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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

<u>FOR OCD ONLY</u>	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	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

  
 \_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Phone Number

\_\_\_\_\_  
 e-mail Address



**Paula M. Vance**  
**Associate**  
Phone (505) 988-4421  
Fax (505) 819-5579  
pmvance@hollandhart.com

October 24, 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 to amend NMOCD Order PLC-794 and for administrative approval to surface commingle (lease and pool) oil and gas production from the spacing units comprising the W/2 W/2 of Section 33, Township 22 South, Range 35 East, and the S/2 of Section 4, all of Section 9, and the W/2 of Section 16, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico (the "Lands")**

Dear Ms. Sandoval:

Matador Production Company (OGRID No. 228937) ("Matador") seeks to amend Administrative Order PLC-794<sup>1</sup> ("Order PLC-794"), attached as **Exhibit 1**. Order PLC-794 authorizes lease commingling, off-lease storage, off-lease measurement, and off-lease marketing at the **Marlan Downey East Tank Battery** of production from the Rock Lake; Bone Spring (52766) and Rock Lake; Bone Spring, South (52769) pool from *all existing and future wells drilled in the following "spacing units"*:

(a) The 240-acre, more or less, spacing unit underlying the W/2 SE/4 of Section 4 and the W/2 E/2 of Section 9, Township 23 South, Range 35 East. The spacing unit is currently dedicated to the **Marlan Downey State Com 04&09-23S-35E AR #113H well** (API No. 30-025-46254);

(b) The 240-acre, more or less, spacing unit underlying the E/2 SE/4 of Section 4 and the E/2 E/2 of Section 9, Township 23 South, Range 35 East. The spacing unit is currently dedicated to the **Marlan Downey State Com 04&09-23S-35E AR #114H well** (API No. 30-025-46255); and

(c) The 160-acre, more or less, spacing unit underlying the W/2 W/2 of Section 33, Township 22 South, Range 35 East. The spacing unit is currently dedicated to **the Bill Alexander State Com 33-22S-35E AR #111H well** (API No. 30-025-44286).

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<sup>1</sup> Order PLC-794 superseded Order CTB-948-A.



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(d) Pursuant to 19.15.12.10.C(4)(g), *future spacing units connected to this central tank battery* with notice provided only to the interest owners within these future “spacing units.”

Pursuant to 19.15.12.7, Matador seeks to amend the terms of Order PLC-794 to add to the terms of the order the production from WC-025 G-06 S233516M; Middle Bone Spring (98246) pool in all existing and future infill wells drilled in the following spacing units:

(a) The 400-acre, more or less, spacing unit underlying the W/2 SW/4 of Section 4 and the W/2 W/2 of Sections 9 and 16, Township 23 South, Range 35 East. The spacing unit is currently dedicated to the **Marlan Downey State Com #121H well** (API 30-025-50537).

(b) The 400-acre, more or less, spacing unit underlying the E/2 SW/4 of Section 4 and the E/2 W/2 of Sections 9 and 16, Township 23 South, Range 35 East. The spacing unit is currently dedicated to the **Marlan Downey State Com #122H well** (API 30-025-50538).

Oil and gas production from these spacing units will be commingled and sold at the **Marlan Downey East Tank Battery** located in the NW/4 SE/4 (Unit J) of Section 4. Gas production from the separator will be individually metered with a calibrated orifice meter that is manufactured to AGA specifications. Oil production from the separator will be separately metered using turbine meters.

**Exhibit 2** is a land plat showing Matador’s current development plan, flow lines, 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 3** 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 a referenced gas sample (attachment B to the statement).

**Exhibit 4** is a C-102 for each of the wells currently permitted or drilled within the existing spacing units and those to be added to Order PLC-794, together with the available production reports.

**Exhibit 5** are the draft or approved communitization agreements for the acreage subject to this application.

Ownership is diverse between the above-described spacing units, each of which are either subject to a pooling agreement or a pooling order and are therefore considered “leases” as defined by 19.15.12.7(C) NMAC. **Exhibit 6** is a list of the interest owners (including any owners of royalty



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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. A copy of this application has been provided to the New Mexico State Land Office since state lands are involved.

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Paula M. Vance".

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Paula M. Vance  
**ATTORNEY FOR MATADOR PRODUCTION  
COMPANY**

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

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

**ORDER NO. PLC-794**

**ORDER**

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

**FINDINGS OF FACT**

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

### **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 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 described in Exhibit A.

2. This Order supersedes Order CTB-948-A.
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.
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.
10. If a well is not included in Exhibit A but produces from a pool or 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 and proposed method to determine the allocation of oil and gas production to it.
11. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
12. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
13. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



\_\_\_\_\_  
**ADRIENNE SANDOVAL  
DIRECTOR**

**DATE:** 12/20/21

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit A

**Order: PLC-794**  
**Operator: Matador Production Company (228937)**  
**Central Tank Battery: Marlan Downey East Tank Battery**  
**Central Tank Battery Location: Unit J, Section 4, Township 23 South, Range 35 East**  
**Gas Title Transfer Meter Location: Unit J, Section 4, Township 23 South, Range 35 East**

### Pools

Pool Name	Pool Code
ROCK LAKE; BONE SPRING	52766
ROCK LAKE; BONE SPRING, SOUTH	52769

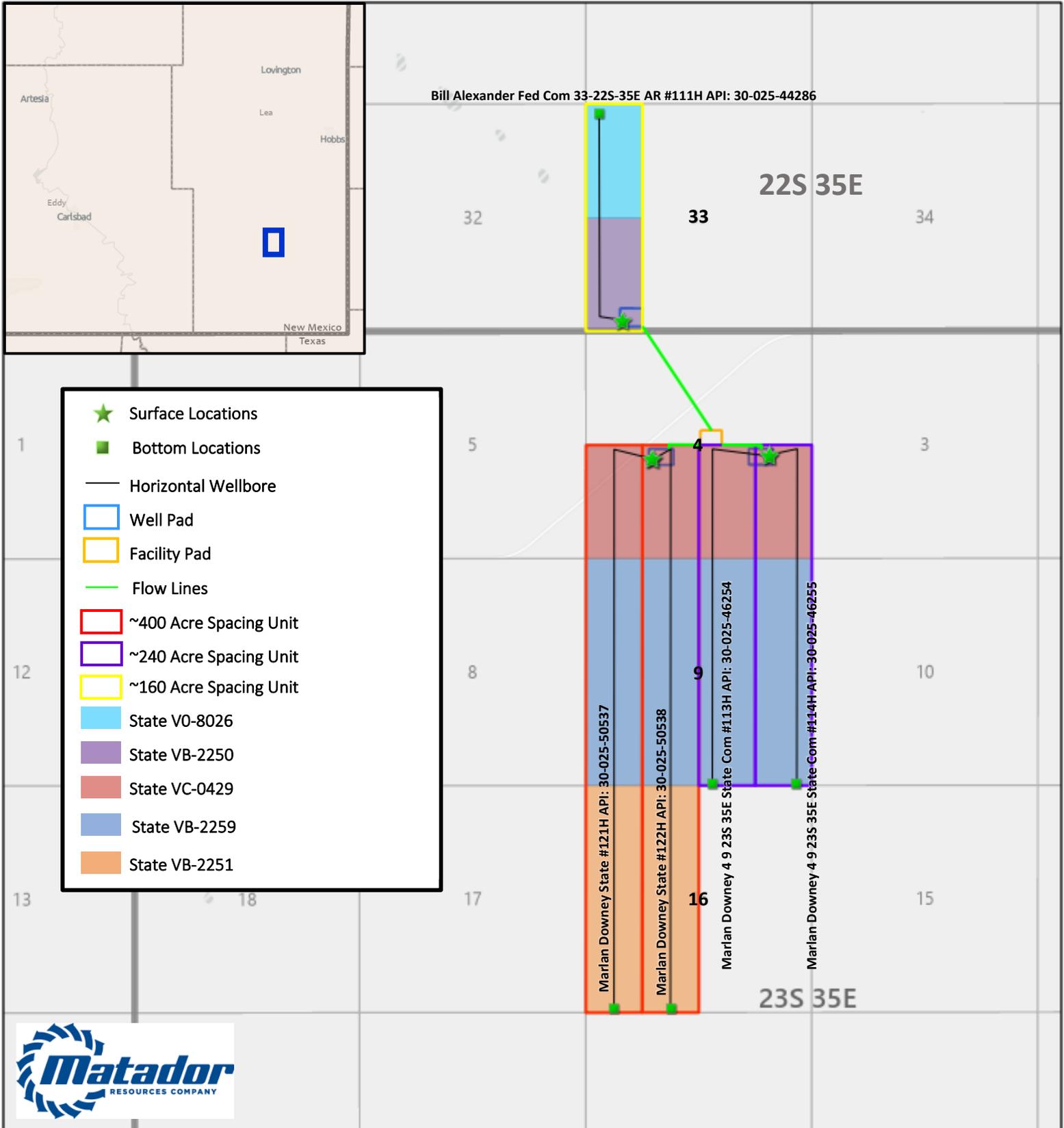
### Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
CA Bone Spring NMSLO PUN 1380459	W/2 SE/4	4-23S-35E
	W/2 E/2	9-23S-35E
CA Bone Spring NMSLO PUN 1385363	E/2 SE/4	4-23S-35E
	E/2 E/2	9-23S-35E
CA Bone Spring NMSLO PUN 1369178	W/2 W/2	33-22S-35E

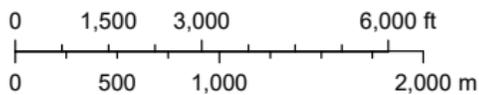
### Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-46254	Marlan Downey 04 09 23S 35E State	W/2 SE/4	4-23S-35E	52769
	Com #113H	W/2 E/2	9-23S-35E	
30-025-46255	Marlan Downey 04 09 23S 35E State	E/2 SE/4	4-23S-35E	52769
	Com #114H	E/2 E/2	9-23S-35E	
30-025-44286	Bill Alexander State Com #111H	W/2 W/2	33-22S-35E	52766

# Marlan East Commingling Map



1:46,770



**Southeast New Mexico**

Project: commingling map  
Date: 07/28/2022

## EXHIBIT 2

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. PLC-794  
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
Rock Lake; Bone Spring, South (52769)	42.2°	42.2° oil 1,155 BTU/CF	\$102.57/bbl oil Deemed 40°/Sweet (Jul '22 realized price) \$9.31/mcf (Jul '22 realized price)	300 bopd
Rock Lake; Bone Spring, South (52769)	1,155 BTU/CF			1,000 mcf
ROCK LAKE; BONE SPRING (52766)	42.2°			100 bopd
ROCK LAKE; BONE SPRING (52766)	1,155 BTU/CF			200 mcf
Rock Lake; Bone Spring, South (52769) / WC-025 G-06 S233516M; MIDDLE BONE SP [98246]	42.2°			3,000 bopd
Rock Lake; Bone Spring, South (52769) / WC-025 G-06 S233516M; MIDDLE BONE SP [98246]	1,155 BTU/CF			4,000 mcf

(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-  
(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: 10-14-22  
TYPE OR PRINT NAME: Ryan Hernandez TELEPHONE NO.: (972) 619-1276  
E-MAIL ADDRESS: rhernandez@matadorresources.com

# Matador Production Company

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

Voice 972.587.4638 • Fax 972.371.5201

[oenriquez@matadorresources.com](mailto:oenriquez@matadorresources.com)

---

**Ryan Hernandez,**  
Production Engineer

October 14, 2022

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

**Re: Application of Matador Production Company amend NMOCD Order PLC-794 and for administrative approval to surface commingle (lease and pool) gas and oil production from the spacing units comprising W/2W/2 Section 33, Township 22 South, Range 35 East and S/2 Section 4, Section 9, and W/2 of Section 16, Township 23 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 future oil and gas production from five (5) distinct wells located on the Lands and future production from the Lands as described herein. All wells will be metered through individual test separators with an oil turbine meter and gas orifice meter. The gas commingling will occur after individual measurement at each well. Gas exiting each well test flows into one gathering line, as depicted on **Exhibit A**, the Longwood 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. The PFD shows that the water, oil, and gas leave the wellbore and flow into a wellhead test 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. 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. Longwood Gathering 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', written over a light blue horizontal line.

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: Marlan Downey 9 23 35 AR STATE No. 111H
First Stage Separator
Spot Gas sample @ 163 psig & 84 °F

Date Sampled: 10/25/18

Job Number: 84059.001

CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286

Table with 3 columns: COMPONENT, MOL%, GPM. Rows include Hydrogen Sulfide\*, Nitrogen, Carbon Dioxide, Methane, Ethane, Propane, Isobutane, n-Butane, 2-2 Dimethylpropane, Isopentane, n-Pentane, Hexanes, Heptanes Plus, and Totals.

Computed Real Characteristics Of Heptanes Plus:

Specific Gravity ----- 3.329 (Air=1)
Molecular Weight ----- 96.04
Gross Heating Value ----- 5039 BTU/CF

Computed Real Characteristics Of Total Sample:

Specific Gravity ----- 0.828 (Air=1)
Compressibility (Z) ----- 0.9960
Molecular Weight ----- 23.88
Gross Heating Value
Dry Basis ----- 1155 BTU/CF
Saturated Basis ----- 1136 BTU/CF

\*Hydrogen Sulfide tested on location by: Stain Tube Method (GPA 2377)
Results: 283.0 Gr/100 CF, 4500 PPMV or 0.450 Mol %

Base Conditions: 15.025 PSI & 60 Deg F

Sampled By: (24) Dennis Field
Analyst: MR
Processor: RG
Cylinder ID: T-4818

Certified: FESCO, Ltd. - Alice, Texas

David Dannhaus 361-661-7015

EXHIBIT B

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

COMPONENT	MOL %	GPM	WT %
Hydrogen Sulfide*	0.450		0.642
Nitrogen	1.832		2.149
Carbon Dioxide	10.722		19.757
Methane	66.680		44.788
Ethane	12.222	3.347	15.387
Propane	5.805	1.637	10.718
Isobutane	0.000	0.000	0.000
n-Butane	1.223	0.395	2.976
2,2 Dimethylpropane	0.013	0.005	0.039
Isopentane	0.303	0.113	0.915
n-Pentane	0.294	0.109	0.888
2,2 Dimethylbutane	0.002	0.001	0.007
Cyclopentane	0.000	0.000	0.000
2,3 Dimethylbutane	0.026	0.011	0.094
2 Methylpentane	0.070	0.030	0.253
3 Methylpentane	0.047	0.020	0.170
n-Hexane	0.079	0.033	0.285
Methylcyclopentane	0.029	0.010	0.102
Benzene	0.017	0.005	0.056
Cyclohexane	0.037	0.013	0.130
2-Methylhexane	0.009	0.004	0.038
3-Methylhexane	0.012	0.006	0.050
2,2,4 Trimethylpentane	0.000	0.000	0.000
Other C7's	0.021	0.009	0.087
n-Heptane	0.018	0.009	0.076
Methylcyclohexane	0.022	0.009	0.090
Toluene	0.024	0.008	0.093
Other C8's	0.018	0.009	0.083
n-Octane	0.005	0.003	0.024
Ethylbenzene	0.003	0.001	0.013
M & P Xylenes	0.004	0.002	0.018
O-Xylene	0.001	0.000	0.004
Other C9's	0.005	0.003	0.026
n-Nonane	0.001	0.001	0.005
Other C10's	0.003	0.002	0.018
n-Decane	0.001	0.001	0.006
Undecanes (11)	<u>0.002</u>	<u>0.001</u>	<u>0.013</u>
Totals	100.000	5.795	100.000

Computed Real Characteristics of Total Sample

Specific Gravity -----	0.828	(Air=1)
Compressibility (Z) -----	0.9960	
Molecular Weight -----	23.88	
Gross Heating Value		
Dry Basis -----	1155	BTU/CF
Saturated Basis -----	1136	BTU/CF

**FESCO, Ltd.**

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

**Sample:** Marlan Downey 9 23 35 AR STATE No. 111H  
 First Stage Separator  
 Spot Gas sample @ 163 psig & 84 °F

Date Sampled: 10/25/18

Job Number: 84059.001

**GLYCALC FORMAT**

<b>COMPONENT</b>	<b>MOL%</b>	<b>GPM</b>	<b>Wt %</b>
Carbon Dioxide	10.722		19.757
Hydrogen Sulfide	0.450		0.642
Nitrogen	1.832		2.149
Methane	66.680		44.788
Ethane	12.222	3.347	15.387
Propane	5.805	1.637	10.718
Isobutane	0.000	0.000	0.000
n-Butane	1.236	0.400	3.015
Isopentane	0.303	0.113	0.915
n-Pentane	0.294	0.109	0.888
Cyclopentane	0.000	0.000	0.000
n-Hexane	0.079	0.033	0.285
Cyclohexane	0.037	0.013	0.130
Other C6's	0.145	0.061	0.524
Heptanes	0.089	0.038	0.353
Methylcyclohexane	0.022	0.009	0.090
2,2,4 Trimethylpentane	0.000	0.000	0.000
Benzene	0.017	0.005	0.056
Toluene	0.024	0.008	0.093
Ethylbenzene	0.003	0.001	0.013
Xylenes	0.005	0.002	0.022
Octanes Plus	<u>0.035</u>	<u>0.018</u>	<u>0.175</u>
Totals	100.000	5.795	100.000

**Real Characteristics Of Octanes Plus:**

Specific Gravity -----	4.148	(Air=1)
Molecular Weight -----	119.68	
Gross Heating Value -----	6323	BTU/CF

**Real Characteristics Of Total Sample:**

Specific Gravity -----	0.828	(Air=1)
Compressibility (Z) -----	0.9960	
Molecular Weight -----	23.88	
Gross Heating Value		
Dry Basis -----	1155	BTU/CF
Saturated Basis -----	1136	BTU/CF

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

**HOBBS OCD**  
**RECEIVED**  
MAY 31 2018

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

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-025-44286		<sup>2</sup> Pool Code 52766		<sup>3</sup> Pool Name ROCK LAKE; BONE SPRING	
<sup>4</sup> Property Code 320481		<sup>5</sup> Property Name BILL ALEXANDER STATE COM 33-22S-35E AR			<sup>6</sup> Well Number #111H
<sup>7</sup> OGRID No. 228937		<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY			<sup>9</sup> Elevation 3530'

<sup>10</sup>Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	33	22-S	35-E	-	249'	SOUTH	882'	WEST	LEA

<sup>11</sup>Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	33	22-S	35-E	-	213'	NORTH	399'	WEST	LEA

<sup>12</sup> Dedicated Acres 160	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

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

**LAST PERFORATION POINT**  
NEW MEXICO EAST  
NAD 1927  
X=794590  
Y=493952  
LAT.: N 32.3543821  
LONG.: W 103.3793587  
NAD 1983  
X=835774  
Y=494013  
LAT.: N 32.3545070  
LONG.: W 103.3798338  
MD = 14487'

**FIRST PERFORATION POINT**  
NEW MEXICO EAST  
NAD 1927  
X=794631  
Y=489514  
LAT.: N 32.3421816  
LONG.: W 103.3793524  
NAD 1983  
X=835816  
Y=489574  
LAT.: N 32.3423066  
LONG.: W 103.3798271  
MD = 10005'

**BOTTOM HOLE LOCATION**  
NEW MEXICO EAST  
NAD 1927  
X=794590  
Y=494100  
LAT.: N 32.3547869  
LONG.: W 103.3793540  
NAD 1983  
X=835774  
Y=494160  
LAT.: N 32.3549118  
LONG.: W 103.3798291  
MD = 14605'

**PENETRATION POINT**  
NEW MEXICO EAST  
NAD 1927  
X=794631  
Y=489072  
LAT.: N 32.3409688  
LONG.: W 103.3793657  
NAD 1983  
X=835815  
Y=489133  
LAT.: N 32.3410937  
LONG.: W 103.3798404  
MD = 8790'

**SURFACE LOCATION**  
NEW MEXICO EAST  
NAD 1927  
X=795130  
Y=489274  
LAT.: N 32.3415098  
LONG.: W 103.3777455  
NAD 1983  
X=836314  
Y=489334  
LAT.: N 32.3416347  
LONG.: W 103.3782201

**<sup>17</sup>OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Sara Hartsfield* 5/24/18  
Signature Date

Sara Hartsfield  
Printed Name

shartsfield@matadorresources.com  
E-mail Address

**<sup>18</sup>SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.

10/05/2017  
Date of Survey  
MICHAEL BROWN  
NEW MEXICO  
18329  
PROFESSIONAL SURVEYOR  
Signature and Seal

Certificate Number

S:\SURVEY\MATADOR\_RESOURCES\BILL\_ALEXANDER\_STATE\_COM\_33-22S-35E\FINAL\_PRODUCTS\AD\_BILL\_ALEXANDER\_STATE\_COM\_33-22S-35E\_AR\_111H.DWG 5/24/2018 12:16:31 PM adsabell

**EXHIBIT 4**

Production Summary Report											
API: 30-025-44286											
BILL ALEXANDER STATE COM #111H											
Printed On: Friday, October 14 2022											
Year	Pool	Month	Production				Injection				
			Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure
2018	[52766] ROCK LAKE;BONE SPRING	May	14426	20530	78934	31	0	0	0	0	0
2018	[52766] ROCK LAKE;BONE SPRING	Jun	26237	30078	35949	23	0	0	0	0	0
2018	[52766] ROCK LAKE;BONE SPRING	Jul	28321	37049	27045	31	0	0	0	0	0
2018	[52766] ROCK LAKE;BONE SPRING	Aug	21380	37767	20133	30	0	0	0	0	0
2018	[52766] ROCK LAKE;BONE SPRING	Sep	18775	47062	20851	30	0	0	0	0	0
2018	[52766] ROCK LAKE;BONE SPRING	Oct	9462	18407	8617	27	0	0	0	0	0
2018	[52766] ROCK LAKE;BONE SPRING	Nov	3932	0	4235	30	0	0	0	0	0
2018	[52766] ROCK LAKE;BONE SPRING	Dec	698	0	412	28	0	0	0	0	0
2019	[52766] ROCK LAKE;BONE SPRING	Jan	13217	24148	13240	31	0	0	0	0	0
2019	[52766] ROCK LAKE;BONE SPRING	Feb	14222	62088	18505	28	0	0	0	0	0
2019	[52766] ROCK LAKE;BONE SPRING	Mar	11208	66338	17220	31	0	0	0	0	0
2019	[52766] ROCK LAKE;BONE SPRING	Apr	3261	19660	5210	11	0	0	0	0	0
2019	[52766] ROCK LAKE;BONE SPRING	May	507	0	6033	9	0	0	0	0	0
2019	[52766] ROCK LAKE;BONE SPRING	Jun	2	0	2116	6	0	0	0	0	0
2019	[52766] ROCK LAKE;BONE SPRING	Jul	1248	2148	8885	31	0	0	0	0	0
2019	[52766] ROCK LAKE;BONE SPRING	Aug	3506	2869	11271	31	0	0	0	0	0
2019	[52766] ROCK LAKE;BONE SPRING	Sep	3569	3655	8809	30	0	0	0	0	0
2019	[52766] ROCK LAKE;BONE SPRING	Oct	3058	2530	6171	25	0	0	0	0	0
2019	[52766] ROCK LAKE;BONE SPRING	Nov	3257	3773	5801	29	0	0	0	0	0
2019	[52766] ROCK LAKE;BONE SPRING	Dec	4380	5913	7191	30	0	0	0	0	0
2020	[52766] ROCK LAKE;BONE SPRING	Jan	5190	8791	8707	31	0	0	0	0	0
2020	[52766] ROCK LAKE;BONE SPRING	Feb	4464	9643	6765	29	0	0	0	0	0
2020	[52766] ROCK LAKE;BONE SPRING	Mar	4875	11064	7856	31	0	0	0	0	0
2020	[52766] ROCK LAKE;BONE SPRING	Apr	4234	10476	6505	30	0	0	0	0	0
2020	[52766] ROCK LAKE;BONE SPRING	May	112	26	0	1	0	0	0	0	0
2020	[52766] ROCK LAKE;BONE SPRING	Jun	1	0	0	1	0	0	0	0	0
2020	[52766] ROCK LAKE;BONE SPRING	Jul	4525	7811	5223	27	0	0	0	0	0
2020	[52766] ROCK LAKE;BONE SPRING	Aug	4314	12006	6366	31	0	0	0	0	0
2020	[52766] ROCK LAKE;BONE SPRING	Sep	3921	14450	5951	29	0	0	0	0	0
2020	[52766] ROCK LAKE;BONE SPRING	Oct	3908	18078	6291	31	0	0	0	0	0
2020	[52766] ROCK LAKE;BONE SPRING	Nov	3275	15210	5156	30	0	0	0	0	0
2020	[52766] ROCK LAKE;BONE SPRING	Dec	777	2308	1660	10	0	0	0	0	0
2021	[52766] ROCK LAKE;BONE SPRING	Jan	2680	7383	3379	31	0	0	0	0	0
2021	[52766] ROCK LAKE;BONE SPRING	Feb	1860	5191	2239	20	0	0	0	0	0
2021	[52766] ROCK LAKE;BONE SPRING	Mar	0	0	0	0	0	0	0	0	0
2021	[52766] ROCK LAKE;BONE SPRING	Apr	1939	4817	2552	24	0	0	0	0	0
2021	[52766] ROCK LAKE;BONE SPRING	May	2427	7513	2503	31	0	0	0	0	0
2021	[52766] ROCK LAKE;BONE SPRING	Jun	313	661	349	24	0	0	0	0	0
2021	[52766] ROCK LAKE;BONE SPRING	Jul	1203	2484	1286	29	0	0	0	0	0
2021	[52766] ROCK LAKE;BONE SPRING	Aug	1234	1879	1210	29	0	0	0	0	0
2021	[52766] ROCK LAKE;BONE SPRING	Sep	1261	1856	1282	30	0	0	0	0	0
2021	[52766] ROCK LAKE;BONE SPRING	Oct	1206	2074	1298	31	0	0	0	0	0
2021	[52766] ROCK LAKE;BONE SPRING	Nov	1188	2092	1280	30	0	0	0	0	0
2021	[52766] ROCK LAKE;BONE SPRING	Dec	1102	1885	1071	31	0	0	0	0	0
2022	[52766] ROCK LAKE;BONE SPRING	Jan	866	1469	1427	26	0	0	0	0	0
2022	[52766] ROCK LAKE;BONE SPRING	Feb	776	1500	1104	25	0	0	0	0	0
2022	[52766] ROCK LAKE;BONE SPRING	Mar	1034	2047	1451	31	0	0	0	0	0
2022	[52766] ROCK LAKE;BONE SPRING	Apr	1003	1876	1335	30	0	0	0	0	0
2022	[52766] ROCK LAKE;BONE SPRING	May	858	1751	1461	31	0	0	0	0	0
2022	[52766] ROCK LAKE;BONE SPRING	Jun	915	2177	1539	30	0	0	0	0	0
2022	[52766] ROCK LAKE;BONE SPRING	Jul	1063	2834	1655	31	0	0	0	0	0

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Energy, Minerals & Natural Resources  
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1220 South St. Francis Dr.  
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FORM C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
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 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-46254	<sup>2</sup> Pool Code 52769	<sup>3</sup> Pool Name ROCK LAKE; BONE SPRING, SOUTH
<sup>4</sup> Property Code 325951	<sup>5</sup> Property Name MARLAN DOWNEY STATE 04&09-23S-35E AR	<sup>6</sup> Well Number 113H
<sup>7</sup> OGRID No. 228937	<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY	<sup>9</sup> Elevation 3543'

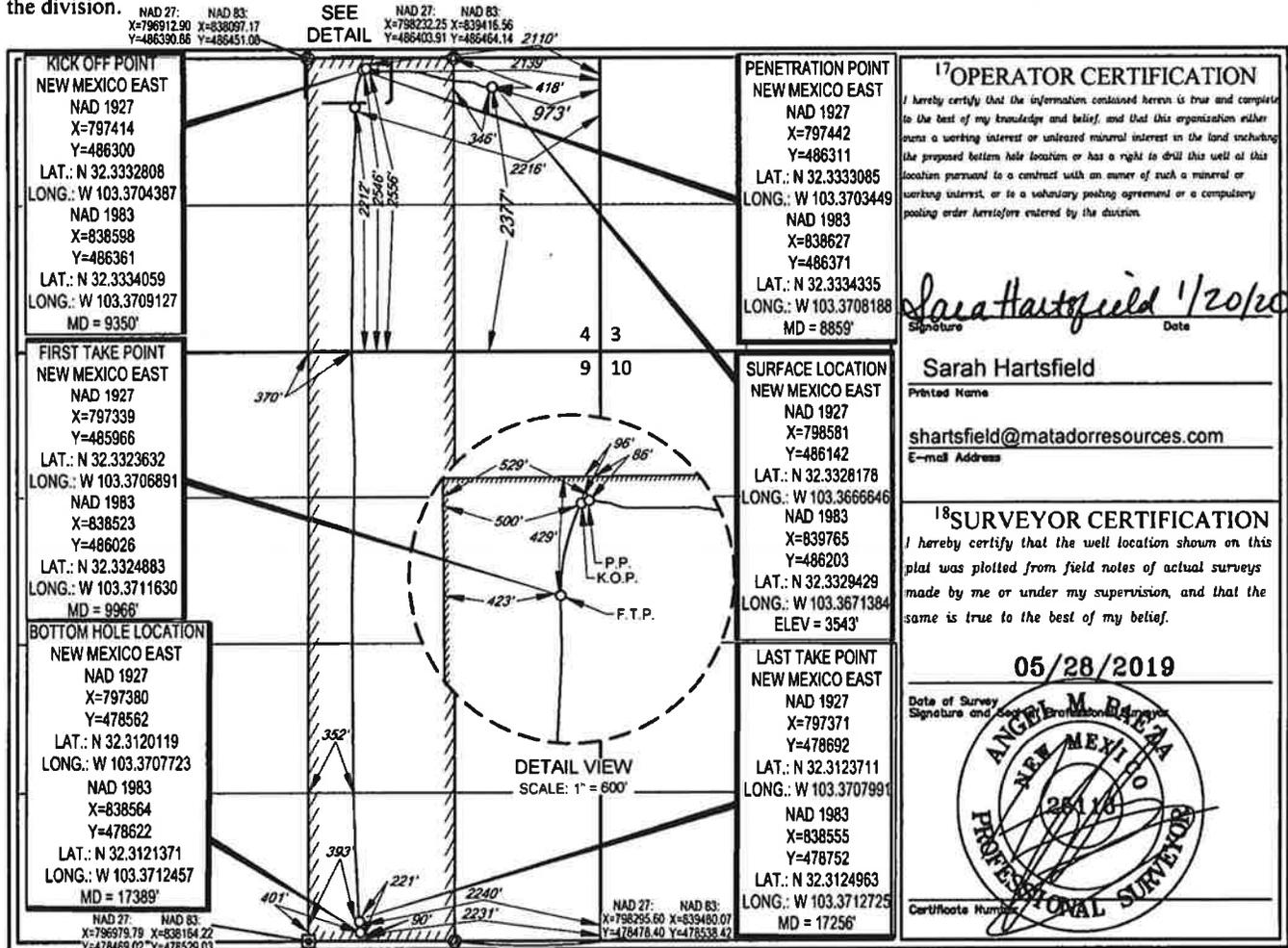
<sup>10</sup>Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	4	23-S	35-E	-	2377'	SOUTH	973'	EAST	LEA

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	9	23-S	35-E	-	90'	SOUTH	2231'	EAST	LEA

<sup>11</sup> Dedicated Acres 240	<sup>12</sup> Joint or Infill	<sup>13</sup> Consolidation Code	<sup>14</sup> Order No.
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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.



S:\SURVEY\MATADOR\_RESOURCES\MARLAN\_DOWNEY\_STATE\_COM\_09-23S-35E\FINAL\_PRODUCTS\IAD\_MARLAN\_DOWNEY\_STATE\_04&09-23S-35E\_AR\_113H.DWG 1/17/2020 4:14:08 PM jjohnston

Production Summary Report											
API: 30-025-46254											
MARLAN DOWNEY 4 9 23S 35E STATE COM #113H											
Printed On: Friday, October 14 2022											
Year	Pool	Month	Production				Injection				
			Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure
2019	[52769] ROCK LAKE;BONE SPRING, SOUTH	Dec	13990	18040	80296	30	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	Jan	29601	33852	38435	29	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	Feb	23988	29549	20952	29	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	Mar	23679	44113	20418	31	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	Apr	18261	42330	20380	30	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	May	16502	50066	18719	31	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	Jun	13212	42658	15149	30	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	Jul	11063	43254	15238	31	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	Aug	8702	33375	9021	29	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	Sep	8178	33589	8603	30	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	Oct	7274	32648	7350	30	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	Nov	7977	35709	8726	30	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	Dec	7348	39332	9288	31	0	0	0	0	0
2021	[52769] ROCK LAKE;BONE SPRING, SOUTH	Jan	6603	36547	6898	31	0	0	0	0	0
2021	[52769] ROCK LAKE;BONE SPRING, SOUTH	Feb	4321	22100	3552	22	0	0	0	0	0
2021	[52769] ROCK LAKE;BONE SPRING, SOUTH	Mar	6103	33480	4534	31	0	0	0	0	0
2021	[52769] ROCK LAKE;BONE SPRING, SOUTH	Apr	5221	33070	6845	30	0	0	0	0	0
2021	[52769] ROCK LAKE;BONE SPRING, SOUTH	May	4887	32841	8205	31	0	0	0	0	0
2021	[52769] ROCK LAKE;BONE SPRING, SOUTH	Jun	3533	22467	7843	23	0	0	0	0	0
2021	[52769] ROCK LAKE;BONE SPRING, SOUTH	Jul	4422	26720	7753	31	0	0	0	0	0
2021	[52769] ROCK LAKE;BONE SPRING, SOUTH	Aug	3232	19645	5333	29	0	0	0	0	0
2021	[52769] ROCK LAKE;BONE SPRING, SOUTH	Sep	3521	19758	5751	30	0	0	0	0	0
2021	[52769] ROCK LAKE;BONE SPRING, SOUTH	Oct	3459	17624	5240	31	0	0	0	0	0
2021	[52769] ROCK LAKE;BONE SPRING, SOUTH	Nov	3392	17095	4744	30	0	0	0	0	0
2021	[52769] ROCK LAKE;BONE SPRING, SOUTH	Dec	3245	15529	4446	31	0	0	0	0	0
2022	[52769] ROCK LAKE;BONE SPRING, SOUTH	Jan	2884	12691	3550	28	0	0	0	0	0
2022	[52769] ROCK LAKE;BONE SPRING, SOUTH	Feb	2551	10982	3305	28	0	0	0	0	0
2022	[52769] ROCK LAKE;BONE SPRING, SOUTH	Mar	2337	10175	2708	21	0	0	0	0	0
2022	[52769] ROCK LAKE;BONE SPRING, SOUTH	Apr	3184	13628	4262	30	0	0	0	0	0
2022	[52769] ROCK LAKE;BONE SPRING, SOUTH	May	3062	13286	4354	31	0	0	0	0	0
2022	[52769] ROCK LAKE;BONE SPRING, SOUTH	Jun	3060	13942	4156	27	0	0	0	0	0
2022	[52769] ROCK LAKE;BONE SPRING, SOUTH	Jul	3384	16938	4759	31	0	0	0	0	0

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

**HOBBS OCD**  
**RECEIVED**  
JAN 22 2020

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Revised August 1, 2011  
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**WELL LOCATION AND ACREAGE DEDICATION PLAT**

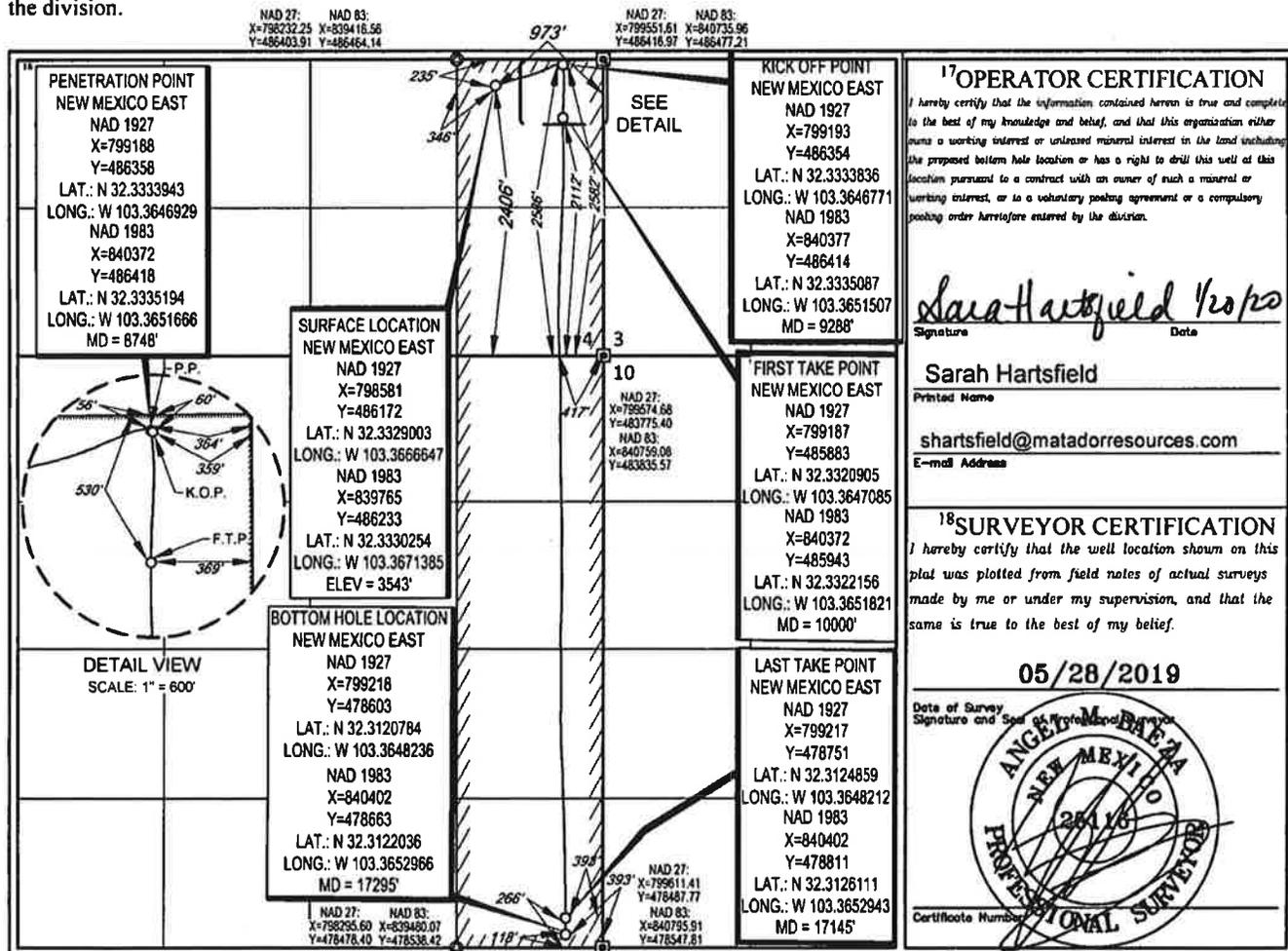
<sup>1</sup> API Number 30-025-46255		<sup>2</sup> Pool Code 52769		<sup>3</sup> Pool Name ROCK LAKE; BONE SPRING, SOUTH	
<sup>4</sup> Property Code 325951		<sup>5</sup> Property Name MARLAN DOWNEY STATE 04&09-23S-35E AR			<sup>6</sup> Well Number 114H
<sup>7</sup> OGRID No. 228937		<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY			<sup>9</sup> Elevation 3543'

10 Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	4	23-S	35-E	-	2406'	SOUTH	973'	EAST	LEA

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	9	23-S	35-E	-	118'	SOUTH	393'	EAST	LEA

<sup>11</sup> Dedicated Acres 240	<sup>12</sup> Joint or Infill	<sup>13</sup> Consolidation Code	<sup>14</sup> Order No.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

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



Production Summary Report											
API: 30-025-46255											
MARLAN DOWNEY 4 9 23S 35E STATE COM #114H											
Printed On: Friday, October 14 2022											
		Production					Injection				
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure
2019	[52769] ROCK LAKE;BONE SPRING, SOUTH	Dec	12699	15379	83511	31	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	Jan	26053	31772	43448	31	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	Feb	21055	26328	22015	29	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	Mar	20381	31557	19844	31	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	Apr	14734	19918	13986	30	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	May	15600	34741	16260	31	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	Jun	10198	21777	9862	30	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	Jul	12416	32969	15112	31	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	Aug	10231	25229	8261	29	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	Sep	10054	30599	8432	30	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	Oct	8057	28606	7243	30	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	Nov	7809	22836	9751	30	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	Dec	7087	24512	7846	31	0	0	0	0	0
2021	[52769] ROCK LAKE;BONE SPRING, SOUTH	Jan	7210	29975	6591	31	0	0	0	0	0
2021	[52769] ROCK LAKE;BONE SPRING, SOUTH	Feb	4533	16330	2937	22	0	0	0	0	0
2021	[52769] ROCK LAKE;BONE SPRING, SOUTH	Mar	6001	16417	3393	31	0	0	0	0	0
2021	[52769] ROCK LAKE;BONE SPRING, SOUTH	Apr	5807	17638	5118	30	0	0	0	0	0
2021	[52769] ROCK LAKE;BONE SPRING, SOUTH	May	6248	27882	8030	31	0	0	0	0	0
2021	[52769] ROCK LAKE;BONE SPRING, SOUTH	Jun	4215	18367	7254	23	0	0	0	0	0
2021	[52769] ROCK LAKE;BONE SPRING, SOUTH	Jul	5731	23438	6751	31	0	0	0	0	0
2021	[52769] ROCK LAKE;BONE SPRING, SOUTH	Aug	4419	19033	5215	29	0	0	0	0	0
2021	[52769] ROCK LAKE;BONE SPRING, SOUTH	Sep	5050	23820	6658	30	0	0	0	0	0
2021	[52769] ROCK LAKE;BONE SPRING, SOUTH	Oct	4882	27312	7024	31	0	0	0	0	0
2021	[52769] ROCK LAKE;BONE SPRING, SOUTH	Nov	4231	25095	6490	30	0	0	0	0	0
2021	[52769] ROCK LAKE;BONE SPRING, SOUTH	Dec	3887	23447	6045	31	0	0	0	0	0
2022	[52769] ROCK LAKE;BONE SPRING, SOUTH	Jan	3726	20666	4874	28	0	0	0	0	0
2022	[52769] ROCK LAKE;BONE SPRING, SOUTH	Feb	3117	15091	3963	28	0	0	0	0	0
2022	[52769] ROCK LAKE;BONE SPRING, SOUTH	Mar	2815	12390	3217	20	0	0	0	0	0
2022	[52769] ROCK LAKE;BONE SPRING, SOUTH	Apr	3676	16322	5073	30	0	0	0	0	0
2022	[52769] ROCK LAKE;BONE SPRING, SOUTH	May	3268	14910	3928	31	0	0	0	0	0

2022	[52769] ROCK LAKE;BONE SPRING, SOUTH	Jun	2963	13720	3932	27	0	0	0	0	0
2022	[52769] ROCK LAKE;BONE SPRING, SOUTH	Jul	3600	16658	4675	31	0	0	0	0	0

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**District IV**  
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Phone: (505) 476-3460 Fax: (505) 476-3462

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

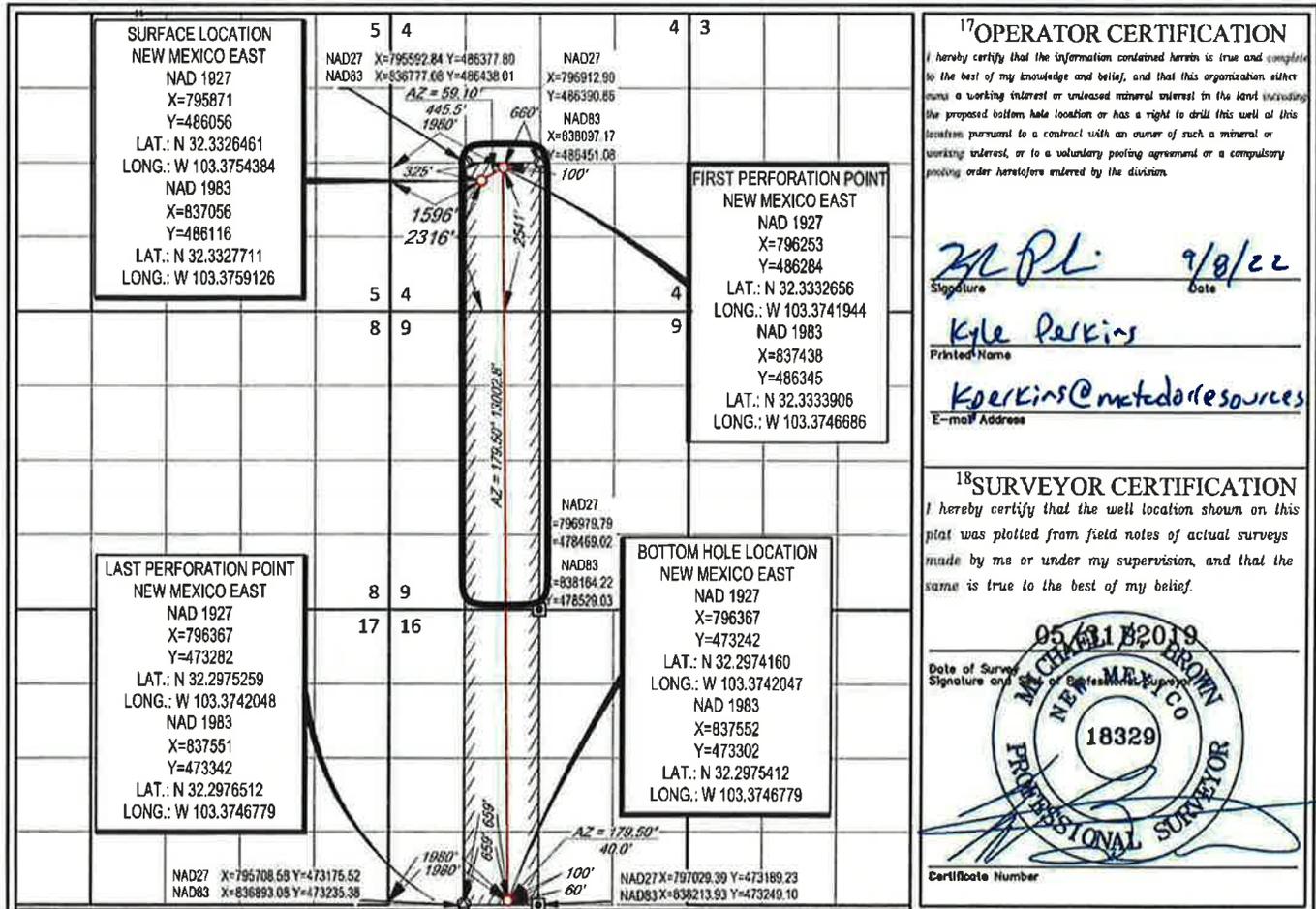
FORM C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-025-50538</b>		<sup>2</sup> Pool Code <b>52769</b>		<sup>3</sup> Pool Name <b>Rock Lake; Bone Spring, South</b>					
<sup>4</sup> Property Code <b>333258</b>		<sup>5</sup> Property Name <b>MARLAN DOWNEY STATE COM</b>			<sup>6</sup> Well Number <b>122H</b>				
<sup>7</sup> GRID No. <b>228937</b>		<sup>8</sup> Operator Name <b>MATADOR PRODUCTION COMPANY</b>			<sup>9</sup> Elevation <b>3546'</b>				
<sup>10</sup> Surface Location									
UL or lot no. <b>K</b>	Section <b>4</b>	Township <b>23-S</b>	Range <b>35-E</b>	Lot Idn <b>-</b>	Feet from the <b>2316'</b>	North/South line <b>SOUTH</b>	Feet from the <b>1596'</b>	East/West line <b>WEST</b>	County <b>LEA</b>
<sup>11</sup> Bottom Hole Location If Different From Surface									
UL or lot no. <b>N</b>	Section <b>16</b>	Township <b>23-S</b>	Range <b>35-E</b>	Lot Idn <b>-</b>	Feet from the <b>60'</b>	North/South line <b>SOUTH</b>	Feet from the <b>1980'</b>	East/West line <b>WEST</b>	County <b>LEA</b>
<sup>12</sup> Dedicated Acres <b>240</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.					

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



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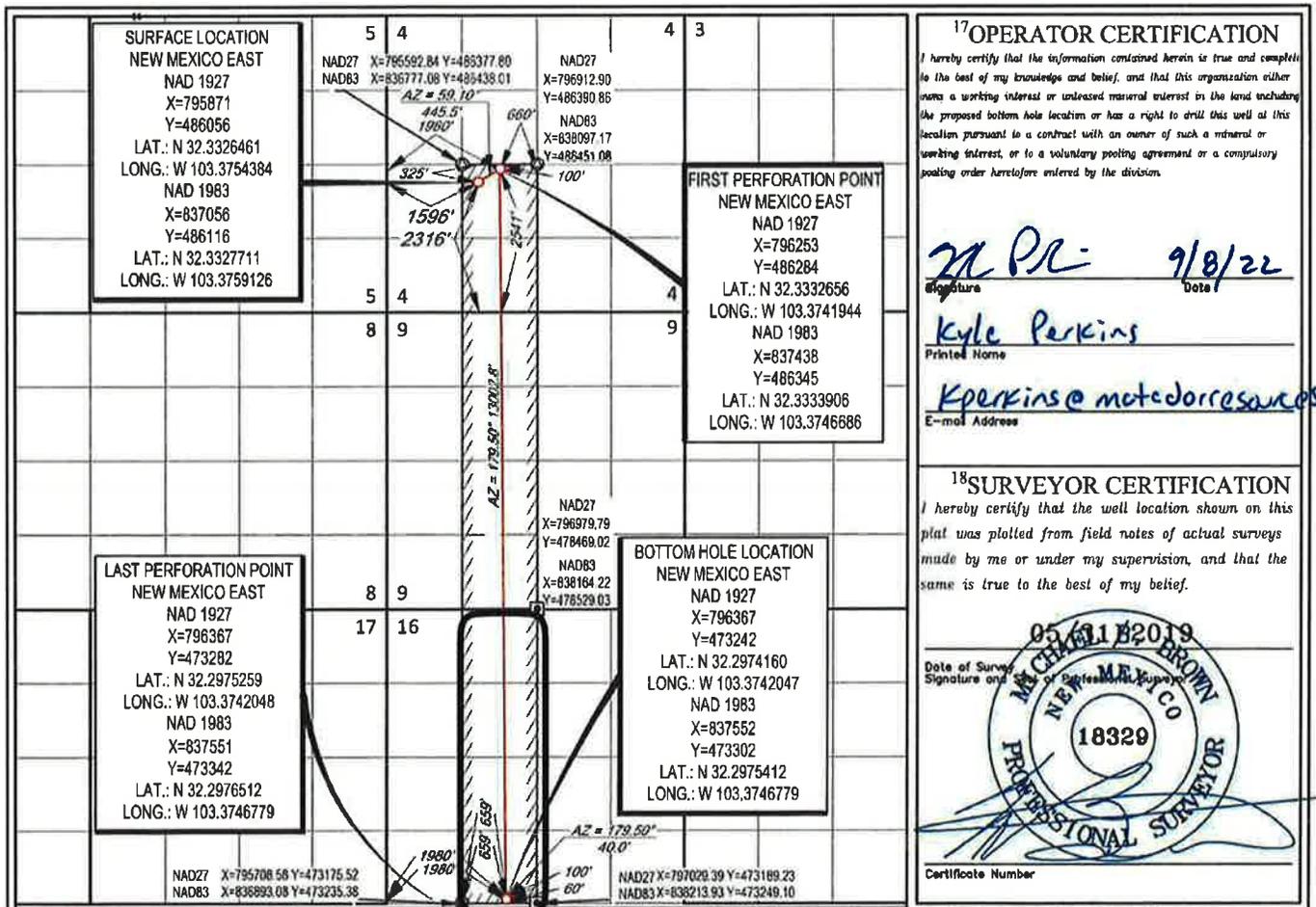
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-50538		<sup>2</sup> Pool Code 98246		<sup>3</sup> Pool Name WC-025 G-06 S233516M; Middle Bone Sp					
<sup>4</sup> Property Code 333258		<sup>5</sup> Property Name MARLAN DOWNEY STATE COM			<sup>6</sup> Well Number 122H				
<sup>7</sup> OGRID No. 228937		<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY			<sup>9</sup> Elevation 3546'				
<sup>10</sup> Surface Location									
UL or lot no. K	Section 4	Township 23-S	Range 35-E	Lot Idn -	Feet from the 2316'	North/South line SOUTH	Feet from the 1596'	East/West line WEST	County LEA
<sup>11</sup> Bottom Hole Location If Different From Surface									
UL or lot no. N	Section 16	Township 23-S	Range 35-E	Lot Idn -	Feet from the 60'	North/South line SOUTH	Feet from the 1980'	East/West line WEST	County LEA
<sup>12</sup> Dedicated Acres 440/160		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.			

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FORM C-102  
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-50537		<sup>2</sup> Pool Code 52769		<sup>3</sup> Pool Name Rock Lake; Bone Spring, South	
<sup>4</sup> Property Code 333258		<sup>5</sup> Property Name MARLAN DOWNEY STATE COM			<sup>6</sup> Well Number 121H
<sup>7</sup> OGRID No. 228937		<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY			<sup>9</sup> Elevation 3546'

<sup>10</sup>Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	4	23-S	35-E	-	2316'	SOUTH	1566'	WEST	LEA

<sup>11</sup>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
M	16	23-S	35-E	-	60'	SOUTH	660'	WEST	LEA

<sup>12</sup> Dedicated Acres 240	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

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**FIRST PERFORATION POINT**  
NEW MEXICO EAST  
NAD 1927  
X=794934  
Y=486271  
LAT.: N 32.3332621  
LONG.: W 103.3784678  
NAD 1983  
X=836118  
Y=486331  
LAT.: N 32.3333871  
LONG.: W 103.3789419

**SURFACE LOCATION**  
NEW MEXICO EAST  
NAD 1927  
X=795841  
Y=486055  
LAT.: N 32.3326460  
LONG.: W 103.3755355  
NAD 1983  
X=837026  
Y=486115  
LAT.: N 32.3327711  
LONG.: W 103.3760097

**BOTTOM HOLE LOCATION**  
NEW MEXICO EAST  
NAD 1927  
X=795047  
Y=473229  
LAT.: N 32.2974107  
LONG.: W 103.3784761  
NAD 1983  
X=836232  
Y=473289  
LAT.: N 32.2975359  
LONG.: W 103.3789495

**LAST PERFORATION POINT**  
NEW MEXICO EAST  
NAD 1927  
X=795047  
Y=473269  
LAT.: N 32.2975207  
LONG.: W 103.3784762  
NAD 1983  
X=836231  
Y=473329  
LAT.: N 32.2976458  
LONG.: W 103.3789496

**<sup>17</sup>OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Kyle Perkins* 9/8/22  
Signature Date

Kyle Perkins  
Printed Name

Kperkins@matadorresources.com  
E-mail Address

**<sup>18</sup>SURVEYOR CERTIFICATION**

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

05/31/2019  
Date of Survey  
Signature and Seal of Professional Surveyor  
MICHAEL B. BROWN  
NEW MEXICO  
18329  
PROFESSIONAL SURVEYOR

Certificate Number

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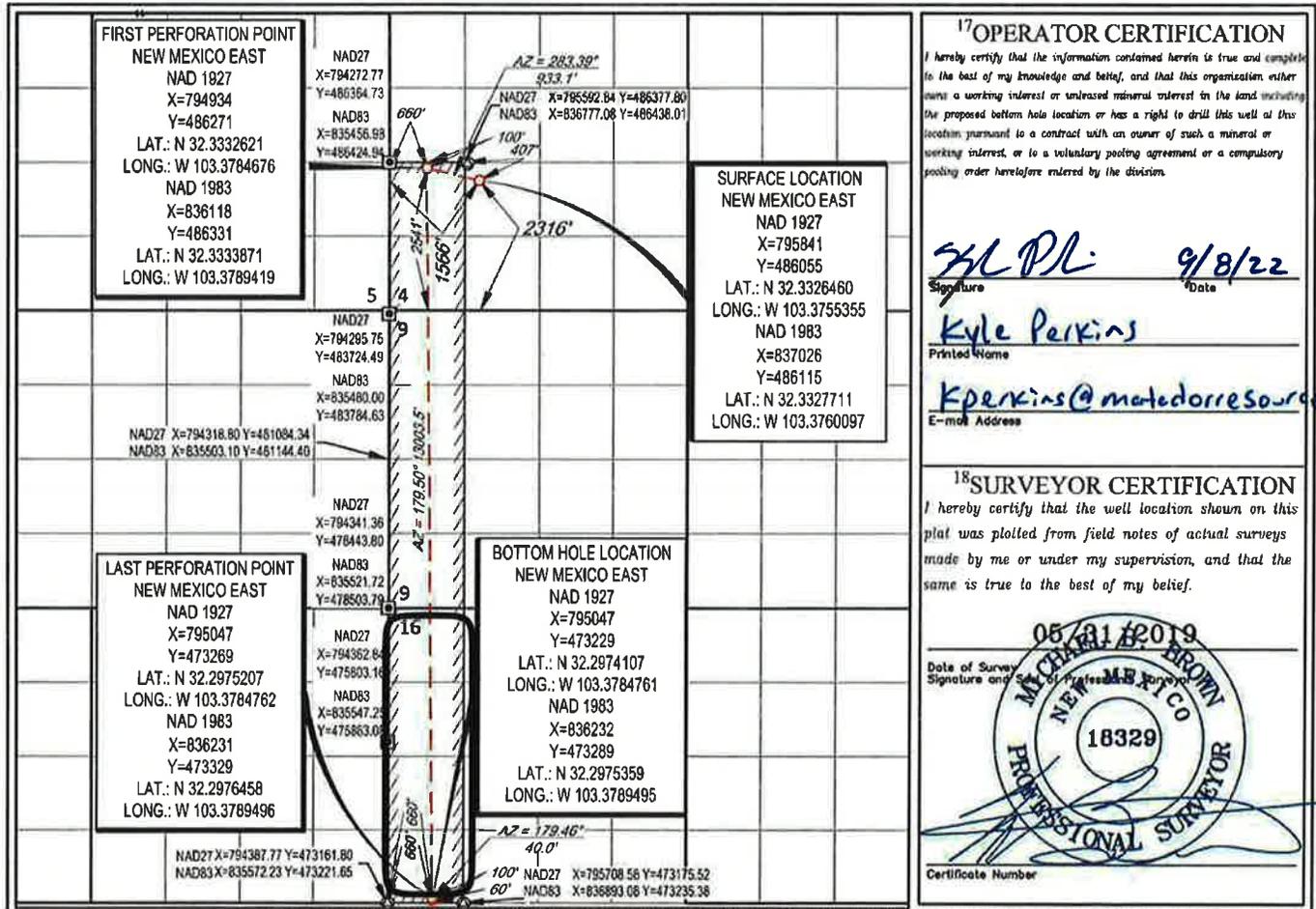
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WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code 98246		<sup>3</sup> Pool Name WL-025 G-06 S233516M; Middle Bone Sp					
<sup>4</sup> Property Code		<sup>5</sup> Property Name MARLAN DOWNEY STATE COM		<sup>6</sup> Well Number 121H					
<sup>7</sup> OCRID No. 228937		<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY		<sup>9</sup> Elevation 3546'					
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UL or lot no. K	Section 4	Township 23-S	Range 35-E	Lot Idn -	Feet from the 2316'	North/South line SOUTH	Feet from the 1566'	East/West line WEST	County LEA
<sup>11</sup> Bottom Hole Location If Different From Surface									
UL or lot no. M	Section 16	Township 23-S	Range 35-E	Lot Idn -	Feet from the 60'	North/South line SOUTH	Feet from the 660'	East/West line WEST	County LEA
<sup>12</sup> Dedicated Acres 160		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.			

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<sup>17</sup>OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *Kyle Perkins* Date: 9/8/22  
Printed Name: Kyle Perkins  
E-mail Address: KPerkins@matadorresources.com

<sup>18</sup>SURVEYOR CERTIFICATION

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

Date of Survey: 05/21/2019  
Signature and Seal of Professional Surveyor: MICHAEL BROWN, 18329  
Certificate Number: [Blank]



AUBREY DUNN  
COMMISSIONER

*State of New Mexico*  
**Commissioner of Public Lands**

310 OLD SANTA FE TRAIL  
P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

Jaime Grainger  
Matador Production Company  
5400 LBJ Freeway, Suite 1500  
Dallas, TX 75240

June 26<sup>th</sup>, 2018

Re: Communitization Agreement Approval  
Bill Alexander State Com #111H  
Vertical Extent: Bone Spring  
Township: 22 South, Range 35 East, NMPM  
Section 33: W2W2  
Lea County, New Mexico

Dear Ms Grainger,

The Commissioner of Public Lands has this date approved the Bill Alexander State Com #111H Communitization Agreement for the Bone Spring formation effective 9/19/2017. Enclosed are three Certificates of Approval.

The agreement shall remain in effect for One Year, and as long thereafter as communitized substances are produced from the communitized area in paying quantities.

If we may be of further service, please contact Niranjana Khalsa at (505) 827-6628.

Sincerely,

AUBREY DUNN  
COMMISSIONER OF PUBLIC LANDS

**EXHIBIT 5**

**NEW MEXICO STATE LAND OFFICE**

CERTIFICATE OF APPROVAL

**COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

**Matador Production Company  
Bill Alexander State Com #111H  
Vertical Extent: Bone Spring  
Township: 22 South, Range: 35 East, NMPM  
Section 33 : W2W2  
Lea County, New Mexico**

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **September 19, 2017**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **26<sup>th</sup> Day of June, 2018**.



\_\_\_\_\_  
**COMMISSIONER OF PUBLIC LANDS**  
of the State of New Mexico

**NEW MEXICO STATE LAND OFFICE**

CERTIFICATE OF APPROVAL

**COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

**Matador Production Company  
Bill Alexander State Com #111H  
Vertical Extent: Bone Spring  
Township: 22 South, Range: 35 East, NMPM  
Section 33 : W2W2  
Lea County, New Mexico**

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**COMMISSIONER OF PUBLIC LANDS**  
of the State of New Mexico

**NEW MEXICO STATE LAND OFFICE**

CERTIFICATE OF APPROVAL

**COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

**Matador Production Company  
Bill Alexander State Com #111H  
Vertical Extent: Bone Spring  
Township: 22 South, Range: 35 East, NMPM  
Section 33 : W2W2  
Lea County, New Mexico**

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\_\_\_\_\_  
**COMMISSIONER OF PUBLIC LANDS**  
of the State of New Mexico

NM State Land Office  
Oil, Gas, & Minerals Division

STATE/STATE OR  
STATE/FEE  
Revised March 2017

COMMUNITIZATION AGREEMENT

ONLINE Version

Bill Alexander State Com 33-22S-35E #111H

KNOW ALL MEN BY THESE PRESENTS: Well Name: \_\_\_\_\_

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 **September 19**, 20 **17**, 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.

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                    **W2W2**  
 Of Sect(s)            **33**      Twnshp **22 South Rng 35 East** NMPM      **Lea**      County, NM

containing **160** 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.

2017 APR 9 9:57 AM

ONLINE version  
March, 2017

State/State  
State/Fee







**EXHIBIT "A"**

Attached to and made part of the Communitization Agreement dated September 19, 2017, by and between Matador Production Company, Et Al, and the State of New Mexico, covering the W2W2 of Section 33, Township 22 South, Range 35 East, N.M.P.M., Lea County, New Mexico.

Operator of Communitized Area: Matador Production Company

**DESCRIPTION OF LEASES COMMITTED:**

**TRACT NO. 1:**

Lessor: State of New Mexico by Commissioner of Public Lands  
Lessee of Record: MRC Permian Company  
Description of Lands Committed: Township 22 South, Range 35 East, N.M.P.M., Lea County, NM  
Section 33: S2  
Number of Acres: 320.00

**TRACT NO.2:**

Lessor: State of New Mexico by Commissioner of Public Lands  
Lessee of Record: Caza Petroleum, Inc.  
Description of Lands Committed: Township 22 South, Range 33 East, N.M.P.M., Lea County, NM  
Section 33: N2  
Number of Acres: 320.00

**RECAPITULATION**

<b>Tract No.</b>	<b>Number of Acres Committed</b>	<b>Percentage of Interest in Communitized Area</b>
Tract 1:	320.00	50.0000000%
Tract 2:	320.00	50.0000000%
<b>TOTAL:</b>	<b>640.00</b>	<b>100.0000%</b>

ONLINE version  
March, 2017

State/State  
State/Fee



**Commissioner**

**Stephanie Garcia Richard**

*State of New Mexico*  
*Commissioner of Public Lands*

310 OLD SANTA FE TRAIL  
P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

**COMMISSIONER'S OFFICE**

Phone (505) 827-5760  
Fax (505) 827-5766  
www.nmstatelands.org

Stephanie Kinsman  
Matador Production Company  
5400 LBJ Freeway, Suite 1500  
Dallas, TX 75240

February 25<sup>th</sup>, 2020

Re: Communitization Agreement Approval  
Marlan Downey 4-9-23S-35E State Com #113H  
Vertical Extent: Bone Spring  
Township: 23 South, Range 35 East, NMPM  
Sect 4: W2SE4  
Sect 9: W2E2  
Lea County, New Mexico

Dear Ms Kinsman,

The Commissioner of Public Lands has this date approved the Marlan Downey 4-9-23S-35E State Com #113H Communitization Agreement for the Bone Spring formation effective 7/31/2019. Enclosed are three Certificates of Approval.

The agreement shall remain in effect for One Year, and as long thereafter as communitized substances are produced from the communitized area in paying quantities.

Approval of this agreement does not warrant or certify that the operator and/or other working interest owners hold legal or equitable title to the leases which are committed hereto, nor does the Commissioner's approval constitute adjudication of any federal or private interests, or warrant or certify that the information supplied by the operator regarding federal or private interests is accurate.

If we may be of further service, please contact Niranjana Khalsa at (505) 827-6628.

Sincerely,

Stephanie Garcia Richard  
COMMISSIONER OF PUBLIC LANDS

**NEW MEXICO STATE LAND OFFICE**

CERTIFICATE OF APPROVAL

**COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

**Matador Production Company**  
**Marlan Downey 4-9-23S-35E State Com #113H**  
**Vertical Extent: Bone Spring**  
**Township: 23 South, Range: 35 East, NMPM**  
**Section 4: W2SE4**  
**Section 9: W2E2**  
**Lea County, New Mexico**

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **July 31, 2019**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **25<sup>th</sup> Day of February, 2020**.

**COMMISSIONER OF PUBLIC LANDS**  
**of the State of New Mexico**

**NEW MEXICO STATE LAND OFFICE**

CERTIFICATE OF APPROVAL

**COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

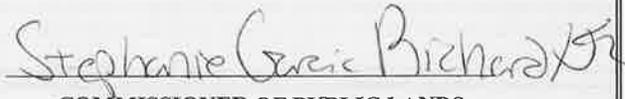
**Matador Production Company  
Marlan Downey 4-9-23S-35E State Com #113H  
Vertical Extent: Bone Spring  
Township: 23 South, Range: 35 East, NMPM  
Section 4: W2SE4  
Section 9: W2E2  
Lea County, New Mexico**

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **July 31, 2019**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **25<sup>th</sup> Day of February, 2020**.

  
**COMMISSIONER OF PUBLIC LANDS**  
of the State of New Mexico

**NEW MEXICO STATE LAND OFFICE**

CERTIFICATE OF APPROVAL

**COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

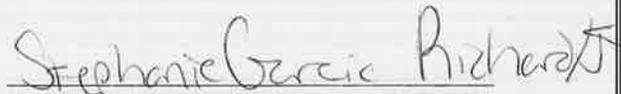
**Matador Production Company**  
**Marlan Downey 4-9-23S-35E State Com #113H**  
**Vertical Extent: Bone Spring**  
**Township: 23 South, Range: 35 East, NMPM**  
**Section 4: W2SE4**  
**Section 9: W2E2**  
**Lea County, New Mexico**

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **July 31, 2019**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **25<sup>th</sup> Day of February, 2020**.



**COMMISSIONER OF PUBLIC LANDS**  
**of the State of New Mexico**

NM State Land Office  
Oil, Gas, & Minerals Division

STATE/FEDERAL OR  
STATE/FEDERAL/FEE  
Revised Feb. 2013

ONLINE Version  
COMMUNITIZATION AGREEMENT

Contract No. \_\_\_\_\_

Well Name: Marlan Downey 4 9 23S 35E State Com #113H

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto,"

W I T N E S S E T H:

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

WHEREAS, the Commissioner of Public Lands of the State of New Mexico, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such pooling is determined to be in the public interest; and,

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

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

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

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

Subdivisions W/2 SE/4 of Section 4 & W/2 E/2 of Section 9,

Sect 4&9, T 23S, R 35E, NMPM Lea County NM

containing 240 acres, more or less, and this agreement shall include only the

Bone Spring Formation underlying said lands and the hydrocarbons (hereinafter

referred to as "communitized substances") producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "B" designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States and the State of New Mexico, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any federal lease bearing a sliding-or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

- 8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
  
- 9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
  
- 10. The date of this agreement is           July           Month   31   Day,   2019   Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his duly authorized representative, and by the Commissioner or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced or can be produced from the communitized area in paying quantities; provided, that the two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of the capability of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of 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.
  
- 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

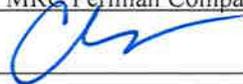
- 12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
- 13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

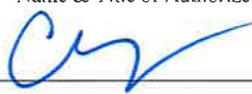
**IN WITNESS WHEREOF**, the parties hereto have executed this agreement as of the day and year first written and have set opposite their respective names the date of execution.

Operator: Matador Production Company

Lessees of Record: MRC Permian Company

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



  
Signature of Authorized Agent

*smth  
pdd*

*pell  
smth*

Attach additional page(s) if needed.

[Acknowledgments are on following page.]

**Acknowledgment in an Individual Capacity**

State of \_\_\_\_\_ )  
County of \_\_\_\_\_ ) SS )  
This instrument was acknowledged before me on \_\_\_\_\_  
DATE

By \_\_\_\_\_  
Name(s) of Person(s)

(Seal)

\_\_\_\_\_  
Signature of Notarial Officer

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

**Acknowledgment in a Representative Capacity**

State of Texas )  
County of Dallas ) SS )  
This instrument was acknowledged before me on August 7, 2019  
DATE

By Craig N. Adams  
Name(s) of Person(s)

as Executive Vice President of Matador Production Company  
Type of authority, e.g., officer, trustee, etc      Name of party on behalf of whom instrument was executed

(Seal)



Stephanie M Kinsman  
Signature of Notarial Officer

My commission expires: 4-10-2021

**Acknowledgment in an Individual Capacity**

State of \_\_\_\_\_ )

County of \_\_\_\_\_ ) S S )

This instrument was acknowledged before me on \_\_\_\_\_  
DATE

By \_\_\_\_\_

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

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

**Acknowledgment in a Representative Capacity**

State of Texas )

County of Dallas ) S S )

This instrument was acknowledged before me on August 7, 2019  
DATE

By Craig N. Adams

Name(s) of Person(s)

as Executive Vice President of MRC Permian Company

Type of authority, e.g., officer, trustee, etc

Name of party on behalf of whom instrument was executed

(Seal)



Stephanie M Kinsman  
Signature of Notarial Officer

My commission expires: 4-10-2021

**EXHIBIT A**

To Communitization Agreement dated July 31, 2019

Plat of communitized area covering the:

Subdivisions W/2 SE/4 of Section 4 & W/2 E/2 of Section 9

of Sect. 4&9, T 23S, R 35E, NMPM, Lea County, NM.

**EXHIBIT B**

To Communitization Agreement dated July 31 2019, embracing the

Subdivisions W/2 SE/4 of Section 4 & W/2 E/2 of Section 9  
of Section 4 & 9, T 23S, R 35E, N.M.P.M., Lea County, NM

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

**DESCRIPTION OF LEASES COMMITTED**

**TRACT NO. 1**

Lease Serial No.: VC0429

Lease Date: 8/1/2018

Lease Term: 5 years

Lessor: State of New Mexico

Original Lessee: Federal Abstract Company

Present Lessee: MRC Permian Company

Description of Land Committed: Subdivisions W/2 SE/4,  
Sect 4, Twp 23S, Rng 35E NMPM, Lea County, NM

Number of Acres: 80

Royalty Rate: 20%

Name and Percent ORRI Owners: \_\_\_\_\_

Name and Percent WI Owners: Matador Production Company – 100%

**TRACT NO. 2**

Lease Serial No.: VB2259

Lease Date: 4/1/2013

Lease Term: 5 years

Lessor: State of New Mexico

Original Lessee: MRC Permian Company

Present Lessee: MRC Permian Company

Description of Land Committed: Subdivisions W/2 E/2,  
Sect 9, Twp 23S, Rng 35E, NMPM, Lea County, NM

Number of Acres: 160

Royalty Rate: 18.75%

Name and Percent ORRI Owners: \_\_\_\_\_

Name and Percent WI Owners: Matador Production Company – 100%

**TRACT NO. 3**

Lease Serial No.: \_\_\_\_\_  
 Lease Date: \_\_\_\_\_  
 Lease Term: \_\_\_\_\_  
 Lessor: \_\_\_\_\_  
 Original Lessee: \_\_\_\_\_  
 Present Lessee: \_\_\_\_\_  
 Description of Land Committed: Subdivisions \_\_\_\_\_,  
 Sect \_\_\_\_\_, Twp \_\_\_\_\_, Rng \_\_\_\_\_, NMPM, \_\_\_\_\_ County, NM  
 Number of Acres: \_\_\_\_\_  
 Royalty Rate: \_\_\_\_\_  
 Name and Percent ORRI Owners: \_\_\_\_\_  
 Name and Percent WI Owners: \_\_\_\_\_

**TRACT NO. 4**

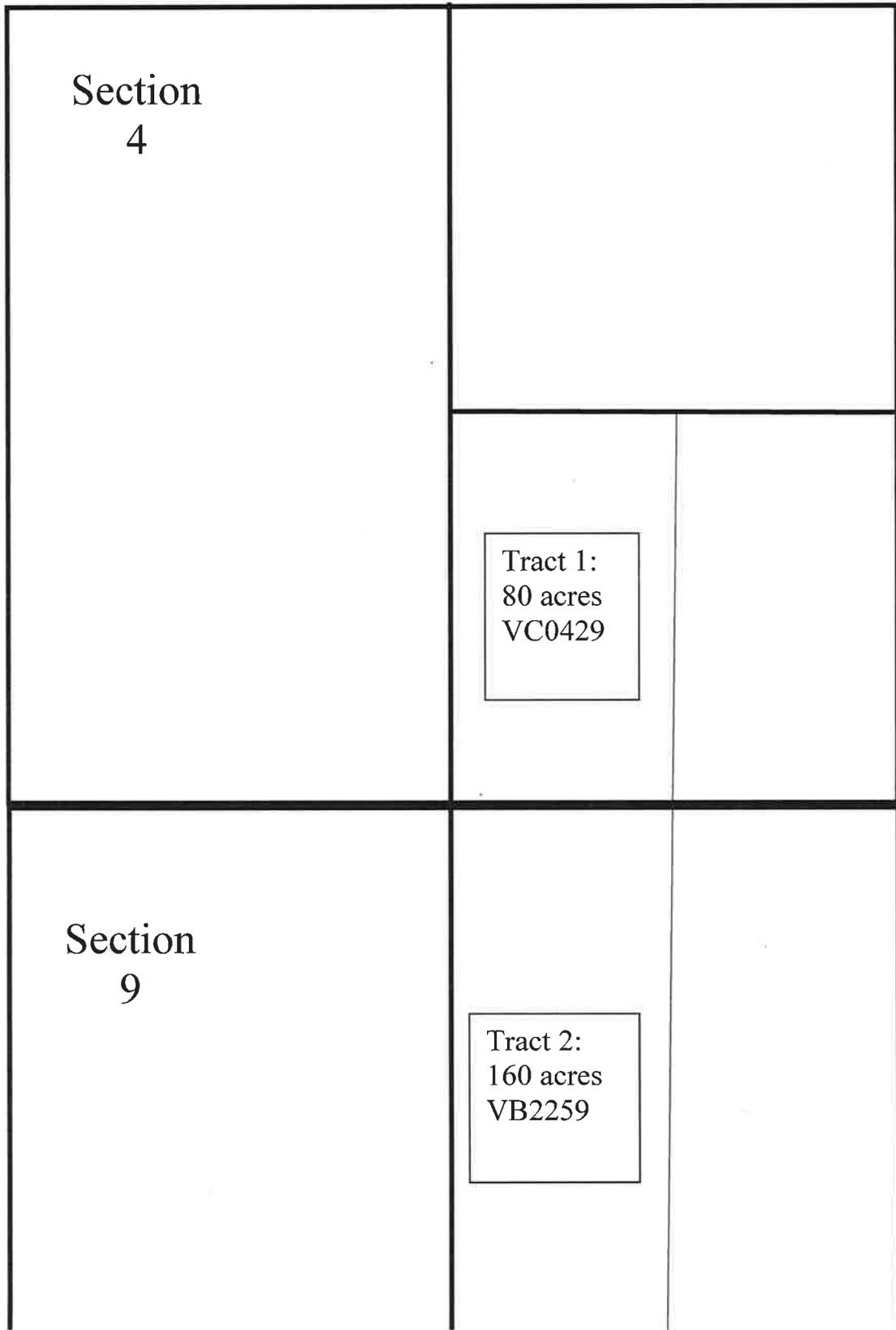
Lease Serial No.: \_\_\_\_\_  
 Lease Date: \_\_\_\_\_  
 Lease Term: \_\_\_\_\_  
 Lessor: \_\_\_\_\_  
 Original Lessee: \_\_\_\_\_  
 Present Lessee: \_\_\_\_\_  
 Description of Land Committed: Subdivisions \_\_\_\_\_,  
 Sect \_\_\_\_\_, Twp \_\_\_\_\_, Rng \_\_\_\_\_, NMPM, \_\_\_\_\_ County, NM  
 Number of Acres: \_\_\_\_\_  
 Royalty Rate: \_\_\_\_\_  
 Name and Percent ORRI Owners: \_\_\_\_\_  
 Name and Percent WI Owners: \_\_\_\_\_

**RECAPITULATION**

<b>Tract numbers</b>	<b>Number of Acres Committed</b>	<b>Percentage of Interest in Communitized Area</b>
Tract No.1	<u>80</u>	<u>33.33%</u>
Tract No.2	<u>160</u>	<u>66.67%</u>
Tract No.3	<u>                    </u>	<u>                    </u>
Tract No.4	<u>                    </u>	<u>                    </u>

EXHIBIT "A"

PLAT OF COMMUNITIZED AREA COVERING THE W2 SE/4 OF SECTION 4 & W/2  
E/2 OF SECTION 9, TOWNSHIP 23 SOUTH, RANGE 35 EAST, N.M.P.M.,  
LEA COUNTY, NEW MEXICO





**Commissioner**

**Stephanie Garcia Richard**

**State of New Mexico**  
**Commissioner of Public Lands**

310 OLD SANTA FE TRAIL  
P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

**COMMISSIONER'S OFFICE**

Phone (505) 827-5760  
Fax (505) 827-5766  
www.nmstatelands.org

Stephanie Kinsman  
Matador Production Company  
5400 LBJ Freeway, Suite 1500  
Dallas, TX 75240

February 25<sup>th</sup>, 2020

Re: Communitization Agreement Approval  
Marlan Downey 4-9-23S-35E State Com #114H  
Vertical Extent: Bone Spring  
Township: 23 South, Range 35 East, NMPM  
Sect 4: E2SE4  
Sect 9: E2E2  
Lea County, New Mexico

Dear Ms Kinsman,

The Commissioner of Public Lands has this date approved the Marlan Downey 4-9-23S-35E State Com #114H Communitization Agreement for the Bone Spring formation effective 7/31/2019. Enclosed are three Certificates of Approval.

The agreement shall remain in effect for One Year, and as long thereafter as communitized substances are produced from the communitized area in paying quantities.

Approval of this agreement does not warrant or certify that the operator and/or other working interest owners hold legal or equitable title to the leases which are committed hereto, nor does the Commissioner's approval constitute adjudication of any federal or private interests, or warrant or certify that the information supplied by the operator regarding federal or private interests is accurate.

If we may be of further service, please contact Niranjana Khalsa at (505) 827-6628.

Sincerely,

Stephanie Garcia Richard  
COMMISSIONER OF PUBLIC LANDS

**NEW MEXICO STATE LAND OFFICE**

CERTIFICATE OF APPROVAL

**COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

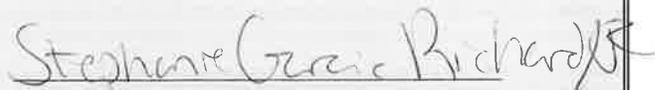
**Matador Production Company**  
**Marlan Downey 4-9-23S-35E State Com #114H**  
**Vertical Extent: Bone Spring**  
**Township: 23 South, Range: 35 East, NMPM**  
**Section 4: E2SE4**  
**Section 9: E2E2**  
**Lea County, New Mexico**

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **July 31, 2019**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **25<sup>th</sup> Day of February, 2020**.



**COMMISSIONER OF PUBLIC LANDS**  
**of the State of New Mexico**

**NEW MEXICO STATE LAND OFFICE**

## CERTIFICATE OF APPROVAL

**COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

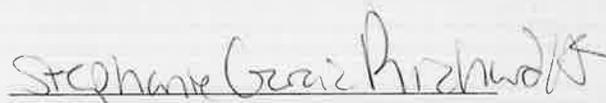
**Matador Production Company**  
**Marlan Downey 4-9-23S-35E State Com #114H**  
**Vertical Extent: Bone Spring**  
**Township: 23 South, Range: 35 East, NMPM**  
**Section 4: E2SE4**  
**Section 9: E2E2**  
**Lea County, New Mexico**

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **July 31, 2019**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **25<sup>th</sup> Day of February, 2020**.



**COMMISSIONER OF PUBLIC LANDS**  
of the State of New Mexico

**NEW MEXICO STATE LAND OFFICE**

CERTIFICATE OF APPROVAL

**COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

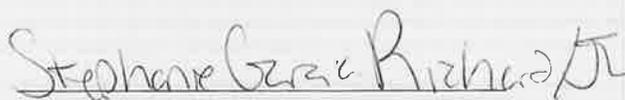
**Matador Production Company**  
**Marlan Downey 4-9-23S-35E State Com #114H**  
**Vertical Extent: Bone Spring**  
**Township: 23 South, Range: 35 East, NMPM**  
**Section 4: E2SE4**  
**Section 9: E2E2**  
**Lea County, New Mexico**

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **July 31, 2019**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **25<sup>th</sup> Day of February, 2020**.



**COMMISSIONER OF PUBLIC LANDS**  
**of the State of New Mexico**

NM State Land Office  
Oil, Gas, & Minerals Division

STATE/FEDERAL OR  
STATE/FEDERAL/FEE  
Revised Feb. 2013

ONLINE Version  
COMMUNITIZATION AGREEMENT

Contract No. \_\_\_\_\_

Well Name: Marlan Downey 4 9 23S 35E State Com #114H

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto,"

WITNESSETH:

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

WHEREAS, the Commissioner of Public Lands of the State of New Mexico, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such pooling is determined to be in the public interest; and,

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

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

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

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

Subdivisions E/2 SE/4 of Section 4 & E/2 E/2 of Section 9,

Sect 4&9, T 23S, R 35E, NMPM Lea County NM

containing 240 acres, more or less, and this agreement shall include only the

Bone Spring formation underlying said lands and the hydrocarbons (hereinafter referred to as "communitized substances") producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "B" designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States and the State of New Mexico, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any federal lease bearing a sliding-or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

- 8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
  
- 9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
  
- 10. The date of this agreement is July 31 Month, 2019 Day, Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his duly authorized representative, and by the Commissioner or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced or can be produced from the communitized area in paying quantities; provided, that the two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of the capability of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of 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.
  
- 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

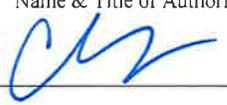
- 12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
- 13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

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

Operator: Matador Production Company Lessees of Record: MRC Permian Company

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



  
Signature of Authorized Agent





Attach additional page(s) if needed.

[Acknowledgments are on following page.]

**Acknowledgment in an Individual Capacity**

State of \_\_\_\_\_ )

County of \_\_\_\_\_ ) SS )

This instrument was acknowledged before me on \_\_\_\_\_  
DATE

By \_\_\_\_\_  
Name(s) of Person(s)

(Seal)

\_\_\_\_\_  
Signature of Notarial Officer

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

**Acknowledgment in a Representative Capacity**

State of Texas )

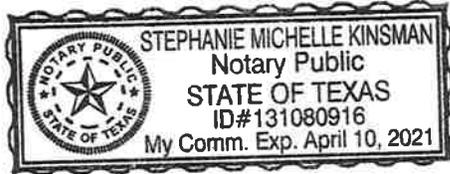
County of Dallas ) SS )

This instrument was acknowledged before me on August 7, 2019  
DATE

By Craig N. Adams  
Name(s) of Person(s)

as Executive Vice President of Matador Production Company  
Type of authority, e.g., officer, trustee, etc      Name of party on behalf of whom instrument was executed

(Seal)



Stephanie M Kinsman  
Signature of Notarial Officer

My commission expires: 4-10-2021

**Acknowledgment in an Individual Capacity**

State of \_\_\_\_\_ )  
County of \_\_\_\_\_ ) SS )  
This instrument was acknowledged before me on \_\_\_\_\_  
DATE

By \_\_\_\_\_  
Name(s) of Person(s)

(Seal) \_\_\_\_\_  
Signature of Notarial Officer  
My commission expires: \_\_\_\_\_

**Acknowledgment in a Representative Capacity**

State of Texas )  
County of Dallas ) SS )  
This instrument was acknowledged before me on August 7, 2019  
DATE

By Craig N. Adams  
Name(s) of Person(s)

as Executive Vice President of MRC Permian Company  
Type of authority, e.g., officer, trustee, etc Name of party on behalf of whom instrument was executed



Stephanie M Kinsman  
Signature of Notarial Officer  
My commission expires: 4.10.2021

**EXHIBIT A**

To Communitization Agreement dated July 31, 2019

Plat of communitized area covering the:

Subdivisions E/2 SE/4 of Section 4 & E/2 E/2 of Section 9

of Sect. 4&9, T 23S, R 35E, NMPM, Lea County, NM.

**EXHIBIT B**

To Communitization Agreement dated July 31, 2019, embracing the Subdivisions E/2 SE/4 of Section 4 & E/2 E/2 of Section 9 of Section 4 & 9, T 23S, R 35E, N.M.P.M., Lea County, NM

Operator of Communitized Area: Matador Production Company

**DESCRIPTION OF LEASES COMMITTED**

**TRACT NO. 1**

Lease Serial No.: VC0429  
Lease Date: 8/1/2018  
Lease Term: 5 years  
Lessor: State of New Mexico  
Original Lessee: Federal Abstract Company  
Present Lessee: MRC Permian Company  
Description of Land Committed: Subdivisions E/2 SE/4,  
Sect 4, Twp 23S, Rng 35E, NMPM, Lea County, NM  
Number of Acres: 80  
Royalty Rate: 20%  
Name and Percent ORRI Owners: \_\_\_\_\_  
Name and Percent WI Owners: Matador Production Company – 100%

**TRACT NO. 2**

Lease Serial No.: VB2259  
Lease Date: 4/1/2013  
Lease Term: 5 years  
Lessor: State of New Mexico  
Original Lessee: MRC Permian Company  
Present Lessee: MRC Permian Company  
Description of Land Committed: Subdivisions E/2 E/2,  
Sect 9, Twp 23S, Rng 35E, NMPM, Lea County, NM  
Number of Acres: 160  
Royalty Rate: 18.75%  
Name and Percent ORRI Owners: \_\_\_\_\_  
Name and Percent WI Owners: Matador Production Company – 100%

**TRACT NO. 3**

Lease Serial No.: \_\_\_\_\_

Lease Date: \_\_\_\_\_

Lease Term: \_\_\_\_\_

Lessor: \_\_\_\_\_

Original Lessee: \_\_\_\_\_

Present Lessee: \_\_\_\_\_

Description of Land Committed: Subdivisions \_\_\_\_\_,

Sect \_\_\_\_\_, Twp \_\_\_\_\_, Rng \_\_\_\_\_, NMPM, \_\_\_\_\_ County, NM

Number of Acres: \_\_\_\_\_

Royalty Rate: \_\_\_\_\_

Name and Percent ORRI Owners: \_\_\_\_\_

Name and Percent WI Owners: \_\_\_\_\_

**TRACT NO. 4**

Lease Serial No.: \_\_\_\_\_

Lease Date: \_\_\_\_\_

Lease Term: \_\_\_\_\_

Lessor: \_\_\_\_\_

Original Lessee: \_\_\_\_\_

Present Lessee: \_\_\_\_\_

Description of Land Committed: Subdivisions \_\_\_\_\_,

Sect \_\_\_\_\_, Twp \_\_\_\_\_, Rng \_\_\_\_\_, NMPM, \_\_\_\_\_ County, NM

Number of Acres: \_\_\_\_\_

Royalty Rate: \_\_\_\_\_

Name and Percent ORRI Owners: \_\_\_\_\_

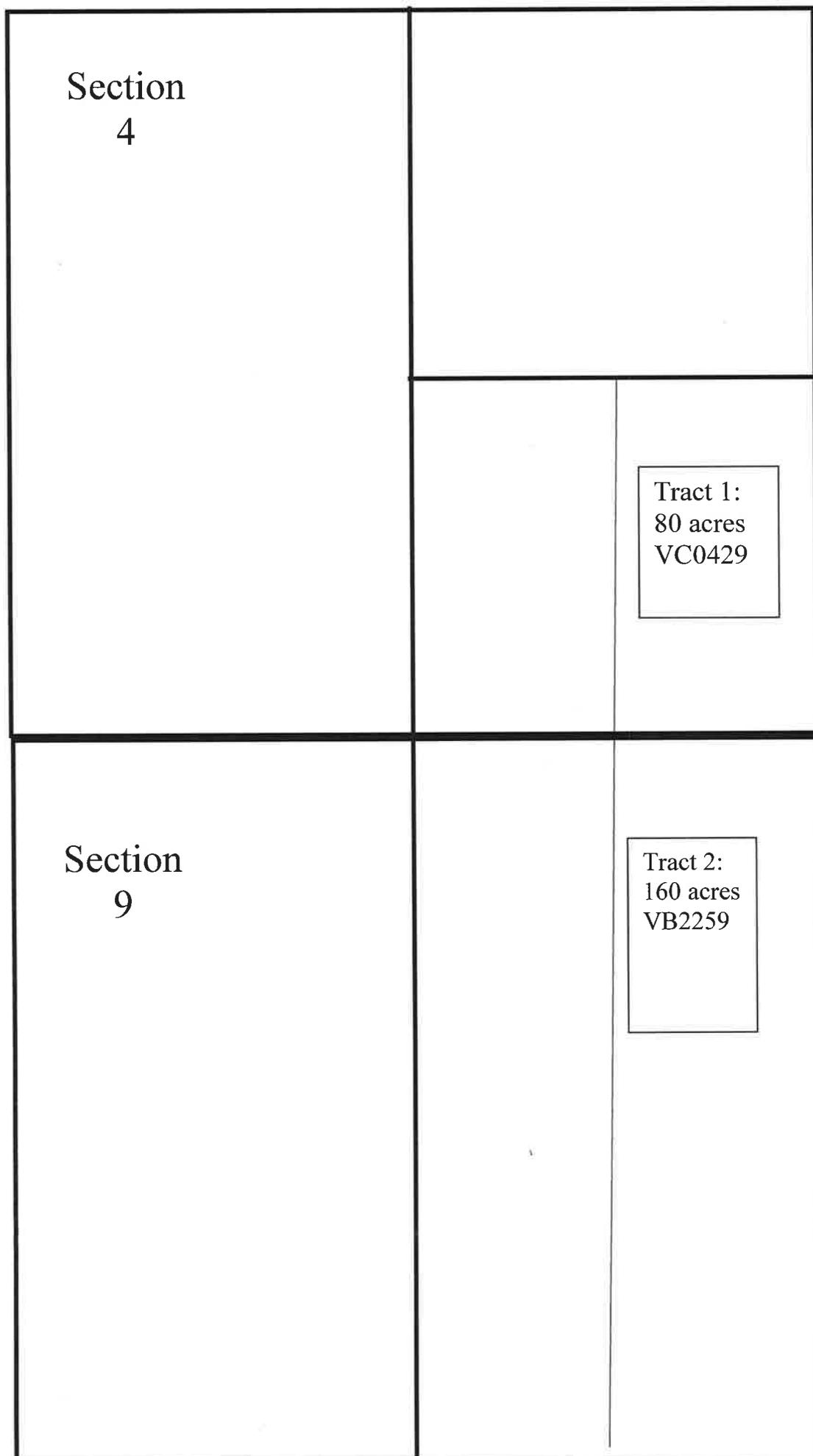
Name and Percent WI Owners: \_\_\_\_\_

**RECAPITULATION**

<b>Tract numbers</b>	<b>Number of Acres Committed</b>	<b>Percentage of Interest in Communitized Area</b>
Tract No.1	<u>80</u>	<u>33.33%</u>
Tract No.2	<u>160</u>	<u>66.67%</u>
Tract No.3	<u>                    </u>	<u>                    </u>
Tract No.4	<u>                    </u>	<u>                    </u>

EXHIBIT "A"

**PLAT OF COMMUNITIZED AREA COVERING THE E/2 OF SE/4 OF SECTION 4 &  
E/2 OF E/2 OF SECTION 9, TOWNSHIP 23 SOUTH, RANGE 35 EAST, N.M.P.M.,  
LEA COUNTY, NEW MEXICO**



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

**STATE/STATE OR  
STATE/FEE**

Revised December 2021

**COMMUNITIZATION AGREEMENT**

ONLINE Version

KNOW ALL PERSONS BY THESE PRESENTS:

API #: 30-025-50537

STATE OF NEW MEXICO ) Well Name: Marlan Downey State Com #121H  
  SS) \_\_\_\_\_  
COUNTY OF LEA                    )

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of (date before 1<sup>st</sup> production) **October 18, 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, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, 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.

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: **W/2SW/4 of Section 4, W2W2 of Sections 9 & 16, Township 23 South, Range 35 East, NMPM Lea, County, NM**

Containing **400** 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 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 5, 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, and so long as all State leases remain in good standing with all State laws, rules, and regulations; 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 \_\_\_\_\_

**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 \_\_\_\_\_

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

**MRC Delaware Resources, LLC**

**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 Delaware Resources, LLC** on behalf of said corporation.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (Print)  
My commission expires \_\_\_\_\_

**EXHIBIT A**

**To Communitization Agreement dated October 18, 2022.**

**Plat of communitized area covering the W/2SW/4 of Section 4, W2W2 of Sections 9 & 16,  
Township 23 South, Range 35 East, NMPM Lea, County, NM**

<p align="center"><b><u>Tract 1</u></b> State Lease VC04290001 80.00 Acres</p>		Section 4
<p align="center"><b><u>Tract 2</u></b> State Lease VB2259 160.00 Acres</p>		Section 9
<p align="center"><b><u>Tract 3</u></b> State Lease VB22510002 160.00 Acres</p>		Section 16

**EXHIBIT B**

**To Communitization Agreement dated October 18, 2022, embracing the Subdivisions W/2SW/4 of Section 4, W2W2 of Sections 9 & 16, Township 23 South, Range 35 East, NMPM Lea, County, NM**

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

**DESCRIPTION OF LEASES COMMITTED**

**TRACT NO. 1**

**Lease Serial No.:** VC-0429-0001

**Lease Date:** 8/1/2018

**Lease Term:** 5 Years

**Lessor:** State of New Mexico

**Present Lessee:** MRC Delaware Resources, LLC

**Description of Land Committed: Subdivisions:** Township 23 South, Range 35 East, Section 4: W/2SW/4

**Number of Acres:** 80.00

**Royalty Rate:** 1/5<sup>th</sup>

**Name and WI Owners:** MRC Permian Company

**TRACT NO. 2**

**Lease Serial No.:** VB-2259-000

**Lease Date:** 4/1/2013

**Lease Term:** 5 Years

**Lessor:** State of New Mexico

**Present Lessee:** MRC Permian Company

**Description of Land Committed: Subdivisions:** Township 23 South, Range 35 East, Section 9: W2W2

**Number of Acres:** 160.00

**Royalty Rate:** 3/16<sup>th</sup>

**Name and WI Owners:** MRC Permian Company

**TRACT NO. 3**

**Lease Serial No.:** VB-2251-0001  
**Lease Date:** 4/1/2013  
**Lease Term:** 5 Year  
**Lessor:** State of New Mexico  
**Present Lessee:** MR NM Operating LLC  
**Description of Land Committed:** Township 23 South, Range 35 East,  
 Section 16: W2W2  
**Subdivisions:**  
**Number of Acres:** 160.00  
**Royalty Rate:** 3/16<sup>th</sup>  
**Name and WIOwners:** MRC Permian Company  
 MR NM Operating LLC

**RECAPITULATION**

<b>Tract Numbers</b>	<b>Numbers of Acres</b>	<b>Percentage of Interest in Communitied Area</b>
<b>Tract 1</b>	80.00	20.00%
<b>Tract 2</b>	160.00	40.00%
<b>Tract 3</b>	160.00	40.00%
<b>Total Acreage</b>	<b>400.00</b>	<b>100%</b>



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/2SW/4 of Section 4, E2W2 of Sections 9 & 16, Township 23 South, Range 35 East, NMPM Lea, County, NM**

Containing **400** 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 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 5, 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, and so long as all State leases remain in good standing with all State laws, rules, and regulations; 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 \_\_\_\_\_

**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 \_\_\_\_\_

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

**MRC Delaware Resources, LLC**

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

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

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

**Acknowledgment in a Representative Capacity**

**STATE OF TEXAS)** §

**COUNTY OF DALLAS)** §

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\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (Print)  
My commission expires \_\_\_\_\_

**EXHIBIT A**

**To Communitization Agreement dated October 18, 2022.**

**Plat of communitized area covering the E/2SW/4 of Section 4, E2W2 of Sections 9 & 16, Township 23 South, Range 35 East, NMPM Lea, County, NM**

	<b>Tract 1</b> State Lease VC04290001 80.00 Acres	<b>Section 4</b>
	<b>Tract 2</b> State Lease VB2259 160.00 Acres	<b>Section 9</b>
	<b>Tract 3</b> State Lease VB22510002 160.00 Acres	<b>Section 16</b>

**EXHIBIT B**

**To Communitization Agreement dated October 18, 2022, embracing the Subdivisions E/2SW/4 of Section 4, E2W2 of Sections 9 & 16, Township 23 South, Range 35 East, NMPM Lea, County, NM**

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

**DESCRIPTION OF LEASES COMMITTED**

**TRACT NO. 1**

**Lease Serial No.:** VC-0429-0001

**Lease Date:** 8/1/2018

**Lease Term:** 5 Years

**Lessor:** State of New Mexico

**Present Lessee:** MRC Delaware Resources, LLC

**Description of Land Committed: Subdivisions:** Township 23 South, Range 35 East, Section 4: E/2SW/4

**Number of Acres:** 80.00

**Royalty Rate:** 1/5<sup>th</sup>

**Name and WI Owners:** MRC Permian Company

**TRACT NO. 2**

**Lease Serial No.:** VB-2259-000

**Lease Date:** 4/1/2013

**Lease Term:** 5 Years

**Lessor:** State of New Mexico

**Present Lessee:** MRC Permian Company

**Description of Land Committed: Subdivisions:** Township 23 South, Range 35 East, Section 9: E2W2

**Number of Acres:** 160.00

**Royalty Rate:** 3/16<sup>th</sup>

**Name and WI Owners:** MRC Permian Company

**TRACT NO. 3**

**Lease Serial No.:** VB-2251-0001  
**Lease Date:** 4/1/2013  
**Lease Term:** 5 Year  
**Lessor:** State of New Mexico  
**Present Lessee:** MR NM Operating LLC  
**Description of Land Committed:** Township 23 South, Range 35 East,  
 Section 16: E2W2  
**Subdivisions:**  
**Number of Acres:** 160.00  
**Royalty Rate:** 3/16<sup>th</sup>  
**Name and WI Owners:** MRC Permian Company  
 MR NM Operating LLC

**RECAPITULATION**

<b>Tract Numbers</b>	<b>Numbers of Acres</b>	<b>Percentage of Interest in Communitied Area</b>
<b>Tract 1</b>	80.00	20.00%
<b>Tract 2</b>	160.00	40.00%
<b>Tract 3</b>	160.00	40.00%
<b>Total Acreage</b>	<b>400.00</b>	<b>100%</b>

Owner Name	Address	City	State	Zip Code
Caza Petroleum, LLC	200 N. Loraine St. Suite 1550	Midland	TX	79701
Highland (TX) Energy Co	11886 Greenville Avenue, Ste 106	Dallas	TX	75243
MRC Permian Company	5400 LBJ Freeway Ste 1500	Dallas	TX	75240
New Mexico State Land Office	P O Box 1148	Santa Fe	NM	87504
Strategic Energy Income Fnd IV, LP	1521 N. Cooper St., Suite 400	Arlington	TX	76011
Susan Marie Thoma	P O Box 329	Elbert	CO	80106
The Allar Company	PO Box 1567	Graham	TX	76450-1567
MRC Delaware Resources, LLC	5400 LBJ Freeway Ste 1500	Dallas	TX	75240
MR NM Operating LLC	5950 Berkshire Ln. Ste 1000	Dallas	TX	75225
Marlin Operating, LLC	1371 Brumlow Avenue, Suite A	Southlake	TX	76092
Nogal Resources, LLC	1371 Brumlow Avenue, Suite A	Southlake	TX	76092
Chief Capital (O&G) II LLC	8111 Westchester Dr. Ste 900	Dallas	TX	75225

## EXHIBIT 6



**Paula M. Vance**  
**Associate**  
Phone (505) 988-4421  
Fax (505) 819-5579  
pmvance@hollandhart.com

October 24, 2022

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

**TO: ALL AFFECTED PARTIES**

**Re: Application of Matador Production Company to amend NMOCD Order PLC-794 and for administrative approval to surface commingle (lease and pool) oil and gas production from the spacing units comprising the W/2 W/2 of Section 33, Township 22 South, Range 35 East, and the S/2 of Section 4, all of Section 9, and the W/2 of Section 16, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico (the "Lands")**

Ladies and Gentlemen:

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

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

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

Sincerely,

A handwritten signature in blue ink, appearing to read 'Paula M. Vance', written over a horizontal line.

Paula M. Vance  
**ATTORNEY FOR MATADOR PRODUCTION  
COMPANY**



# Shipment Confirmation Acceptance Notice

## A. Mailer Action

**Note to Mailer:** The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

Shipment Date: 10/24/2022

Shipped From:

Name: HOLLAND & HART LLP (1)

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

## MRC - Marlan Downey C-107B

Type of Mail	Volume
Priority Mail Express®*	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	12
Total	12

\*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

## B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.  
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0040 1330 95



Firm Mailing Book For Accountable Mail

Name and Address of Sender		Check type of mail or service		Affix Stamp Here (for additional copies of this receipt). Postmark with Date of Receipt.														
HOLLAND & HART LLP (1) 110 N GUADALUPE ST # 1 SANTA FE NM 87501		<input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Priority Mail Express <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Priority Mail		USPS Tracking/Article Number	Addressee (Name, Street, City, State, & ZIP Code™)	Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee
		1.	9214 8901 9403 8393 7177 09	Caza Petroleum LLC 200 N Loraine St Suite 1550 Midland TX 79701	1.20	4.00										2.00		
2.	9214 8901 9403 8393 7177 16	Highland (TX) Energy Co 11886 Greenville Avenue Ste 106 Dallas TX 75243	1.20	4.00										2.00				
3.	9214 8901 9403 8393 7177 23	MRC Permian Company 5400 LBJ Freeway Ste 1500 Dallas TX 75240	1.20	4.00										2.00				
4.	9214 8901 9403 8393 7177 30	New Mexico State Land Office PO BOX 1148 Santa Fe NM 87504	1.20	4.00										2.00				
5.	9214 8901 9403 8393 7177 47	Strategic Energy Income Fnd IV LP 1521 N Cooper St Suite 400 Arlington TX 76011	1.20	4.00										2.00				
6.	9214 8901 9403 8393 7177 54	Susan Marie Thoma PO BOX 329 Elbert CO 80106	1.20	4.00										2.00				
7.	9214 8901 9403 8393 7177 61	The Allar Company PO BOX 1567 Graham TX 76450-1567	1.20	4.00										2.00				
8.	9214 8901 9403 8393 7177 78	MRC Delaware Resources LLC 5400 LBJ Freeway Ste 1500 Dallas TX 75240	1.20	4.00										2.00				
Total Number of Pieces Listed by Sender 12		Total Number of Pieces Received at Post Office		Postmaster, Per (Name of receiving employee)														

Handling Charge - if Registered and over \$50,000 in value

Adult Signature Required

Adult Signature Restricted Delivery

Restricted Delivery

Return Receipt

Signature Confirmation

Signature Confirmation Restricted Delivery

Special Handling



**From:** [McClure, Dean, EMNRD](#) on behalf of [Engineer, OCD, EMNRD](#)  
**To:** [Paula M. Vance](#); [Adam Rankin](#)  
**Cc:** [McClure, Dean, EMNRD](#); [Kautz, Paul, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); [lisa@rwbyram.com](mailto:lisa@rwbyram.com); [Paradis, Kyle O](#); [Walls, Christopher](#)  
**Subject:** Approved Administrative Order PLC-794-A  
**Date:** Tuesday, December 27, 2022 7:21:50 AM  
**Attachments:** [PLC794A Order.pdf](#)

NMOCD has issued Administrative Order PLC-794-A 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
30-025-46254	Marlan Downey 04 09 23S 35E State Com #113H	W/2 SE/4	4-23S-35E	52769
		W/2 E/2	9-23S-35E	
30-025-46255	Marlan Downey 04 09 23S 35E State Com #114H	E/2 SE/4	4-23S-35E	52769
		E/2 E/2	9-23S-35E	
30-025-44286	Bill Alexander State Com #111H	W/2 W/2	33-22S-35E	52766
30-025-50537	Marlan Downey State Com #121H	W/2 SW/4	4-23S-35E	52769
		W/2 W/2	9-23S-35E	
		W/2 W/2	16-23S-35E	98246
30-025-50538	Marlan Downey State Com #122H	E/2 SW/4	4-23S-35E	52769
		E/2 W/2	9-23S-35E	
		E/2 W/2	16-23S-35E	98246

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

# 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  
December 02, 2022  
and ending with the issue dated  
December 02, 2022.

  
\_\_\_\_\_  
Publisher

Sworn and subscribed to before me this  
2nd day of December 2022.

  
\_\_\_\_\_  
Business Manager

My commission expires  
January 29, 2023

(Seal)  
GUSSIE BLACK  
Notary Public - State of New Mexico  
Commission # 1087526  
My Comm. Expires Jan 29, 2023

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  
December 2, 2022

To: All affected parties, including; Caza Petroleum, LLC; Highland (TX) Energy Co; MRC Permian Company; New Mexico State Land Office; Strategic Energy Income Fnd IV, LP; Susan Marie Thoma, her heirs and devisees; The Allar Company; MRC Delaware Resources, LLC; MR NM Operating LLC; Marlin Operating, LLC; Nogal Resources, LLC; and Chief Capital (O&G) II LLC.

Application of Matador Production Company to amend NMOCD Order PLC-794 and for administrative approval to surface commingle (lease and pool) oil and gas production from the spacing units comprising the W/2 W/2 of Section 33, Township 22 South, Range 35 East, and the S/2 of Section 4, all of Section 9, and the W/2 of Section 16, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico (the "Lands"). Matador Production Company (OGRID No. 228937) ("Matador") seeks to amend Administrative Order PLC-794 ("Order PLC-794"). Order PLC-794 authorizes lease commingling, off-lease storage, off-lease measurement, and off-lease marketing at the Marlan Downey East Tank Battery of production from the Rock Lake; Bone Spring (52766) and Rock Lake; Bone Spring, South (52769) pool from all existing and future wells drilled in the following "spacing units":

- (a) The 240-acre, more or less, spacing unit underlying the W/2 SE/4 of Section 4 and the W/2 E/2 of Section 9, Township 23 South, Range 35 East. The spacing unit is currently dedicated to the Marlan Downey State Com 04&09-23S-35E AR #113H well (API No. 30-025-46254);
- (b) The 240-acre, more or less, spacing unit underlying the E/2 SE/4 of Section 4 and the E/2 E/2 of Section 9, Township 23 South, Range 35 East. The spacing unit is currently dedicated to the Marlan Downey State Com 04&09-23S-35E AR #114H well (API No. 30-025-46255); and
- (c) The 160-acre, more or less, spacing unit underlying the W/2 W/2 of Section 33, Township 22 South, Range 35 East. The spacing unit is currently dedicated to the Bill Alexander State Com 33-22S-35E AR #111H well (API No. 30-025-44286).
- (d) Pursuant to 19.15.12.C(4)(g), future spacing units connected to this central tank battery with notice provided only to the interest owners within these future "spacing units."

Pursuant to 19.15.12.7, Matador seeks to amend the terms of Order PLC-794 to add to the terms of the order the production from WC-025 G-06 S233516M; Middle Bone Spring (98246) pool in all existing and future infill wells drilled in the following spacing units:

- (a) The 400-acre, more or less, spacing unit underlying the W/2 SW/4 of Section 4 and the W/2 W/2 of Sections 9 and 16, Township 23 South, Range 35 East. The spacing unit is currently dedicated to the Marlan Downey State Com #121H well (API 30-025-50537).
- (b) The 400-acre, more or less, spacing unit underlying the E/2 SW/4 of Section 4 and the E/2 W/2 of Sections 9 and 16, Township 23 South, Range 35 East. The spacing unit is currently dedicated to the Marlan Downey State Com #122H well (API 30-025- 50538).

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. #00273604

67100754

00273604

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

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

**APPLICATION FOR SURFACE COMMINGLING  
SUBMITTED BY MATADOR PRODUCTION COMPANY      ORDER NO. PLC-794-A**

**ORDER**

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

**FINDINGS OF FACT**

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

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

### **CONCLUSIONS OF LAW**

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

### **ORDER**

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

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

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

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

2. This Order supersedes Order PLC-794.

3. 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.

4. 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.
5. 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.
6. 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.
7. 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.

8. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
9. 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.
10. 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.
11. 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.
12. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
13. 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).
14. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



**ADRIENNE E. SANDOVAL  
DIRECTOR**

**DATE:** 12/23/2022

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit A

Order: PLC-794-A

Operator: Matador Production Company (228937)

Central Tank Battery: Marlan Downey East Tank Battery

Central Tank Battery Location: Unit J, Section 4, Township 23 South, Range 35 East

Gas Title Transfer Meter Location: Unit J, Section 4, Township 23 South, Range 35 East

### Pools

Pool Name	Pool Code
ROCK LAKE; BONE SPRING	52766
ROCK LAKE; BONE SPRING, SOUTH	52769
WC-025 G-06 S233516M; MIDDLE BONE SP	98246

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

Lease	UL or Q/Q	S-T-R
CA Bone Spring NMSLO PUN 1380459	W/2 SE/4	4-23S-35E
	W/2 E/2	9-23S-35E
CA Bone Spring NMSLO PUN 1385363	E/2 SE/4	4-23S-35E
	E/2 E/2	9-23S-35E
CA Bone Spring NMSLO PUN 1369178	W/2 W/2	33-22S-35E
VC 04290001	SW/4	4-23S-35E
VB 22590000	W/2	9-23S-35E
VB 22510002	W/2	16-23S-35E

### Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-46254	Marlan Downey 04 09 23S 35E State Com #113H	W/2 SE/4	4-23S-35E	52769
		W/2 E/2	9-23S-35E	
30-025-46255	Marlan Downey 04 09 23S 35E State Com #114H	E/2 SE/4	4-23S-35E	52769
		E/2 E/2	9-23S-35E	
30-025-44286	Bill Alexander State Com #111H	W/2 W/2	33-22S-35E	52766
		W/2 SW/4	4-23S-35E	52769
30-025-50537	Marlan Downey State Com #121H	W/2 W/2	9-23S-35E	
		W/2 W/2	16-23S-35E	98246
		E/2 SW/4	4-23S-35E	52769
30-025-50538	Marlan Downey State Com #122H	E/2 W/2	9-23S-35E	
		E/2 W/2	16-23S-35E	98246

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit B

Order: PLC-794-A  
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 SW/4	4-23S-35E	400	A
	W/2 W/2	9-23S-35E		
	W/2 W/2	16-23S-35E		
CA Bone Spring NMSLO	E/2 SW/4	4-23S-35E	400	B
	E/2 W/2	9-23S-35E		
	E/2 W/2	16-23S-35E		

### Leases Comprising Pooled Areas

Lease	UL or Q/Q	S-T-R	Acres	Pooled Area ID
VC 04290001	W/2 SW/4	4-23S-35E	80	A
VB 22590000	W/2 W/2	9-23S-35E	160	A
VB 22510002	W/2 W/2	16-23S-35E	160	A
VC 04290001	E/2 SW/4	4-23S-35E	80	B
VB 22590000	E/2 W/2	9-23S-35E	160	B
VB 22510002	E/2 W/2	16-23S-35E	160	B

**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 153142

**CONDITIONS**

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 153142
	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.	12/27/2022