

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: _____ OGRID Number: _____
 Well Name: _____ API: _____
 Pool: _____ Pool Code: _____

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

1) **TYPE OF APPLICATION:** Check those which apply for [A]

A. Location – Spacing Unit – Simultaneous Dedication

☐ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD

B. Check one only for [I] or [II]

[I] Commingling – Storage – Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

2) **NOTIFICATION REQUIRED TO:** Check those which apply.

- A. ☐ Offset operators or lease holders
 B. ☐ Royalty, overriding royalty owners, revenue owners
 C. ☐ Application requires published notice
 D. ☐ Notification and/or concurrent approval by SLO
 E. ☐ Notification and/or concurrent approval by BLM
 F. ☐ Surface owner
 G. ☐ For all of the above, proof of notification or publication is attached, and/or,
 H. ☐ No notice required

FOR OCD ONLY

- ☐ Notice Complete
☐ Application Content Complete

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name

Date

Phone Number

Signature

e-mail Address



Adam G. Rankin
Phone (505) 954-7294
Fax (505) 819-5579
AGRankin@hollandhart.com

April 4, 2022

VIA ONLINE FILING

Adrienne Sandoval
Director, Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of Matador Production Company for administrative approval to surface commingle (lease and pool) oil and gas production from various spacing units within the W/2 and W/2 E/2 of Sections 28 & 33, T20S, R33E, Lea County, NM.

Dear Ms. Sandoval:

Matador Production Company (OGRID No. 228937), pursuant to 19.15.12.10 NMAC, seeks administrative approval to surface commingle (lease and pool) diversely owned oil and gas production at the **Gavilon Tank Battery** *insofar as all existing and future infill wells drilled in the following spacing units:*

(a) The 320-acre spacing unit comprised of the W/2 W/2 of Sections 28 & 33 in the Hat Mesa; Bone Spring [30213] – includes the **Gavilon Federal Com #602H well** (API. No. 30-025-46586);

(b) The 320-acre spacing unit comprised of the W/2 W/2 of Sections 28 & 33 in the Hat Mesa; Wolfcamp [96438] – includes the **Gavilon Federal Com #704H well** (API. No. 30-025-46588);

(c) The 320-acre spacing unit comprised of the E/2 W/2 of Sections 28 & 33 in the Hat Mesa; Bone Spring [30213] – includes the **Gavilon Federal Com #603H well** (API. No. 30-025-47862);

(d) The 320-acre spacing unit comprised of the W/2 E/2 of Sections 28 & 33 in the Hat Mesa; Bone Spring [30213] – includes the **Gavilon Federal Com #604H well** (API. No. 30-025-47861);

(e) The 320-acre spacing unit comprised of the W/2 E/2 of Sections 28 & 33 in the Hat Mesa; Wolfcamp [96438] – includes the **Gavilon Federal Com #708H well** (API. No. 30-025-47863); and

(f) pursuant to 19.15.12.10.C(4)(g), *future Hat Mesa; Bone Spring [30213] and Hat Mesa; Wolfcamp [96438] spacing units within the W/2 and W/2 E/2 of Sections 28 & 33 connected to the Gavilon Tank Battery* with notice provided only to the owners of interests to be added.

Oil and gas production from these spacing units will be commingled and sold at the Gavilon Tank Battery located in the SE/4 SW/4 of Section 33. Gas production from each separator will be separately metered with calibrated orifice meters that are manufactured to AGA specifications. Oil production from each separator will be separately metered using turbine meters.

Exhibit 1 is a land plat showing Matador's current development plan, well pads, and central tank battery ("Facility Pad") in the subject area. The plat also identifies the wellbores (including surface/bottomhole locations) and lease/spacing unit boundaries.

Exhibit 2 is a completed Application for Surface Commingling (Diverse Ownership) Form C-107-B, that includes a statement from Ryan Hernandez, Production Engineer with Matador, identifying the facilities and the measurement devices to be utilized, a detailed schematic of the surface facilities (attachment A to the statement) and an example gas analysis (attachment B to the statement).

Exhibit 3 is a C-102 for each of the wells currently drilled within the existing spacing units.

Exhibit 4 includes relevant communitization agreements.

Ownership is diverse between the above-described spacing units. **Exhibit 5** is a list of the interest owners (including any owners of royalty or overriding royalty interests) affected by this application, an example of the letters sent by certified mail advising the interest owners that any objections must be filed in writing with the Division within 20 days from the date the Division receives this application, and proof of mailing.

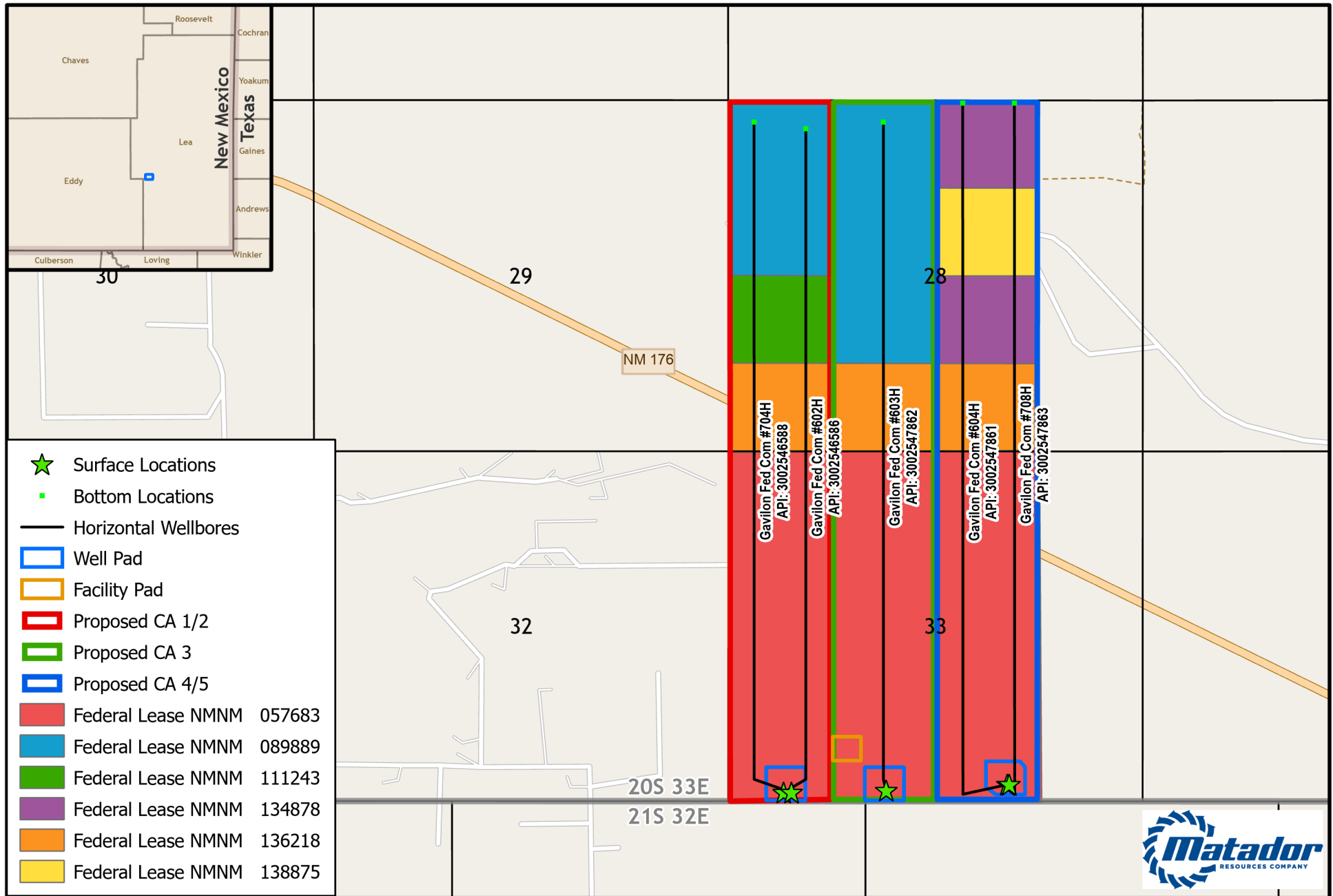
Thank you for your attention to this matter, and please feel free to call if you have any questions or require additional information.

Sincerely,



Adam G. Rankin
ATTORNEY FOR
MATADOR PRODUCTION COMPANY

Gavilon Commingling Plat



Southeast New Mexico

EXHIBIT 1

Map Prepared by: agreeen
 Project: ComminglingPlat
 Date: 3/15/2022
 Coordinate System:

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised August 1, 2011

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original application
to the Santa Fe office with one
copy to the appropriate District
Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Matador Production Company

OPERATOR ADDRESS: 5400 LBJ Freeway Tower 1 Suite 1500 Dallas, TX 75240

APPLICATION TYPE:

☐ Pool Commingling ☐ Lease Commingling ☒ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
☒ Yes ☐ No

(A) POOL COMMINGLING
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production	Calculated Value of Commingled Production	Volumes
[30213] HAT MESA; BONE SPRING	43.0°	43.3° oil 1,405 BTU/CF	\$71.68/bbl oil Deemed 40°/Sweet (Dec '21 realized price)	6000 bopd
[30213] HAT MESA; BONE SPRING	1411 BTU/CF			4500 mcf/d
[96438] HAT MESA; WOLFCAMP	43.8 °		\$3.53/mcf (Dec '21 realized price)	4000 bopd
[96438] HAT MESA; WOLFCAMP	1395 BTU/CF			3000 mcf/d
(2) Are any wells producing at top allowables? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
(3) Has all interest owners been notified by certified mail of the proposed commingling? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No.				
(4) Measurement type: <input checked="" type="checkbox"/> Metering <input type="checkbox"/> Other (Specify)				
(5) Will commingling decrease the value of production? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If “yes”, describe why commingling should be approved				

(B) LEASE COMMINGLING
Please attach sheets with the following information

- (1) Pool Name and Code-
(2) Is all production from same source of supply? ☐ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No
(4) Measurement type: ☐ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

- (1) Complete Sections A and E.


(D) OFF-LEASE STORAGE and MEASUREMENT
Please attached sheets with the following information

- (1) Is all production from same source of supply? ☐ Yes ☐ No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE:  TITLE: Production Engineer DATE: 3-7-22

TYPE OR PRINT NAME Ryan Hernandez TELEPHONE NO.: (972) 619-1276

E-MAIL ADDRESS: rhernandez@matadorresources.com

EXHIBIT 2

Matador Production Company

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

Voice 972.371.5427 • Fax 972.371.5201

rhernandez@matadorresources.com

Ryan Hernandez
Production Engineer

March 7, 2022

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Application of Matador Production Company for administrative approval to surface commingle (lease and pool) gas and oil production from the spacing units comprised of the W/2 of Section 33 & 28 and W/2 E/2 of Section 33 and 28, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico (the "Lands").

To Whom This May Concern,

Matador Production Company ("Matador"), OGRID: 228937, requests to commingle current oil and gas production from five (5) distinct wells located on the Lands and future production from the Lands as described herein. All wells will be metered through individual test separators with an oil turbine meter and gas orifice meter. The gas commingling will occur after individual measurement at each well. Gas exiting each well test flows into one gathering line, as depicted on **Exhibit A**, the 3Bear Energy, LLC gathering line. Each well on the Lands will have its own test separator with an orifice meter manufactured and assembled in accordance with American Gas Association (AGA) specifications. All primary and secondary Electronic Flow Measurement (EFM) equipment is tested and calibrated by a reputable third party measurement company in accordance with industry specifications.

The orifice meter is the preferred measurement device utilized by midstream and E&P companies in natural gas measurement. The gas samples are obtained at the time of the meter testing/calibration and the composition and heating value are determined by a laboratory in accordance with American Petroleum Institute (API) specifications to ensure accurate volume and Energy (MMBTU) determinations. See example from SPL attached as **Exhibit B** hereto.

The flow stream from each wellhead is demonstrated in the Process Flow Diagram (PFD) attached as **Exhibit A** hereto. This PFD shows that the water, oil, and gas exit the wellbore and flow into a wellhead three-phase separator which separates the oil, gas, and water. The oil is measured via turbine meter which is calibrated periodically in accordance with industry specifications by a third party measurement company for accuracy. The gas is measured on a volume and MMBTU basis by an orifice meter and supporting EFM equipment in accordance with American Petroleum Association (API) Chapter 21.1. The gas is then sent into a gathering line where it is commingled

with each of the other wells' metered gas, as shown on **Exhibit A**. The gathering line gas is then metered by another orifice meter at the tank battery check to show the total volume of gas leaving the Tank Battery. This meter is tested and calibrated in accordance with industry specifications and volume and energy are determined on an hourly, daily, and monthly basis. Once the gas exits this final tank battery sales check it travels directly into a third party sales connect meter. 3Bear Energy, LLC has its own orifice meter that measures the gas for custody transfer. These meters are also calibrated periodically to ensure the measurement accuracy.

In conclusion, all the oil and gas produced on the Lands is and will be metered at each wellhead and allocated correctly using the same measurement equipment as the pipeline sales measurement specifications accepted by API as industry standard.

Very truly yours,

MATADOR PRODUCTION COMPANY

A handwritten signature in black ink, appearing to read 'Ryan Hernandez', with a stylized, cursive script.

Ryan Hernandez
Production Engineer

FESCO, Ltd.
1100 Fesco Ave. - Alice, Texas 78332

For: Ascent Energy, LLC
1125 17th Street, Suite 410
Denver, Colorado 80202

Sample: Toque State COM No. 701H
First Stage Separator Gas
Sampled @ 140 psig & 110 °F

Date Sampled: 07/22/2020

Job Number: 202193.021

CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286

COMPONENT	MOL%	GPM
Hydrogen Sulfide*	< 0.001	
Nitrogen	2.375	
Carbon Dioxide	0.153	
Methane	67.325	
Ethane	15.572	4.161
Propane	8.708	2.397
Isobutane	0.943	0.308
n-Butane	2.640	0.832
2-2 Dimethylpropane	0.009	0.003
Isopentane	0.543	0.198
n-Pentane	0.643	0.233
Hexanes	0.434	0.179
Heptanes Plus	<u>0.655</u>	<u>0.265</u>
Totals	100.000	8.576

Computed Real Characteristics Of Heptanes Plus:

Specific Gravity ----- 3.359 (Air=1)
Molecular Weight ----- 96.83
Gross Heating Value ----- 4968 BTU/CF

Computed Real Characteristics Of Total Sample:

Specific Gravity ----- 0.833 (Air=1)
Compressibility (Z) ----- 0.9952
Molecular Weight ----- 24.01
Gross Heating Value
Dry Basis ----- 1395 BTU/CF
Saturated Basis ----- 1371 BTU/CF

*Hydrogen Sulfide tested on location b Stain Tube Method (GPA 2377)
<0.013 Gr/100 CF, <0.2 PPMV or <0.001 Mol %

Base Conditions: 14.650 PSI & 60 Deg F

Sampled By: (24) D. Field
Analyst: LP
Processor: HH
Cylinder ID: T-3598

Certified: FESCO, Ltd. - Alice, Texas

David Dannhaus 361-661-7015

CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286
TOTAL REPORT

COMPONENT	MOL %	GPM	WT %
Hydrogen Sulfide*	< 0.001		< 0.001
Nitrogen	2.375		2.771
Carbon Dioxide	0.153		0.280
Methane	67.325		44.988
Ethane	15.572	4.161	19.503
Propane	8.708	2.397	15.994
Isobutane	0.943	0.308	2.283
n-Butane	2.640	0.832	6.391
2,2 Dimethylpropane	0.009	0.003	0.027
Isopentane	0.543	0.198	1.632
n-Pentane	0.643	0.233	1.932
2,2 Dimethylbutane	0.004	0.002	0.014
Cyclopentane	0.000	0.000	0.000
2,3 Dimethylbutane	0.054	0.022	0.194
2 Methylpentane	0.130	0.054	0.467
3 Methylpentane	0.074	0.030	0.266
n-Hexane	0.172	0.071	0.617
Methylcyclopentane	0.101	0.035	0.354
Benzene	0.038	0.011	0.124
Cyclohexane	0.103	0.035	0.361
2-Methylhexane	0.021	0.010	0.088
3-Methylhexane	0.025	0.011	0.104
2,2,4 Trimethylpentane	0.021	0.011	0.100
Other C7's	0.058	0.025	0.240
n-Heptane	0.053	0.024	0.221
Methylcyclohexane	0.083	0.033	0.339
Toluene	0.023	0.008	0.088
Other C8's	0.066	0.031	0.303
n-Octane	0.018	0.009	0.086
Ethylbenzene	0.002	0.001	0.009
M & P Xylenes	0.005	0.002	0.022
O-Xylene	0.002	0.001	0.009
Other C9's	0.025	0.013	0.131
n-Nonane	0.004	0.002	0.021
Other C10's	0.005	0.003	0.029
n-Decane	0.001	0.001	0.006
Undecanes (11)	<u>0.001</u>	<u>0.001</u>	<u>0.006</u>
Totals	100.000	8.576	100.000

Computed Real Characteristics Of Total Sample:

Specific Gravity -----	0.833	(Air=1)
Compressibility (Z) -----	0.9952	
Molecular Weight -----	24.01	
Gross Heating Value		
Dry Basis -----	1395	BTU/CF
Saturated Basis -----	1371	BTU/CF

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
IIU!::!s.U!
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
!!liitiEIII!
1000 Rio Orozcos Ro.id, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

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 I, 2011
Submit one copy to appropriate
District Office

0 AMENDED REPORT

1220 S. SL Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ A P J Number 30-025-46586	² Pool Code 30213	³ Pool Name HATE MESA;BONE SPRING
⁴ Property Cude 326516	⁵ Property Name GA VILON FED COM	• Well Number 602H
⁷ OGRIDNo, 325830	R Operator Name ASCENT ENERGY, LLC.	⁹ Elevation 3,661'

10 Surface Location

U L or lot nu.	Section	Township	Range	Loi Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	33	20S	33 E		130	SOUTH	817	WEST	LEA

11 Bottom Hole Location If Different From Surface

U L r lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	28	20S	33 E		50	NORTH	990	WEST	LEA

¹² Dedicated Acres	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.

16

SHL (NAD83 NME)	LTP (NAD83 NME)
Y = 554,520.1	Y = 564,852.6
X = 744,503.0	X = 744,607.0
LAT. = 32.522708 °N	LAT. = 32.551106 °N
LONG. = 103.674175 °W	LONG. = 103.673630 °W
FTP (NAD83 NME)	BHL (NAD83 NME)
Y = 554,491.1	Y = 564,902.6
X = 744,676.2	X = 744,606.7
LAT. = 32.522625 °N	LAT. = 32.551243 °N
LONG. = 103.673613 °W	LONG. = 103.673630 °W

CORNER COORDINATES INAD83 NME)

A - Y = 564,948.1 N	X = 743,616.3 E
B - Y = 562,307.0 N	X = 743,634.1 E
C - Y = 559,665.9 N	X = 743,652.0 E
D - Y = 557,026.4 N	X = 743,669.6 E
E - Y = 554,385.5 N	X = 743,686.9 E
F - Y = 554,393.0 N	X = 745,009.1 E
G - Y = 557,033.7 N	X = 744,991.7 E
H - Y = 559,673.1 N	X = 744,974.2 E
I - Y = 562,313.8 N	X = 744,956.5 E
J - Y = 564,954.1 N	X = 744,938.9 E

SHL (NAD27 NME)	LTP (NAD27 NME)
Y = 554,459.0	Y = 564,791.3
X = 703,322.3	X = 703,426.7
LAT. = 32.522587 °N	LAT. = 32.550986 °N
LONG. = 103.673681 °W	LONG. = 103.673135 °W
FTP (NAD27 NME)	BHL (NAD27 NME)
Y = 554,430.0	Y = 564,841.3
X = 703,495.5	X = 703,426.3
LAT. = 32.522505 °N	LAT. = 32.551123 °N
LONG. = 103.673120 °W	LONG. = 103.673135 °W

CORNER COORDINATES (NAD27 NME)

A - Y = 564,886.8 N	X = 702,436.0 E
B - Y = 562,245.7 N	X = 702,453.7 E
C - Y = 559,604.6 N	X = 702,471.5 E
D - Y = 556,965.2 N	X = 702,489.0 E
E - Y = 554,324.4 N	X = 702,506.2 E
F - Y = 554,331.9 N	X = 703,828.4 E
G - Y = 556,945.5 N	X = 703,811.1 E
H - Y = 559,611.9 N	X = 703,793.7 E
I - Y = 562,252.5 N	X = 703,776.1 E
J - Y = 564,892.8 N	X = 703,758.5 E

17 OPERATOR CERTIFICATION

I, [Signature], hereby certify that the information herein is true and complete, and that this operator is duly licensed under the laws of the State of New Mexico, and that this operator is duly licensed under the laws of the State of New Mexico, and that this operator is duly licensed under the laws of the State of New Mexico.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

IKSURVEYOR CERTIFICATION

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

1-12-2022

Date of Survey

Signature and Seal of
Professional Surveyor:

[Signature]

MARK DILLON HARP 23786

Certificate Number

LM

2022010047

EXHIBIT 3

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-47862	² Pool Code 30213	³ Pool Name HAT MESA;BONE SPRING
⁴ Property Code 326516	⁵ Property Name GAVILON FED COM	⁶ Well Number 603H
⁷ OGRID No. 325830	⁸ Operator Name ASCENT ENERGY, LLC.	⁹ Elevation 3,669'

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
N	33	20 S	33 E		155	SOUTH	2,001	WEST	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
C	28	20 S	33 E		50	NORTH	1,980	WEST	LEA
¹² Dedicated Acres	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.

	¹⁶ SHL (NAD83 NME) Y = 554,551.8 X = 745,686.9 LAT. = 32.522775 °N LONG. = 103.670333 °W FTP (NAD83 NME) Y = 554,496.7 X = 745,666.2 LAT. = 32.522624 °N LONG. = 103.670401 °W CORNER COORDINATES (NAD83 NME) A - Y = 564,960.1 N B - Y = 562,320.6 N C - Y = 559,680.3 N D - Y = 557,040.9 N E - Y = 554,400.4 N F - Y = 554,393.0 N G - Y = 557,033.7 N H - Y = 559,673.1 N I - Y = 562,313.8 N J - Y = 564,954.1 N LTP (NAD83 NME) Y = 564,857.1 X = 745,597.0 LAT. = 32.551101 °N LONG. = 103.670417 °W BHL (NAD83 NME) Y = 564,907.1 X = 745,596.6 LAT. = 32.551239 °N LONG. = 103.670417 °W	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature _____ Date _____ Printed Name _____ E-mail Address _____
	¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. 1-12-2022 Date of Survey Signature and Seal of Professional Surveyor:	¹⁹ MARK DILLON HARP 23786 Certificate Number LM 2022010045

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
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Phone: (505) 334-6178 Fax: (505) 334-6170
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Phone: (505) 476-3460 Fax: (505) 476-3462

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

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name GAVILON FED COM	⁶ Well Number 604H
⁷ OGRID No. 325830	⁸ Operator Name ASCENT ENERGY, LLC.	⁹ Elevation 3,673'

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
O	33	20 S	33 E		245	SOUTH	1,743	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
B	28	20 S	33 E		50	NORTH	2,310	EAST	LEA

¹² Dedicated Acres	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.

	¹⁶	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature: <u>W Ben Metz</u> Date: <u>11-16-2021</u> Printed Name: <u>W Ben Metz</u> E-mail Address: <u>bmetz@ascentenergy.us</u>
	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 and correct to the best of my belief. Date of Survey: <u>11-16-2021</u> Signature and Seal of Professional Surveyor: MARK DILLON HARP 23786 Certificate Number: <u>RR</u> 2018010138	

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-9720
District II
811 S. First St., Artesia, NM 88210
Phone: (505) 748-1283 Fax: (505) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-46588	² Pool Code 96438	³ Pool Name HAT MESA;WOLFCAMP
⁴ Property Code 326516	⁵ Property Name GAVILON FED COM	⁶ Well Number 704H
⁷ OGRID No. 325830	⁸ Operator Name ASCENT ENERGY, LLC.	⁹ Elevation 3,662'

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
M	33	20 S	33 E		130	SOUTH	842	WEST	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
D	28	20 S	33 E		50	NORTH	330	WEST	LEA
¹² Dedicated Acres	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.

	¹⁶ SHL (NAD83 NME) Y = 554,520.3 X = 744,528.0 LAT. = 32.522708 °N LONG. = 103.674093 °W FTP (NAD83 NME) Y = 554,487.4 X = 744,016.2 LAT. = 32.522626 °N LONG. = 103.675755 °W CORNER COORDINATES (NAD83 NME) A - Y = 564,948.1 N X = 743,616.3 E B - Y = 562,307.0 N X = 743,634.1 E C - Y = 559,665.9 N X = 743,652.0 E D - Y = 557,026.4 N X = 743,669.6 E E - Y = 554,385.5 N X = 743,686.9 E F - Y = 554,393.0 N X = 745,009.1 E G - Y = 557,033.7 N X = 744,991.7 E H - Y = 559,673.1 N X = 744,974.2 E I - Y = 562,313.8 N X = 744,956.5 E J - Y = 564,954.1 N X = 744,938.9 E	LTP (NAD83 NME) Y = 564,849.6 X = 743,947.0 LAT. = 32.551109 °N LONG. = 103.675772 °W BHL (NAD83 NME) Y = 564,899.6 X = 743,946.7 LAT. = 32.551246 °N LONG. = 103.675772 °W	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.	
	SHL (NAD27 NME) Y = 554,459.2 X = 703,347.3 LAT. = 32.522587 °N LONG. = 103.673600 °W FTP (NAD27 NME) Y = 554,426.3 X = 702,835.5 LAT. = 32.522506 °N LONG. = 103.675261 °W CORNER COORDINATES (NAD27 NME) A - Y = 564,886.8 N X = 702,436.0 E B - Y = 562,245.7 N X = 702,453.7 E C - Y = 559,604.6 N X = 702,471.5 E D - Y = 556,965.2 N X = 702,489.0 E E - Y = 554,324.4 N X = 702,506.2 E F - Y = 554,331.9 N X = 703,828.4 E G - Y = 556,972.5 N X = 703,811.1 E H - Y = 559,611.9 N X = 703,793.7 E I - Y = 562,252.5 N X = 703,776.1 E J - Y = 564,892.8 N X = 703,758.5 E	LTP (NAD27 NME) Y = 564,788.3 X = 702,766.7 LAT. = 32.550989 °N LONG. = 103.675277 °W BHL (NAD27 NME) Y = 564,838.3 X = 702,766.3 LAT. = 32.551126 °N LONG. = 103.675277 °W	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 and correct to the best of my belief.	
	1-12-2022 Date of Survey			
	Signature and Seal of Professional Surveyor: MARK DILLON HARP 23786 Certificate Number LM 2022010046			

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name GAVILON FED COM	⁶ Well Number 708H
⁷ OGRID No. 325830	⁸ Operator Name ASCENT ENERGY, LLC.	⁹ Elevation 3,674'

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
O	33	20 S	33 E		245	SOUTH	1,718	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
B	28	20 S	33 E		50	NORTH	1,650	EAST	LEA

¹² Dedicated Acres	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.

<p>GRID AZ. = 359°37'20" HORIZ. DIST. = 10,409.07'</p> <p>SEC. 28 T20S R33E</p> <p>SEC. 33 T20S R33E</p> <p>GRID AZ. = 154°30'24" HORIZ. DIST. = 160.18'</p>	<p>SHL (NAD83 NME) Y = 554,651.0 X = 747,256.7 LAT. = 32.523020 °N LONG. = 103.665238 °W</p> <p>FTP (NAD83 NME) Y = 554,506.4 X = 747,325.7 LAT. = 32.522622 °N LONG. = 103.665018 °W</p> <p>CORNER COORDINATES (NAD83 NME)</p> <table> <tr><td>A - Y = 564,960.1 N</td><td>X = 746,261.4 E</td></tr> <tr><td>B - Y = 562,320.6 N</td><td>X = 746,278.9 E</td></tr> <tr><td>C - Y = 559,680.3 N</td><td>X = 746,296.5 E</td></tr> <tr><td>D - Y = 557,040.9 N</td><td>X = 746,313.9 E</td></tr> <tr><td>E - Y = 554,400.4 N</td><td>X = 746,331.3 E</td></tr> <tr><td>F - Y = 554,408.4 N</td><td>X = 747,653.8 E</td></tr> <tr><td>G - Y = 557,048.2 N</td><td>X = 747,636.5 E</td></tr> <tr><td>H - Y = 559,687.5 N</td><td>X = 747,618.9 E</td></tr> <tr><td>I - Y = 562,327.4 N</td><td>X = 747,601.6 E</td></tr> <tr><td>J - Y = 564,967.0 N</td><td>X = 747,584.1 E</td></tr> </table>	A - Y = 564,960.1 N	X = 746,261.4 E	B - Y = 562,320.6 N	X = 746,278.9 E	C - Y = 559,680.3 N	X = 746,296.5 E	D - Y = 557,040.9 N	X = 746,313.9 E	E - Y = 554,400.4 N	X = 746,331.3 E	F - Y = 554,408.4 N	X = 747,653.8 E	G - Y = 557,048.2 N	X = 747,636.5 E	H - Y = 559,687.5 N	X = 747,618.9 E	I - Y = 562,327.4 N	X = 747,601.6 E	J - Y = 564,967.0 N	X = 747,584.1 E	<p>LTP (NAD83 NME) Y = 564,865.3 X = 747,257.4 LAT. = 32.551095 °N LONG. = 103.665028 °W</p> <p>BHL (NAD83 NME) Y = 564,915.3 X = 747,257.0 LAT. = 32.551233 °N LONG. = 103.665028 °W</p>	<p>17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>W Ben Metz</i> 11-24-2021 Signature Date</p> <p>W Ben Metz Printed Name</p> <p>bmetz@ascentenergy.us E-mail Address</p>
	A - Y = 564,960.1 N	X = 746,261.4 E																					
B - Y = 562,320.6 N	X = 746,278.9 E																						
C - Y = 559,680.3 N	X = 746,296.5 E																						
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I - Y = 562,327.4 N	X = 747,601.6 E																						
J - Y = 564,967.0 N	X = 747,584.1 E																						
	<p>SHL (NAD27 NME) Y = 554,589.9 X = 706,076.0 LAT. = 32.522900 °N LONG. = 103.664745 °W</p> <p>FTP (NAD27 NME) Y = 554,445.3 X = 706,144.9 LAT. = 32.522501 °N LONG. = 103.664524 °W</p> <p>CORNER COORDINATES (NAD27 NME)</p> <table> <tr><td>A - Y = 564,898.8 N</td><td>X = 705,081.1 E</td></tr> <tr><td>B - Y = 562,259.4 N</td><td>X = 705,098.5 E</td></tr> <tr><td>C - Y = 559,619.1 N</td><td>X = 705,115.9 E</td></tr> <tr><td>D - Y = 556,979.8 N</td><td>X = 705,133.2 E</td></tr> <tr><td>E - Y = 554,339.3 N</td><td>X = 705,150.5 E</td></tr> <tr><td>F - Y = 554,347.3 N</td><td>X = 706,473.0 E</td></tr> <tr><td>G - Y = 556,987.1 N</td><td>X = 706,455.8 E</td></tr> <tr><td>H - Y = 559,626.3 N</td><td>X = 706,438.4 E</td></tr> <tr><td>I - Y = 562,266.2 N</td><td>X = 706,421.1 E</td></tr> <tr><td>J - Y = 564,905.7 N</td><td>X = 706,403.7 E</td></tr> </table>	A - Y = 564,898.8 N	X = 705,081.1 E	B - Y = 562,259.4 N	X = 705,098.5 E	C - Y = 559,619.1 N	X = 705,115.9 E	D - Y = 556,979.8 N	X = 705,133.2 E	E - Y = 554,339.3 N	X = 705,150.5 E	F - Y = 554,347.3 N	X = 706,473.0 E	G - Y = 556,987.1 N	X = 706,455.8 E	H - Y = 559,626.3 N	X = 706,438.4 E	I - Y = 562,266.2 N	X = 706,421.1 E	J - Y = 564,905.7 N	X = 706,403.7 E	<p>LTP (NAD27 NME) Y = 564,804.0 X = 706,077.0 LAT. = 32.550975 °N LONG. = 103.664534 °W</p> <p>BHL (NAD27 NME) Y = 564,854.0 X = 706,076.6 LAT. = 32.551113 °N LONG. = 103.664534 °W</p>	<p>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 and correct to the best of my belief.</p> <p>11-24-2021 Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p><i>MARK DILLON HARP</i></p> <p>MARK DILLON HARP 23786 Certificate Number</p> <p>RR 2018010136</p>
A - Y = 564,898.8 N	X = 705,081.1 E																						
B - Y = 562,259.4 N	X = 705,098.5 E																						
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G - Y = 556,987.1 N	X = 706,455.8 E																						
H - Y = 559,626.3 N	X = 706,438.4 E																						
I - Y = 562,266.2 N	X = 706,421.1 E																						
J - Y = 564,905.7 N	X = 706,403.7 E																						

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the **1st** day of **February, 2022**, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

E2W2 Sections 33 & 28 Township 20S, Range 33E, Lea County, New Mexico.

Containing **320.00** acres, and this agreement shall include only the Bone Spring Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and

EXHIBIT 4

ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

3. The Operator of the communitized area shall be **Matador Production Company 5400 Lyndon B Johnson Fwy, Suite 1500, Dallas, Texas, 75240**. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of $1/8^{\text{th}}$ or $12 \frac{1}{2}$ percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining $7/8^{\text{th}}$ should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the

communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes.

This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.

10. The date of this agreement is **February 1, 2022**, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all

parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Operator: Matador Production Company

Signature of Authorized Agent

By: Craig N. Adams Executive Vice President

Name & Title of Authorized Agent

Date: _____

ACKNOWLEDGEMENT

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this ____ day of _____, 2022, before me, a Notary Public for the State of Texas, personally appeared Craig N. Adams, known to me to be the Executive Vice President of Matador Production Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

MRC Permian Company

By: _____

Craig N. Adams Executive Vice President
Print Name

Date: _____

ACKNOWLEDGEMENT

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this ____ day of _____, 2022, before me, a Notary Public for the State of Texas, personally appeared Craig N. Adams, known to me to be the Executive Vice President of MRC Permian Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

**SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING
INTEREST**

COMMUNITIZATION AGREEMENT: _____

I, the undersigned, hereby certify, on behalf of **Matador Production Company**, the Operator under the captioned Communitization Agreement, that all working interest owners shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the true and correct owners of the leases committed to the Communitization Agreement, and the consents of the requisite working interest owners have been obtained.

I, further certify that the Communitization Agreement follows the standard form except for Sections 1 and 10.

NAME: _____

Signature of office

Printed: Craig N. Adams

TITLE: Executive Vice President

Phone number : (972) -371-5200

EXHIBIT "A"

Plat of communitized area covering **320.00** acres in E2W2 Sections 33 & 28 Township 20S,
Range 33E, Lea County, New Mexico.

Gavilon Federal Com

	<u>Tract 3</u> NMNM- 89889 120.00 Acres	Section 28
	<u>Tract 2</u> NMNM- 136218 40.00 Acres	
	<u>Tract 1</u> NMNM- 57683 160 Acres	Section 33

EXHIBIT "B"

Attached to and made a part of that certain Communitization Agreement dated February 1, 2022, embracing the following described land in the E2W2 of sections 33 and 28 of Township 20 South, Range 33 East, Lea County, New Mexico.

Operator of Communitized Area: **Matador Production Company**

DESCRIPTION OF LEASES COMMITTED**Tract No. 1**

Lease Serial Number: NMNM-57683

Description of Land Committed: Township 20 South, Range 33 East,
Section 33: E2W2

Number of Gross Acres: 160.00

Current Lessee of Record: MRC Permian Company

Name of Working Interest Owners: MRC Permian Company
ConocoPhillips Company
WHWL, LLC

Tract No. 2

Lease Serial Number: NMNM-136218

Description of Land Committed: Township 20 South, Range 33 East,
Section 28: SE/4SW/4

Number of Gross Acres: 40.00

Current Lessee of Record: XTO Holdings LLC

Name of Working Interest Owners: XTO Holdings LLC

Tract No 3

Lease Serial Number: NMNM-89889

Description of Land Committed: Township 20 South, Range 33 East,
Section 28: NE/4SW/4 & E2NW/4

Number of Gross Acres: 120.00

Current Lessee of Record: MRC Permian Company

Name of Working Interest Owners: MRC Permian Company
ConocoPhillips Company
Camterra Resources Partners, Ltd

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	160.00	50.00%
2	40.00	12.50%
3	120.00	37.50%
Total	320.00	100.00%

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the **1st** day of **February, 2022**, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

W2W2 Sections 33 & 28 Township 20S, Range 33E, Lea County, New Mexico.

Containing **320.00** acres, and this agreement shall include only the Bone Spring Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and

ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

3. The Operator of the communitized area shall be **Matador Production Company 5400 Lyndon B Johnson Fwy, Suite 1500, Dallas, Texas, 75240**. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of $1/8^{\text{th}}$ or $12 \frac{1}{2}$ percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining $7/8^{\text{th}}$ should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the

communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes.

This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.

10. The date of this agreement is **February 1, 2022**, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all

parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Operator: Matador Production Company

Signature of Authorized Agent

By: Craig N. Adams Executive Vice President

Name & Title of Authorized Agent

Date: _____

ACKNOWLEDGEMENT

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this ____ day of _____, 2022, before me, a Notary Public for the State of Texas, personally appeared Craig N. Adams, known to me to be the Executive Vice President of Matador Production Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

MRC Permian Company

By: _____

Craig N. Adams Executive Vice President
Print Name

Date: _____

ACKNOWLEDGEMENT

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this ____ day of _____, 2022, before me, a Notary Public for the State of Texas, personally appeared Craig N. Adams, known to me to be the Executive Vice President of MRC Permian Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

**SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING
INTEREST**

COMMUNITIZATION AGREEMENT: _____

I, the undersigned, hereby certify, on behalf of **Matador Production Company**, the Operator under the captioned Communitization Agreement, that all working interest owners shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the true and correct owners of the leases committed to the Communitization Agreement, and the consents of the requisite working interest owners have been obtained.

I, further certify that the Communitization Agreement follows the standard form except for Sections 1 and 10.

NAME: _____

Signature of office

Printed: Craig N. Adams

TITLE: Executive Vice President

Phone number : (972) -371-5200

EXHIBIT "A"

Plat of communitized area covering **320.00** acres in W2W2 Sections 33 & 28 Township 20S,
Range 33E, Lea County, New Mexico.

Gavilon Federal Com #602H / #704H

<u>Tract 4</u> NMNM- 89889 80.00 Acres	Section 28
<u>Tract 3</u> NMNM- 111243 40.00 Acres	
<u>Tract 2</u> NMNM- 136218 40.00 Acres	
<u>Tract 1</u> NMNM- 57683 160 Acres	Section 33

EXHIBIT “B”

Attached to and made a part of that certain Communitization Agreement dated February 1, 2022, embracing the following described land in the W2W2 of sections 33 and 28 of Township 20 South, Range 33 East, Lea County, New Mexico.

Operator of Communitized Area: **Matador Production Company**

DESCRIPTION OF LEASES COMMITTED**Tract No. 1**

Lease Serial Number: NMNM-57683

Description of Land Committed: Township 20 South, Range 33 East,
Section 33: W2W2

Number of Gross Acres: 160.00

Current Lessee of Record: MRC Permian Company

Name of Working Interest Owners: MRC Permian Company
ConocoPhillips Company
WHWL, LLC (*Compulsory Pooled*)

Tract No. 2

Lease Serial Number: NMNM-136218

Description of Land Committed: Township 20 South, Range 33 East,
Section 28: SW/4SW/4

Number of Gross Acres: 40.00

Current Lessee of Record: XTO Holdings LLC

Name of Working Interest Owners: XTO Holdings LLC

Tract No. 3

Lease Serial Number: NMNM-111243

Description of Land Committed: Township 20 South, Range 33 East,
Section 28: NW/4SW/4

Number of Gross Acres: 40.00

Current Lessee of Record: MRC Permian Company

Name of Working Interest Owners: MRC Permian Company
ConocoPhillips Company

Tract No 4

Lease Serial Number: NMNM-89889

Description of Land Committed: Township 20 South, Range 33 East,
Section 28: W2/NW/4

Number of Gross Acres: 80.00

Current Lessee of Record: MRC Permian Company

Name of Working Interest Owners: MRC Permian Company
ConocoPhillips Company
Camterra Resources Partners, Ltd

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	160.00	50.00%
2	40.00	12.50%
3	40.00	12.50%
4	80.00	25.00%
Total	320.00	100.00%

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the **1st** day of **February, 2022**, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

W2W2 Sections 33 & 28 Township 20S, Range 33E, Lea County, New Mexico.

Containing **320.00** acres, and this agreement shall include only the Wolcamp Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and

ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

3. The Operator of the communitized area shall be **Matador Production Company 5400 Lyndon B Johnson Fwy, Suite 1500, Dallas, Texas, 75240**. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of $1/8^{\text{th}}$ or $12 \frac{1}{2}$ percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining $7/8^{\text{th}}$ should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the

communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes.

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the **1st** day of **February, 2022**, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

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WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

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NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

W2E2 Sections 33 & 28 Township 20S, Range 33E, Lea County, New Mexico.

Containing **320.00** acres, and this agreement shall include only the Bone Spring Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and

ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

3. The Operator of the communitized area shall be **Matador Production Company 5400 Lyndon B Johnson Fwy, Suite 1500, Dallas, Texas, 75240**. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
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5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

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communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
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11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
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14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all

parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Operator: Matador Production Company

Signature of Authorized Agent

By: Craig N. Adams Executive Vice President
Name & Title of Authorized Agent

Date: _____

ACKNOWLEDGEMENT

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this ____ day of _____, 2022, before me, a Notary Public for the State of Texas, personally appeared Craig N. Adams, known to me to be the Executive Vice President of Matador Production Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

MRC Permian Company

By: _____

Craig N. Adams Executive Vice President
Print Name

Date: _____

ACKNOWLEDGEMENT

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this ____ day of _____, 2022, before me, a Notary Public for the State of Texas, personally appeared Craig N. Adams, known to me to be the Executive Vice President of MRC Permian Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

**SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING
INTEREST**

COMMUNITIZATION AGREEMENT: _____

I, the undersigned, hereby certify, on behalf of **Matador Production Company**, the Operator under the captioned Communitization Agreement, that all working interest owners shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the true and correct owners of the leases committed to the Communitization Agreement, and the consents of the requisite working interest owners have been obtained.

I, further certify that the Communitization Agreement follows the standard form except for Sections 1 and 10.

NAME: _____

Signature of office

Printed: Craig N. Adams

TITLE: Executive Vice President

Phone number : (972) -371-5200

EXHIBIT “A”

Plat of communitized area covering **320.00** acres in W2E2 Sections 33 & 28 Township 20S,
Range 33E, Lea County, New Mexico.

Gavilon Federal Com

Section 28	<u>Tract 3</u> NMNM- 134878 80.00 Acres	
	<u>Tract 4</u> NMNM- 138875 40.00 Acres	
	<u>Tract 3</u> NMNM- 134878 80.00 Acres	
	<u>Tract 2</u> NMNM- 136218 40.00 Acres	
Section 33	<u>Tract 1</u> NMNM- 57683 160 Acres	

EXHIBIT “B”

Attached to and made a part of that certain Communitization Agreement dated February 1, 2022, embracing the following described land in the W2E2 of sections 33 and 28 of Township 20 South, Range 33 East, Lea County, New Mexico.

Operator of Communitized Area: **Matador Production Company**

DESCRIPTION OF LEASES COMMITTED**Tract No. 1**

Lease Serial Number: NMNM-57683

Description of Land Committed: Township 20 South, Range 33 East,
Section 33: W2E2

Number of Gross Acres: 160.00

Current Lessee of Record: MRC Permian Company

Name of Working Interest Owners: MRC Permian Company
ConocoPhillips Company
WHWL, LLC

Tract No. 2

Lease Serial Number: NMNM-136218

Description of Land Committed: Township 20 South, Range 33 East,
Section 28: SW/4SE/4

Number of Gross Acres: 40.00

Current Lessee of Record: XTO Holdings LLC

Name of Working Interest Owners: XTO Holdings LLC

Tract No 3

Lease Serial Number: NMNM-134878

Description of Land Committed: Township 20 South, Range 33 East,
Section 28: NW/4SE/4 & NW/4NE4

Number of Gross Acres: 80.00

Current Lessee of Record: Marathon Oil Permian LLC

Name of Working Interest Owners: Marathon Oil Permian LLC

Tract No 4

Lease Serial Number: NMNM-138875

Description of Land Committed: Township 20 South, Range 33 East,
Section 28: SW/4NE/4

Number of Gross Acres: 40.00

Current Lessee of Record: Advance Energy Partners, LLC

Name of Working Interest Owners: Advance Energy Partners, LLC

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	160.00	50.00%
2	40.00	12.50%
3	80.00	25.00%
4	40.00	12.50%
Total	320.00	100.00%

This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.

10. The date of this agreement is **February 1, 2022**, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all

parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Operator: Matador Production Company

Signature of Authorized Agent

By: Craig N. Adams Executive Vice President

Name & Title of Authorized Agent

Date: _____

ACKNOWLEDGEMENT

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this ____ day of _____, 2022, before me, a Notary Public for the State of Texas, personally appeared Craig N. Adams, known to me to be the Executive Vice President of Matador Production Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

MRC Permian Company

By: _____

Craig N. Adams Executive Vice President
Print Name

Date: _____

ACKNOWLEDGEMENT

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this ____ day of _____, 2022, before me, a Notary Public for the State of Texas, personally appeared Craig N. Adams, known to me to be the Executive Vice President of MRC Permian Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

**SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING
INTEREST**

COMMUNITIZATION AGREEMENT: _____

I, the undersigned, hereby certify, on behalf of **Matador Production Company**, the Operator under the captioned Communitization Agreement, that all working interest owners shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the true and correct owners of the leases committed to the Communitization Agreement, and the consents of the requisite working interest owners have been obtained.

I, further certify that the Communitization Agreement follows the standard form except for Sections 1 and 10.

NAME: _____

Signature of office

Printed: Craig N. Adams

TITLE: Executive Vice President

Phone number : (972) -371-5200

EXHIBIT "A"

Plat of communitized area covering **320.00** acres in W2W2 Sections 33 & 28 Township 20S,
Range 33E, Lea County, New Mexico.

Gavilon Federal Com

<u>Tract 4</u> NMNM- 89889 80.00 Acres	Section 28
<u>Tract 3</u> NMNM- 111243 40.00 Acres	
<u>Tract 2</u> NMNM- 136218 40.00 Acres	
<u>Tract 1</u> NMNM- 57683 160 Acres	Section 33

EXHIBIT “B”

Attached to and made a part of that certain Communitization Agreement dated February 1, 2022, embracing the following described land in the W2W2 of sections 33 and 28 of Township 20 South, Range 33 East, Lea County, New Mexico.

Operator of Communitized Area: **Matador Production Company**

DESCRIPTION OF LEASES COMMITTED**Tract No. 1**

Lease Serial Number:	NMNM-57683
Description of Land Committed:	Township 20 South, Range 33 East, Section 33: W2W2
Number of Gross Acres:	160.00
Current Lessee of Record:	MRC Permian Company
Name of Working Interest Owners:	MRC Permian Company ConocoPhillips Company WHWL, LLC

Tract No. 2

Lease Serial Number:	NMNM-136218
Description of Land Committed:	Township 20 South, Range 33 East, Section 28: SW/4SW/4
Number of Gross Acres:	40.00
Current Lessee of Record:	XTO Holdings LLC
Name of Working Interest Owners:	XTO Holdings LLC

Tract No. 3

Lease Serial Number: NMNM-111243

Description of Land Committed: Township 20 South, Range 33 East,
Section 28: NW/4SW/4

Number of Gross Acres: 40.00

Current Lessee of Record: MRC Permian Company

Name of Working Interest Owners: MRC Permian Company
ConocoPhillips Company

Tract No 4

Lease Serial Number: NMNM-89889

Description of Land Committed: Township 20 South, Range 33 East,
Section 28: W2/NW/4

Number of Gross Acres: 80.00

Current Lessee of Record: MRC Permian Company

Name of Working Interest Owners: MRC Permian Company
ConocoPhillips Company
Camterra Resources Partners, Ltd

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	160.00	50.00%
2	40.00	12.50%
3	40.00	12.50%
4	80.00	25.00%
Total	320.00	100.00%

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the **1st** day of **February, 2022**, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

W2E2 Sections 33 & 28 Township 20S, Range 33E, Lea County, New Mexico.

Containing **320.00** acres, and this agreement shall include only the Wolfcamp Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and

ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

3. The Operator of the communitized area shall be **Matador Production Company 5400 Lyndon B Johnson Fwy, Suite 1500, Dallas, Texas, 75240**. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of $1/8^{\text{th}}$ or $12 \frac{1}{2}$ percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining $7/8^{\text{th}}$ should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the

communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes.

- This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is **February 1, 2022**, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
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IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Operator: Matador Production Company

Signature of Authorized Agent

By: Craig N. Adams Executive Vice President

Name & Title of Authorized Agent

Date: _____

ACKNOWLEDGEMENT

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COUNTY OF **DALLAS**)

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(SEAL)

My Commission Expires

Notary Public

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

MRC Permian Company

By: _____

Craig N. Adams Executive Vice President
Print Name

Date: _____

ACKNOWLEDGEMENT

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COUNTY OF **DALLAS**)

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(SEAL)

My Commission Expires

Notary Public

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INTEREST**

COMMUNITIZATION AGREEMENT: _____

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I, further certify that the Communitization Agreement follows the standard form except for Sections 1 and 10.

NAME: _____

Signature of office

Printed: Craig N. Adams

TITLE: Executive Vice President

Phone number : (972) -371-5200

EXHIBIT “A”

Plat of communitized area covering **320.00** acres in W2E2 Sections 33 & 28 Township 20S,
Range 33E, Lea County, New Mexico.

Gavilon Federal Com

Section 28	<u>Tract 3</u> NMNM- 134878 80.00 Acres	
	<u>Tract 4</u> NMNM- 138875 40.00 Acres	
	<u>Tract 3</u> NMNM- 134878 80.00 Acres	
	<u>Tract 2</u> NMNM- 136218 40.00 Acres	
Section 33	<u>Tract 1</u> NMNM- 57683 160 Acres	

EXHIBIT “B”

Attached to and made a part of that certain Communitization Agreement dated February 1, 2022, embracing the following described land in the W2E2 of sections 33 and 28 of Township 20 South, Range 33 East, Lea County, New Mexico.

Operator of Communitized Area: **Matador Production Company**

DESCRIPTION OF LEASES COMMITTED**Tract No. 1**

Lease Serial Number: NMNM-57683

Description of Land Committed: Township 20 South, Range 33 East,
Section 33: W2E2

Number of Gross Acres: 160.00

Current Lessee of Record: MRC Permian Company

Name of Working Interest Owners: MRC Permian Company
ConocoPhillips Company
WHWL, LLC

Tract No. 2

Lease Serial Number: NMNM-136218

Description of Land Committed: Township 20 South, Range 33 East,
Section 28: SW/4SE/4

Number of Gross Acres: 40.00

Current Lessee of Record: XTO Holdings LLC

Name of Working Interest Owners: XTO Holdings LLC

Tract No 3

Lease Serial Number: NMNM-134878

Description of Land Committed: Township 20 South, Range 33 East,
Section 28: NW/4SE/4 & NW/4NE4

Number of Gross Acres: 80.00

Current Lessee of Record: Marathon Oil Permian LLC

Name of Working Interest Owners: Marathon Oil Permian LLC

Tract No 4

Lease Serial Number: NMNM-138875

Description of Land Committed: Township 20 South, Range 33 East,
Section 28: SW/4NE/4

Number of Gross Acres: 40.00

Current Lessee of Record: Advance Energy Partners, LLC

Name of Working Interest Owners: Advance Energy Partners, LLC

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	160.00	50.00%
2	40.00	12.50%
3	80.00	25.00%
4	40.00	12.50%
Total	320.00	100.00%

ADDR1	ADDR2	ADDR3	ADDR4	ADDR5
WHWL, LLC	P.O. Box 902	Aledo	TX	76008
Good News Minerals, LLC	P.O. Box 50820	Midland	TX	79710
Colgate Royalties, LP	300 N Marienfeld, Suite 1000	Midland	TX	79701
Prime Rock Resources ORRI, Inc.	203 West Wall Street, Suite 1000	Midland	TX	79701
Southeast Royalties, Inc.	P.O. Box 1359	Carlsbad	NM	88221
Ascent Energy, LLC	1125 17th Street, Suite 410	Denver	CO	80202
COG Operating, LLC	550 West Texas Avenue, Suite 100	Midland	TX	79701
Camterra Resources Partners, Ltd.	2165 East End Boulevard South	Marshall	TX	75670
RIMCO Royalty Partners	22 Waterville Road	Avon	CT	6001
Janice Lynn Berke-Davis	4215 Austin Meadow Drive	Sugar Land	TX	77479
Paul Matthew Muratta	177 Wilson Drive	Gadsden	AL	35901
Lisa Carol Muratta	5208 Blossom Street #9	Houston	TX	77007
Lori Michelle Muratta	2108 Sunset Boulevard	Houston	TX	77005
Stacy Anne O'Malley	3755 Maroneal	Houston	TX	77025
Post Oak Crown IV, LLC	5200 San Felipe	Houston	TX	77056
Post Oak Crown IV-B, LLC	5200 San Felipe	Houston	TX	77056
Crown Oil Partners, LP	P.O. Box 50820	Midland	TX	79710
Collins & Jones Investments, LLC	508 W. Wall Street, Suite 1200	Midland	TX	79701
LMC Energy, LLC	550 W. Texas Avenue, Suite 945	Midland	TX	79701
Gerald G. Vavrek	1521 2nd Avenue #1604	Seattle	WA	98101
Jesse A. Faught, Jr.	P.O. Box 52603	Midland	TX	79710
H. Jason Wacker	5601 Hillcrest	Midland	TX	79707
David W. Cromwell	2008 Country Club Drive	Midland	TX	79701
John Kyle Thoma, Trustee of the Cornerstone Family Trust	P.O. Box 558	Peyton	CO	80831-0558
Crownrock Minerals, LP	P.O. Box 51933	Midland	TX	79710
Kaleb Smith	P.O. Box 50820	Midland	TX	79710
Deanne Durham	P.O. Box 50820	Midland	TX	79710
Mike Moylett	P.O. Box 50820	Midland	TX	79710
Mavros Minerals II, LLC	P.O. Box 50820	Midland	TX	79710
Oak Valley Mineral and Land, LP	P.O. Box 50820	Midland	TX	79710
Viper Energy Partners	500 W. Texas Avenue, Suite 1200	Midland	TX	79701
Jetstream Royalty Partners, LP	P.O. Box 471396	Fort Worth	TX	76147
LJA Charitable Investments, LLC (No address provided) executed by John D. Arnold, Co-Chair of the Laura and John Arnold Foundation, sole member of LJA Charitable Investments, LLC	P.O. Box 460809	Houston	TX	77056
Ross Duncan Properties, LLC	P.O. Box 647	Artesia	NM	88211
Xplor Resources, LLC	1104 N. Shore	Carlsbad	NM	88220
Tumbler Energy Partners, LLC	P.O. Box 50938	Midland	TX	79710
Marathon Oil Permian, LLC	5555 San Felipe St.	Houston	TX	77056
CEP Minerals, LLC	P.O. Box 50820	Midland	TX	79710
Zunis Energy, LLC	15 East 5th Street, Suite 3300	Tulsa	OK	74103

EXHIBIT 5

James Adelson & Family 2015 Trust	15 East 5th Street, Suite 3300	Tulsa	OK	74103
XTO Holdings, LLC	810 Houston Street	Fort Worth	TX	76012
AEPXCON Management, LLC	2619 Robinhood Street	Houston	TX	77005
AEP En Cap Hold Co.	1100 Louisiana Street	Houston	TX	77002
Susannah D. Adelson, Trustee of the James Adelson & Family 2015 Trust	15 East 5th Street, Suite 3300	Tulsa	OK	74103
Bureau of Land Management	301 Dinosaur Trail	Santa Fe	NM	87508
Bureau of Land Management	620 E Greene St.	Carlsbad	NM	88220



Adam G. Rankin
Phone (505) 954-7294
Fax (505) 819-5579
AGRankin@hollandhart.com

April 1, 2022

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PARTIES

Re: Application of Matador Production Company for administrative approval to surface commingle (lease and pool) oil and gas production from various spacing units within the W/2 and W/2 E/2 of Sections 28 & 33, T20S, R33E, Lea County, NM.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application, which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date at the Division's Santa Fe office located at 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Kyle Perkins
Matador Production Company
(972) 371-5202
kperkins@matadorresources.com

Sincerely,

A handwritten signature in blue ink, appearing to read "A.G. Rankin", with a long horizontal flourish extending to the right.

Adam G. Rankin
ATTORNEY FOR
MATADOR PRODUCTION COMPANY

Parent ID	Mail Date	Company	Name	Address	Address 2	City	ST	Zip	MailClass	Tracking No	Well
31309	04/01/2022		WHWL, LLC	PO Box 902		Aledo	TX	76008-0902	Certified w/ Return Receipt (Signature)	94148118 98765843 078173	72148 - Matador - Gavilon PLC C107B - notice list - 1
31309	04/01/2022		Janice Lynn Berke-Davis	4215 Austin Meadow Dr		Sugar Land	TX	77479-3037	Certified w/ Return Receipt (Signature)	94148118 98765843 078333	72148 - Matador - Gavilon PLC C107B - notice list - 10
31309	04/01/2022		Paul Matthew Muratta	177 Wilson Dr		Gadsden	AL	35901-8839	Certified w/ Return Receipt (Signature)	94148118 98765843 078371	72148 - Matador - Gavilon PLC C107B - notice list - 11
31309	04/01/2022		Lisa Carol Muratta	5208 Blossom St Unit 9		Houston	TX	77007-5377	Certified w/ Return Receipt (Signature)	94148118 98765843 078012	72148 - Matador - Gavilon PLC C107B - notice list - 12
31309	04/01/2022		Lori Michelle Muratta	2108 Sunset Blvd		Houston	TX	77005-1528	Certified w/ Return Receipt (Signature)	94148118 98765843 078050	72148 - Matador - Gavilon PLC C107B - notice list - 13

Parent ID	Mail Date	Company	Name	Address	Address 2	City	ST	Zip	MailClass	Tracking No	Well
31309	04/01/2022		Stacy Anne OMalley	3755 Maroneal St		Houston	TX	77025-1219	Certified w/ Return Receipt (Signature)	94148118 98765843 078067	72148 - Matador - Gavilon PLC C107B - notice list - 14
31309	04/01/2022		Post Oak Crown IV, LLC	5200 San Felipe St		Houston	TX	77056-3606	Certified w/ Return Receipt (Signature)	94148118 98765843 078005	72148 - Matador - Gavilon PLC C107B - notice list - 15
31309	04/01/2022		Post Oak Crown IV-B, LLC	5200 San Felipe St		Houston	TX	77056-3606	Certified w/ Return Receipt (Signature)	94148118 98765843 078098	72148 - Matador - Gavilon PLC C107B - notice list - 16
31309	04/01/2022		Crown Oil Partners, LP	PO Box 50820		Midland	TX	79710-0820	Certified w/ Return Receipt (Signature)	94148118 98765843 078043	72148 - Matador - Gavilon PLC C107B - notice list - 17

Parent ID	Mail Date	Company	Name	Address	Address 2	City	ST	Zip	MailClass	Tracking No	Well
31309	04/01/2022		Collins & Jones Investments, LLC	508 W Wall St Ste 1200		Midland	TX	79701-5076	Certified w/ Return Receipt (Signature)	94148118 98765843 078081	72148 - Matador - Gavilon PLC C107B - notice list - 18
31309	04/01/2022		LMC Energy, LLC	550 W Texas Ave Ste 945		Midland	TX	79701-4233	Certified w/ Return Receipt (Signature)	94148118 98765843 078036	72148 - Matador - Gavilon PLC C107B - notice list - 19
31309	04/01/2022		Good News Minerals, LLC	PO Box 50820		Midland	TX	79710-0820	Certified w/ Return Receipt (Signature)	94148118 98765843 078319	72148 - Matador - Gavilon PLC C107B - notice list - 2
31309	04/01/2022		Gerald G. Vavrek	1521 2nd Ave Apt 1604		Seattle	WA	98101-4509	Certified w/ Return Receipt (Signature)	94148118 98765843 078074	72148 - Matador - Gavilon PLC C107B - notice list - 20

Parent ID	Mail Date	Company	Name	Address	Address 2	City	ST	Zip	MailClass	Tracking No	Well
31309	04/01/2022		Jesse A. Faught, Jr.	PO Box 52603		Midland	TX	79710-2603	Certified w/ Return Receipt (Signature)	94148118 98765843 078456	72148 - Matador - Gavilon PLC C107B - notice list - 21
31309	04/01/2022		H. Jason Wacker	5601 Hillcrest		Midland	TX	79707-9113	Certified w/ Return Receipt (Signature)	94148118 98765843 078463	72148 - Matador - Gavilon PLC C107B - notice list - 22
31309	04/01/2022		David W. Cromwell	2008 Country Club Dr		Midland	TX	79701-5719	Certified w/ Return Receipt (Signature)	94148118 98765843 078425	72148 - Matador - Gavilon PLC C107B - notice list - 23
31309	04/01/2022	the Cornerstone Family Trust	John Kyle Thoma, Trustee of	PO Box 558		Peyton	CO	80831-0558	Certified w/ Return Receipt (Signature)	94148118 98765843 078401	72148 - Matador - Gavilon PLC C107B - notice list - 24

Parent ID	Mail Date	Company	Name	Address	Address 2	City	ST	Zip	MailClass	Tracking No	Well
31309	04/01/2022		Crownrock Minerals, LP	PO Box 51933		Midland	TX	79710-1933	Certified w/ Return Receipt (Signature)	94148118 98765843 078494	72148 - Matador - Gavilon PLC C107B - notice list - 25
31309	04/01/2022		Kaleb Smith	PO Box 50820		Midland	TX	79710-0820	Certified w/ Return Receipt (Signature)	94148118 98765843 078449	72148 - Matador - Gavilon PLC C107B - notice list - 26
31309	04/01/2022		Deanne Durham	PO Box 50820		Midland	TX	79710-0820	Certified w/ Return Receipt (Signature)	94148118 98765843 078487	72148 - Matador - Gavilon PLC C107B - notice list - 27
31309	04/01/2022		Mike Moylett	PO Box 50820		Midland	TX	79710-0820	Certified w/ Return Receipt (Signature)	94148118 98765843 078432	72148 - Matador - Gavilon PLC C107B - notice list - 28

Parent ID	Mail Date	Company	Name	Address	Address 2	City	ST	Zip	MailClass	Tracking No	Well
31309	04/01/2022		Mavros Minerals II, LLC	PO Box 50820		Midland	TX	79710-0820	Certified w/ Return Receipt (Signature)	94148118 98765843 078470	72148 - Matador - Gavilon PLC C107B - notice list - 29
31309	04/01/2022		Colgate Royalties, LP	300 N Marienfeld St Ste 1000		Midland	TX	79701-4688	Certified w/ Return Receipt (Signature)	94148118 98765843 078357	72148 - Matador - Gavilon PLC C107B - notice list - 3
31309	04/01/2022		Oak Valley Mineral and Land, LP	PO Box 50820		Midland	TX	79710-0820	Certified w/ Return Receipt (Signature)	94148118 98765843 078517	72148 - Matador - Gavilon PLC C107B - notice list - 30
31309	04/01/2022		Viper Energy Partners	500 W Texas Ave Ste 1200		Midland	TX	79701-4203	Certified w/ Return Receipt (Signature)	94148118 98765843 078562	72148 - Matador - Gavilon PLC C107B - notice list - 31

Parent ID	Mail Date	Company	Name	Address	Address 2	City	ST	Zip	MailClass	Tracking No	Well
31309	04/01/2022		Jetstream Royalty Partners, LP	PO Box 471396		Fort Worth	TX	76147-1396	Certified w/ Return Receipt (Signature)	94148118 98765843 078524	72148 - Matador - Gavilon PLC C107B - notice list - 32
31309	04/01/2022	LJA Charitable Investments, LLC	John D. Arnold, Co-Chair of the Laura and John	PO Box 460809	Arnold Foundation, sole member of	Houston	TX	77056-8809	Certified w/ Return Receipt (Signature)	94148118 98765843 078500	72148 - Matador - Gavilon PLC C107B - notice list - 33
31309	04/01/2022		Ross Duncan Properties, LLC	PO Box 647		Artesia	NM	88211-0647	Certified w/ Return Receipt (Signature)	94148118 98765843 078593	72148 - Matador - Gavilon PLC C107B - notice list - 34
31309	04/01/2022		Xplor Resources, LLC	1104 North Shore Dr		Carlsbad	NM	88220-4638	Certified w/ Return Receipt (Signature)	94148118 98765843 078548	72148 - Matador - Gavilon PLC C107B - notice list - 35

Parent ID	Mail Date	Company	Name	Address	Address 2	City	ST	Zip	MailClass	Tracking No	Well
31309	04/01/2022		Tumbler Energy Partners, LLC	PO Box 50938		Midland	TX	79710-0938	Certified w/ Return Receipt (Signature)	94148118 98765843 078531	72148 - Matador - Gavilon PLC C107B - notice list - 36
31309	04/01/2022		Marathon Oil Permian, LLC	5555 San Felipe St		Houston	TX	77056-2701	Certified w/ Return Receipt (Signature)	94148118 98765843 078579	72148 - Matador - Gavilon PLC C107B - notice list - 37
31309	04/01/2022		CEP Minerals, LLC	PO Box 50820		Midland	TX	79710-0820	Certified w/ Return Receipt (Signature)	94148118 98765843 077213	72148 - Matador - Gavilon PLC C107B - notice list - 38
31309	04/01/2022		Zunis Energy, LLC	15 E 5th St Ste 3300		Tulsa	OK	74103-4340	Certified w/ Return Receipt (Signature)	94148118 98765843 077251	72148 - Matador - Gavilon PLC C107B - notice list - 39

Parent ID	Mail Date	Company	Name	Address	Address 2	City	ST	Zip	MailClass	Tracking No	Well
31309	04/01/2022		Prime Rock Resources ORRI, Inc.	203 W Wall St Ste 1000		Midland	TX	79701-4525	Certified w/ Return Receipt (Signature)	94148118 98765843 078364	72148 - Matador - Gavilon PLC C107B - notice list - 4
31309	04/01/2022		James Adelson & Family 2015 Trust	15 E 5th St Ste 3300		Tulsa	OK	74103-4340	Certified w/ Return Receipt (Signature)	94148118 98765843 077268	72148 - Matador - Gavilon PLC C107B - notice list - 40
31309	04/01/2022		XTO Holdings, LLC	810 Houston St		Arlington	TX	76012-5013	Certified w/ Return Receipt (Signature)	94148118 98765843 077206	72148 - Matador - Gavilon PLC C107B - notice list - 41
31309	04/01/2022		AEPXCON Management, LLC	2619 Robinhood St		Houston	TX	77005-2431	Certified w/ Return Receipt (Signature)	94148118 98765843 077299	72148 - Matador - Gavilon PLC C107B - notice list - 42

Parent ID	Mail Date	Company	Name	Address	Address 2	City	ST	Zip	MailClass	Tracking No	Well
31309	04/01/2022		AEP En Cap Hold Co.	1100 Louisiana St		Houston	TX	77002-5227	Certified w/ Return Receipt (Signature)	94148118 98765843 077244	72148 - Matador - Gavilon PLC C107B - notice list - 43
31309	04/01/2022	James Adelson & Family 2015 Trust	Susannah D. Adelson, Trustee of the	15 E 5th St Ste 3300		Tulsa	OK	74103-4340	Certified w/ Return Receipt (Signature)	94148118 98765843 077282	72148 - Matador - Gavilon PLC C107B - notice list - 44
31309	04/01/2022		Bureau of Land Management	301 Dinosaur Trl		Santa Fe	NM	87508-1560	Certified w/ Return Receipt (Signature)	94148118 98765843 077237	72148 - Matador - Gavilon PLC C107B - notice list - 45
31309	04/01/2022		Bureau of Land Management	620 E Greene St		Carlsbad	NM	88220-6292	Certified w/ Return Receipt (Signature)	94148118 98765843 077275	72148 - Matador - Gavilon PLC C107B - notice list - 46

Parent ID	Mail Date	Company	Name	Address	Address 2	City	ST	Zip	MailClass	Tracking No	Well
31309	04/01/2022		Southeast Royalties, Inc.	PO Box 1359		Carlsbad	NM	88221-1359	Certified w/ Return Receipt (Signature)	94148118 98765843 078326	72148 - Matador - Gavilon PLC C107B - notice list - 5
31309	04/01/2022		Ascent Energy, LLC	1125 17th St Ste 410		Denver	CO	80202-2061	Certified w/ Return Receipt (Signature)	94148118 98765843 078302	72148 - Matador - Gavilon PLC C107B - notice list - 6
31309	04/01/2022		COG Operating, LLC	550 W Texas Ave Ste 100		Midland	TX	79701-4287	Certified w/ Return Receipt (Signature)	94148118 98765843 078395	72148 - Matador - Gavilon PLC C107B - notice list - 7
31309	04/01/2022		Camterra Resources Partners, Ltd.	2165 East End Boulevard South		Marshall	TX	75670	Certified w/ Return Receipt (Signature)	94148118 98765843 078340	72148 - Matador - Gavilon PLC C107B - notice list - 8

Parent ID	Mail Date	Company	Name	Address	Address 2	City	ST	Zip	MailClass	Tracking No	Well
31309	04/01/2022		RIMCO Royalty Partners	22 Waterville Rd		Avon	CT	06001-2066	Certified w/ Return Receipt (Signature)	94148118 98765843 078388	72148 - Matador - Gavilon PLC C107B - notice list - 9

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).

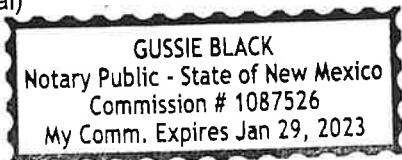
Beginning with the issue dated
April 14, 2022
and ending with the issue dated
April 14, 2022.


Publisher

Sworn and subscribed to before me this
14th day of April 2022.


Business Manager

My commission expires
January 29, 2023
(Seal)



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

LEGLA NOTICE
April 14, 2022

To: All affected parties; WHWL, LLC; Good News Minerals, LLC; Colgate Royalties, LP; Prime Rock Resources ORRI, Inc.; Southeast Royalties, Inc.; Ascent Energy, LLC; COG Operating, LLC; Camterra Resources Partners, Ltd.; RIMCO Royalty Partners; Janice Lynn Berke-Davis, her heirs and devisees; Paul Matthew Muratta, his heirs and devisees; Lisa Carol Muratta, her heirs and devisees; Lori Michelle Muratta, her heirs and devisees; Stacy Anne O'Malley, her heirs and devisees; Post Oak Crown IV, LLC; Post Oak Crown IV-B, LLC; Crown Oil Partners, LP; Collins & Jones Investments, LLC; LMC Energy, LLC; Gerald G. Vavrek, his heirs and devisees; Jesse A. Faught, Jr., his heirs and devisees; H. Jason Wacker, his heirs and devisees; David W. Cromwell, his heirs and devisees; John Kyle Thoma, Trustee of the Cornerstone Family Trust; Crownrock Minerals, LP; Kaleb Smith, his heirs and devisees; Deanne Durham, her heirs and devisees; Mike Moylett, his heirs and devisees; Mavros Minerals II, LLC; Oak Valley Mineral and Land, LP; Viper Energy Partners; Jetstream Royalty Partners, LP; LJA Charitable Investments, LLC executed by John D. Arnold, Co-Chair of the Laura and John Arnold Foundation, sole member of LJA Charitable Investments, LLC; Ross Duncan Properties, LLC; Xplor Resources, LLC; Tumbler Energy Partners, LLC; Marathon Oil Permian, LLC; CEP Minerals, LLC; Zunis Energy, LLC; James Adelson & Family 2015 Trust; XTO Holdings, LLC; AEPXCON Management, LLC; AEP En Cap Hold Co.; Susannah D. Adelson, Trustee of the James Adelson & Family 2015 Trust; and Bureau of Land Management.

Application of Matador Production Company for administrative approval to surface commingle (lease and pool) oil and gas production from various spacing units within the W/2 and W/2 E/2 of Sections 28 & 33, T20S, R33E, Lea County, NM. Matador Production Company (OGRID No. 228937), pursuant to 19.15.12.10 NMAC, seeks administrative approval to surface commingle (lease and pool) diversely owned oil and gas production at the Gavilon Tank Battery insofar as all existing and future infill wells drilled in the following spacing units:

(a) The 320-acre spacing unit comprised of the W/2 W/2 of Sections 28 & 33 in the Hat Mesa; Bone Spring [30213] – includes the **Gavilon Federal Com #602H well** (API. No. 30-025-46586);

(b) The 320-acre spacing unit comprised of the W/2 W/2 of Sections 28 & 33 in the Hat Mesa; Wolfcamp [96438] – includes the **Gavilon Federal Com #704H well** (API. No. 30-025-46588);

(c) The 320-acre spacing unit comprised of the E/2 W/2 of Sections 28 & 33 in the Hat Mesa; Bone Spring [30213] – includes the **Gavilon Federal Com #603H well** (API. No. 30-025-47862);

(d) The 320-acre spacing unit comprised of the W/2 E/2 of Sections 28 & 33 in the Hat Mesa; Bone Spring [30213] – includes the **Gavilon Federal Com #604H well** (API. No. 30-025-47861);

(e) The 320-acre spacing unit comprised of the W/2 E/2 of Sections 28 & 33 in the Hat Mesa; Wolfcamp [96438] – includes the **Gavilon Federal Com #708H well** (API. No. 30-025-47863); and

(f) pursuant to 19.15.12.10.C(4)(g), future Hat Mesa; Bone Spring [30213] and Hat Mesa; Wolfcamp [96438] spacing units within the W/2 and W/2 E/2 of Sections 28 & 33 connected to the Gavilon Tank Battery with notice provided only to the owners of interests to be added.

Any objection to this application must be filed in writing within twenty days from date of publication with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division. If you have any questions about this application, please contact Kyle Perkins, Matador Production Company, (972) 371-5202 or KPerkins@matadorresources.com. #37546

67100754

00265833

HOLLAND & HART LLC
PO BOX 2208
SANTA FE, NM 87504-2208

From: [Engineer, OCD, EMNRD](#)
To: [Adam Rankin](#); [Paula M. Vance](#)
Cc: [McClure, Dean, EMNRD](#); [Kautz, Paul, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); lisa@rwbyram.com; [Paradis, Kyle O](#); [Walls, Christopher](#)
Subject: Approved Administrative Order PLC-849
Date: Monday, August 29, 2022 1:11:58 PM
Attachments: [PLC849 Order.pdf](#)

NMOCD has issued Administrative Order PLC-849 which authorizes Matador Production Company (228937) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-46586	Gavilon Federal Com #602H	W/2 W/2	28-20S-33E	30213
		W/2 W/2	33-20S-33E	
30-025-46588	Gavilon Federal Com #704H	W/2 W/2	28-20S-33E	96438
		W/2 W/2	33-20S-33E	
30-025-47862	Gavilon Federal Com #603H	E/2 W/2	28-20S-33E	30213
		E/2 W/2	33-20S-33E	
30-025-47863	Gavilon Federal Com #708H	W/2 E/2	28-20S-33E	96438
		W/2 E/2	33-20S-33E	
30-025-50167	Gavilon Federal Com #604H	W/2 E/2	28-20S-33E	30213
		W/2 E/2	33-20S-33E	

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure
 Petroleum Engineer, Oil Conservation Division
 New Mexico Energy, Minerals and Natural Resources Department
 (505) 469-8211

From: [Paula M. Vance](#)
To: [McClure, Dean, EMNRD](#); [Adam Rankin](#)
Subject: [EXTERNAL] RE: surface commingling application PLC-849
Date: Friday, August 26, 2022 2:07:12 PM

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Dean,

We confirmed with Matador that these are the correct wells.

Please let me know if you have any further questions or follow-up.

Kind Regards,
 Paula

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Monday, August 22, 2022 1:51 PM
To: Adam Rankin <AGRankin@hollandhart.com>; Paula M. Vance <PMVance@hollandhart.com>
Subject: surface commingling application PLC-849

External Email

Mr. Rankin,

I am reviewing surface commingling application PLC-849 which involves a commingling project that includes the Gavilon Tank Battery and is operated by Matador Production Company (228937).

Please confirm that the wells below are the correct wells intended to be made part of this application; please note that Gavilon Federal Com #604Y (30-025-47861) was replaced by Gavilon Federal Com #604H (30-025-50167):

30-025-46586	Gavilon Federal Com #602H	W/2 W/2 W/2 W/2	28-20S-33E 33-20S-33E	30213
30-025-46588	Gavilon Federal Com #704H	W/2 W/2 W/2 W/2	28-20S-33E 33-20S-33E	96438
30-025-47862	Gavilon Federal Com #603H	E/2 W/2 E/2 W/2	28-20S-33E 33-20S-33E	30213
30-025-47863	Gavilon Federal Com #708H	W/2 E/2 W/2 E/2	28-20S-33E 33-20S-33E	96438
30-025-50167	Gavilon Federal Com #604H	W/2 E/2 W/2 E/2	28-20S-33E 33-20S-33E	30213

Dean McClure
 Petroleum Engineer, Oil Conservation Division
 New Mexico Energy, Minerals and Natural Resources Department
 (505) 469-8211

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

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY MATADOR PRODUCTION COMPANY**

ORDER NO. PLC-849

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

FINDINGS OF FACT

1. Matador Production Company (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7.B. NMAC.
4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
5. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
6. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.
7. Applicant in the notice for the Application stated that it sought authorization to prospectively include additional pools, leases, and wells in accordance with 19.15.12.10.C.(4)(g) NMAC.
8. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil and gas production from wells which have not yet been approved to be drilled, but will produce from a pool and lease identified in Exhibit A.
9. Applicant submitted or intends to submit one or more proposed communitization agreement(s) (“Proposed Agreement(s)”) to the BLM or NMSLO, as applicable, identifying

the acreage of each lease to be consolidated into a single pooled area ("Pooled Area"), as described in Exhibit B.

CONCLUSIONS OF LAW

10. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
11. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.
12. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.
13. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.C.(1) NMAC, as applicable.
14. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10.B.(3) NMAC and 19.15.12.10.C.(4)(h) NMAC.
15. Applicant satisfied the notice requirements for the subsequent addition of pools, leases, and wells in the notice for the Application, in accordance with 19.15.12.10.C.(4)(g) NMAC. Subsequent additions of pools, leases, and wells within Applicant's defined parameters, as modified herein, will not, in reasonable probability, reduce the commingled production's value or otherwise adversely affect the interest owners in the production to be added.
16. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

Applicant is authorized to surface commingle oil and gas production from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

2. For each Pooled Area described in Exhibit B, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil and gas production. If

Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.

No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit a Form C-103 to OCD with a copy of the decision and a description of the approved lands, as applicable. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, this Order shall terminate on the date of such action, and Applicant shall cease commingling the production from the Pooled Area. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), Applicant shall comply with the approved Agreement(s), and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingling application to OCD to conform this Order with the approved Agreement(s). If Applicant fails to submit the new surface commingling application or OCD denies the new surface commingling application, this Order shall terminate on the date of such action.

Applicant shall allocate the oil and gas production to each lease within a Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the Pooled Area described in Exhibit B until the Proposed Agreement which includes the Pooled Area is approved. After the Proposed Agreement is approved, the oil and gas production from the Pooled Area shall be allocated as required by the BLM's or NMSLO's, as applicable, approval of the Agreement, including any production that had been allocated previously in accordance with this Order.

3. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil and gas production to each well not included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.
4. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling it with production from another well.
5. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
6. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8.B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8.E. NMAC.
7. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.

8. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
9. Applicant may submit an application to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by this Order by submitting a Form C-107-B in accordance with 19.15.12.10.C.(4)(g) NMAC, provided the pools, leases, and subsequently drilled wells are within the identified parameters included in the Application.
10. If a well is not included in Exhibit A but produces from a pool and lease identified in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well, proposed method to determine the allocation of oil and gas production to it, and the location(s) that commingling of its production will occur.
11. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
12. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
13. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE E. SANDOVAL
DIRECTOR**

DATE: 8/29/2022

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **PLC-849**

Operator: **Matador Production Company (228937)**

Central Tank Battery: **Gavilon Tank Battery**

Central Tank Battery Location: **UL N, Section 33, Township 20 South, Range 33 East**

Gas Title Transfer Meter Location: **UL N, Section 33, Township 20 South, Range 33 East**

Pools

Pool Name	Pool Code
HAT MESA; BONE SPRING	30213
HAT MESA; WOLFCAMP	96438

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
NMNM 089889	C D E F K	28-20S-33E
NMNM 111243	L	28-20S-33E
NMNM 134878	B	28-20S-33E
NMNM 138875	G	28-20S-33E
NMNM 134878	J	28-20S-33E
NMNM 136218	M N O	28-20S-33E
NMNM 057683	W/2, W/2 E/2	33-20S-33E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-46586	Gavilon Federal Com #602H	W/2 W/2	28-20S-33E	30213
		W/2 W/2	33-20S-33E	
30-025-46588	Gavilon Federal Com #704H	W/2 W/2	28-20S-33E	96438
		W/2 W/2	33-20S-33E	
30-025-47862	Gavilon Federal Com #603H	E/2 W/2	28-20S-33E	30213
		E/2 W/2	33-20S-33E	
30-025-47863	Gavilon Federal Com #708H	W/2 E/2	28-20S-33E	96438
		W/2 E/2	33-20S-33E	
30-025-50167	Gavilon Federal Com #604H	W/2 E/2	28-20S-33E	30213
		W/2 E/2	33-20S-33E	

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit B

Order: **PLC-849**
Operator: **Matador Production Company (228937)**

Pooled Areas

Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Bone Spring BLM	W/2 W/2 W/2 W/2	28-20S-33E 33-20S-33E	320	A
CA Wolfcamp BLM	W/2 W/2 W/2 W/2	28-20S-33E 33-20S-33E	320	B
CA Bone Spring BLM	E/2 W/2 E/2 W/2	28-20S-33E 33-20S-33E	320	C
CA Bone Spring BLM	W/2 E/2 W/2 E/2	28-20S-33E 33-20S-33E	320	D
CA Wolfcamp BLM	W/2 E/2 W/2 E/2	28-20S-33E 33-20S-33E	320	E

Leases Comprising Pooled Areas

Lease	UL or Q/Q	S-T-R	Acres	Pooled Area ID
NMNM 089889	D E	28-20S-33E	80	A
NMNM 111243	L	28-20S-33E	40	A
NMNM 136218	M	28-20S-33E	40	A
NMNM 057683	W/2 W/2	33-20S-33E	160	A
NMNM 089889	D E	28-20S-33E	80	B
NMNM 111243	L	28-20S-33E	40	B
NMNM 136218	M	28-20S-33E	40	B
NMNM 057683	W/2 W/2	33-20S-33E	160	B
NMNM 089889	C F K	28-20S-33E	120	C
NMNM 136218	N	28-20S-33E	40	C
NMNM 057683	E/2 W/2	33-20S-33E	160	C
NMNM 134878	B	28-20S-33E	40	D
NMNM 138875	G	28-20S-33E	40	D
NMNM 134878	J	28-20S-33E	40	D
NMNM 136218	O	28-20S-33E	40	D
NMNM 057683	W/2 E/2	33-20S-33E	160	D
NMNM 134878	B	28-20S-33E	40	E
NMNM 138875	G	28-20S-33E	40	E
NMNM 134878	J	28-20S-33E	40	E
NMNM 136218	O	28-20S-33E	40	E
NMNM 057683	W/2 E/2	33-20S-33E	160	E

District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720

District II

811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 95880

CONDITIONS

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 95880
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	8/29/2022