

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 15, 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) oil and gas production from the spacing units comprised of Sections 19 and 30, T21S, R35E, 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) diversely owned oil and gas production at the **Dee Osborne Tank Battery** *insofar as all existing and future infill wells drilled in the following spacing units:*

(a) The 287.32-acre spacing unit comprised of the W/2W/2 of Sections 19 and 30 in the Wilson; Bone Spring [64560] – includes the **Dee Osborne 1930 State Com 121H well** (API. No. TBD);

(b) The 320-acre spacing unit comprised of the E/2W/2 of Sections 19 and 30 in the Wilson; Bone Spring [64560] – includes the **Dee Osborne 1930 State Com 122H well** (API. No. TBD);

(c) The 320-acre spacing unit comprised of the W/2E/2 of Sections 19 and 30 in the Wilson; Bone Spring [64560] – includes the **Dee Osborne 1930 State Com 123H well** (API. No. TBD);

(d) The 320-acre spacing unit comprised of the E/2E/2 of Sections 19 and 30 in the Wilson; Bone Spring [64560] – includes the **Dee Osborne 1930 State Com 124H well** (API. No. TBD); and

(e) pursuant to 19.15.12.10.C(4)(g), *future Wilson; Bone Spring [64560] spacing units within Sections 19 & 30 connected to the Dee Osborne 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 Dee Osborne Tank Battery located in the NE/4 NW/4 of Section 19. 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 proposed and/or 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.

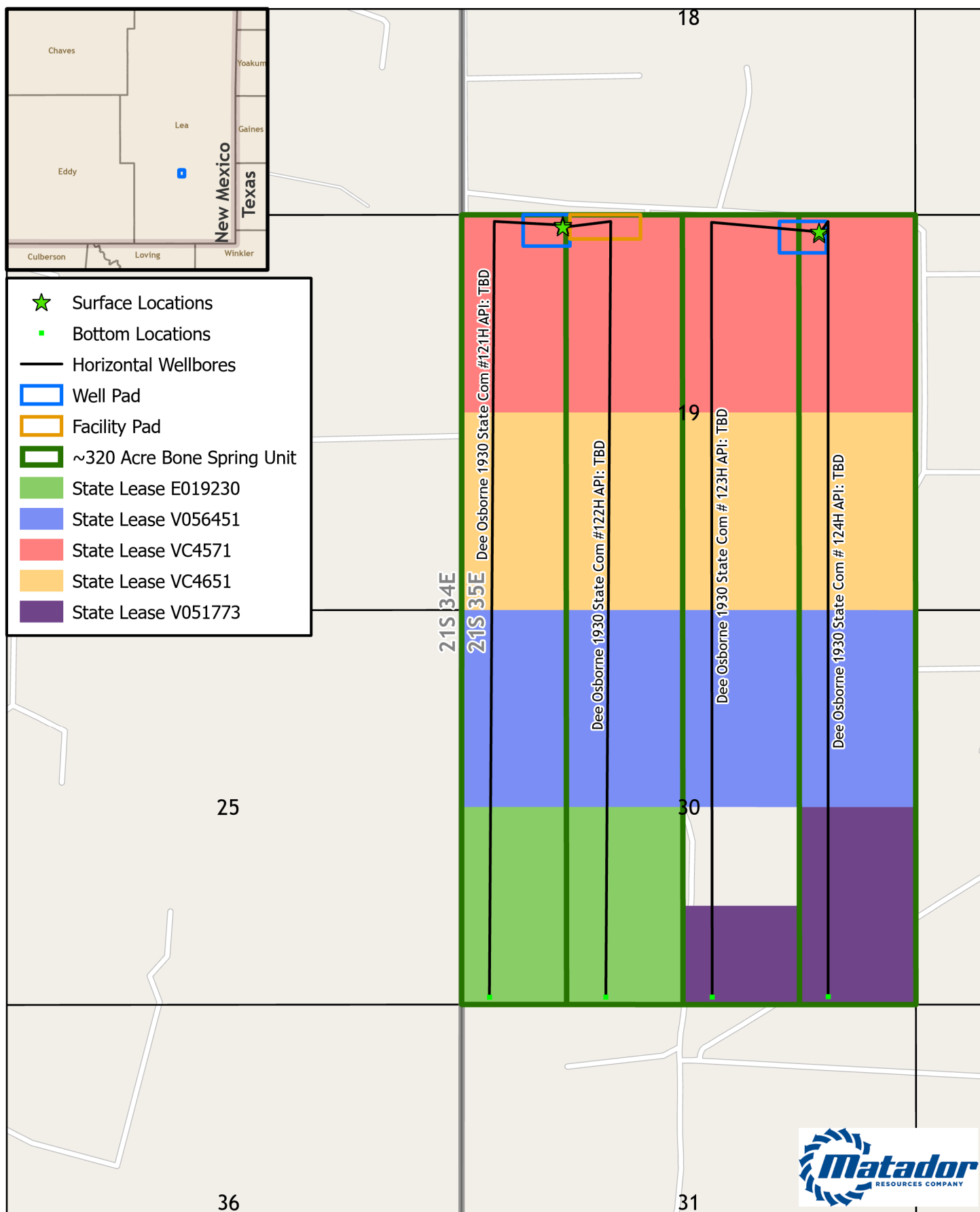
Thank you for your attention to this matter, and please feel free to call if you have any questions or require additional information.

Sincerely,



Adam G. Rankin  
ATTORNEY FOR  
MATADOR PRODUCTION COMPANY

# Dee Osborne Commingling Plat



Southeast New Mexico

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

## EXHIBIT 1

Map Prepared by: agreeen  
Project: ComminglingPlat  
Date: 2/4/2022

Coordinate System: GCS WGS 1984

0 500 1,000 2,000 3,000 Feet

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

- (2) Are any wells producing at top allowables? ☐ Yes ☐ No  
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No.  
(4) Measurement type: ☐ Metering ☐ Other (Specify)  
(5) Will commingling decrease the value of production? ☐ Yes ☐ No If "yes", describe why commingling should be approved

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

- (1) Pool Name and Code- Wilson; Bone Spring [64560]  
(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: 1-27-22

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](mailto:rhernandez@matadorresources.com)

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**Ryan Hernandez**  
Production Engineer

February 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) gas and oil production from the spacing units comprised of Sections 19 and 30, Township 21 South, Range 35 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 four (4) 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**, either DCP Midstream, LLC or 3 Bear Energy LLC’s 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 Fesco Laboratory 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. DCP Midstream, LLC or 3 Bear Energy LLC's 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.

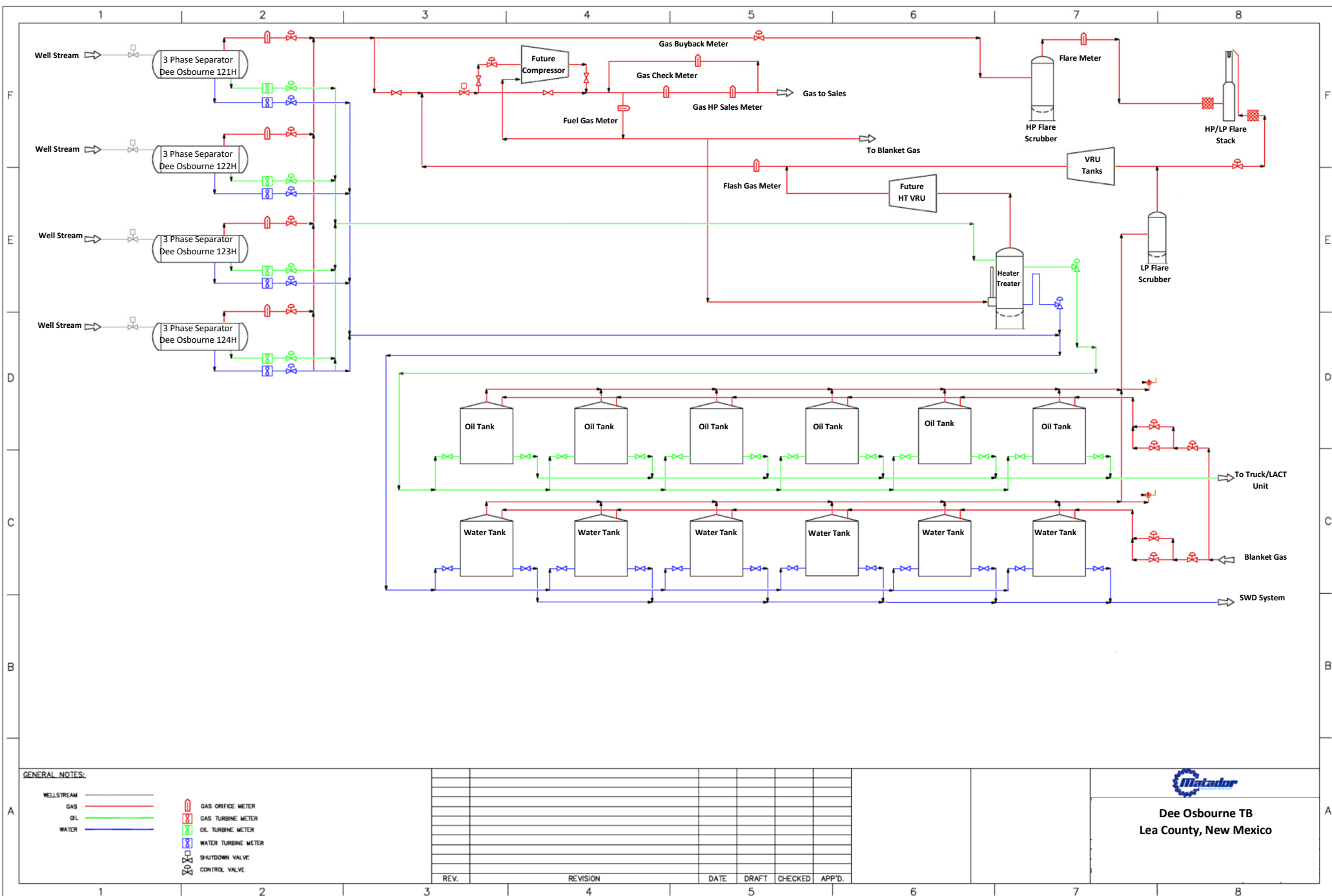
Very truly yours,

MATADOR PRODUCTION COMPANY

A handwritten signature in black ink, appearing to read 'Ryan Hernandez', with a long horizontal flourish extending to the right.

Ryan Hernandez  
Production Engineer







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

**For:** Matador Production Company  
One Lincoln Centre  
5400 LBJ Freeway, Suite 1500  
Dallas, Texas 75240

**Sample:** Bruce Keplinger 13 State COM No. 123H  
First Stage Separator Gas  
Spot Sampled @ 172 psig & 86 °F

Date Sampled: 04/14/2018

Job Number: 191885.001

**CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286**

COMPONENT	MOL%	GPM
Hydrogen Sulfide*	0.006	
Nitrogen	2.072	
Carbon Dioxide	6.544	
Methane	71.253	
Ethane	10.298	2.820
Propane	5.583	1.575
Isobutane	0.768	0.257
n-Butane	1.775	0.573
2-2 Dimethylpropane	0.019	0.007
Isopentane	0.450	0.169
n-Pentane	0.419	0.156
Hexanes	0.337	0.142
Heptanes Plus	<u>0.476</u>	<u>0.184</u>
Totals	100.000	5.883

**Computed Real Characteristics Of Heptanes Plus:**

Specific Gravity ----- 3.207 (Air=1)  
Molecular Weight ----- 92.51  
Gross Heating Value ----- 4803 BTU/CF

**Computed Real Characteristics Of Total Sample:**

Specific Gravity ----- 0.808 (Air=1)  
Compressibility (Z) ----- 0.9959  
Molecular Weight ----- 23.30  
Gross Heating Value  
Dry Basis ----- 1231 BTU/CF  
Saturated Basis ----- 1210 BTU/CF

\*Hydrogen Sulfide tested on location by: Stain Tube Method (GPA 2377)  
Results: 4.025 Gr/100 CF, 64.0 PPMV or 0.006 Mol %

Base Conditions: 15.025 PSI & 60 Deg F

Sampled By: (24) D. Field  
Analyst: NG  
Processor: RG  
Cylinder ID: T-2349

Certified: FESCO, Ltd. - Alice, Texas

David Dannhaus 361-661-7015

**CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286**  
**TOTAL REPORT**

COMPONENT	MOL %	GPM	WT %
Hydrogen Sulfide*	0.006		0.009
Nitrogen	2.072		2.491
Carbon Dioxide	6.544		12.360
Methane	71.253		49.057
Ethane	10.298	2.820	13.289
Propane	5.583	1.575	10.565
Isobutane	0.768	0.257	1.916
n-Butane	1.775	0.573	4.428
2,2 Dimethylpropane	0.019	0.007	0.059
Isopentane	0.450	0.169	1.393
n-Pentane	0.419	0.156	1.297
2,2 Dimethylbutane	0.004	0.002	0.015
Cyclopentane	0.000	0.000	0.000
2,3 Dimethylbutane	0.043	0.018	0.159
2 Methylpentane	0.107	0.045	0.396
3 Methylpentane	0.065	0.027	0.240
n-Hexane	0.118	0.050	0.436
Methylcyclopentane	0.062	0.022	0.224
Benzene	0.070	0.020	0.235
Cyclohexane	0.086	0.030	0.310
2-Methylhexane	0.015	0.007	0.065
3-Methylhexane	0.019	0.009	0.082
2,2,4 Trimethylpentane	0.000	0.000	0.000
Other C7's	0.044	0.020	0.187
n-Heptane	0.028	0.013	0.120
Methylcyclohexane	0.046	0.019	0.194
Toluene	0.046	0.016	0.182
Other C8's	0.034	0.016	0.161
n-Octane	0.007	0.004	0.034
Ethylbenzene	0.004	0.002	0.018
M & P Xylenes	0.004	0.002	0.018
O-Xylene	0.001	0.000	0.005
Other C9's	0.008	0.004	0.043
n-Nonane	0.001	0.001	0.006
Other C10's	0.001	0.001	0.006
n-Decane	0.000	0.000	0.000
Undecanes (11)	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
Totals	100.000	5.883	100.000

Computed Real Characteristics of Total Sample

Specific Gravity -----	0.808	(Air=1)
Compressibility (Z) -----	0.9959	
Molecular Weight -----	23.30	
Gross Heating Value		
Dry Basis -----	1231	BTU/CF
Saturated Basis -----	1210	BTU/CF

**FESCO, Ltd.****1100 Fesco Ave. - Alice, Texas 78332****Sample:** Bruce Keplinger 13 State COM No. 123H

First Stage Separator Gas

Spot Sampled @ 172 psig &amp; 86 °F

Date Sampled: 04/14/2018

Job Number: 191885.001

**GLYCALC FORMAT**

<b>COMPONENT</b>	<b>MOL%</b>	<b>GPM</b>	<b>Wt %</b>
Carbon Dioxide	6.544		12.360
Hydrogen Sulfide	0.006		0.009
Nitrogen	2.072		2.491
Methane	71.253		49.057
Ethane	10.298	2.820	13.289
Propane	5.583	1.575	10.565
Isobutane	0.768	0.257	1.916
n-Butane	1.794	0.580	4.487
Isopentane	0.450	0.169	1.393
n-Pentane	0.419	0.156	1.297
Cyclopentane	0.000	0.000	0.000
n-Hexane	0.118	0.050	0.436
Cyclohexane	0.086	0.030	0.310
Other C6's	0.219	0.092	0.810
Heptanes	0.168	0.071	0.678
Methylcyclohexane	0.046	0.019	0.194
2,2,4 Trimethylpentane	0.000	0.000	0.000
Benzene	0.070	0.020	0.235
Toluene	0.046	0.016	0.182
Ethylbenzene	0.004	0.002	0.018
Xylenes	0.005	0.002	0.023
Octanes Plus	<u>0.051</u>	<u>0.025</u>	<u>0.250</u>
Totals	100.000	5.883	100.000

**Real Characteristics Of Octanes Plus:**

Specific Gravity ----- 3.960 (Air=1)  
Molecular Weight ----- 114.24  
Gross Heating Value ----- 5945 BTU/CF

**Real Characteristics Of Total Sample:**

Specific Gravity ----- 0.808 (Air=1)  
Compressibility (Z) ----- 0.9959  
Molecular Weight ----- 23.30  
Gross Heating Value  
Dry Basis ----- 1231 BTU/CF  
Saturated Basis ----- 1210 BTU/CF

DISTRICT I  
1626 N. FRENCH DR., BOBBS, NM 88240  
Phone: (576) 393-6161 Fax: (576) 393-0720

DISTRICT II  
811 S. FIRST ST., ARTESIA, NM 88210  
Phone: (576) 746-1283 Fax: (576) 746-0720

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 87500  
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, New Mexico 87505

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

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number	Pool Code <b>64560</b>	Pool Name <b>Wilson; Bone Spring</b>
Property Code	Property Name <b>DEE OSBORNE 1930 STATE COM</b>	Well Number <b>121H</b>
GRID No. <b>228937</b>	Operator Name <b>MATADOR PRODUCTION COMPANY</b>	Elevation <b>3643.5'</b>

**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	19	21-S	35-E		150	NORTH	1140	WEST	LEA

**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
4	30	21-S	35-E		60	SOUTH	337	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
287.32			

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><b>NAD 83 NME SURFACE LOCATION</b> Y=536441.1 N X=825716.0 E LAT.=32.471362° N LONG.=103.411216° W</p> <p><b>FPP NAD 83</b> 100' FNL &amp; 337' FWL Y=536484.5 N X=824912.5 E LAT.=32.471501° N LONG.=103.413820° W</p> <p><b>POINT LEGEND NAD 83</b></p> <table border="1"> <tr><td>1</td><td>Y=536661.7 N</td></tr> <tr><td>2</td><td>X=824574.8 E</td></tr> <tr><td>3</td><td>Y=533945.4 N</td></tr> <tr><td>4</td><td>X=824595.1 E</td></tr> <tr><td>5</td><td>Y=531300.8 N</td></tr> <tr><td>6</td><td>X=824622.0 E</td></tr> <tr><td>7</td><td>Y=528864.8 N</td></tr> <tr><td>8</td><td>X=824634.9 E</td></tr> <tr><td>9</td><td>Y=5288023.9 N</td></tr> <tr><td>10</td><td>X=824664.4 E</td></tr> <tr><td>11</td><td>Y=5288053.3 N</td></tr> <tr><td>12</td><td>X=825852.1 E</td></tr> <tr><td>13</td><td>Y=536591.4 N</td></tr> <tr><td>14</td><td>X=825758.3 E</td></tr> </table> <p><b>LPP NAD 83</b> 100' FSL &amp; 337' FWL Y=526126.5 N X=824990.6 E LAT.=32.443030° N LONG.=103.413856° W</p> <p><b>PROPOSED BOTTOM HOLE LOCATION NAD 83</b> Y=526086.5 N X=824990.9 E LAT.=32.442920° N LONG.=103.413856° W</p>	1	Y=536661.7 N	2	X=824574.8 E	3	Y=533945.4 N	4	X=824595.1 E	5	Y=531300.8 N	6	X=824622.0 E	7	Y=528864.8 N	8	X=824634.9 E	9	Y=5288023.9 N	10	X=824664.4 E	11	Y=5288053.3 N	12	X=825852.1 E	13	Y=536591.4 N	14	X=825758.3 E	<p><b>NAD 27 NME SURFACE LOCATION</b> Y=536379.5 N X=784533.0 E LAT.=32.471238° N LONG.=103.410736° W</p> <p><b>FPP NAD 27</b> 100' FNL &amp; 337' FWL Y=536423.0 N X=783729.6 E LAT.=32.471376° N LONG.=103.413340° W</p> <p><b>POINT LEGEND NAD 27</b></p> <table border="1"> <tr><td>1</td><td>Y=536520.2 N</td></tr> <tr><td>2</td><td>X=783391.0 E</td></tr> <tr><td>3</td><td>Y=533864.0 N</td></tr> <tr><td>4</td><td>X=783412.2 E</td></tr> <tr><td>5</td><td>Y=531239.3 N</td></tr> <tr><td>6</td><td>X=783439.0 E</td></tr> <tr><td>7</td><td>Y=528803.5 N</td></tr> <tr><td>8</td><td>X=783451.8 E</td></tr> <tr><td>9</td><td>Y=5288062.7 N</td></tr> <tr><td>10</td><td>X=783471.2 E</td></tr> <tr><td>11</td><td>Y=525972.0 N</td></tr> <tr><td>12</td><td>X=784689.0 E</td></tr> <tr><td>13</td><td>Y=536589.9 N</td></tr> <tr><td>14</td><td>X=784822.3 E</td></tr> </table> <p><b>LPP NAD 27</b> 100' FSL &amp; 337' FWL Y=526065.3 N X=783807.5 E LAT.=32.442906° N LONG.=103.413377° W</p> <p><b>PROPOSED BOTTOM HOLE LOCATION NAD 27</b> Y=526025.3 N X=783807.8 E LAT.=32.442796° N LONG.=103.413377° W</p>	1	Y=536520.2 N	2	X=783391.0 E	3	Y=533864.0 N	4	X=783412.2 E	5	Y=531239.3 N	6	X=783439.0 E	7	Y=528803.5 N	8	X=783451.8 E	9	Y=5288062.7 N	10	X=783471.2 E	11	Y=525972.0 N	12	X=784689.0 E	13	Y=536589.9 N	14	X=784822.3 E	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unless 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Hanna Bollenbach</i> 3/14/22 Signature Date Hanna Bollenbach Printed Name hanna.bollenbach@matadorresources.com E-mail Address</p> <p><b>SURVEYOR CERTIFICATION</b></p> <p>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>DECEMBER 8, 2021 Date of Survey</p> <p>Signature &amp; Seal of Professional Surveyor</p> <p><b>CHAD L. HARCROW</b> NEW MEXICO 17777 LICENSED PROFESSIONAL SURVEYOR</p> <p><i>Chad Harcrow</i> 2/3/22 Certificate No. CHAD HARCROW 17777 W.O. #22-90 DRAWN BY: WN</p>
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## DISTRICT I

1625 N. FRENCH DR., HOBBS, NM 88240  
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## DISTRICT II

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## DISTRICT III

1000 RIO BRAZOS RD., AZTEC, NM 87410  
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## DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

Form C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code <b>64560</b>	Pool Name <b>Wilson; Bone Spring</b>
Property Code	Property Name <b>DEE OSBORNE 1930 STATE COM</b>	Well Number <b>122H</b>
OGRID No. <b>228937</b>	Operator Name <b>MATADOR PRODUCTION COMPANY</b>	Elevation <b>3643.7'</b>

## Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	19	21-S	35-E		180	NORTH	1140	WEST	LEA

## 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
N	30	21-S	35-E		60	SOUTH	1589	WEST	LEA
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						
320.00									

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<p>NAD 83 NME SURFACE LOCATION Y=536411.1 N X=825716.1 E LAT.=32.471280° N LONG.=103.411217° W</p> <p>FPP NAD 83 100' FNL &amp; 1585' FWL Y=536494.8 N X=826160.6 E LAT.=32.471499° N LONG.=103.409773° W</p> <p>POINT LEGEND NAD 83</p> <table border="1"> <tr><td>1</td><td>Y=536691.4 N</td></tr> <tr><td>2</td><td>X=825755.3 E</td></tr> <tr><td>3</td><td>Y=531313.3 N</td></tr> <tr><td>4</td><td>X=825804.8 E</td></tr> <tr><td>5</td><td>Y=526033.3 N</td></tr> <tr><td>6</td><td>X=826052.1 E</td></tr> <tr><td>7</td><td>Y=526043.8 N</td></tr> <tr><td>8</td><td>X=827164.7 E</td></tr> <tr><td>9</td><td>Y=531327.3 N</td></tr> <tr><td>10</td><td>X=827121.9 E</td></tr> <tr><td>11</td><td>Y=536602.3 N</td></tr> <tr><td>12</td><td>X=827075.7 E</td></tr> </table> <p>LPP NAD 83 100' FSL &amp; 1589' FWL Y=526136.4 N X=826242.9 E LAT.=32.443028° N LONG.=103.409797° W</p> <p>PROPOSED BOTTOM HOLE LOCATION NAD 83 Y=526096.4 N X=826243.3 E LAT.=32.442918° N LONG.=103.409797° W</p>	1	Y=536691.4 N	2	X=825755.3 E	3	Y=531313.3 N	4	X=825804.8 E	5	Y=526033.3 N	6	X=826052.1 E	7	Y=526043.8 N	8	X=827164.7 E	9	Y=531327.3 N	10	X=827121.9 E	11	Y=536602.3 N	12	X=827075.7 E	<p>NAD 27 NME SURFACE LOCATION Y=536349.5 N X=784533.2 E LAT.=32.471155° N LONG.=103.410737° W</p> <p>FPP NAD 27 100' FNL &amp; 1585' FWL Y=536433.2 N X=784977.7 E LAT.=32.471375° N LONG.=103.409293° W</p> <p>POINT LEGEND NAD 27</p> <table border="1"> <tr><td>1</td><td>Y=536629.9 N</td></tr> <tr><td>2</td><td>X=784572.3 E</td></tr> <tr><td>3</td><td>Y=531251.9 N</td></tr> <tr><td>4</td><td>X=784621.8 E</td></tr> <tr><td>5</td><td>Y=526072.0 N</td></tr> <tr><td>6</td><td>X=784689.0 E</td></tr> <tr><td>7</td><td>Y=526082.3 N</td></tr> <tr><td>8</td><td>X=785091.5 E</td></tr> <tr><td>9</td><td>Y=531260.9 N</td></tr> <tr><td>10</td><td>X=785038.8 E</td></tr> <tr><td>11</td><td>Y=536540.7 N</td></tr> <tr><td>12</td><td>X=785092.7 E</td></tr> </table> <p>LPP NAD 27 100' FSL &amp; 1589' FWL Y=526075.1 N X=785059.8 E LAT.=32.442903° N LONG.=103.409318° W</p> <p>PROPOSED BOTTOM HOLE LOCATION NAD 27 Y=526035.1 N X=785060.1 E LAT.=32.442793° N LONG.=103.409318° W</p>	1	Y=536629.9 N	2	X=784572.3 E	3	Y=531251.9 N	4	X=784621.8 E	5	Y=526072.0 N	6	X=784689.0 E	7	Y=526082.3 N	8	X=785091.5 E	9	Y=531260.9 N	10	X=785038.8 E	11	Y=536540.7 N	12	X=785092.7 E	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Hanna Bollenbach</i> 3/14/22 Signature Date</p> <p>Hanna Bollenbach Printed Name</p> <p>hanna.bollenbach@matadorenrg.com E-mail Address</p> <p><b>SURVEYOR CERTIFICATION</b></p> <p>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>DECEMBER 8, 2021 Date of Survey</p> <p>Signature &amp; Seal of Professional Surveyor</p> <p><i>Chad L. Hargrow</i> 2/3/22 Certificate No. CHAD HARGROW 17777 W.O. #22-103 DRAWN BY: WN</p>
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☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number	Pool Code <b>64560</b>	Pool Name <b>Wilsonj Bone Spring</b>
Property Code	Property Name <b>DEE OSBORNE 1930 STATE COM</b>	Well Number <b>123H</b>
OGRID No. <b>228937</b>	Operator Name <b>MATADOR PRODUCTION COMPANY</b>	Elevation <b>3641.6'</b>

**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	19	21-S	35-E		378	NORTH	1471	EAST	LEA

**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
O	30	21-S	35-E		60	SOUTH	2308	EAST	LEA
Dedicated Acres <b>320.00</b>	Joint or Infill	Consolidation Code	Order No.						

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<p><b>NAD 83 NME SURFACE LOCATION</b> Y=536234.0 N X=828248.5 E LAT.=32.470732° N LONG.=103.403011° W</p> <p><b>FPP NAD 83</b> 100' FNL &amp; 2309' FEL Y=536505.0 N X=827408.6 E LAT.=32.471498° N LONG.=103.405727° W</p> <p><b>POINT LEGEND NAD 27</b></p> <table border="1"> <tr><td>1</td><td>Y=536540.7 N</td></tr> <tr><td>2</td><td>X=785892.7 E</td></tr> <tr><td>3</td><td>Y=531265.8 N</td></tr> <tr><td>4</td><td>X=785938.8 E</td></tr> <tr><td>5</td><td>Y=525982.3 N</td></tr> <tr><td>6</td><td>X=785981.5 E</td></tr> <tr><td>7</td><td>Y=530551.8 N</td></tr> <tr><td>8</td><td>X=787213.2 E</td></tr> <tr><td>9</td><td>Y=531275.1 N</td></tr> <tr><td>10</td><td>X=787250.2 E</td></tr> <tr><td>11</td><td>Y=525982.7 N</td></tr> <tr><td>12</td><td>X=787301.7 E</td></tr> </table> <p><b>LPP NAD 83</b> 100' FSL &amp; 2308' FEL Y=526146.2 N X=827495.9 E LAT.=32.443025° N LONG.=103.405736° W</p> <p><b>PROPOSED BOTTOM HOLE LOCATION NAD 83</b> Y=526106.2 N X=827496.2 E LAT.=32.442915° N LONG.=103.405736° W</p>	1	Y=536540.7 N	2	X=785892.7 E	3	Y=531265.8 N	4	X=785938.8 E	5	Y=525982.3 N	6	X=785981.5 E	7	Y=530551.8 N	8	X=787213.2 E	9	Y=531275.1 N	10	X=787250.2 E	11	Y=525982.7 N	12	X=787301.7 E	<p><b>LOT 1</b> 35.77 Ac</p> <p><b>LOT 2</b> 35.83 Ac</p> <p><b>LOT 3</b> 35.95 Ac</p> <p><b>LOT 4</b> 35.88 Ac</p> <p><b>SECTION 19</b></p> <p><b>SECTION 30</b></p> <p><b>LOT 1</b> 35.91 Ac</p> <p><b>LOT 2</b> 36.04 Ac</p> <p><b>LOT 3</b> 36.22 Ac</p> <p><b>LOT 4</b> 36.28 Ac</p>	<p><b>NAD 27 NME SURFACE LOCATION</b> Y=536172.4 N X=787065.5 E LAT.=32.470608° N LONG.=103.402532° W</p> <p><b>FPP NAD 27</b> 100' FNL &amp; 2309' FEL Y=536443.5 N X=786225.6 E LAT.=32.471373° N LONG.=103.405247° W</p> <p><b>POINT LEGEND NAD 27</b></p> <table border="1"> <tr><td>1</td><td>Y=536540.7 N</td></tr> <tr><td>2</td><td>X=785892.7 E</td></tr> <tr><td>3</td><td>Y=531265.8 N</td></tr> <tr><td>4</td><td>X=785938.8 E</td></tr> <tr><td>5</td><td>Y=525982.3 N</td></tr> <tr><td>6</td><td>X=785981.5 E</td></tr> <tr><td>7</td><td>Y=530551.8 N</td></tr> <tr><td>8</td><td>X=787213.2 E</td></tr> <tr><td>9</td><td>Y=531275.1 N</td></tr> <tr><td>10</td><td>X=787250.2 E</td></tr> <tr><td>11</td><td>Y=525982.7 N</td></tr> <tr><td>12</td><td>X=787301.7 E</td></tr> </table> <p><b>LPP NAD 27</b> 100' FSL &amp; 2308' FEL Y=526084.9 N X=786312.7 E LAT.=32.442900° N LONG.=103.405257° W</p> <p><b>PROPOSED BOTTOM HOLE LOCATION NAD 27</b> Y=526044.9 N X=786313.0 E LAT.=32.442790° N LONG.=103.405257° W</p>	1	Y=536540.7 N	2	X=785892.7 E	3	Y=531265.8 N	4	X=785938.8 E	5	Y=525982.3 N	6	X=785981.5 E	7	Y=530551.8 N	8	X=787213.2 E	9	Y=531275.1 N	10	X=787250.2 E	11	Y=525982.7 N	12	X=787301.7 E	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Hanna Bollenbach</i> 4/5/22 Signature Date</p> <p><b>Hanna Bollenbach</b> Printed Name</p> <p><i>hanna.bollenbach@matadorresources.com</i> E-mail Address</p> <p><b>SURVEYOR CERTIFICATION</b></p> <p>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>MARCH 15, 2022 Date of Survey</p> <p>Signature &amp; Seal of Professional Surveyor</p> <p><b>CHAD L. HARCROW</b> NEW MEXICO 17777 LICENSED PROFESSIONAL SURVEYOR</p> <p><i>Chad Harcrow</i> 4/4/22 Certificate No. CHAD HARCROW 17777 W.O. #22-207 DRAWN BY: WN</p>
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Phone: (505) 748-1283 Fax: (505) 748-0720

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) 476-3480 Fax: (505) 476-3482

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

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

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number	Pool Code <b>64560</b>	Pool Name <b>wilson; Bone Spring</b>
Property Code	Property Name <b>DEE OSBORNE 1930 STATE COM</b>	Well Number <b>124H</b>
OGRID No. <b>228937</b>	Operator Name <b>MATADOR PRODUCTION COMPANY</b>	Elevation <b>3641.8'</b>

**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	19	21-S	35-E		348	NORTH	1471	EAST	LEA

**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
P	30	21-S	35-E		60	SOUTH	990	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320.00			

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>NAD 83 NME <u>SURFACE LOCATION</u> Y=536263.9 N X=828248.5 E LAT.=32.470815° N LONG.=103.403010° W</p> <p>FPP NAD 83 100' FNL &amp; 991' FEL Y=536515.8 N X=828726.9 E LAT.=32.471496° N LONG.=103.401452° W</p> <p><b>POINT LEGEND NAD 83</b></p> <table border="1"> <tr><td>1</td><td>Y=536624.0 N</td></tr> <tr><td>2</td><td>X=829710.2 E</td></tr> <tr><td>3</td><td>Y=531345.9 N</td></tr> <tr><td>4</td><td>X=829701.3 E</td></tr> <tr><td>5</td><td>Y=526004.3 N</td></tr> <tr><td>6</td><td>X=829805.1 E</td></tr> <tr><td>7</td><td>Y=536613.1 N</td></tr> <tr><td>8</td><td>X=828390.2 E</td></tr> <tr><td>9</td><td>Y=531356.5 N</td></tr> <tr><td>10</td><td>X=828433.4 E</td></tr> <tr><td>11</td><td>Y=526063.9 N</td></tr> <tr><td>12</td><td>X=828494.9 E</td></tr> </table> <p>LPP NAD 83 100' FSL &amp; 991' FEL Y=526156.5 N X=828814.0 E LAT.=32.443022° N LONG.=103.401463° W</p> <p><u>PROPOSED BOTTOM HOLE LOCATION NAD 83</u> Y=526116.5 N X=828814.3 E LAT.=32.442912° N LONG.=103.401463° W</p>	1	Y=536624.0 N	2	X=829710.2 E	3	Y=531345.9 N	4	X=829701.3 E	5	Y=526004.3 N	6	X=829805.1 E	7	Y=536613.1 N	8	X=828390.2 E	9	Y=531356.5 N	10	X=828433.4 E	11	Y=526063.9 N	12	X=828494.9 E	<p>NAD 27 NME <u>SURFACE LOCATION</u> Y=536202.4 N X=787065.5 E LAT.=32.470691° N LONG.=103.402531° W</p> <p>FPP NAD 27 100' FNL &amp; 991' FEL Y=536454.3 N X=787543.8 E LAT.=32.471371° N LONG.=103.400973° W</p> <p><b>POINT LEGEND NAD 27</b></p> <table border="1"> <tr><td>1</td><td>Y=536562.4 N</td></tr> <tr><td>2</td><td>X=789533.0 E</td></tr> <tr><td>3</td><td>Y=531284.6 N</td></tr> <tr><td>4</td><td>X=789579.2 E</td></tr> <tr><td>5</td><td>Y=526003.0 N</td></tr> <tr><td>6</td><td>X=789621.0 E</td></tr> <tr><td>7</td><td>Y=536551.0 N</td></tr> <tr><td>8</td><td>X=787213.2 E</td></tr> <tr><td>9</td><td>Y=531275.1 N</td></tr> <tr><td>10</td><td>X=787250.2 E</td></tr> <tr><td>11</td><td>Y=525992.7 N</td></tr> <tr><td>12</td><td>X=787301.2 E</td></tr> </table> <p>LPP NAD 27 100' FSL &amp; 991' FEL Y=526095.3 N X=787630.7 E LAT.=32.442897° N LONG.=103.400984° W</p> <p><u>PROPOSED BOTTOM HOLE LOCATION NAD 27</u> Y=526055.3 N X=787631.1 E LAT.=32.442787° N LONG.=103.400985° W</p>	1	Y=536562.4 N	2	X=789533.0 E	3	Y=531284.6 N	4	X=789579.2 E	5	Y=526003.0 N	6	X=789621.0 E	7	Y=536551.0 N	8	X=787213.2 E	9	Y=531275.1 N	10	X=787250.2 E	11	Y=525992.7 N	12	X=787301.2 E	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Hanna Bollenbach</i> 4/5/22 Signature Date</p> <p>Hanna Bollenbach Printed Name</p> <p>hanna.bollenbach@matadorresources.com E-mail Address</p> <p><b>SURVEYOR CERTIFICATION</b></p> <p>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>MARCH 15, 2022 Date of Survey</p> <p>Signature &amp; Seal of Professional Surveyor</p> <p><i>Chad L. Harcrow</i> 4/4/22 Certificate No. CHAD HARCROW 17777 W.O. #22-208 DRAWN BY: WN</p>
1	Y=536624.0 N																																																	
2	X=829710.2 E																																																	
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**NM State Land Office  
Oil, Gas, & Minerals Division**

**STATE/STATE OR  
STATE/FEE**  
Revised March 2017

**COMMUNITIZATION AGREEMENT**

ONLINE Version

KNOW ALL MEN BY THESE PRESENTS: Well Name: Dee Osborne 1930 State Com #121H

STATE OF NEW MEXICO )  
SS)

API #: 30 - \_\_\_\_ - \_\_\_\_

COUNTY OF LEA )

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of **February 1, 2022**, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the Commissioner of Public Lands to be fair and equitable.

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 leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the **Bone Spring formation** or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communitize and pool their respective interests in said leases subject to this agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

## EXHIBIT 4

ONLINE version  
March, 2017

State/State  
State/Fee

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 undersigned as follows:

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

Subdivisions **Lots 1-4 of Section 19 and Lots 1-4 of Section 30** of Section (s) **19&30**, Township **21S** Range **35E**, NMPM **Lea**, County, NM

Containing **287.32** acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and/or depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

2. 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 therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.
3. Subject to Paragraph 4, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

4. **Matador Production Company** shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by **Matador Production Company**.

5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, 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 compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: **(a)** a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or **(b)** each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be

terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

13. 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 instruments, 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.

14. 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.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

Operator: Matador Production Company

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

\_\_\_\_\_  
Signature of Authorized Agent

**ACKNOWLEDGEMENT**

**STATE OF TEXAS** §

**COUNTY OF DALLAS** §

This instrument was acknowledged before me on \_\_\_\_\_, 2022, by **Craig N. Adams, as Executive Vice President** for **Matador Production Company**, on behalf of said corporation.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (Print)

My commission expires \_\_\_\_\_

ONLINE version

March, 2017

State/State

State/Fee

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

**MRC Permian Company**

**By:** \_\_\_\_\_

\_\_\_\_\_  
Print Name

**Date:** \_\_\_\_\_

**Acknowledgment in a Representative Capacity**

**STATE OF TEXAS** §

**COUNTY OF DALLAS** §

This instrument was acknowledged before me on \_\_\_\_\_, 2022, by **Craig N. Adams, as Executive Vice President**, for **MRC Permian Company** on behalf of said corporation.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (Print)

My commission expires \_\_\_\_\_

ONLINE version

March, 2017

State/State

State/Fee

**EXHIBIT A**To Communitization Agreement dated February 1, 2022Plat of communitized area covering Lots 1-4 of Section 19 and Lots 1-4 of Section 30, T 21S, R 35E, NMPM, Lea County, NM.

<b>Tract 1</b> <b>VC-0457</b> <b>Acres 71.60</b>			
		<b>Section 19</b>	
<b>Tract 2</b> <b>VC-0465</b> <b>Acres 71.76</b>			
<b>Tract 3</b> <b>V0-5645</b> <b>Acres 71.91</b>			
		<b>Section 30</b>	
<b>Tract 4</b> <b>E0-1923</b> <b>Acres 72.05</b>			

ONLINE version

State/State

March, 2017

State/Fee

3



**EXHIBIT B**

To Communitization Agreement dated February 1, 2022 embracing the Subdivisions Lots 1-4 of Section 19 & Lots 1-4 of Section 30 of Sections 19&30 T 21S, R 35E, N.M.P.M., Lea County, NM

Operator of Communitized Area: Matador Production Company

**DESCRIPTION OF LEASES COMMITTED****TRACT NO. 1**

<b>Lease Serial No.:</b>	VC-0457
<b>Lease Date:</b>	9/1/2018
<b>Lease Term:</b>	5 Years
<b>Lessor:</b>	State of New Mexico
<b>Present Lessee:</b>	MRC Permian Company
<b>Description of Land Committed: Subdivisions:</b>	Township 21 South, Range 35 East, Section 19: Lots 1&2
<b>Number of Acres:</b>	71.60
<b>Royalty Rate:</b>	1/5 <sup>th</sup>
<b>Name and WI Owners:</b>	MRC Permian Company

**TRACT NO. 2**

<b>Lease Serial No.:</b>	VC-0465
<b>Lease Date:</b>	9/1/2018
<b>Lease Term:</b>	5 Years
<b>Lessor:</b>	State of New Mexico
<b>Present Lessee:</b>	MRC Permian Company
<b>Description of Land Committed: Subdivisions:</b>	Township 21 South, Range 35 East, Section 19: Lots 3&4
<b>Number of Acres:</b>	71.76
<b>Royalty Rate:</b>	1/5 <sup>th</sup>
<b>Name and WI Owners:</b>	MRC Permian Company

ONLINE version

State/State

March, 2017

State/Fee

3

**TRACT NO. 3**

<b>Lease Serial No.:</b>	V0-5645
<b>Lease Date:</b>	11/1/1999
<b>Lease Term:</b>	5 Years
<b>Lessor:</b>	State of New Mexico
<b>Present Lessee:</b>	V-F Petroleum Inc
<b>Description of Land Committed: Subdivisions:</b>	Township 21 South, Range 35 East, Section 30: Lots 1&2
<b>Number of Acres:</b>	71.91
<b>Royalty Rate:</b>	1/6 <sup>th</sup>
<b>Name and WIOwners:</b>	V-F Petroleum Inc <i>(Compulsory Pooled)</i>

**TRACT NO. 4**

<b>Lease Serial No.:</b>	E0-1923
<b>Lease Date:</b>	6/10/1948
<b>Lease Term:</b>	10 Years
<b>Lessor:</b>	State of New Mexico
<b>Present Lessee:</b>	CONOCOPHILLIPS COMPANY
<b>Description of Land Committed: Subdivisions:</b>	Township 21 South, Range 35 East, Section 30: Lots 3&4
<b>Number of Acres:</b>	72.05
<b>Royalty Rate:</b>	1/8 <sup>th</sup>
<b>Name and WIOwners:</b>	CONOCOPHILLIPS COMPANY

ONLINE version

March, 2017

State/State

State/Fee

3

**RECAPITULATION**

<b>Tract Numbers</b>	<b>Numbers of Acres</b>	<b>Percentage of Interest in Communitied Area</b>
<b>Tract 1</b>	71.60	24.92
<b>Tract 2</b>	71.76	24.97
<b>Tract 3</b>	71.91	25.03
<b>Tract 4</b>	72.05	25.08
<b>Total Acreage</b>	<b>287.32</b>	<b>100%</b>

ONLINE version

State/State

March, 2017

State/Fee

3

**NM State Land Office  
Oil, Gas, & Minerals Division**

**STATE/STATE OR  
STATE/FEE**  
Revised March 2017

**COMMUNITIZATION AGREEMENT**

ONLINE Version

KNOW ALL MEN BY THESE PRESENTS: Well Name: Dee Osborne 1930 State Com #122H

STATE OF NEW MEXICO )  
SS)

API #: 30 - \_\_\_\_ - \_\_\_\_

COUNTY OF LEA )

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of **February 1, 2022**, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the Commissioner of Public Lands to be fair and equitable.

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 leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the **Bone Spring formation** or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communitize and pool their respective interests in said leases subject to this agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

ONLINE version  
March, 2017

State/State  
State/Fee

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 undersigned as follows:

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

Subdivisions E/2W/2 of Section (s) 19&30, Township 21S Range 35E, NMPM Lea, County, NM Containing 320.00 acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and/or depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

2. 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 therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.
3. Subject to Paragraph 4, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

4. **Matador Production Company** shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by **Matador Production Company**.

5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, 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 compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: **(a)** a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or **(b)** each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be

terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

13. 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 instruments, 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.

14. 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.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.



Operator: Matador Production Company

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

\_\_\_\_\_  
Signature of Authorized Agent

**ACKNOWLEDGEMENT**

**STATE OF TEXAS** §

**COUNTY OF DALLAS** §

This instrument was acknowledged before me on \_\_\_\_\_, 2022, by **Craig N. Adams, as Executive Vice President** for **Matador Production Company**, on behalf of said corporation.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (Print)

My commission expires \_\_\_\_\_

ONLINE version

March, 2017

State/State

State/Fee

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

**MRC Permian Company**

**By:** \_\_\_\_\_

\_\_\_\_\_  
Print Name

**Date:** \_\_\_\_\_

**Acknowledgment in a Representative Capacity**

**STATE OF TEXAS** §

**COUNTY OF DALLAS** §

This instrument was acknowledged before me on \_\_\_\_\_, 2022, by **Craig N. Adams, as Executive Vice President**, for **MRC Permian Company** on behalf of said corporation.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (Print)

My commission expires \_\_\_\_\_

ONLINE version

March, 2017

State/State

State/Fee

**EXHIBIT A**To Communitization Agreement dated February 1, 2022Plat of communitized area covering E/2W/2 of Sections 19 and 30, T 21S, R 35E, NMPM, Lea County, NM.

	<b>Tract 1 VC-0457 Acres 80.00</b>		
		<b>Section 19</b>	
	<b>Tract 2 VC-0465 Acres 80.00</b>		
	<b>Tract 3 V0-5645 Acres 80.00</b>		
		<b>Section 30</b>	
	<b>Tract 4 E0-1923 Acres 80.00</b>		

ONLINE version

State/State

March, 2017

State/Fee

3

**EXHIBIT B**

To Communitization Agreement dated February 1, 2022 embracing the Subdivisions E/2W/2 of Sections 19&30,T 21S, R 35E, N.M.P.M., Lea County, NM

Operator of Communitized Area: Matador Production Company

**DESCRIPTION OF LEASES COMMITTED****TRACT NO. 1**

<b>Lease Serial No.:</b>	VC-0457
<b>Lease Date:</b>	9/1/2018
<b>Lease Term:</b>	5 Years
<b>Lessor:</b>	State of New Mexico
<b>Present Lessee:</b>	MRC Permian Company
<b>Description of Land Committed: Subdivisions:</b>	Township 21 South, Range 35 East, Section 19: E/2NW/4
<b>Number of Acres:</b>	80.00
<b>Royalty Rate:</b>	1/5 <sup>th</sup>
<b>Name and WI Owners:</b>	MRC Permian Company

**TRACT NO. 2**

<b>Lease Serial No.:</b>	VC-0465
<b>Lease Date:</b>	9/1/2018
<b>Lease Term:</b>	5 Years
<b>Lessor:</b>	State of New Mexico
<b>Present Lessee:</b>	MRC Permian Company
<b>Description of Land Committed: Subdivisions:</b>	Township 21 South, Range 35 East, Section 19: E/2SW/4
<b>Number of Acres:</b>	80.00
<b>Royalty Rate:</b>	1/5 <sup>th</sup>
<b>Name and WI Owners:</b>	MRC Permian Company

ONLINE version

State/State

March, 2017

State/Fee

3

**TRACT NO. 3**

<b>Lease Serial No.:</b>	V0-5645
<b>Lease Date:</b>	11/1/1999
<b>Lease Term:</b>	5 Years
<b>Lessor:</b>	State of New Mexico
<b>Present Lessee:</b>	V-F Petroleum Inc
<b>Description of Land Committed: Subdivisions:</b>	Township 21 South, Range 35 East, Section 30: E/2NW/4
<b>Number of Acres:</b>	80.00
<b>Royalty Rate:</b>	1/6 <sup>th</sup>
<b>Name and WI Owners:</b>	V-F Petroleum Inc <i>(Compulsory Pooled)</i>

**TRACT NO. 4**

<b>Lease Serial No.:</b>	E0-1923
<b>Lease Date:</b>	6/10/1948
<b>Lease Term:</b>	10 Years
<b>Lessor:</b>	State of New Mexico
<b>Present Lessee:</b>	CONOCOPHILLIPS COMPANY
<b>Description of Land Committed: Subdivisions:</b>	Township 21 South, Range 35 East, Section 30: E/2SW/4
<b>Number of Acres:</b>	80.00
<b>Royalty Rate:</b>	1/8 <sup>th</sup>
<b>Name and WI Owners:</b>	CONOCOPHILLIPS COMPANY

ONLINE version

March, 2017

State/State

State/Fee

3

**RECAPITULATION**

<b>Tract Numbers</b>	<b>Numbers of Acres</b>	<b>Percentage of Interest in Communitied Area</b>
<b>Tract 1</b>	80.00	25.00
<b>Tract 2</b>	80.00	25.00
<b>Tract 3</b>	80.00	25.00
<b>Tract 4</b>	80.00	25.00
<b>Total Acreage</b>	<b>320.00</b>	<b>100%</b>

ONLINE version

State/State

March, 2017

State/Fee

3

**NM State Land Office  
Oil, Gas, & Minerals Division**

**STATE/STATE OR  
STATE/FEE**  
Revised March 2017

**COMMUNITIZATION AGREEMENT**

ONLINE Version

KNOW ALL MEN BY THESE PRESENTS: Well Name: Dee Osborne 1930 State Com #123H

STATE OF NEW MEXICO )  
SS)

API #: 30 - \_\_\_\_ - \_\_\_\_

COUNTY OF )

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of **February 23, 2022** by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the Commissioner of Public Lands to be fair and equitable.

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 leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the Bone Spring formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communitize and pool their respective interests in said leases subject to this agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

ONLINE version  
March, 2017

State/State  
State/Fee



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 undersigned as follows:

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

Subdivisions W2E2 of Section (s) 19&30, Township 21 South, Range 35 East NMPM Lea, County, NM

Containing 320.00 acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and/or depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

2. 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 therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.
3. Subject to Paragraph 4, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

4. **Matador Production Company** shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by **Matador Production Company**.

5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, 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 compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: **(a)** a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or **(b)** each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be

terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

13. 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 instruments, 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.

14. 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.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

Operator: Matador Production Company

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

\_\_\_\_\_  
Signature of Authorized Agent

**ACKNOWLEDGEMENT**

**STATE OF TEXAS** §

**COUNTY OF DALLAS** §

This instrument was acknowledged before me on \_\_\_\_\_, 2022, by **Craig N. Adams, as Executive Vice President** for **Matador Production Company**, on behalf of said corporation.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (Print)

My commission expires \_\_\_\_\_

ONLINE version

March, 2017

State/State

State/Fee

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

**MRC Permian Company**

**By:** \_\_\_\_\_

\_\_\_\_\_  
Print Name

**Date:** \_\_\_\_\_

**Acknowledgment in a Representative Capacity**

**STATE OF TEXAS**

§

**COUNTY OF DALLAS**

§

This instrument was acknowledged before me on \_\_\_\_\_, 2022, by **Craig N. Adams, as Executive Vice President**, for **MRC Permian Company** on behalf of said corporation.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (Print)

My commission expires \_\_\_\_\_

ONLINE version

March, 2017

State/State

State/Fee

**EXHIBIT A**To Communitization Agreement dated **February 23, 2022.**Plat of communitized area covering the **W2E2**, of Sections 19&30, T **21S**, R **35E**, NMPM, **Lea** County, NM.**Dee Osborne 1930 State Com #123H**

<b>Section 19</b>	<b><u>Tract 1</u></b> VC-0457 80.00 Acres	
	<b><u>Tract 2</u></b> VC-0465 80.00 Acres	
	<b><u>Tract 3</u></b> V0-5645 80.00 Acres	
<b>Section 30</b>	<b><u>Tract 4</u></b> Fee Leases 40 acres	
	<b><u>Tract 5</u></b> V0-5177 40 Acres	

ONLINE version

State/State

March, 2017

State/Fee

3

**EXHIBIT B**

To Communitization Agreement dated **February 23, 2022**, embracing the Subdivisions **W2E2 of Sections 19&30, T 21S, R 35E, N.M.P.M., Lea County, NM**

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

**DESCRIPTION OF LEASES COMMITTED****TRACT NO. 1**

<b>Lease Serial No.:</b>	VC-0457
<b>Lease Date:</b>	9/1/2018
<b>Lease Term:</b>	5 Years
<b>Lessor:</b>	State of New Mexico
<b>Present Lessee:</b>	MRC Permian Company
<b>Description of Land Committed: Subdivisions:</b>	Township 21 South, Range 35 East, Section 19: W/2NE/4
<b>Number of Acres:</b>	80.00
<b>Royalty Rate:</b>	1/5 <sup>th</sup>
<b>Name and WI Owners:</b>	MRC Permian Company

**TRACT NO. 2**

<b>Lease Serial No.:</b>	VC-0465
<b>Lease Date:</b>	9/1/18
<b>Lease Term:</b>	5 Years
<b>Lessor:</b>	State of New Mexico
<b>Present Lessee:</b>	MRC Permian Company
<b>Description of Land Committed: Subdivisions:</b>	Township 21 South, Range 35 East, Section 19: W/2SE/4
<b>Number of Acres:</b>	80.00
<b>Royalty Rate:</b>	1/5 <sup>th</sup>
<b>Name and WI Owners:</b>	MRC Permian Company
ONLINE version	State/State
March, 2017	State/Fee

**TRACT NO. 3**

**Lease Serial No.:** V0-5645

**Lease Date:** 11/1/1999

**Lease Term:** 5 Years

**Lessor:** State of New Mexico

**Present Lessee:** V-F Petroleum Inc

**Description of Land Committed: Subdivisions:** Township 21 South, Range 35 East,  
Section 30: W/2NE/4

**Number of Acres:** 80.00

**Royalty Rate:** 1/6<sup>th</sup>

**Name and WIOwners:** V-F Petroleum Inc *(Compulsory Pooled)*

**TRACT NO. 4**

**Lessor:** Fee Leases

**Present Lessee:** MRC Permian Company

**Description of Land Committed: Subdivisions:** Township 21 South, Range 35 East,  
Section 30: NW/4SE/4

**Number of Acres:** 40.00

**Name and WIOwners:** Highland (Texas) Energy Company  
Locke, LLC  
Penroc Oil Company  
Fuel Products, Inc. *(Compulsory Pooled)*  
J.M. Gahr *(Compulsory Pooled)*  
Gahr Energy Company *(Compulsory Pooled)*  
Legacy Reserves Operating LP *(Compulsory Pooled)*  
The Ninety-Six Corporation *(Compulsory Pooled)*  
Marjorie "Maggie" Baggett Shori *(Compulsory Pooled)*  
Richard Baggett *(Compulsory Pooled)*  
Rutter & Wilbanks *(Compulsory Pooled)*  
V-F Petroleum Inc. *(Compulsory Pooled)*

ONLINE version

State/State

March, 2017

State/Fee



**TRACT NO. 5**

**Lease Serial No.:** V0-5177  
**Lease Date:** 10/1/1997  
**Lease Term:** 5 Years  
**Lessor:** State of New Mexico  
**Present Lessee:** Chisholm Energy Operating, LLC  
**Description of Land Committed: Subdivisions:** Township 21 South, Range 35 East,  
 Section 30: SW/4SE/4  
**Number of Acres:** 40.00  
**Royalty Rate:** 1/6<sup>th</sup>  
**Name and WI Owners:** Highland (Texas) Energy Company  
 Locke, LLC  
 Penroc Oil Company  
 Fuel Products, Inc. *(Compulsory Pooled)*  
 J.M. Gahr *(Compulsory Pooled)*  
 Gahr Energy Company *(Compulsory Pooled)*  
 Legacy Reserves Operating LP *(Compulsory Pooled)*  
 The Ninety-Six Corporation *(Compulsory Pooled)*  
 Marjorie "Maggie" Baggett Shori *(Compulsory Pooled)*  
 Richard Baggett *(Compulsory Pooled)*  
 Rutter & Wilbanks *(Compulsory Pooled)*  
 V-F Petroleum Inc. *(Compulsory Pooled)*

**RECAPITULATION**

Tract Numbers	Numbers of Acres	Percentage of Interest in Communitied Area
Tract 1	80.00	25.00%
Tract 2	80.00	25.00%
Tract 3	80.00	25.00%
Tract 4	40.00	12.50%
Tract 5	40.00	12.50%
<b>Total Acreage</b>	<b>320.00</b>	<b>100%</b>

ONLINE version

State/State

March, 2017

State/Fee

3

**NM State Land Office  
Oil, Gas, & Minerals Division**

**STATE/STATE OR  
STATE/FEE**  
Revised March 2017

**COMMUNITIZATION AGREEMENT**

ONLINE Version

KNOW ALL MEN BY THESE PRESENTS: Well Name: Dee Osborne 1930 State Com #124H

STATE OF NEW MEXICO )  
SS)

API #: 30 - \_\_\_\_ - \_\_\_\_

COUNTY OF )

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of **February 23, 2022** by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the Commissioner of Public Lands to be fair and equitable.

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 leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the Bone Spring formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communitize and pool their respective interests in said leases subject to this agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

ONLINE version  
March, 2017

State/State  
State/Fee

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 undersigned as follows:

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

Subdivisions **E2E2** of Section (s) **19&30**, Township **21 South**, Range **35 East** NMPM Lea, County, NM

Containing **320.00** acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and/or depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

2. 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 therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.
3. Subject to Paragraph 4, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

4. **Matador Production Company** shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by **Matador Production Company**.

5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, 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 compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: **(a)** a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or **(b)** each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be

terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

13. 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 instruments, 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.

14. 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.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

Operator: Matador Production Company

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

\_\_\_\_\_  
Signature of Authorized Agent

**ACKNOWLEDGEMENT**

**STATE OF TEXAS** §

**COUNTY OF DALLAS** §

This instrument was acknowledged before me on \_\_\_\_\_, 2022, by **Craig N. Adams, as Executive Vice President** for **Matador Production Company**, on behalf of said corporation.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (Print)

My commission expires \_\_\_\_\_

ONLINE version

March, 2017

State/State

State/Fee

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

**MRC Permian Company**

**By:** \_\_\_\_\_

\_\_\_\_\_  
Print Name

**Date:** \_\_\_\_\_

**Acknowledgment in a Representative Capacity**

**STATE OF TEXAS** §

**COUNTY OF DALLAS** §

This instrument was acknowledged before me on \_\_\_\_\_, 2022, by **Craig N. Adams, as Executive Vice President**, for **MRC Permian Company** on behalf of said corporation.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (Print)

My commission expires \_\_\_\_\_

ONLINE version

March, 2017

State/State

State/Fee

**EXHIBIT A**To Communitization Agreement dated **February 23, 2022.**Plat of communitized area covering the **E2E2**, of Sections 19&30, T **21S**, R **35E**, NMPM, **Lea** County, NM.**Dee Osborne 1930 State Com #123H**

<b>Section 19</b>		<b><u>Tract 1</u></b> State Lease VC-0457 80.00 Acres
		<b><u>Tract 2</u></b> State Lease VC-0465 80.00 Acres
		<b><u>Tract 3</u></b> State Lease V0-5645 80.00 Acres
<b>Section 30</b>		<b><u>Tract 4</u></b> State Lease V0-5177 80.00 Acres

ONLINE version

State/State

March, 2017

State/Fee

3



**EXHIBIT B**

To Communitization Agreement dated **February 23, 2022**, embracing the Subdivisions **E2E2 of Sections 19&30, T 21S, R 35E, N.M.P.M., Lea County, NM**

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

**DESCRIPTION OF LEASES COMMITTED****TRACT NO. 1**

<b>Lease Serial No.:</b>	VC-0457
<b>Lease Date:</b>	9/1/2018
<b>Lease Term:</b>	5 Years
<b>Lessor:</b>	State of New Mexico
<b>Present Lessee:</b>	MRC Permian Company
<b>Description of Land Committed: Subdivisions:</b>	Township 21 South, Range 35 East, Section 19: E/2NE/4
<b>Number of Acres:</b>	80.00
<b>Royalty Rate:</b>	1/5 <sup>th</sup>
<b>Name and WI Owners:</b>	MRC Permian Company

**TRACT NO. 2**

<b>Lease Serial No.:</b>	VC-0465
<b>Lease Date:</b>	9/1/18
<b>Lease Term:</b>	5 Years
<b>Lessor:</b>	State of New Mexico
<b>Present Lessee:</b>	MRC Permian Company
<b>Description of Land Committed: Subdivisions:</b>	Township 21 South, Range 35 East, Section 19: E/2SE/4
<b>Number of Acres:</b>	80.00
<b>Royalty Rate:</b>	1/5 <sup>th</sup>
<b>Name and WI Owners:</b>	MRC Permian Company
ONLINE version	State/State
March, 2017	State/Fee

**TRACT NO. 3**

**Lease Serial No.:** V0-5645

**Lease Date:** 11/1/1999

**Lease Term:** 5 Years

**Lessor:** State of New Mexico

**Present Lessee:** V-F Petroleum Inc

**Description of Land Committed: Subdivisions:** Township 21 South, Range 35 East,  
Section 30: E/2NE/4

**Number of Acres:** 80.00

**Royalty Rate:** 1/6<sup>th</sup>

**Name and WIOwners:** V-F Petroleum Inc *(Compulsory Pooled)*

**TRACT NO. 4**

**Lease Serial No.:** V0-5177

**Lease Date:** 10/1/1997

**Lease Term:** 5 Years

**Lessor:** State of New Mexico

**Present Lessee:** Chisholm Energy Operating, LLC

**Description of Land Committed: Subdivisions:** Township 21 South, Range 35 East,  
Section 30: E/2SE/4

**Number of Acres:** 80.00

**Royalty Rate:** 1/6<sup>th</sup>

**Name and WIOwners:** Highland (Texas) Energy Company  
Locke, LLC  
Penroc Oil Company  
Fuel Products, Inc. *(Compulsory Pooled)*  
J.M. Gahr *(Compulsory Pooled)*  
Gahr Energy Company *(Compulsory Pooled)*  
Legacy Reserves Operating LP *(Compulsory Pooled)*  
The Ninety-Six Corporation *(Compulsory Pooled)*  
Marjorie "Maggie" Baggett Shori *(Compulsory Pooled)*  
Richard Baggett *(Compulsory Pooled)*  
Rutter & Wilbanks *(Compulsory Pooled)*  
V-F Petroleum Inc. *(Compulsory Pooled)*

ONLINE version

State/State

March, 2017

State/Fee

**RECAPITULATION**

<b>Tract Numbers</b>	<b>Numbers of Acres</b>	<b>Percentage of Interest in Communitied Area</b>
<b>Tract 1</b>	80.00	25.00%
<b>Tract 2</b>	80.00	25.00%
<b>Tract 3</b>	80.00	25.00%
<b>Tract 4</b>	80.00	25.00%
<b>Total Acreage</b>	<b>320.00</b>	<b>100%</b>

ONLINE version

State/State

March, 2017

State/Fee

3

ADDR1	ADDR2	ADDR3	ADDR4	ADDR5
ConocoPhillips Company	P.O. BOX 2197	Houston	TX	77252-2197
V-F Petroleum Inc.	P.O. BOX 1889	Midland	TX	79702
New Mexico State Land Office	310 Old Santa Fe Trail	Santa Fe	NM	87504
Highland (Texas) Energy Company	11886 Greenville Avenue, Suite 106D	Dallas	TX	75243
Magnum Hunter Production, Inc.	600 N. Marienfeld Street, Suite 600	Midland	TX	79701
Penroc Oil Corporation	P.O. Box 2769	Hobbs	NM	88241
Locke, LLC	1350 S Boulder Ave. Ste 710	Tulsa	OK	74119
George M. Koss	1610 Ventura Ave.	Midland	TX	79705
Gahr Ranch and Investment Partnership, Ltd.	P.O. BOX 1889	Midland	TX	79702
Thomas M. Beall	P.O. BOX 1889	Midland	TX	79702
Nearburg Exploration Company, L.L.C.	224 South Main	Albany	TX	79701
Richard Baggett	1917 Assembly Road	Fort Worth	TX	76179
Marjorie "Maggie" Baggett Shori	135 Rim Rock Road	Aledo	TX	76008
Fuel Products, Inc.	P.O. Box 3098	Midland	TX	79702
J.M. Gahr	P.O. BOX 1889	Midland	TX	79702
Gahr Energy Company	P.O. BOX 1889	Midland	TX	79702
Legacy Reserves Operating LP	303 W. Wall, Ste. 1800	Midland	TX	79701
The Ninety-Six Corporation	550 W. Texas Ave., Ste. 1225	Midland	TX	79701
Rutter & Wilbanks	P.O. Box 3186	Midland	TX	79702
John E. Bosserman	711 Beaman	Oakley	KS	67748

## EXHIBIT 5



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

April 12, 2022

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**TO: ALL AFFECTED PARTIES**

**Re: Application of Matador Production Company for administrative approval to surface commingle (lease) oil and gas production from the spacing units comprised of Sections 19 and 30, T21S, R35E, 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 be "A.G. Rankin", with a long horizontal flourish extending to the right.

Adam G. Rankin  
**ATTORNEY FOR**  
**MATADOR PRODUCTION COMPANY**

Parent ID	Mail Date	Name	Address	City	ST	Zip	MailClass	TrackingNo	Well
31309	04/12/2022	ConocoPhillips Company	PO Box 2197	Houston	TX	77252-2197	Certified with Return Receipt (Signature)	9414811898765843443414	72205 - MRC - Dee Osborne CTB C107B - notice list - 1
31309	04/12/2022	V-F Petroleum Inc.	PO Box 1889	Midland	TX	79702-1889	Certified with Return Receipt (Signature)	9414811898765843443452	72205 - MRC - Dee Osborne CTB C107B - notice list - 2
31309	04/12/2022	New Mexico State Land Office	310 Old Santa Fe Trl	Santa Fe	NM	87501-2708	Certified with Return Receipt (Signature)	9414811898765843443469	72205 - MRC - Dee Osborne CTB C107B - notice list - 3
31309	04/12/2022	Highland Texas Energy Company	11886 Greenville Ave Ste 106D	Dallas	TX	75243-3569	Certified with Return Receipt (Signature)	9414811898765843443407	72205 - MRC - Dee Osborne CTB C107B - notice list - 4
31309	04/12/2022	Magnum Hunter Production, Inc.	600 N Marienfeld St Ste 600	Midland	TX	79701-4405	Certified with Return Receipt (Signature)	9414811898765843443490	72205 - MRC - Dee Osborne CTB C107B - notice list - 5
31309	04/12/2022	Penroc Oil Corporation	PO Box 2769	Hobbs	NM	88241-2769	Certified with Return Receipt (Signature)	9414811898765843443483	72205 - MRC - Dee Osborne CTB C107B - notice list - 6
31309	04/12/2022	Locke, LLC	1350 S Boulder Ave Ste 710	Tulsa	OK	74119-3208	Certified with Return Receipt (Signature)	9414811898765843443438	72205 - MRC - Dee Osborne CTB C107B - notice list - 7
31309	04/12/2022	George M. Koss	1610 Ventura Ave	Midland	TX	79705-7444	Certified with Return Receipt (Signature)	9414811898765843443476	72205 - MRC - Dee Osborne CTB C107B - notice list - 8
31309	04/12/2022	Gahr Ranch and Investment Partnership, Ltd.	PO Box 1889	Midland	TX	79702-1889	Certified with Return Receipt (Signature)	9414811898765843443513	72205 - MRC - Dee Osborne CTB C107B - notice list - 9
31309	04/12/2022	Thomas M. Beall	PO Box 1889	Midland	TX	79702-1889	Certified with Return Receipt (Signature)	9414811898765843443551	72205 - MRC - Dee Osborne CTB C107B - notice list - 10
31309	04/12/2022	Nearburg Exploration Company, L.L.C.	224 South Main	Albany	TX	79701	Certified with Return Receipt (Signature)	9414811898765843443568	72205 - MRC - Dee Osborne CTB C107B - notice list - 11
31309	04/12/2022	Richard Baggett	1917 Assembly Rd	Fort Worth	TX	76179-5185	Certified with Return Receipt (Signature)	9414811898765843443520	72205 - MRC - Dee Osborne CTB C107B - notice list - 12
31309	04/12/2022	Marjorie Maggie Baggett Shori	135 Rim Rock Rd	Aledo	TX	76008-3913	Certified with Return Receipt (Signature)	9414811898765843443506	72205 - MRC - Dee Osborne CTB C107B - notice list - 13
31309	04/12/2022	Fuel Products, Inc.	PO Box 3098	Midland	TX	79702-3098	Certified with Return Receipt (Signature)	9414811898765843443599	72205 - MRC - Dee Osborne CTB C107B - notice list - 14

Parent ID	Mail Date	Name	Address	City	ST	Zip	MailClass	TrackingNo	Well
31309	04/12/2022	J.M. Gahr	PO Box 1889	Midland	TX	79702-1889	Certified with Return Receipt (Signature)	9414811898765843443544	72205 - MRC - Dee Osborne CTB C107B - notice list - 15
31309	04/12/2022	Gahr Energy Company	PO Box 1889	Midland	TX	79702-1889	Certified with Return Receipt (Signature)	9414811898765843443537	72205 - MRC - Dee Osborne CTB C107B - notice list - 16
31309	04/12/2022	Legacy Reserves Operating LP	303 W Wall St Ste 1800	Midland	TX	79701-5106	Certified with Return Receipt (Signature)	9414811898765843443575	72205 - MRC - Dee Osborne CTB C107B - notice list - 17
31309	04/12/2022	The Ninety-Six Corporation	550 W Texas Ave Ste 1225	Midland	TX	79701-4257	Certified with Return Receipt (Signature)	9414811898765843444213	72205 - MRC - Dee Osborne CTB C107B - notice list - 18
31309	04/12/2022	Rutter & Wilbanks	PO Box 3186	Midland	TX	79702-3186	Certified with Return Receipt (Signature)	9414811898765843444251	72205 - MRC - Dee Osborne CTB C107B - notice list - 19
31309	04/12/2022	John E. Bosserman	711 Beaman Ave	Oakley	KS	67748-1331	Certified with Return Receipt (Signature)	9414811898765843444268	72205 - MRC - Dee Osborne CTB C107B - notice list - 20



**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.



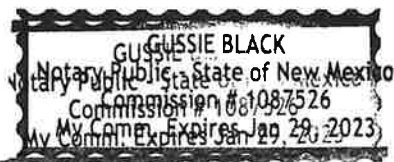
Publisher

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

**LEGAL NOTICE**  
**April 14, 2022**

To: All affected parties, including: ConocoPhillips Company; V-F Petroleum Inc.; New Mexico State Land Office; Highland (Texas) Energy Company; Magnum Hunter Production, Inc.; Penroc Oil Corporation; Locke, LLC; George M. Koss, his heirs and devisees; Gahr Ranch and Investment Partnership, Ltd.; Thomas M. Beall, his heirs and devisees; Nearburg Exploration Company, L.L.C.; Richard Baggett, his heirs and devisees; Marjorie "Maggie" Baggett Shori, her heirs and devisees; Fuel Products, Inc.; J.M. Gahr, his or her heirs and devisees; Gahr Energy Company; Legacy Reserves Operating LP; The Ninety-Six Corporation; Rutter & Wilbanks; and John E. Bosserman, his heirs and devisees.

Application of Matador Production Company for administrative approval to surface commingle (lease) oil and gas production from the spacing units comprised of Sections 19 and 30, T21S, R35E, Lea County, NM. Matador Production Company (OGRID No. 228937), pursuant to 19.15.12.10 NMAC, seeks administrative approval to surface commingle (lease) diversely owned oil and gas production at the **Dee Osborne Tank Battery** insofar as all existing and future infill wells drilled in the following spacing units:

(a) The 287.32-acre spacing unit comprised of the W/2W/2 of Sections 19 and 30 in the Wilson; Bone Spring [64560] – includes the **Dee Osborne 1930 State Com 121H well** (API. No. TBD);

(b) The 320-acre spacing unit comprised of the E/2W/2 of Sections 19 and 30 in the Wilson; Bone Spring [64560] – includes the **Dee Osborne 1930 State Com 122H well** (API. No. TBD);

(c) The 320-acre spacing unit comprised of the W/2E/2 of Sections 19 and 30 in the Wilson; Bone Spring [64560] – includes the **Dee Osborne 1930 State Com 123H well** (API. No. TBD);

(d) The 320-acre spacing unit comprised of the E/2E/2 of Sections 19 and 30 in the Wilson; Bone Spring [64560] – includes the **Dee Osborne 1930 State Com 124H well** (API. No. TBD); and

(e) pursuant to 19.15.12.10.C(4)(g), future Wilson; Bone Spring [64560] spacing units within Sections 19 & 30 connected to the Dee Osborne 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. #37545

67100754

00265814

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](mailto:lisa@rwbyram.com); [Dawson, Scott](#)  
**Subject:** Approved Administrative Order CTB-1054  
**Date:** Monday, August 29, 2022 12:47:27 PM  
**Attachments:** [CTB1054 Order.pdf](#)

NMOCD has issued Administrative Order CTB-1054 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
30-025-50100	Dee Osborne 1930 State Com #121H	W/2 W/2 W/2 W/2	19-21S-35E 30-21S-35E	64560
30-025-50101	Dee Osborne 1930 State Com #122H	E/2 W/2 E/2 W/2	19-21S-35E 30-21S-35E	64560
30-025-50102	Dee Osborne 1930 State Com #123H	W/2 E/2 W/2 E/2	19-21S-35E 30-21S-35E	64560
30-025-50103	Dee Osborne 1930 State Com #124H	E/2 E/2 E/2 E/2	19-21S-35E 30-21S-35E	64560

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:** [Adam Rankin](#); [McClure, Dean, EMNRD](#)  
**Subject:** [EXTERNAL] RE: surface commingling application CTB-1054  
**Date:** Friday, August 26, 2022 2:08:39 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:** Adam Rankin <AGRankin@hollandhart.com>  
**Sent:** Monday, August 22, 2022 3:43 PM  
**To:** McClure, Dean, EMNRD <Dean.McClure@state.nm.us>; Paula M. Vance <PMVance@hollandhart.com>  
**Subject:** RE: surface commingling application CTB-1054

Dean,

We've reached out to Matador for confirmation on these wells and will follow up with you ASAP.

---

**From:** McClure, Dean, EMNRD <[Dean.McClure@state.nm.us](mailto:Dean.McClure@state.nm.us)>  
**Sent:** Monday, August 22, 2022 11:14 AM  
**To:** Adam Rankin <[AGRankin@hollandhart.com](mailto:AGRankin@hollandhart.com)>; Paula M. Vance <[PMVance@hollandhart.com](mailto:PMVance@hollandhart.com)>  
**Subject:** surface commingling application CTB-1054

External Email

Mr. Rankin,

I am reviewing surface commingling application CTB-1054 which involves a commingling project that includes the Dee Osborne Tank Battery and is operated by Matador Production Company (228937).

Please confirm that the following wells are the correct wells intended to be made part of this application:

30-025-50100	Dee Osborne 1930 State Com #121H	W/2 W/2 W/2 W/2	19-21S-35E 30-21S-35E	64560
30-025-50101	Dee Osborne 1930 State Com #122H	E/2 W/2 E/2 W/2	19-21S-35E 30-21S-35E	64560
30-025-50102	Dee Osborne 1930 State Com #123H	W/2 E/2 W/2 E/2	19-21S-35E 30-21S-35E	64560
30-025-50103	Dee Osborne 1930 State Com #124H	E/2 E/2 E/2 E/2	19-21S-35E 30-21S-35E	64560

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. CTB-1054**

**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 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.
7. 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.
8. 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**

9. 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.
10. 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.
11. 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.
12. 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.
13. 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.
14. 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.
15. 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**

  
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**ADRIENNE E. SANDOVAL  
DIRECTOR**

**DATE:** 8/29/2022

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit A

Order: **CTB-1054**

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

Central Tank Battery: **Dee Osborne Tank Battery**

Central Tank Battery Location: **UL C, Section 19, Township 21 South, Range 35 East**

Gas Title Transfer Meter Location: **UL C, Section 19, Township 21 South, Range 35 East**

### Pools

Pool Name	Pool Code
<b>WILSON; BONE SPRING</b>	<b>64560</b>

### Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
<b>VC 04570001</b>	<b>N/2</b>	<b>19-21S-35E</b>
<b>VC 04650001</b>	<b>S/2</b>	<b>19-21S-35E</b>
<b>VO 56450001</b>	<b>N/2</b>	<b>30-21S-35E</b>
<b>EO 19230000</b>	<b>SW/4</b>	<b>30-21S-35E</b>
<b>VO 51770003</b>	<b>SE/4 minus J</b>	<b>30-21S-35E</b>
<b>Fee</b>	<b>J</b>	<b>30-21S-35E</b>

### Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
<b>30-025-50100</b>	<b>Dee Osborne 1930 State Com #121H</b>	<b>W/2 W/2</b>	<b>19-21S-35E</b>	<b>64560</b>
		<b>W/2 W/2</b>	<b>30-21S-35E</b>	
<b>30-025-50101</b>	<b>Dee Osborne 1930 State Com #122H</b>	<b>E/2 W/2</b>	<b>19-21S-35E</b>	<b>64560</b>
		<b>E/2 W/2</b>	<b>30-21S-35E</b>	
<b>30-025-50102</b>	<b>Dee Osborne 1930 State Com #123H</b>	<b>W/2 E/2</b>	<b>19-21S-35E</b>	<b>64560</b>
		<b>W/2 E/2</b>	<b>30-21S-35E</b>	
<b>30-025-50103</b>	<b>Dee Osborne 1930 State Com #124H</b>	<b>E/2 E/2</b>	<b>19-21S-35E</b>	<b>64560</b>
		<b>E/2 E/2</b>	<b>30-21S-35E</b>	

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit B

Order: **CTB-1054**  
Operator: **Matador Production Company (228937)**

### Pooled Areas

Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Bone Spring NMSLO	W/2 W/2 W/2 W/2	19-21S-35E 30-21S-35E	287.32	A
CA Bone Spring NMSLO	E/2 W/2 E/2 W/2	19-21S-35E 30-21S-35E	320	B
CA Bone Spring NMSLO	W/2 E/2 W/2 E/2	19-21S-35E 30-21S-35E	320	C
CA Bone Spring NMSLO	E/2 E/2 E/2 E/2	19-21S-35E 30-21S-35E	320	D

### Leases Comprising Pooled Areas

Lease	UL or Q/Q	S-T-R	Acres	Pooled Area ID
VC 04570001	W/2 NW/4	19-21S-35E	71.6	A
VC 04650001	W/2 SW/4	19-21S-35E	71.76	A
VO 56450001	W/2 NW/4	30-21S-35E	71.91	A
EO 19230000	W/2 SW/4	30-21S-35E	72.05	A
VC 04570001	E/2 NW/4	19-21S-35E	80	B
VC 04650001	E/2 SW/4	19-21S-35E	80	B
VO 56450001	E/2 NW/4	30-21S-35E	80	B
EO 19230000	E/2 SW/4	30-21S-35E	80	B
VC 04570001	W/2 NE/4	19-21S-35E	80	C
VC 04650001	W/2 SE/4	19-21S-35E	80	C
VO 56450001	W/2 NE/4	30-21S-35E	80	C
VO 51770003	SW/4 SE/4	30-21S-35E	40	C
Fee	NW/4 SE/4	30-21S-35E	40	C
VC 04570001	E/2 NE/4	19-21S-35E	80	D
VC 04650001	E/2 SE/4	19-21S-35E	80	D
VO 56450001	E/2 NE/4	30-21S-35E	80	D
VO 51770003	E/2 SE/4	30-21S-35E	80	D

**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 98977

**CONDITIONS**

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 98977
	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