to be drilled from a legal location with a proposed surface hole location in the N/2NW/4 of Section 34-18S-34E, a proposed first take point located at 100' FSL and 660' FWL of Section 27-18S-34E, and a proposed last take point located at 100' FNL and 660' FWL of Section 22-18S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~9,000' TVD) to a Measured Depth of approximately 19,054'.
- **Jim Rolfe Fed Com #112H:** to be drilled from a legal location with a proposed surface hole location in the N/2NW/4 of Section 34-18S-34E, a proposed first take point located at 100' FSL and 1,980' FWL of Section 27-18S-34E, and a proposed last take point located at 100' FNL and 1,980' FWL of Section 22-18S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~9,000' TVD) to a Measured Depth of approximately 19,054'.

- **Jim Rolfe Fed Com #113H:** to be drilled from a legal location with a proposed surface hole location in the S/2SE/4 of Section 27-18S-34E, a proposed first take point located at 100' FSL and 1,980' FEL of Section 27-18S-34E, and a proposed last take point located at 100' FNL and 1,980' FEL of Section 22-18S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~9,000' TVD) to a Measured Depth of approximately 19,054'.
- **Jim Rolfe Fed Com #114H:** to be drilled from a legal location with a proposed surface hole location in the S/2SE/4 of Section 27-18S-34E, a proposed first take point located at 100' FSL and 660' FEL of Section 27-18S-34E, and a proposed last take point located at 100' FNL and 660' FEL of Section 22-18S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~9,000' TVD) to a Measured Depth of approximately 19,054'.
- **Jim Rolfe Fed Com #121H:** to be drilled from a legal location with a proposed surface hole location in the N/2NW/4 of Section 34-18S-34E, a proposed first take point located at 100' FSL and 660' FWL of Section 27-18S-34E, and a proposed last take point located at 100' FNL and 660' FWL of Section 22-18S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~9,300' TVD) to a Measured Depth of approximately 19,354'.
- **Jim Rolfe Fed Com #122H:** to be drilled from a legal location with a proposed surface hole location in the N/2NW/4 of Section 34-18S-34E, a proposed first take point located at 100' FSL and 1,980' FWL of Section 27-18S-34E, and a proposed last take point located at 100' FNL and 1,980' FWL of Section 22-18S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~9,300' TVD) to a Measured Depth of approximately 19,354'.
- **Jim Rolfe Fed Com #123H:** to be drilled from a legal location with a proposed surface hole location in the S/2SE/4 of Section 27-18S-34E, a proposed first take point located at 100' FSL and 1,980' FEL of Section 27-18S-34E, and a proposed last take point located at 100' FNL and 1,980' FEL of Section 22-18S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~9,300' TVD) to a Measured Depth of approximately 19,354'.
- **Jim Rolfe Fed Com #124H:** to be drilled from a legal location with a proposed surface hole location in the S/2SE/4 of Section 27-18S-34E, a proposed first take point located at 100' FSL and 660' FEL of Section 27-18S-34E, and a proposed last take point located at 100' FNL and 660' FEL of Section 22-18S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~9,300' TVD) to a Measured Depth of approximately 19,354'.
- **Jim Rolfe Fed Com #131H:** to be drilled from a legal location with a proposed surface hole location in the N/2NW/4 of Section 34-18S-34E, a proposed first take point located at 100' FSL and 660' FWL of Section 27-18S-34E, and a proposed last take point located at 100' FNL and 660' FWL of Section 27-18S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,240' TVD) to a Measured Depth of approximately 15,014'.
- **Jim Rolfe Fed Com #132H:** to be drilled from a legal location with a proposed surface hole location in the N/2NW/4 of Section 34-18S-34E, a proposed first take point located at 100' FSL and 1,980' FWL of Section 27-18S-34E, and a proposed last take point located at 100' FNL and 1,980' FWL of Section 22-18S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,240' TVD) to a Measured Depth of approximately 20,294'.

- **Jim Rolfe Fed Com #133H:** to be drilled from a legal location with a proposed surface hole location in the S/2SE/4 of Section 27-18S-34E, a proposed first take point located at 100' FSL and 1,980' FEL of Section 27-18S-34E, and a proposed last take point located at 100' FNL and 1,980' FEL of Section 22-18S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,240' TVD) to a Measured Depth of approximately 20,294'.
- **Jim Rolfe Fed Com #134H:** to be drilled from a legal location with a proposed surface hole location in the S/2SE/4 of Section 27-18S-34E, a proposed first take point located at 100' FSL and 660' FEL of Section 27-18S-34E, and a proposed last take point located at 100' FNL and 660' FEL of Section 27-18S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,240' TVD) to a Measured Depth of approximately 15,014'.
- **Jim Rolfe Fed Com #241H:** to be drilled from a legal location with a proposed surface hole location in the N/2NW/4 of Section 34-18S-34E, a proposed first take point located at 100' FSL and 660' FWL of Section 27-18S-34E, and a proposed last take point located at 100' FNL and 660' FWL of Section 22-18S-34E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~11,900' TVD) to a Measured Depth of approximately 21,954'.
- **Jim Rolfe Fed Com #242H:** to be drilled from a legal location with a proposed surface hole location in the N/2NW/4 of Section 34-18S-34E, a proposed first take point located at 100' FSL and 1,980' FWL of Section 27-18S-34E, and a proposed last take point located at 100' FNL and 1,980' FWL of Section 22-18S-34E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~11,900' TVD) to a Measured Depth of approximately 21,954'.
- **Jim Rolfe Fed Com #243H:** to be drilled from a legal location with a proposed surface hole location in the S/2SE/4 of Section 27-18S-34E, a proposed first take point located at 100' FSL and 1,980' FEL of Section 27-18S-34E, and a proposed last take point located at 100' FNL and 1,980' FEL of Section 22-18S-34E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~11,900' TVD) to a Measured Depth of approximately 21,954'.
- **Jim Rolfe Fed Com #244H:** to be drilled from a legal location with a proposed surface hole location in the S/2SE/4 of Section 27-18S-34E, a proposed first take point located at 100' FSL and 660' FEL of Section 27-18S-34E, and a proposed last take point located at 100' FNL and 660' FEL of Section 22-18S-34E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~11,900' TVD) to a Measured Depth of approximately 21,954'.

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 sent at a later date. The proposed Operating Agreement is dated January 1, 2024, by and between Matador Production Company, as Operator and MRC Permian Company, et al as Non-Operators, covers certain depths in Sections 22 & 27, Township 18 South, Range 34 East, Lea County, New Mexico, and has the following general provisions:

- 100/300/300 Non-consenting penalty
- \$8,000/\$800 Drilling and Producing rate

- Matador Production Company named as Operator

If your election is to participate in the drilling and completion of the Wells, please sign and return a copy of the enclosed AFEs within thirty (30) days of receipt of this notice. Please be aware that the enclosed AFEs are only an estimate of costs to be incurred and by electing to participate in the Wells, each working interest owner shall be responsible for its proportionate share of all costs incurred.

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

Sincerely,

MRC PERMIAN COMPANY



Isaac C. Evans

Franklin Mountain Energy 3, LLC hereby elects to:

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Jim Rolfe Fed Com #111H** well.
 _____ Not to participate in the **Jim Rolfe Fed Com #111H**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Jim Rolfe Fed Com #112H** well.
 _____ Not to participate in the **Jim Rolfe Fed Com #112H**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Jim Rolfe Fed Com #113H** well.
 _____ Not to participate in the **Jim Rolfe Fed Com #113H**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Jim Rolfe Fed Com #114H** well.
 _____ Not to participate in the **Jim Rolfe Fed Com #114H**

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

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

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Jim Rolfe Fed Com #123H** well.
 _____ Not to participate in the **Jim Rolfe Fed Com #123H**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Jim Rolfe Fed Com #124H** well.
 _____ Not to participate in the **Jim Rolfe Fed Com #124H**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador
Production Company's **Jim Rolfe Fed Com #131H** well.
_____ Not to participate in the **Jim Rolfe Fed Com #131H**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador
Production Company's **Jim Rolfe Fed Com #132H** well.
_____ Not to participate in the **Jim Rolfe Fed Com #132H**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador
Production Company's **Jim Rolfe Fed Com #133H** well.
_____ Not to participate in the **Jim Rolfe Fed Com #133H**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador
Production Company's **Jim Rolfe Fed Com #134H** well.
_____ Not to participate in the **Jim Rolfe Fed Com #134H**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador
Production Company's **Jim Rolfe Fed Com #241H** well.
_____ Not to participate in the **Jim Rolfe Fed Com #241H**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador
Production Company's **Jim Rolfe Fed Com #242H** well.
_____ Not to participate in the **Jim Rolfe Fed Com #242H**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador
Production Company's **Jim Rolfe Fed Com #243H** well.
_____ Not to participate in the **Jim Rolfe Fed Com #243H**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador
Production Company's **Jim Rolfe Fed Com #244H** well.
_____ Not to participate in the **Jim Rolfe Fed Com #244H**

Franklin Mountain Energy 3, LLC

By: _____

Title: _____

Date: _____

Contact Number: _____

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

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

| | | | |
|------------------|--|-----------------|--------------|
| DATE: | 12/05/2023 | AFE NO.: | 0 |
| WELL NAME: | Jim Rolfe Fed Com #124H | FIELD: | 0 |
| LOCATION: | Sections 22&27 18S-34E | MD/TVD: | 19354/9300' |
| COUNTY/STATE: | Lea | LATERAL LENGTH: | about 10,000 |
| MRC WI: | | | |
| GEOLOGIC TARGET: | 2nd Bone Spring | | |
| REMARKS: | Drill and complete a 2-mile horizontal Second Bone Spring Sand target with about 45 frac stages. | | |

| | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | FACILITY COSTS | TOTAL COSTS |
|----------------------------------|------------------|------------------|------------------|----------------|-------------------|
| INTANGIBLE COSTS | | | | | |
| Land / Legal / Regulatory | \$ 17,500 | \$ - | \$ - | \$ 10,000 | \$ 27,500 |
| Location, Surveys & Damages | 134,500 | 13,000 | 15,000 | 20,000 | 182,500 |
| Drilling | 894,926 | - | - | - | 894,926 |
| Cementing & Float Equip | 307,000 | - | - | - | 307,000 |
| Logging / Formation Evaluation | - | 8,000 | - | - | 8,000 |
| Mud Logging | 24,750 | - | - | - | 24,750 |
| Mud Circulation System | 94,020 | - | - | - | 94,020 |
| Mud & Chemicals | 332,445 | 65,000 | - | - | 397,445 |
| Mud / Wastewater Disposal | 235,000 | - | - | 1,000 | 236,000 |
| Freight / Transportation | 22,500 | 36,000 | - | - | 58,500 |
| Rig Supervision / Engineering | 139,200 | 94,133 | 7,500 | 3,600 | 244,433 |
| Drill Bits | 130,000 | - | - | - | 130,000 |
| Fuel & Power | 168,000 | 498,071 | - | - | 666,071 |
| Water | 76,260 | 485,625 | - | 1,000 | 562,875 |
| Drig & Completion Overhead | 12,000 | - | - | - | 12,000 |
| Plugging & Abandonment | - | - | - | - | - |
| Directional Drilling, Surveys | 318,779 | - | - | - | 318,779 |
| Completion Unit, Swab, CTU | - | 170,000 | 25,000 | - | 195,000 |
| Perforating, Wireline, Slickline | - | 233,024 | - | - | 233,024 |
| High Pressure Pump Truck | - | 114,667 | - | - | 114,667 |
| Stimulation | - | 2,572,963 | - | - | 2,572,963 |
| Stimulation Flowback & Disp | - | 15,500 | 250,000 | - | 265,500 |
| Insurance | 12,193 | - | - | - | 12,193 |
| Labor | 203,000 | 69,583 | 85,000 | 5,000 | 352,583 |
| Rental - Surface Equipment | 117,058 | 353,757 | 60,000 | 5,000 | 535,815 |
| Rental - Downhole Equipment | 172,450 | 91,000 | - | - | 263,450 |
| Rental - Living Quarters | 44,634 | 52,427 | - | 5,000 | 102,061 |
| Contingency | 173,869 | 171,734 | 22,125 | 5,060 | 372,788 |
| Operations Center | 23,184 | - | - | - | 23,184 |
| TOTAL INTANGIBLES > | 3,651,259 | 5,034,493 | 464,625 | 55,880 | 9,206,027 |
| TANGIBLE COSTS | | | | | |
| Surface Casing | \$ 106,850 | \$ - | \$ - | \$ - | \$ 106,850 |
| Intermediate Casing | 490,348 | - | - | - | 490,348 |
| Drilling Liner | - | - | - | - | - |
| Production Casing | 780,614 | - | - | - | 780,614 |
| Production Liner | - | - | - | - | - |
| Tubing | - | - | 183,750 | - | 183,750 |
| Wellhead | 83,500 | - | 45,000 | - | 128,500 |
| Packers, Liner Hangers | - | 65,265 | 5,000 | - | 70,265 |
| Tanks | - | - | - | 28,800 | 28,800 |
| Production Vessels | - | - | - | 152,620 | 152,620 |
| Flow Lines | - | - | 40,000 | 120,000 | 160,000 |
| Rod string | - | - | - | - | - |
| Artificial Lift Equipment | - | - | 275,000 | - | 275,000 |
| Compressor | - | - | - | 24,500 | 24,500 |
| Installation Costs | - | - | - | 88,000 | 88,000 |
| Surface Pumps | - | - | - | 4,200 | 4,200 |
| Non-controllable Surface | 400 | - | - | 2,000 | 2,400 |
| Non-controllable Downhole | - | - | - | - | - |
| Downhole Pumps | - | - | 16,000 | 70,291 | 86,291 |
| Measurement & Meter Installation | - | - | - | - | - |
| Gas Conditioning / Dehydration | - | - | - | 80,500 | 80,500 |
| Interconnecting Facility Piping | - | - | - | - | - |
| Gathering / Bulk Lines | - | - | - | - | - |
| Valves, Dumps, Controllers | - | - | - | 4,900 | 4,900 |
| Tank / Facility Containment | - | - | - | 12,250 | 12,250 |
| Flare Stack | - | - | - | 68,500 | 68,500 |
| Electrical / Grounding | - | - | 25,000 | - | 25,000 |
| Communications / SCADA | - | - | 2,500 | 8,450 | 10,950 |
| Instrumentation / Safety | - | - | 12,500 | 31,300 | 43,800 |
| TOTAL TANGIBLES > | 1,481,711 | 65,265 | 604,750 | 608,311 | 2,828,037 |
| TOTAL COSTS > | 5,112,970 | 5,099,748 | 1,069,375 | 751,971 | 12,034,084 |

PREPARED BY MATADOR PRODUCTION COMPANY:

| | | | |
|-----------------------|--------------|--------------------|--------------------|
| Drilling Engineer: | Julio Mayol | Team Lead - WTX/NM | <i>[Signature]</i> |
| Completions Engineer: | Will Statton | APW | |
| Production Engineer: | Josh Bryant | | |

MATADOR RESOURCES COMPANY APPROVAL:

| | | | |
|----------------|-------|------------------------|-------|
| President | _____ | Chief Geologist | _____ |
| EVP, Co-CEO | BEG | _____ | NLF |
| EVP, Reservoir | CA | Co-CEO, SVP Operations | CC |
| | WTE | | |

NON OPERATING PARTNER APPROVAL:

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

This estimate and the AFE are estimates only and may not be considered as a binding contract. The Operator shall be responsible for the accuracy of the information provided. The Operator shall be responsible for the accuracy of the information provided. The Operator shall be responsible for the accuracy of the information provided.

EXHIBIT A-5

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A-5
Submitted by: Matador Production Company
Hearing Date: August 22, 2024
Case No. 24307**

Summary of Communications – E2E2 Jim Rolfe Fed Com – Bone Spring

Uncommitted Working Interest:

1. Marathon Oil Permian, LLC

In addition to sending well proposals, Matador had discussions with Marathon Oil Permian, LLC regarding this project and potential voluntary joinder and are continuing those discussions.

2. Allar Development, LLC

In addition to sending well proposals, Matador had discussions with Allar Development, LLC regarding this project and potential voluntary joinder and are continuing those discussions.

3. EG3 Development, LLC

In addition to sending well proposals, Matador had discussions with EG3 Development, LLC regarding this project and potential voluntary joinder and are continuing those discussions.

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

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

**CASE NO. 24304, 24305, 24306, 24307
24308, and 24309**

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 (“MRC”), as a Senior Vice President of Geoscience.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.
3. I am familiar with the applications filed by MRC in these cases, and I have conducted a geologic study of the lands in the subject area.
4. **MRC Exhibit B-1** is a locator map outlining the horizontal spacing units with a black box shaded in yellow, with the larger area identified in a red box.
5. In these cases, MRC intends to develop the Second Bone Spring of the Bone Spring formation (in Case Nos. 24304-24307) and the Third Bone Spring of the Bone Spring formation (in Case Nos. 24308-24309).
6. **MRC Exhibit B-2** is a subsea structure map prepared off the top of the Bone Spring formation. The contour interval is 200 feet. The structure map shows the Bone Spring formation

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

**Submitted by: Matador Production Company
Hearing Date: August 22, 2024
Case No. 24307**

gently dipping to the south. The structure appears consistent across the proposed wellbore paths. I do not observe any faulting, pinchouts, or other geologic impediments to horizontal drilling.

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

8. **MRC Exhibit B-3** is a structural cross-section prepared displaying open-hole logs run over the Bone Spring formation from the five 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 intervals for each of the respective proposed wells is labeled and marked with a yellow shaded area. The logs in the cross-section demonstrate that the targeted intervals are consistent in thickness, across the entirety of the proposed spacing units.

9. In my opinion, the standup orientation is the preferred orientation for development in this area for these wells because the maximum horizontal stress is 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 Bone Spring formation in the area of the spacing units proposed in these cases.

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

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

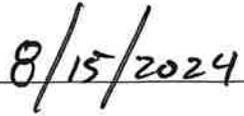
13. Approving MRC's applications will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

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

15. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.



Andrew Parker

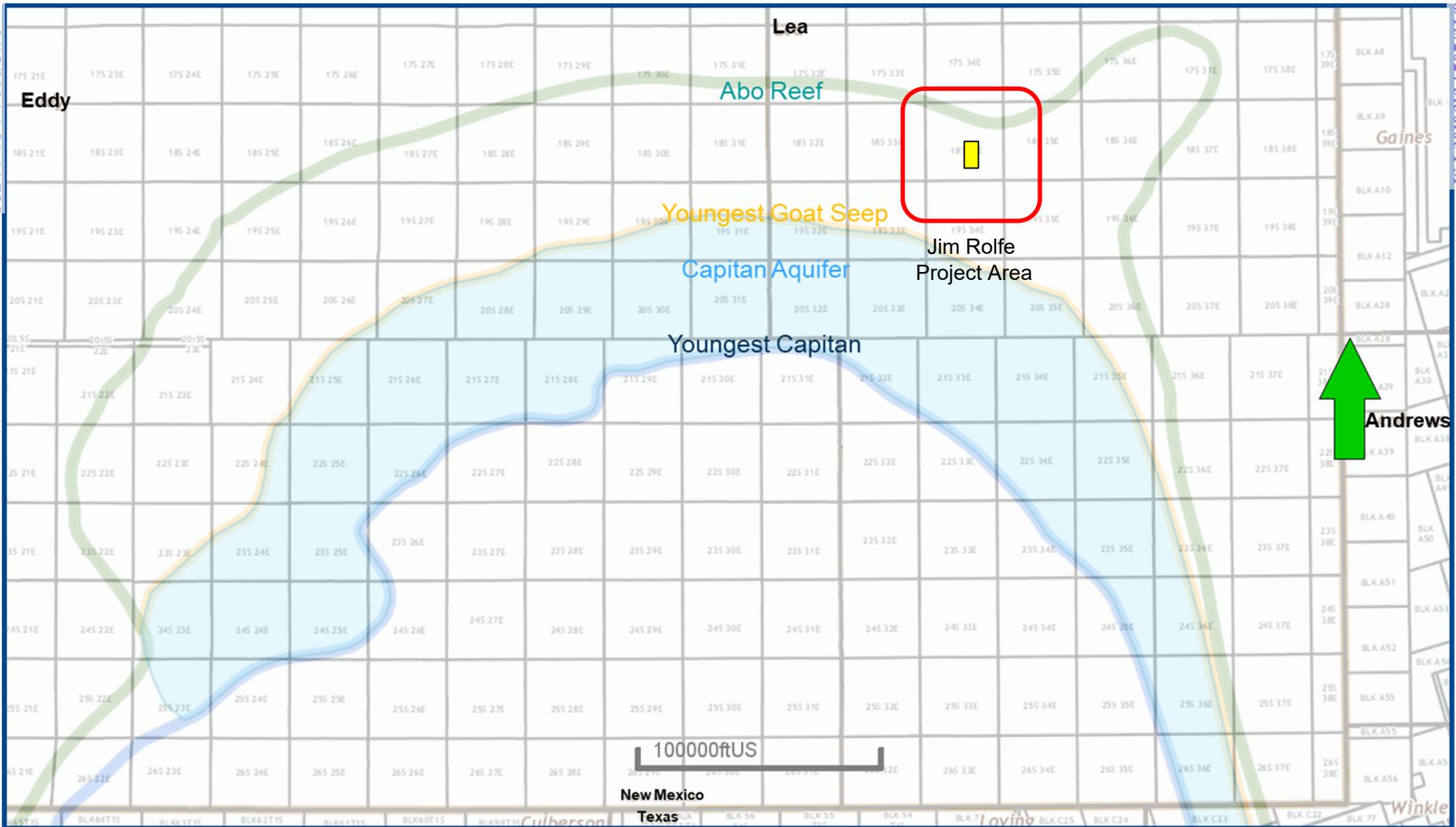


Date

Locator Map

Released to Imaging: 8/15/2024 4:51:14 PM

Received by OCD: 8/15/2024 3:36:05 PM



BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. B-1

Submitted by: Matador Production Company

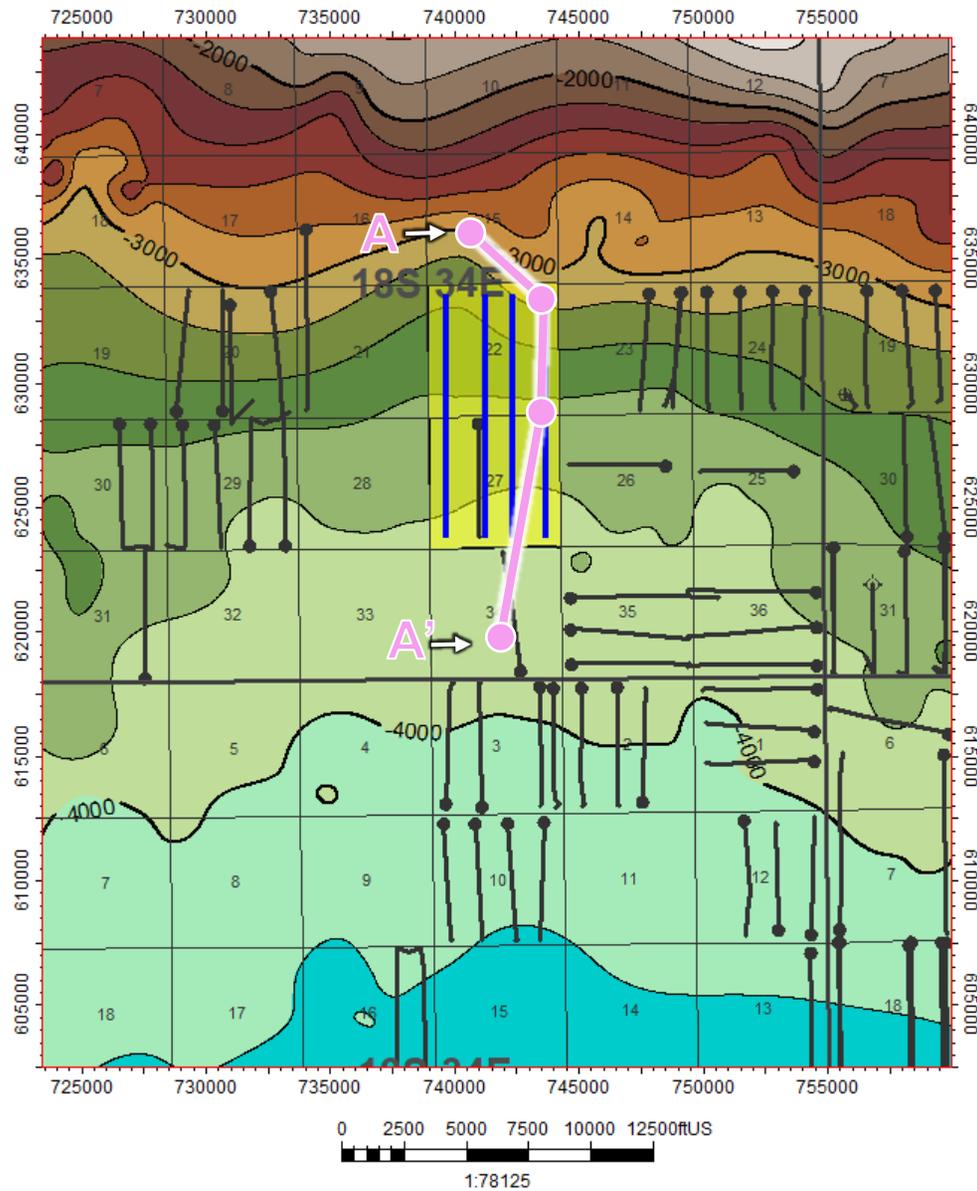
Hearing Date: August 22, 2024

Case No. 24307



Airstrip; Bone Spring [960] Structure Map (Bone Spring Subsea) A – A' Reference Line

Exhibit B-2



Map Legend

Jim Rolfe Wells



Bone Spring Wells



Project Area



C. I. = 200'



BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. B-2
 Submitted by: Matador Production Company
 Hearing Date: August 22, 2024
 Case No. 24307



Airstrip; Bone Spring [960] Structural Cross-Section A – A'

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. B-3
 Submitted by: Matador Production Company
 Hearing Date: August 22, 2024
 Case No. 24307

Exhibit B-3



Released to Imaging: 8/15/2024 4:01:14 PM

Received by OCD: 8/15/2024 3:36:05 PM

Bone Spring Top

Wolfcamp Top

#121H, #122H, #123H, #124H Target

#131H, #134H Target



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

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

CASE NO. 24307

**SELF-AFFIRMED STATEMENT OF
MICHAEL H. FELDEWERT**

1. I am attorney in fact and authorized representative of MRC Permian Company (“MRC”), the Applicant herein. I have personal knowledge of this 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 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 August 12, 2024.

5. I caused a notice to be published to all parties subject to these proceedings. 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 statement 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. C**

**Submitted by: Matador Production Company
Hearing Date: August 22, 2024
Case No. 24307**



Michael H. Feldewert

August 14, 2024

Date



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

March 29, 2024

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS AND ALL WORKING INTEREST OWNERS AFFECTED BY THE PROPOSED OVERLAPPING SPACING UNIT

Re: Application of MRC Permian Company for Approval of an Overlapping Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico: *Jim Rolfe Fed Com 114H and 124H 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 April 18, 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 Isaac Evans at (972) 587-4628 or at isaac.evans@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



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

June 26, 2024

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS AND ALL WORKING INTEREST OWNERS AFFECTED BY THE PROPOSED OVERLAPPING SPACING UNIT

Re: Application of MRC Permian Company for Approval of an Overlapping Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico: *Jim Rolfe Fed Com 114H and 124H 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 July 16, 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 Isaac Evans at (972) 587-4628 or at isaac.evans@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 - Jim Rolfe BS 114H and 124H (E2E2) - Case no. 24307

Postal Delivery Report

| | | | | | | |
|------------------------|---------------------------------|---------------------------|---------|----|------------|--|
| 9414811898765400799930 | Marathon Oil Permian, LLC | 990 Town And Country Blvd | Houston | TX | 77024-2217 | Your item was delivered to the front desk, reception area, or mail room at 11:58 am on April 2, 2024 in HOUSTON, TX 77024. |
| 9414811898765400799619 | Franklin Mountain Energy 3, LLC | 44 Cook St Ste 1000 | Denver | CO | 80206-5827 | Your item was delivered to the front desk, reception area, or mail room at 12:59 pm on April 1, 2024 in DENVER, CO 80206. |
| 9414811898765400799664 | EG3 Development, LLC | PO Box 1567 | Graham | TX | 76450-7567 | Your item was picked up at the post office at 10:09 am on April 1, 2024 in GRAHAM, TX 76450. |
| 9414811898765400799602 | Allar Development, LLC | PO Box 1567 | Graham | TX | 76450-7567 | Your item was picked up at the post office at 10:09 am on April 1, 2024 in GRAHAM, TX 76450. |
| 9414811898765400799640 | The Allar Company | PO Box 1567 | Graham | TX | 76450-7567 | Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility. |
| 9414811898765400799688 | Anadarko E&P Onshore, LLC | 5 Greenway Plz Ste 110 | Houston | TX | 77046-0521 | Your item has been delivered to an agent for final delivery in HOUSTON, TX 77046 on April 2, 2024 at 10:36 am. |
| 9414811898765400799633 | Post Oak Crown IV, LLC | 5200 San Felipe St | Houston | TX | 77056-3606 | Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility. |

MRC - Jim Rolfe BS 114H and 124H (E2E2) - Case no. 24307

Postal Delivery Report

| | | | | | | |
|------------------------|----------------------------------|-------------------------|---------|----|------------|---|
| 9414811898765400799671 | Post Oak Crown IV-B, LLC | 5200 San Felipe St | Houston | TX | 77056-3606 | Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility. |
| 9414811898765400799114 | Crown Oil Partners, LP | PO Box 50820 | Midland | TX | 79710-0820 | Your item has been delivered and is available at a PO Box at 9:55 am on April 2, 2024 in MIDLAND, TX 79705. |
| 9414811898765400799152 | Collins & Jones Investments, LLC | 508 W Wall St Ste 1200 | Midland | TX | 79701-5076 | Your item was delivered to an individual at the address at 2:21 pm on April 2, 2024 in MIDLAND, TX 79701. |
| 9414811898765400799169 | H. Jason Wacker | 5601 Hillcrest | Midland | TX | 79707-9113 | Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility. |
| 9414811898765400799121 | David W. Cromwell | 2008 Country Club Dr | Midland | TX | 79701-5719 | Your item was delivered to an individual at the address at 10:29 am on April 2, 2024 in MIDLAND, TX 79701. |
| 9414811898765400799107 | LMC Energy, LLC | 550 W Texas Ave Ste 945 | Midland | TX | 79701-4233 | Your item has been delivered to the original sender at 5:35 pm on April 11, 2024 in SANTA FE, NM 87501. |
| 9414811898765400799190 | Kaleb Smith | PO Box 50820 | Midland | TX | 79710-0820 | Your item has been delivered and is available at a PO Box at 9:58 am on April 2, 2024 in MIDLAND, TX 79705. |

MRC - Jim Rolfe BS 114H and 124H (E2E2) - Case no. 24307

Postal Delivery Report

| | | | | | | |
|------------------------|-------------------------------------|------------------------|---------|----|------------|---|
| 9414811898765400799145 | Deane Durham | PO Box 50820 | Midland | TX | 79710-0820 | Your item has been delivered and is available at a PO Box at 9:58 am on April 2, 2024 in MIDLAND, TX 79705. |
| 9414811898765400799183 | Mike Moylett | PO Box 50820 | Midland | TX | 79710-0820 | Your item has been delivered and is available at a PO Box at 9:58 am on April 2, 2024 in MIDLAND, TX 79705. |
| 9414811898765400799138 | Oak Valley Mineral and Land, LP | PO Box 50820 | Midland | TX | 79710-0820 | Your item has been delivered and is available at a PO Box at 9:55 am on April 2, 2024 in MIDLAND, TX 79705. |
| 9414811898765400799176 | Post Oak Mavros II, LLC | 34 S Wynden Dr Ste 210 | Houston | TX | 77056-2531 | Your item was delivered to an individual at the address at 11:56 am on April 2, 2024 in HOUSTON, TX 77056. |
| 9414811898765400799312 | Sortida Resources, LLC | PO Box 50820 | Midland | TX | 79710-0820 | Your item has been delivered and is available at a PO Box at 9:55 am on April 2, 2024 in MIDLAND, TX 79705. |
| 9414811898765400799367 | John Kyle Thoma, Trustee of | PO Box 558 | Peyton | CO | 80831-0558 | Your item has been delivered and is available at a PO Box at 5:36 am on April 1, 2024 in PEYTON, CO 80831. |
| 9414811898765400799305 | GMT New Mexico Royalty Company, LLC | 1560 Broadway Ste 2000 | Denver | CO | 80202-5138 | Your item was picked up at the post office at 12:34 pm on May 9, 2024 in SANTA FE, NM 87501. |

MRC - Jim Rolfe BS 114H and 124H (E2E2) - Case no. 24307

Postal Delivery Report

| | | | | | | |
|------------------------|------------------------------------|--------------------|-------------|----|------------|--|
| 9414811898765400799343 | SHG Energy, LLC | 4101 Kingwood Ct | Midland | TX | 79707-2000 | Your item was delivered to an individual at the address at 12:53 pm on April 3, 2024 in MIDLAND, TX 79707. |
| 9414811898765400799381 | Sitka Consulting, LLC | 5907 N Ossineke Dr | Spring | TX | 77386-3799 | Your item was picked up at a postal facility at 10:22 am on April 10, 2024 in SPRING, TX 77386. |
| 9414811898765400799374 | Good News Minerals, LLC | PO Box 50820 | Midland | TX | 79710-0820 | Your item has been delivered and is available at a PO Box at 9:55 am on April 2, 2024 in MIDLAND, TX 79705. |
| 9414811898765400799015 | Howard A. Rubin | PO Box 58 | El Rito | NM | 87530-0058 | Your item has been delivered to the original sender at 11:30 am on April 25, 2024 in SANTA FE, NM 87501. |
| 9414811898765400799053 | Rubie Crosby Bell Family, LLC | 213 20th St | New Orleans | LA | 70124-1235 | Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility. |
| 9414811898765400799060 | Bryan Bell Family, LLC | 213 20th St | New Orleans | LA | 70124-1235 | Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility. |
| 9414811898765400799022 | Robert Enfield Irrevocable Trust B | 201 Main St | Fort Worth | TX | 76102-3105 | Your item was delivered to the front desk, reception area, or mail room at 10:44 am on April 10, 2024 in FORT WORTH, TX 76102. |

MRC - Jim Rolfe BS 114H and 124H (E2E2) - Case no. 24307

Postal Delivery Report

| | | | | | | |
|------------------------|------------------------------------|------------------|-------------------|----|------------|---|
| 9414811898765400799008 | Cathleen Ann Adams Revocable Trust | PO Box 45807 | Rio Rancho | NM | 87174-5807 | Your item was picked up at the post office at 10:09 am on April 16, 2024 in RIO RANCHO, NM 87124. |
| 9414811898765400799091 | Arrott Family Revocable Trust | PO Box 95074 | North Little Rock | AR | 72190-5074 | Your item has been delivered to the original sender at 11:30 am on April 25, 2024 in SANTA FE, NM 87501. |
| 9414811898765400799046 | McMullen Minerals II, LP | PO Box 470857 | Fort Worth | TX | 76147-0857 | Your item has been delivered and is available at a PO Box at 12:53 pm on April 1, 2024 in FORT WORTH, TX 76147. |
| 9414811898765400799084 | Pegasus Resources II, LLC | PO Box 470698 | Fort Worth | TX | 76147-0698 | Your item has been delivered and is available at a PO Box at 12:53 pm on April 1, 2024 in FORT WORTH, TX 76147. |
| 9414811898765400799039 | Panhandle Properties, LLC | PO Box 647 | Artesia | NM | 88211-0647 | Your item was picked up at the post office at 1:17 pm on April 3, 2024 in ARTESIA, NM 88210. |
| 9414811898765400799411 | Free Ride, LLC | PO Box 429 | Roswell | NM | 88202-0429 | Your item was picked up at the post office at 10:20 am on April 2, 2024 in ROSWELL, NM 88201. |
| 9414811898765400799459 | Stratford Investments, Ltd. | PO Box 11115 | Midland | TX | 79702-8115 | Your item was picked up at a postal facility at 10:59 am on April 3, 2024 in MIDLAND, TX 79702. |
| 9414811898765400799466 | Ronita Jones | 606 Bancroft Ave | Greenville | NC | 27834-2917 | Your item was delivered to an individual at the address at 10:36 am on April 3, 2024 in GREENVILLE, NC 27834. |

MRC - Jim Rolfe BS 114H and 124H (E2E2) - Case no. 24307

Postal Delivery Report

| | | | | | | |
|------------------------|--|---------------|-----------|----|------------|---|
| 9414811898765400799428 | Brenda Lanier | 2009 Marsh Ln | Ardmore | OK | 73401-3407 | Your item has been delivered to the original sender at 11:30 am on April 25, 2024 in SANTA FE, NM 87501. |
| 9414811898765400799404 | Beverly Schmidt Couzzort Irrevocable Trust | PO Box 1 | Amarillo | TX | 79105-0001 | Your item was picked up at a postal facility at 7:20 am on April 2, 2024 in AMARILLO, TX 79105. |
| 9414811898765400799497 | Margaret Frances Grace | PO Box 1 | Amarillo | TX | 79105-0001 | Your item was picked up at a postal facility at 7:20 am on April 2, 2024 in AMARILLO, TX 79105. |
| 9414811898765400799442 | Catherine Claire Couzzort Irrevocable Trust | PO Box 1 | Amarillo | TX | 79105-0001 | Your item was picked up at a postal facility at 7:20 am on April 2, 2024 in AMARILLO, TX 79105. |
| 9414811898765400799480 | Haynie Enterprises, LLC | PO Box 722 | Fairacres | NM | 88033-0722 | Your item has been delivered and is available at a PO Box at 8:42 am on April 1, 2024 in FAIRACRES, NM 88033. |
| 9414811898765400799435 | Bandera Minerals III, LLC | PO Box 701228 | Tulsa | OK | 74170-1228 | Your item has been delivered to the original sender at 9:17 am on May 17, 2024 in SANTA FE, NM 87501. |
| 9414811898765400799473 | Wendell W. Iverson, Jr. | PO Box 205 | Midland | TX | 79702-0205 | Your item was picked up at a postal facility at 1:53 pm on April 8, 2024 in MIDLAND, TX 79702. |
| 9414811898765400799510 | Magnolia Royalty Company, Inc. | PO Box 10703 | Midland | TX | 79702-7703 | Your item was picked up at a postal facility at 11:21 am on April 4, 2024 in MIDLAND, TX 79701. |

MRC - Jim Rolfe BS 114H and 124H (E2E2) - Case no. 24307

Postal Delivery Report

| | | | | | | |
|------------------------|---|------------------------|-------------|----|------------|---|
| 9414811898765400799558 | Sapphire Royalties, Inc. | PO Box 682 | Midland | TX | 79702-0682 | Your item was picked up at a postal facility at 11:07 am on April 3, 2024 in MIDLAND, TX 79702. |
| 9414811898765400799565 | Packard Fund | PO Box 1015 | Midland | TX | 79702-1015 | Your item was picked up at a postal facility at 11:21 am on April 4, 2024 in MIDLAND, TX 79701. |
| 9414811898765400799527 | James M. Hotchkiss, Jr., Trustee | 968 Stow Ln | Lafayette | CA | 94549-4711 | Your item has been delivered to the original sender at 12:34 pm on May 9, 2024 in SANTA FE, NM 87501. |
| 9414811898765400799503 | James M. Hotchkiss, Jr. & Isabel Hotchkiss, | 968 Stow Ln | Lafayette | CA | 94549-4711 | Your item has been delivered to the original sender at 12:34 pm on May 9, 2024 in SANTA FE, NM 87501. |
| 9414811898765400799596 | Walter Condeff | 73125 Ajo Ln | Palm Desert | CA | 92260-6643 | Your item was picked up at the post office at 11:30 am on April 25, 2024 in SANTA FE, NM 87501. |
| 9414811898765400799541 | Kathleen Ann Tallent | 4761 Perugia St unit 4 | Dublin | CA | 94568-4807 | Your item was picked up at the post office at 3:47 pm on April 4, 2024 in DUBLIN, CA 94568. |
| 9414811898765400799589 | Mary Elizabeth Condeff | 171 Mavis Pl | San Ramon | CA | 94583-2826 | Your item was delivered to an individual at the address at 2:03 pm on April 2, 2024 in SAN RAMON, CA 94583. |
| 9414811898765400799534 | Frances A. Jay | 518 E 19th St | Oakland | CA | 94606-1935 | Your item was delivered to an individual at the address at 1:37 pm on April 3, 2024 in OAKLAND, CA 94606. |

MRC - Jim Rolfe BS 114H and 124H (E2E2) - Case no. 24307

Postal Delivery Report

| | | | | | | |
|------------------------|--|-------------------------|--------------|----|------------|---|
| 9414811898765400799572 | Virginia R. Hatherly | 201 Circulo Nuevo | Rohnert Park | CA | 94928-1951 | Your item was delivered to an individual at the address at 1:54 pm on April 2, 2024 in ROHNERT PARK, CA 94928. |
| 9414811898765400793211 | Phillip R. Runyan | 3542 State Highway 252 | McAlister | NM | 88427-9753 | Your item was delivered to an individual at the address at 2:17 pm on April 10, 2024 in ROSWELL, NM 88201. |
| 9414811898765400793259 | Russell T. Rudy Energy, LLC | 5701 Woodway Dr Ste 346 | Houston | TX | 77057-1505 | Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility. |
| 9414811898765400793266 | Burlington Resources Oil & Gas Company, LP | 600 W Illinois Ave | Midland | TX | 79701-4882 | Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility. |
| 9414811898765400793228 | New Mexico State Land Office | PO Box 1148 | Santa Fe | NM | 87504-1148 | Your item was picked up at a postal facility at 9:10 am on April 1, 2024 in SANTA FE, NM 87501. |

Postal Delivery Report

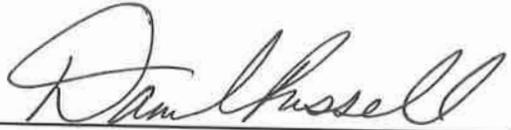
| | | | | | | |
|------------------------|--|----------------------------|-------------|----|------------|---|
| 9414811898765467462167 | Fortress Energy Partners IV, LLC | PO Box 4695 | Midland | TX | 79704-4695 | Your item was picked up at the post office at 9:43 am on July 1, 2024 in MIDLAND, TX 79704. |
| 9414811898765467462150 | Arrott Family Minerals LLC | 14300 Chenal Pkwy Apt 7414 | Little Rock | AR | 72211-5819 | Your item was delivered to the front desk, reception area, or mail room at 3:43 pm on June 29, 2024 in LITTLE ROCK, AR 72211. |
| 9414811898765467462112 | BOKF, N.A., Successor Trustee of The Robert N. Enfield Irrevocable Trust B | PO Box 3499 | Tulsa | OK | 74101-3499 | Your item was delivered to an individual at the address at 9:17 am on July 1, 2024 in TULSA, OK 74103. |

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
April 03, 2024
and ending with the issue dated
April 03, 2024.



Publisher

Sworn and subscribed to before me this
3rd day of April 2024.



Business Manager

My commission expires
January 29, 2027

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

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

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

Submitted by: Matador Production Company

Released to Imaging: 8/15/2024 3:36:05 PM 2024
Case No. 24307

LEGAL NOTICE April 3, 2024

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case. The hearings 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 (sign-in information below) on Thursday, April 18, 2024, beginning at 8:15 a.m. To participate in the hearings, see the instructions posted below. The docket may be viewed at <https://www.emnrd.nm.gov/ocd/hearing-info/> or obtained from Sheila Apodaca, at Sheila.Apodaca@emnrd.nm.gov. Documents filed in these cases may be viewed at <https://ocdimage.emnrd.nm.gov/Imaging/Default.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Sheila.Apodaca@emnrd.nm.gov, or the New Mexico Relay Network at 1-800-659-1779, no later than April 7, 2024.

STATE OF NEW MEXICO TO:
All named parties and persons
having any right, title, interest
or claim in the following case
and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All affected interest owners, including: Marathon Oil Permian, LLC; Franklin Mountain Energy 3, LLC; EG3 Development, LLC; Allar Development, LLC; The Allar Company; Anadarko E&P Onshore, LLC; Post Oak Crown IV, LLC; Post Oak Crown IV-B, LLC; Crown Oil Partners, LP; Collins & Jones Investments, LLC; H. Jason Wacker, his heirs and devisees; David W. Cromwell, his heirs and devisees; LMC Energy, LLC; Kaleb Smith, his heirs and devisees; Deane Durham, his or her heirs and devisees; Mike Moylett, his heirs and devisees; Oak Valley Mineral and Land, LP; Post Oak Mavros II, LLC; Sortida Resources, LLC; John Kyle Thoma, Trustee of the Cornerstone Family Trust; GMT New Mexico Royalty Company, LLC; SHG Energy, LLC; Sitka Consulting, LLC; Good News Minerals, LLC; Howard A. Rubin, his heirs and devisees; Rubie Crosby Bell Family, LLC; Bryan Bell Family, LLC; Robert Enfield Irrevocable Trust B; Cathleen Ann Adams Revocable Trust; Arrott Family Revocable Trust; McMullen Minerals II, LP; Pegasus Resources II, LLC; Panhandle Properties, LLC; Free Ride, LLC; Stratford Investments, Ltd.; Ronita Jones, her heirs and devisees; Brenda Lanier, her heirs and devisees; Beverly Schmidt Couzzort Irrevocable Trust; Margaret Frances Grace Couzzort Irrevocable Trust; Catherine Claire Couzzort Irrevocable Trust; Haynie Enterprises, LLC; Bandera Minerals III, LLC; Wendell W. Iverson, Jr., his heirs and devisees; Magnolia Royalty Company, Inc.; Sapphire Royalties, Inc.; Packard Fund; James M. Hotchkiss, Jr., Trustee; James M. Hotchkiss, Jr. & Isabel Hotchkiss, Trustees of the Hotchkiss 1988 Family Trust; Walter Condeff, his heirs and devisees; Kathleen Ann Tallent, her heirs and devisees; Mary Elizabeth Condeff, her heirs and devisees; Frances A. Jay, his or her heirs and devisees; Virginia R. Hatherly, her heirs and devisees; Phillip R. Runyan, his heirs and devisees; Russell T. Rudy Energy, LLC; Burlington Resources Oil & Gas Company, LP; and New Mexico State Land Office.

Case No. 24307: Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (a) approving a standard 320-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the E2E2 of Sections 22 and 27, Township 18 South, Range 34 East and, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted mineral interests in this horizontal well spacing unit. Said unit will be initially dedicated to the proposed **Jim Rolfe Fed Com 114H** and **Jim Rolfe Fed Com 124H** wells to be horizontally drilled from a surface location in the SE4 of Section 27, with first take points in the SE4SE4 (Unit P) of Section 27 and last take points in the NE4NE4 (Unit A) of Section 22. This proposed horizontal well spacing unit will overlap the following existing or proposed horizontal well spacing units in the Bone Spring formation:
• A 160-acre horizontal well spacing unit comprised of the E2E2 of Section 22 currently dedicated to the Oriole State 1H (30-025-41612) operated by COG Operating LLC and assigned to the Airstrip; Bone Spring Pool (960).
• A 160-acre horizontal well spacing unit comprised of the E2E2 of Section 27 proposed by MRC for the Jim Rolfe Fed Com 131H well to be drilled in a deeper interval of the Bone Spring formation.
Also, to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the wells, and a 200% charge for risk involved in drilling said wells. The subject area is located approximately 22 miles west of Hobbs, New Mexico.
#00288907

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
July 30, 2024
and ending with the issue dated
July 30, 2024.



Publisher

Sworn and subscribed to before me this
30th day of July 2024.



Business Manager

My commission expires

January 29, 2027
(Seal)

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

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

LEGAL **LEGAL**

LEGAL NOTICE
July 30, 2024

Case No. 24307: Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Notice to all affected interest owners, including all heirs, devisees and successors of: BOKF, N.A., Successor Trustee of The Robert N. Enfield Irrevocable Trust B; Arrott Family Minerals LLC; Fortress Energy Partners IV, 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 22, 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 (a) approving a standard 320-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the E2E2 of Sections 22 and 27, Township 18 South, Range 34 East and, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted mineral interests in this horizontal well spacing unit. Said unit will be initially dedicated to the proposed **Jim Rolfe Fed Com 114H** and **Jim Rolfe Fed Com 124H** wells to be horizontally drilled from a surface location in the SE4 of Section 27, with first take points in the SE4SE4 (Unit P) of Section 27 and last take points in the NE4NE4 (Unit A) of Section 22. This proposed horizontal well spacing unit will overlap the following existing or proposed horizontal well spacing units in the Bone Spring formation:

- A 160-acre horizontal well spacing unit comprised of the E2E2 of Section 22 currently dedicated to the Oriole State 1H (30-025- 41612) operated by COG Operating LLC and assigned to the Airstrip: Bone Spring Pool (960).
- A 160-acre horizontal well spacing unit comprised of the E2E2 of Section 27 proposed by MRC for the Jim Rolfe Fed Com 131H well to be drilled in a deeper interval of the Bone Spring formation.

Also, to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the wells, and a 200% charge for risk involved in drilling said wells. The subject area is located approximately 22 miles west of Hobbs, New Mexico.
#00292654

67100754

00292654

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