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11110		EQUIRE PROCESSING AT TH		
				GRID Number:
Well Name: Pool:			AP	l: ol Code:
SUBMIT ACCUR	RATE AND COMPLETE INI	FORMATION REQU	IRED TO PROCES	SS THE TYPE OF APPLICATION
A. Location	ICATION: Check those n – Spacing Unit – Simuli NSL NSP(PR	taneous Dedicatio	on	□sD
[1] Con [[11] Inje	one only for [1] or [11] nmingling – Storage – M DHC DCTB P ction – Disposal – Pressu WFX PMX S	LC ∐PC ∐(µre Increase – Enh	OLS □OLM lanced Oil Reco EOR □PPR	overy FOR OCD ONLY
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administrative understand t	N: I hereby certify that a approval is accurate hat no action will be tall are submitted to the Div	and complete to ken on this applic	the best of my k	
N	Note: Statement must be comple	eted by an individual wit	h managerial and/or	supervisory capacity.
			Date	
Print or Type Name				
Pakher			Phone Numb	per
Signature			e-mail Addre	ess



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

December 27, 2023

VIA ONLINE FILING

Dylan Fuge, Acting Division 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 CTB-812-B and for administrative approval to surface commingle (lease and pool) oil and gas production from the spacing units comprising the S/2 of Sections 11 and 12 and the N/2 of Section 13, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico (the "Lands")

Dear Mr. Fuge:

Matador Production Company (OGRID No. 228937) ("Matador") seeks to amend Administrative Order CTB-812-B ("Order CTB-812-B"), attached as **Exhibit 1**. Order CTB-812-B authorizes lease commingling, off-lease storage, off-lease measurement, and off-lease marketing at the **Rustler Breaks Tank Battery** of production from *all existing and future wells drilled in the following spacing units*:

- (a) The 320-acre, more or less, spacing unit underlying the S/2 of Section 12, Township 24 South, Range 27 East, in the Purple Sage; Wolfcamp (gas) [98220]. This spacing unit is currently dedicated to the **Rustler Breaks 12-24-27 1H** (API 30-015-41775) and **Rustler Breaks 12 24S 27E RB 204H** (API 30-015-43194);
- (b) The 320-acre, more or less, spacing unit underlying the N/2 of Section 13, Township 24 South, Range 27 East, in the Purple Sage; Wolfcamp (gas) [98220]. This spacing unit is currently dedicated to the **Brantley State Com 13-24S-27E RB 205H** (API 30-015-44742), **Brantley State Com 13-24S-27E RB 206H** (API 30-015-44597), **Brantley State Com 13-24S-27E RB 211H** (API 30-015-44743), and **Brantley State Com 13 24 27 RB 221H** (API 30-015-43774);
- (c) The 320-acre, more or less, spacing unit underlying the N/2 S/2 of Sections 11 and 12, Township 24 East, Range 27 South, in the Purple Sage; Wolfcamp (gas) [98220]. This spacing unit is currently dedicated to the **David Edelstein State Com 12**



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24S 27E RB 203H (API 30-015-44682) and **David Edelstein State Com 12-24S-27E 223H** (API 30-015-45143);¹ and

(d) Pursuant to 19.15.12.10.C(4)(g), from all future additions of pools, leases or leases and pools to the *Rustler Breaks Tank Battery* with notice provided only to the owners of interests to be added.

Pursuant to 19.15.12.7, Matador seeks to amend the terms of Order CTB-812-B to add to the terms of the order the production from all existing and future infill wells drilled in the following spacing units:

- (a) The 320-acre, more or less, spacing unit underlying the N/2 S/2 of Sections 11 and 12, Township 24 East, Range 27 South, in the Willow Lake; Bone Spring West [96415]. This spacing unit is currently dedicated to the **David Edelstein State Com 113H** (API 30-015-53829) and **David Edelstein State Com 123H** (API 30-015-53832); and
- (b) The 320-acre, more or less, spacing unit underlying the S/2 S/2 of Sections 11 and 12, Township 24 East, Range 27 South, in the Willow Lake; Bone Spring West [96415]. This spacing unit is currently dedicated to the **David Edelstein State Com 114H** (API 30-015-54236), **David Edelstein State Com 124H** (API 30-015-54238), and **David Edelstein State Com 134H** (API 30-015-54237).

Oil and gas production from these spacing units will be commingled and sold at the **Rustler Breaks Tank Battery** located in the SE/4 SE/4 (Unit P) of Section 12, Township 24 South, Range 27 East. Production from the wellbores will either flow into a wellhead test separator or bulk separator, which will separate the oil, gas, and water. Gas production from the separators 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. Gas and oil production will then be allocated on a daily basis based on the most recent individual well tests of oil, gas, and water.

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 Omar Enriquez, Senior Staff Facilities Engineer with Matador, identifying the facilities and the measurement devices to be utilized, a detailed schematic of the surface facilities (Exhibit A to the statement) and a referenced gas sample (Exhibit B to the statement).

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¹ This non-standard spacing unit is approved under OCD Order No. R-14576.



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Exhibit 4 is a C-102 for each of the wells currently permitted or drilled within the existing spacing units, along with the wells to be added.

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 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 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,

Paula M. Vance

ATTORNEY FOR MATADOR PRODUCTION COMPANY

EXHIBIT **1**

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

APPLICATION FOR SURFACE COMMINGLING SUBMITTED BY MATADOR PRODUCTION COMPANY

ORDER NO. CTB-812-B

ORDER

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

FINDINGS OF FACT

- 1. Matador Production Company ("Applicant") submitted a complete application to surface commingle and off-lease measure the oil and gas production ("Application") from the pools, leases, and wells identified in Exhibit A.
- 2. 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.
- 3. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
- 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 whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
- 5. Applicant provided notice of the Application to the Bureau of Land Management ("BLM") or New Mexico State Land Office ("NMSLO"), as applicable.
- 6. Applicant in the notice for the Application stated that it sought authorization to add additional pools, leases, and wells and identified the parameters to make such additions.
- 7. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil and gas production from an infill well which produces from a pool and spacing unit dedicated to a well identified in Exhibit A.

CONCLUSIONS OF LAW

- 8. 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, and 19.15.12 NMAC.
- 9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10(A)(2), (C)(4)(c), and (C)(4)(e) NMAC, as applicable.

Order No. CTB-812-B Page 1 of 4

- 10. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10(B)(1) or (C)(1) NMAC, as applicable.
- 11. 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) and (C)(4)(h) NMAC.
- 12. 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.
- 13. 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 and off-lease measure oil and gas production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to surface commingle and off-lease measure, as applicable, oil and gas production from an infill well producing from the same pool and spacing unit dedicated to a well identified in Exhibit A.

- 2. This Order supersedes Orders CTB-812 and CTB-812-A.
- 3. The allocation of oil and gas production to an infill well shall be determined in the same manner as oil and gas production from the well dedicated to the pool and spacing unit.
- 4. Applicant shall allocate oil and gas production using well tests for the following wells: Brantley State Com 13 24 27 RB 221H (30-015-43774), Brantley State Com 13 24S 27E RB 205H (30-015-44742), Brantley State Com 13 24S 27E RB 206H (30-015-44597), and Brantley State Com 13 24S 27E RB 211H (30-015-44743) ("Well Test Group").

The allocation of oil and gas production shall be based on the production life of each well as measured for three periods: (a) the initial production period shall be measured from the first production until the earlier of either the peak production rate or thirty (30) days after the first production; (b) the plateau period shall be measured from the end of the initial production period to the peak decline rate; and (c) the decline period shall be measured from the end of the plateau period until the well is plugged and abandoned.

During the initial production period, the oil and gas production for each well in the Well Test Group shall be allocated using a production curve calculated from a minimum of ten (10) well tests per month, except that any day in which a well test cannot achieve an accurate result due to a temporary change in oil and gas production shall not be included in the computation of time determining the well test schedule. The production curve shall be calculated by interpolating daily production for each day using the known daily production

Order No. CTB-812-B Page 2 of 4

obtained by well tests and shall use a method of interpolation that is at minimum as accurate as maintaining a constant rate of change for each day's production between the known daily production values.

During the plateau period, the oil and gas production for each well in the Well Test Group shall be allocated using a minimum of three (3) well tests per month.

During the decline period, the oil and gas production for each well in the Well Test Group shall be allocated as follows: (a) a minimum of three (3) well tests per month when the decline rate is greater than 22% per month; (b) a minimum of two (2) well tests per month when the decline rate is between 22% and 10% per month; and (c) a minimum of one (1) well test per month when the decline rate is less than 10% per month.

Upon OCD's request, Applicant shall submit a Form C-103 to the OCD Engineering Bureau that contains the decline rate curve and other relevant information demonstrating the production life of a well.

Applicant shall conduct a well test by separating and metering the oil and gas production from that well for either (a) a minimum of twenty-four (24) consecutive hours; or (b) a combination of nonconsecutive periods that meet the following conditions: (i) each period shall be a minimum of six (6) hours; and (ii) the total duration of the nonconsecutive periods shall be a minimum of eighteen (18) hours.

The well test requirements of this Order shall be suspended for any well shut-in for a period that continues for more than fifteen (15) days until the well commences production.

5. Applicant shall allocate oil and gas production using constant metering for the following wells: Rustler Breaks 12 24 27 1H (30-015-41775), Rustler Breaks 12 24 27 204H (30-015-43194), David Edelstein State Com 223H (30-015-45143), and David Edelstein State Com 203H (30-015-44682) ("Meter Group").

The oil and gas production for each well in the Meter group shall be separated and metered prior to commingling.

- 6. Applicant shall measure the commingled oil at a central tank battery described in Exhibit A in accordance with 19.15.18.15 NMAC or 19.15.23.8 NMAC.
- 7. Applicant shall measure the commingled gas at a central delivery point described in Exhibit A in accordance with 19.15.19.9 NMAC, provided however that if the gas is flared, and regardless whether OCD has granted an exception pursuant to 19.15.18.12(B) NMAC, Applicant shall report the gas in accordance with 19.15.18.12(F) 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. 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

Order No. CTB-812-B Page 3 of 4

- this Order by submitting a Form C-107-B via the OCD Fee Portal in accordance with 19.15.12.10(C)(4)(g) NMAC.
- 10. Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau identifying an infill well prior to commingling and off-lease measuring, as applicable, oil and gas production from an infill well with the production from another well.
- 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. OCD retains jurisdiction and reserves the right to modify or revoke this Order as it deems necessary to prevent waste or protect correlative rights, public health, or the environment.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

DATE: _____ 9/10/2020

ADRIENNE SANDOVAL DIRECTOR

AS/dm

Order No. CTB-812-B Page 4 of 4

State of New Mexico Energy, Minerals and Natural Resources Department

Exhibit A

Order: CTB-812-B

Operator: Matador Production Company (228937)

Central Tank Battery: Rustler Breaks Tank Battery

Central Tank Battery Location (NMPM): Unit P, Section 12, Township 24 South, Range 27 East Gas Custody Transfer Meter Location (NMPM): Unit P, Section 12, Township 24 South, Range 27 East

Pools

Pool Name Pool Code
PURPLE SAGE; WOLFCAMP (GAS) 98220

Leases as defined in 19.15.12.7(C) NMAC

Lease Location (NMPM)

CA WC NMSLO	N/2	Sec 13-T24S-R27E
CA WC NMSLO 1370095	N/2 S/2 Sec 12 & 11	T24S-R27E
 WC OCD R-13763	S/2	Sec 12-T24S-R27E

Wells											
Well API	Well Name	Location (NMPM)	Pool Code	Allocation							
30-015-41775	Rustler Breaks 12 24 27 1H	P-12-24S-27E	98220	meter							
30-015-43194	Rustler Breaks 12 24 27 204H	P-12-24S-27E	98220	meter							
30-015-43774	Brantley State Com 13 24 27 RB 221H	D-18-24S-28E	98220	well test							
30-015-45143	David Edelstein State Com 223H	I-12-24S-27E	98220	meter							
30-015-44682	David Edelstein State Com 203H	I-12-24S-27E	98220	meter							
30-015-44742	Brantley State Com 13 24S 27E RB 205H	D-18-24S-28E	98220	well test							
30-015-44597	Brantley State Com 13 24S 27E RB 206H	H-13-24S-27E	98220	well test							
30-015-44743	Brantley State Com 13 24S 27E RB 211H	D-18-24S-28E	98220	well test							

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<u>District I</u> 1625 N. French Drive, Hobbs, NM 88240 <u>District II</u> 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.

		MMINGLING (DIVER	RSE OWNERSHIP)	
	iction Company	-00 D 11		
OPERATOR ADDRESS: 5400 LBJ Free APPLICATION TYPE:	eway Tower 1 Suite 1:	500 Dallas, TX 75240		
Pool Commingling ☐ Lease Commingling ☐	Pool and Lease Comming	uling Off-Lease Storage and N	Measurement (Only if not Surface	Commingled)
LEASE TYPE: Fee State	Federal	gning Goir-Dease Storage and I	vicusurement (Omy if not Surface	commingied)
Is this an Amendment to existing Order?		s", please include the appropr	iate Order No. CTB-812-B	
Have the Bureau of Land Management (BLM ☐Yes ☐No				
		COMMINGLING		
Ple	I	th the following information	1	
(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production	Calculated Value of Commingled Production	Volumes
WILLOW LAKE; BONE SPRING,WEST 96415	1,279/43.3°	1,269/43.6°	\$70.44/bbl	7,576 bopd 14,376 Mcfd
PURPLE SAGE; WOLFCAMP (GAS) 98220	1,235/49.9°		\$2.54/Mcf	335 bopd 4,000 Mcfd
		_		
(2) Are any wells producing at top allowables?	☐Yes ⊠No			
(5) Will commingling decrease the value of proceedings of the value of the va	(B) LEASE (case attach sheets wing? □Yes □No	COMMINGLING th the following information	1	
,	,	ASE COMMINGLING th the following information		
(1) Complete Sections A and E.	THE STATE OF THE S			
. ,	ise attached sheets w	AGE and MEASUREME ith the following information		
(2) Include proof of notice to all interest owners				
· · · · · · · · · · · · · · · · · · ·		ATION (for all applicati		
 A schematic diagram of facility, including let A plat with lease boundaries showing all we Lease Names, Lease and Well Numbers, and 	egal location. Il and facility locations.	*		
I hereby certify that the information above is true a	and complete to the best	of my knowledge and belief.		
SIGNATURE: Omar Enriquez Omar Engliquez Oma	TITLE	: Senior Production Engineer_	DATE:(08/11/2023
TYPE OR PRINT NAME Omar Enriquez		TELEI	PHONE NO.: (972) 587-4638	EXHIBI*

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3

E-MAIL ADDRESS: <u>oenriquez@matadorresources.com</u>

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

Omar Enriquez Senior Staff Facilities Engineer

August 11, 2023

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

Re: Application of Matador Production Company for Administrative Approval to Amend Administrative Order CTB-812-B to Surface Commingle (pool and lease commingle) Production from the Horizontal Spacing Units Comprising the S/2 of Sections 11 and 12 and the N/2 of Section 13, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico (the "Lands")

To Whom This May Concern,

Under NMOCD Order No. CTB-812-B, Matador Production Company ("Matador"), OGRID: 228937, was authorized to surface commingle production from the Purple Sage; Wolfcamp (Gas) (Pool Code 98220) in the N/2 of Section 13 and the S/2 of Sections 11 and 12, Township 24 South, Range 27 East. NMOCD Order No. CTB-812-B further authorized Matador to allocate production via well test from the wells in the N/2 of Section 13, Township 24 South, Range 27 East.

Matador seeks to amend Order No. CTB-812-B to add approval to surface commingle production from the Willow Lake; Bone Spring West (96415) in the S/2 of Sections 11 and 12, Township 24 South, Range 27 East.

Specifically, Matador requests to surface commingle current and upcoming production from thirteen (13) wells located on the Lands and future production from the Lands as described herein. Production will be allocated on a daily basis based on the most recent individual well tests of oil, gas, and water. These well tests will last a minimum of 24 hours and will be conducted following the guidelines shown below, at a minimum:

Application to Amend Administrative Order CTB-812-B

			Test frequency per
Period	From:	To:	month
		Peak production or 30	
Initial Production		days after first	
	First Production	production	10
	End of initial		
Plateau	production	Peak decline rate	3
Decline	End of Plateau	P&A	3

Gas exiting each separator will flow into one gathering line, as depicted on **Exhibit A**, the Longwood Gathering line. Each separator will have its own 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 Howard 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 exit the wellbore and flow into either wellhead test separator or a bulk separator, which separates the oil, gas, and water. The oil is measured via turbine meter which is calibrated periodically in accordance with industry specifications by a third-party measurement company for accuracy. The gas is measured on a volume and MMBTU basis by an orifice meter and supporting EFM equipment in accordance with American Petroleum Association (API) Chapter 21.1. The gas is then sent into a gathering line where it is commingled with each of the other wells' metered gas, as previously described on page one. 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.

Application to Amend Administrative Order CTB-812-B

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.

Very truly yours,

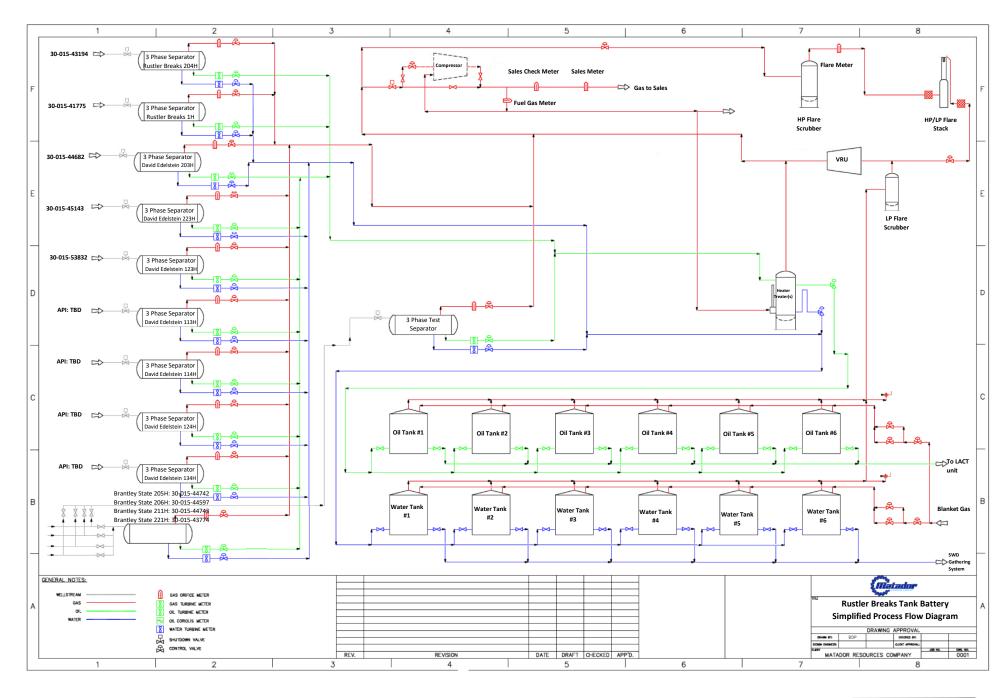
MATADOR PRODUCTION COMPANY

Omar Enriquez

| Digitally signed by Omar Enriquez | DN: cn=Omar Enriquez | DN: cn=Omar Enriquez o, o, ou, | email=oenriquezematadorresources.c on, c=U | Date: 2023.08.11 14:58:24-05'00'

Omar Enriquez Sr. Staff Facilities Engineer

Enclosures







Athens, TX (903) 677-0700 . Beeville, TX (361) 354-5200 . Midland, TX (432) 704-5351

GAS ANALYSIS REPORT

LAB REPORT NUMBER: 839-07-070623-12

PHYSICAL CONSTANTS PER GPA 2145-16

CUSTOMER: STATION:	MATADOR 40-30025				DATE O DATE O		7/3/2023		
PRODUCER:					DATE AI		7/6/2023		
LEASE:	RUSTLER BRAN	TLEY CHE	CK		EFFECTI	:	6/1/2023		
COMPONENT:	MOLE %	<u>WT. %</u>	<u>6/9/2</u> Mole%		5/4/2023 Mole%/GPM		4/19/2023 Mole%/GPM		
H2S	0.000		0.000	0.000		0.000		0.002	
OXYGEN	0.000		0.000	0.000		0.000		0.000	
NITROGEN	0.852		1.162	1.230		1.353		0.781	
CARBON DIOXIDE	0.128		0.274	0.065		0.122		0.117	
METHANE	81.221		63.422	76.632		80.753		80.536	
ETHANE	10.026	2.690	14.674	11.801	3.167	10.311	2.766	10.467	2.808
PROPANE	4.350	1.202	9.337	6.179	1.708	4.239	1.172	4.484	1.239
I-BUTANE	0.680	0.223	1.924	0.793	0.260	0.639	0.210	0.706	0.232
N-BUTANE	1.438	0.455	4.068	1.946	0.616	1.339	0.424	1.500	0.474
I-PENTANE	0.370	0.136	1.299	0.392	0.144	0.338	0.124	0.404	0.148
N-PENTANE	0.392	0.143	1.377	0.440	0.160	0.351	0.128	0.430	0.156
HEXANE PLUS	0.543	0.236	2.463	0.522	0.227	0.555	0.242	0.573	0.250
TOTAL	100.000	5.085	100.000	100.00	6.28	100.00	5.06	100.00	5.31
(ALL VALUES CALC	ULATED @ 14.73	PSIA	4 60 DEG. F)						
REAL GRAVITY	0.7115			0.7490	0	0.7107	7	0.7181	L
BTU WET BASIS	1220.6			1273.6	6	1211.3	3	1232.1	L
BTU DRY BASIS	1241.7			1295.6	6	1232.3	3	1253.4	1
MOL WT.	20.545			21.619	9	20.521	L	20.733	3
FLOW RATE	5669.00			2495.	00	4506.0	00	3274.0	00
STAIN TUBE H2O:	0 LBS			0 LB	S	0 LB	S	0 LBS	5
STAIN TUBE H2S:	1 PPM			2.5 PPN	1	3.5 PPN	1	20 PPN	1
STAIN TUBE CO2:	%			9	6	%	6	%	ó
SAMPLE PRESS:	1009			990	0	1013	3	996	5
SAMPLE TEMP:	104			119	9	115	5	83	3
SAMPLE TYPE	SPOT			SAMPLE	D BY	MP			
CYLINDER NO	1360			LOCATIO	N:				
NOTES	SPOT			COUNTY	/STATE	:			

7/10/2023

EXHIBIT **B**

EXHIBIT **1**

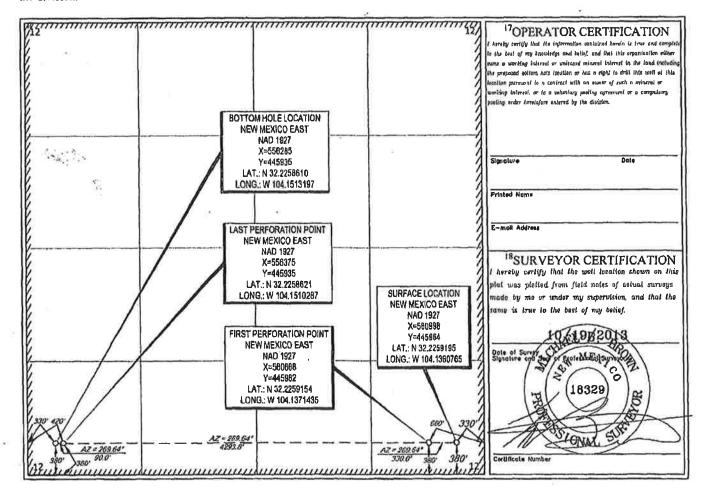
Dittiet 1
1625 N. French Dr., Hobbs, NM 88240
Phone: (375) 393-6161 Fax: (575) 393-0720
Dittiet II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Ruad, Azteo, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
Dittiet IV
1220 S. St. Francis Dr., Sante Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

		W	ELL LO	CATION	AND ACRE	AGE DEDICA			
30-0	API Number	11775	- 9	7440	2 B/a	ick Rues; a	IST CAMP E	AST (6)	
4020	3			RUSTI	"Property New ER BREAKS	"Wel	*Well Number #1H		
22893		Elevation 3090'							
		W			10 Surface Loc	ation			
UL or lot no. P	Section 12	Township 24-S	27-E	Lot Idn	Feet from the 380'	North/South line SOUTH	l'eet fram tha	EAST	EDDY County
UL or lot no.	Sauton	Township	Range	Let Ida	Feet Grow the	North/South line	Feet from the	East/West flue	County
M	12	24~S	27-E	-	380'	SOUTH	330'	WEST	EDDY
erra A bataalhad ^{Fl}	Joint or	infili de Cor	niolidation Code	l ⁸ Orde	r No.				



District I 1625 N. French Dr., Hobbs, NM 88240

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District IV 1220 S. St. Francis Dr., Sante Fe, NM 87505

Phone: (505) 476-3460 Fax: (505) 476-3462

IM OIL CONSERVATION.

ARTESIA DISTRICT

ADD 9 77 204

FORM C-102

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District Office

Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.

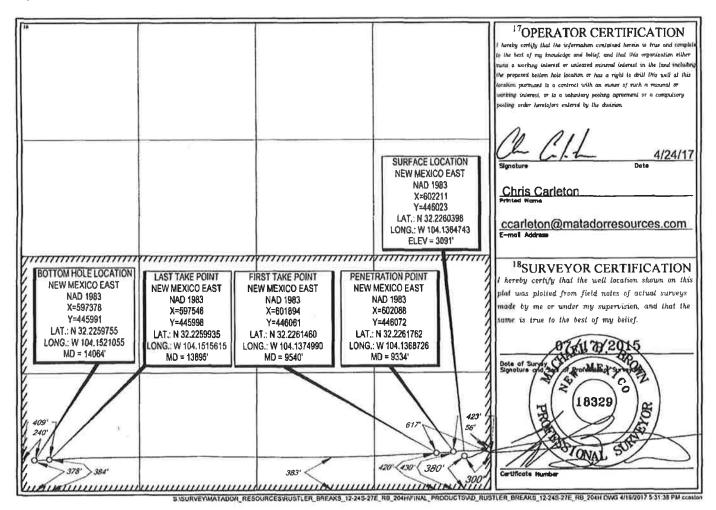
State of New Mexico

Energy, Minerals & Natural Resources

Sante Fe, NM 87505

___ AMENDED REPORT

30	'API Number 0-015-43	-		² Pool Code 98220		POOI Name PURPLE SAGE; WOLFCAMP (GAS)					
Property 4020			R	USTLER		Well Number #204H					
70GRID 2289			M	LATADOR	•	Operator Name 'Elevi ODUCTION COMPANY 308					
					10 Surface Loc	ation					
UL or lot no. P	Section 12	Township 24-S	Range 27-E	Lot fdn	Feel from the 380'	North/South line SOUTH	Feet from the 300'	East/West line EAST	EDDY EDDY		
UL ar lot no.	Section 12	Township 24-S	Range 27-E	Lot Idn	Feet from the	North/South line	Feet from the 240'	Engl/West line WEST	County EDDY		



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Page 2 of 40

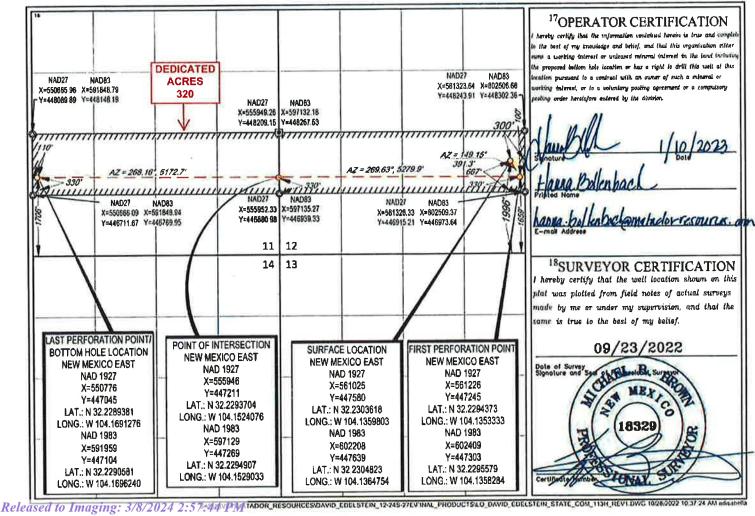
District I 1625 N, French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artosis, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 1000 Rio Brazos Road, Azicc, NM 87410 Phone: (505) 334-6178 Fex: (505) 334-6170 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

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

AMENDED REPORT

		\mathbf{W}	ELL LC	CATIO	N AND ACR	EAGE DEDICA	ATION PLAT	<u>r</u>	
1)	API Number		9	Pool Code	-	Willow Lak	Proof Nat	Spring (vest
*Property Co 320766	ode			DAVID	⁵ Property N			. 57.%	rell Number 113H
OGRID N			1	MATADO	Operator N R PRODUC		'Elevation 3089'		
					10 Surface Lo	cation			
UL or lot no.	Section 12	Township 24-S	Range 27-E	Let Idn	Feet from the 1996'	North/South line SOUTH	Feel from the 300°	EastWest line EAST	EDDY
			11]	Bottom Ho	le Location If D	ifferent From Sur	face		
UL or lot no.	Section 11	Township 24-S	27-E	Lot Idn	Feet from the 1706'	North/South line SOUTH	Feel from the 110'	WEST	EDDY
¹² Dedicated Acres 320	¹³ Joint or I	nfill ¹⁴ Co	nsolidation Cod	de ^{[8} Ord	er No.				



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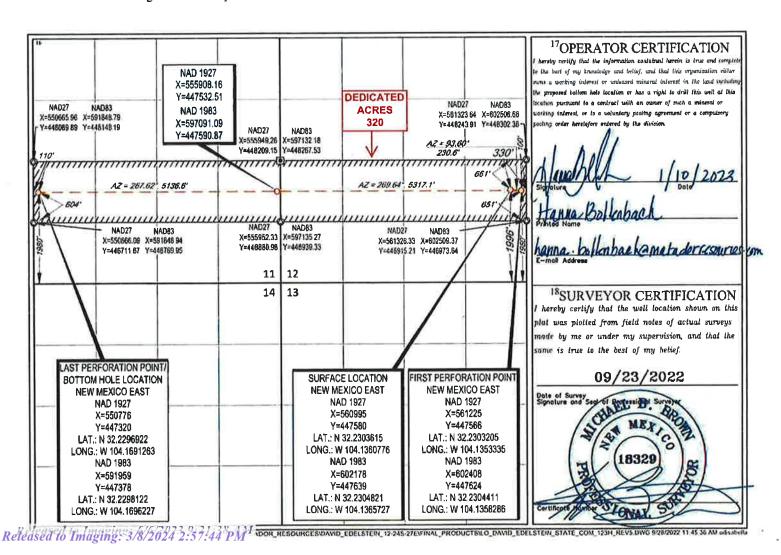
District [
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
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Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
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FORM C-102
Revised August 1, 2011
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AMENDED REPORT

			WELL LO	CATIO	ON AND ACR	EAGE DEDIC	ATION PLA	T	
	API Number			Pool Code			³ Pool Na		
30-015-	53832			9641	5	Willow L	ake; Bon	e Spring	, West
Property C	ode			DAVI		ame N STATE COM		/ 0	
320766				123H					
OGRID No. Operator Name El									
22893	7]	MATAD	OR PRODUCTION COMPANY 3089'				
					10 Surface Lo	ocation			
UL or lot no.	Section	Townskip	Range	Lot 1d	n Feet from the	North/South line	Feet from the	East/West line	County
I	12	24-	S 27-E	-	1996'	SOUTH	330'	EAST	EDDY
			11]	Bottom H	lole Location If D	ifferent From Su	rface		~
UL or lot no.	Section	Township	Range	Lot Id	n Feel from the	North/South line	Feet from the	East/West line	County
L	11	24-	S 27-E	_	1980'	SOUTH	110'	WEST	EDDY
¹² Dedicated Acres	¹⁾ Jaint or	infil)	14Consolidation Co	de ¹⁵ O	rder No.				
320			С						



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FORM C-102

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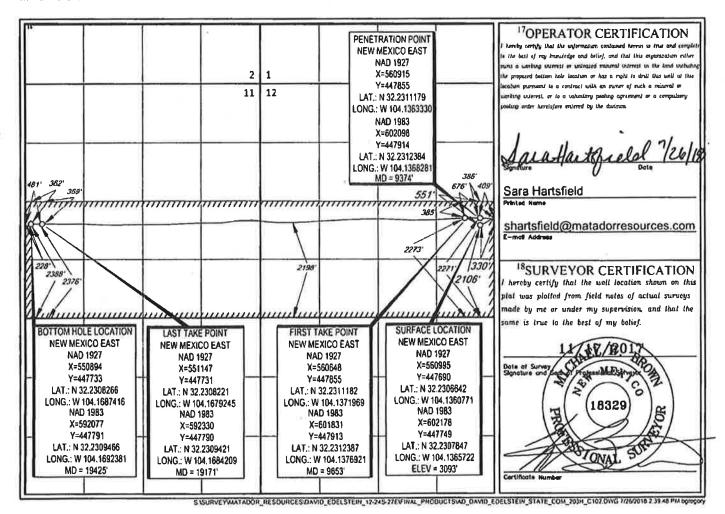
OIL CONSERVATION DIVISIONSTRICT II-ARTESIA O.C. Dieseles Office

1220 South St. Francis Dr. Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT 'API Number Paul Name 98220 PURPLE SAGE; WOLFCAMP (GAS) 30-015-44682 Well Number Property Code Property Name 320766 DAVID EDELSTEIN STATE COM 12 24S 27E RB #203H Operator Name Elevation OGRID No. 228937 3093 MATADOR PRODUCTION COMPANY

10 Surface Location East/West line UL or lot no. Section Township Ronge Lot Jdn Feet from the North/South line Feet from the County 27-S 2106' SOUTH 330' EAST **EDDY** I 12 24-E 11 Bottom Hole Location If Different From Surface UL or lot no. Township Feet from the North/South line Feet from the East/West line County Section Roop 24-E 27-S 2388 SOUTH 228 WEST **EDDY** L 11 Dedicated Acres Joint or Infill Consolidation Code Order No. 320



receive

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320

State of New Mexico

Energy, Minerals & Natural Resources APR 2 4 2019

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1220 South St. Francis Dr.

Sante Fe, NM 87505

FORM C-102

Revised August 1, 2011

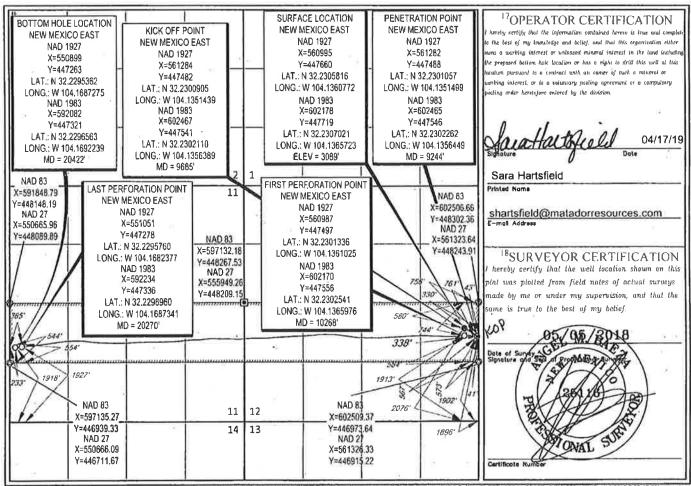
Submit one copy to appropriate

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

	API Number		1 2	² Pool Code		Pool Name					
30-0	15-45143			98220		PURPL	E SAGE; WOLF	CAMP(GAS)	27		
³ Property 0 320766		v	DAVID	EDELS		Property Name "Well Num STATE COM 12-245-27E #223					
OGRID No. 228937 MATADOR PRODUCTION COMPANY									Elevation 3089'		
			5 TC		10 Surface Loc	ation *			-		
IL or fot no.	Section 12	Township 24-S	27-E	Lot ldn	Feet from the 2076	North/South line SOUTH	Feel from the	East/West line EAST	EDDY EDDY		
VL or for no.	Section 11	Township 24-S	Range 27-E	Let Ide	Feet from the	North/South line SOUTH	Feel from the 233'	East/West line	County		



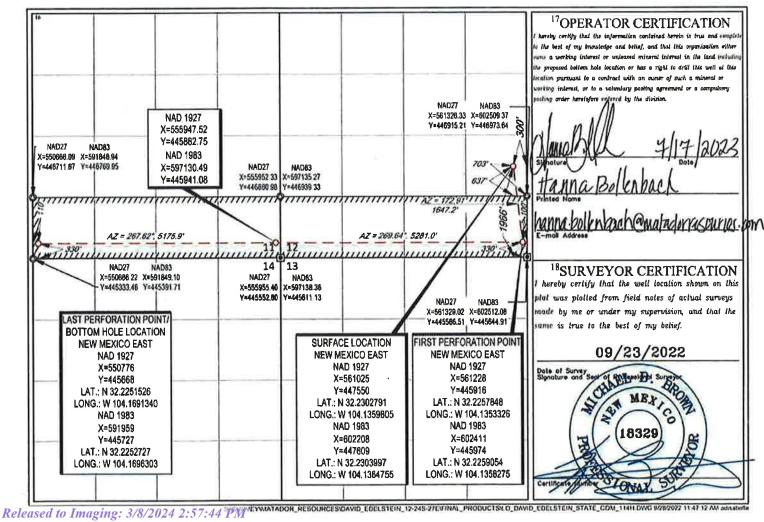
District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 B11 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brezos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 1220 S. St. Francis Dr., Santa Fe. NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

		•	WELL LO	OCATIO	N AND ACR	EAGE DEDIC	ATION PLA	T		
	API Number	,		¹ Pool Code			³ Pool N	ame		
			91	415	w:	How Lake	: Bone	Spring, W		
Property (Code							· ' '	Well Number	
DAVID EDELSTEIN STATE COM									114H	
OGRID No. Operator Name									⁹ Elevation	
22893	7	8		MATADOR PRODUCTION COMPANY					3089'	
					¹⁰ Surface L	ocation				
UL or lot no.	Section	Township	Range	Lot ldn	Feet from the	North/South line	Feet from the	East/West line	County	
I	12	24-S	27-E	_	1966'	SOUTH	300'	EAST	EDDY	
			11	Bottom He	ole Location If I	Different From Sui	rface			
UL or lot no.	Section	Township	Range	Let Ide	Feet from the	North/South line	Feet from the	East/West line	County	
M	11	24-S	27-E		330'	SOUTH	110'	WEST	EDDY	
Dedicated Acres 320	¹³ Joint or	in(II)	Consolidation Co	de ¹⁸ Ord	ler No.	•				



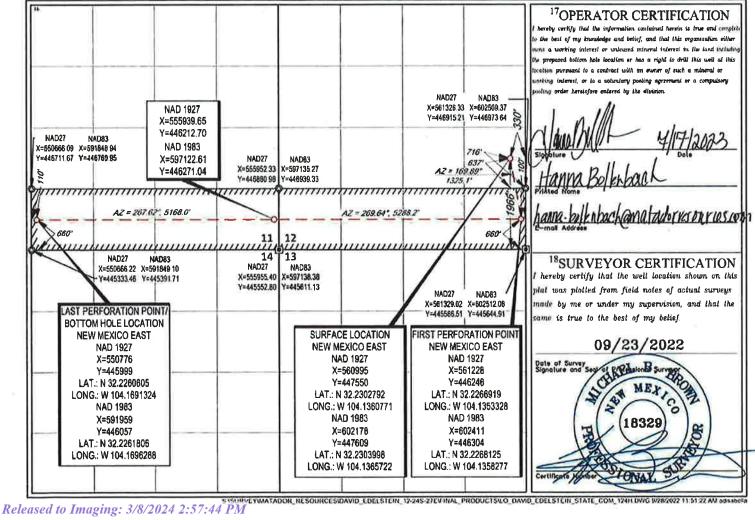
District J 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fux: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 1220 S. St. Francis Dr., Santa Fc. NM 87505 Phone: (505) 476-3460 Fex: (505) 476-3462

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AMENDED REPORT

			VELL LC	CATIO	N AND ACR	EAGE DEDIC	ATION PLA	T		
	API Number	r		² Pool Code			³ Poul Na	me		
			91	6415		willow Lake: Bone S			Well Number	
Property C	ode				⁵ Property N	Vame			-Well Number	
				DAVID	EDELSTEIN	N STATE COM	A.		124H	
OGRID N	lu.				*Operator N	4ame			⁹ Elevation	
72893	37			MATADOR PRODUCTION COMPANY					3089'	
					10 Surface Le	ocation				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	Enst/West i	line County	
I	12	24-S	27-E	-	1966'	SOUTH	330'	EAST	EDDY	
	11Bottom Hole Location If Different From Surface									
UL or lot as.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West	fine County	
M	11	24-S	27-E	_	660'	SOUTH	110'	WEST	EDDY	
12 Dedicated Acres	¹³ Joint or 1	Infill 14C	Consolidation Con	de ¹⁵ Ord	ter No.	,				
320										



District 1
1623 N. French Dr., Hobbs, NM. 88240
Phone: (375) 393-6161 Fax: (575) 393-0720
District II
R11 S. Firat St., Arnesis, NM. 88240
Phone: (575) 748-1283 Fax: (575) 748-9720
Palvict III
1600 Rio Deazos Road, Azlee, NM 87410
Phone: (503) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Sanis Pe., NM 87505
Phone: (503) 476-3460 Fax: (505) 476-3465

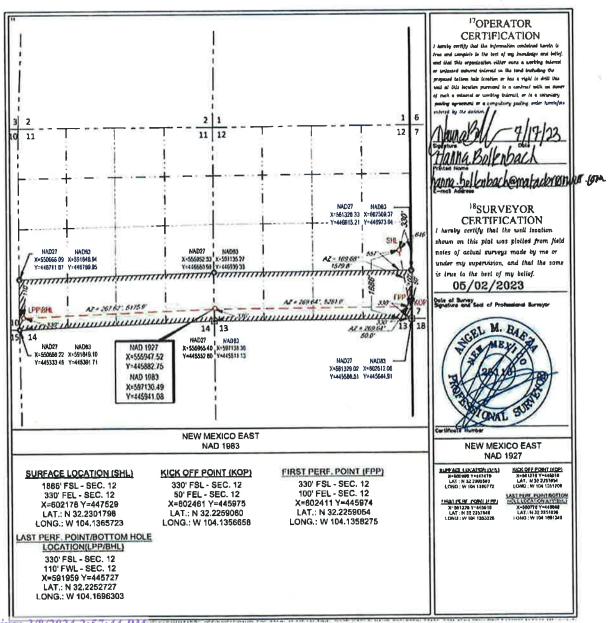
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Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.

Santa Fe, NM 87505

FORM C-102
Revised August 1, 2011
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■ AMENDED REPORT

10 Surface Location Lat 1de Feet from the **EDDY** 1886' 330' EAST SOUTH 12 24-S 27-E I 11Bottom Hole Location If Different From Surface Van/West he Feet from North/South He Feet from th UI, or lot ne **EDDY** SOUTH 110' WEST 24-S 27-E 330' M 11 320



¹API Number 30-015-44742

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1625 N. French Dr., Hobbs, NM 88240
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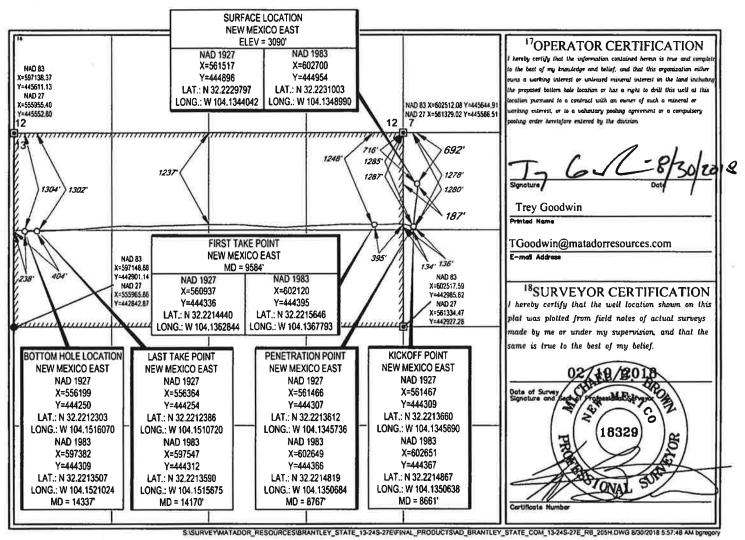
1220 South St. Francis Dr. Santa Fe, NM 87505

AMENDED REPORT

VV I	Pool Code	ACREAGE DEDICATION PLAT		
	98220	PURPLE SAGE;WOLFCAMP(GAS)		
	5Pr	operty Name	Well Number	
	BRANTLEY STATE	COM 13-24S-27E RB	#205H	

Property Code 316197 Operator Name OGRID No. Elevation 228937 3090 MATADOR PRODUCTION COMPANY ¹⁰Surface Location Feet from the North/South line East/West line Feet from the UL or lot no. Section Township Range Lot Idn

692' NORTH 187' 28-E WEST EDDY D 18 24-S 11 Bottom Hole Location If Different From Surface UL or lot no. Feet from the North/South line Feet from the East/West Ilne County Township Section Rang 1304 13 24-S 27-E NORTH 238' WEST **EDDY** D Dedicated Acres Joint or Infill Consolidation Code Order No. 320



FORM C-102

District 1 1625 N. French Dr., Hobbs, NM 88240 Phone: (\$75) 393-6161 Fax: (\$75) 393-0720 District II 811 S. First St., Artesia, NM 68210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aziec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fc. NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

Dedicated Acres

Illaint or Infill

Consolidation Code

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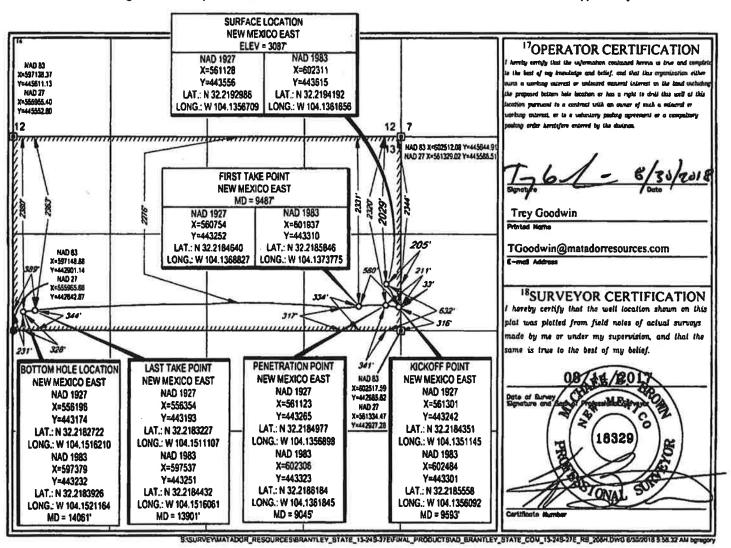
1220 South St. Francis Dr. Santa Fe, NM 87505

AMENDED REPORT

		V	VELL LO	CATION	N AND ACR	EAGE DEDIC	ATION PLAT	Corr	ect ACTEA	
¹ API Number 30-015-44597				Pool Code 98220	ne (GAS)					
Property Co 316197	ode		BRAI	NTLEY		operty Name COM 13-24S-27E RB			Well Number #206H	
OGRID No.						perator Name DUCTION COMPANY			Elevation 3087'	
					10 Surface Lo	cation			لمسيست	
AH	Section 13	Township 24-S	Range 27-E	Lot Ida	Feet from the 2029'	North/South line NORTH	Feet from the 205°	EAST	EDDY	
			11B	ottom Hol	e Location If D	ifferent From Sur	face			
S.E.	Section 13	Township 24-S	Range 27-E	Lot Idn	Feet from the 2380'	North/South line NORTH	Feet from the 231	East/West line WEST	EDDY	

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.

Order No.



WEST

District 1
1625 N, French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
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D

Dedicated Acres

320

State of New Mexico
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] AMENDED REPORT

EDDY

WELL LOCATION AND ACREAGE DEDICATION PLAT

	'API Number			² Pool Code		Pool Na	Name				
3	3		98220		PURPL	E SAGE;WOLFO	CAMP(GAS)				
*Property					⁵ Property Na			""	Well Number		
31619		BRA	NTLEY S	#	#211H						
⁷ OGRID 22893			M	ATADOR		Elevation 3090'					
	•				10 Surface Lo	cation					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County		
D	18	24-S	28-E	-	662'	NORTH	187'	WEST	EDDY		
***		·	11B	ottom Hole	Location If Di	ifferent From Sur	face	•			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County		

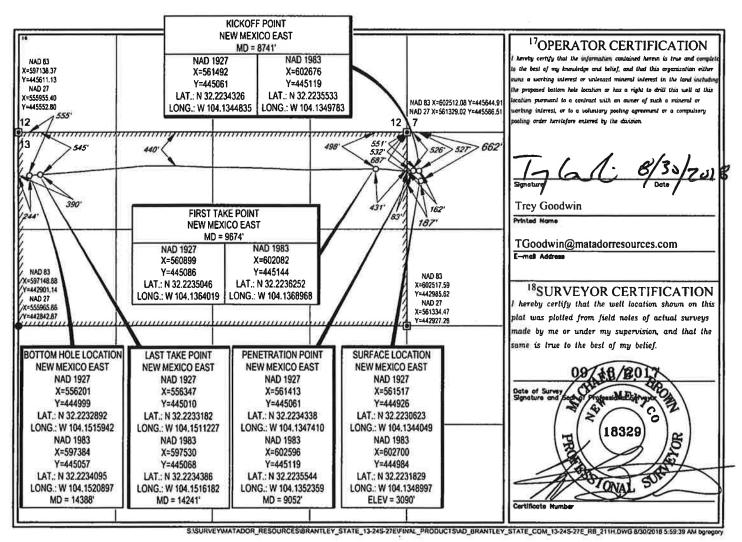
NORTH

244

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.

555

Order No



District I 1625 N French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 811 S First St. Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 1220 S St Francis Dr , Sante Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

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FORM C-102

District Office

Revised August 1, 2011

Department OIL CONSERVATION DIVISION ARTESIA DISTRICT

1220 South St. Francis Dr. Sante Fe, NM 87505

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT API Number Pool Code Pool Name 98220 PURPLE SAGE; WOLFCAMP (GAS) 30-015-43774 Property Nume Well Number Property Code #221H 316197 BRANTLEY STATE COM 13 24 RB Elevation OGRID No. Operator Name 3089 MATADOR PRODUCTION COMPANY 228937

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
1	18	24-S	28-E	-	631'	NORTH	187'	WEST	EDDY

UL or lot no.	Section 13	Township 24-S	27-E	Lot ldn	Feet from the 384'	North/South line NORTH	Feet from the 241'	East/West line WEST	EDDY County
Dedicated Acres 320	¹³ Jaint or 1	ufill ¹⁴ C	onsolidation Con	le ¹⁵ Order	r No.				

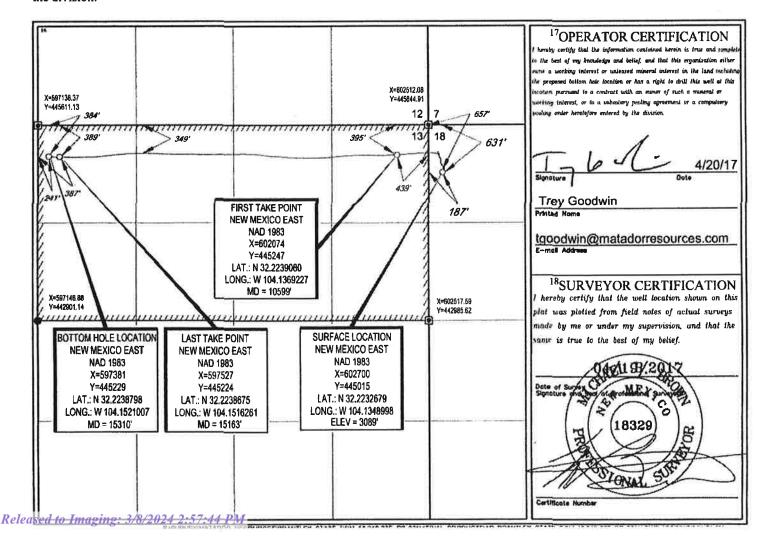


EXHIBIT 5

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 #: 30-0 15 - 53829

STATE OF NEW MEXICO) Well Name: David Edelstein State Com #113H

COUNTY OF EDDY) API #: 30-0 15- 53832

Well Name: David Edelstein State Com #123H

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of (date before 1st production) October 23 ______, 2023 ____, 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 <u>Bone Spring</u> formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

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

ONLINE version
December 9, 2021

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: N2S2 of Sections 11&12, Township 24 South, Range 27 East, NMPM, Eddy County, NM.

Containing 320 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.

ONLINE version December 9, 2021

- 4. <u>Matador Production Company</u> shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by <u>Matador Production Company</u>.
- 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

ONLINE version December 9, 2021

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 NewMexico 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.

ONLINE version December 9, 2021

Operator: Matador Production Co	ompany	
By: Bryan A. Erman– E.V.P. and Ge	eneral Counsel	
Name & Title of Authorized Agent	alcrar Counser	
S		
Signature of Authorized Agent		
Signature of Authorized Agent		
Ack	anowledgment in a Representative Capacity	
STATE OF TEXAS) §		
3		
COUNTY OF DALLAS) §		
This instrument was acknowledged b General Counsel, for Matador Produ	perfore me on, 2023, by Buction Company, on behalf of said corporation.	ryan A. Erman, as E.V.P. and
Signature of Notarial Officer		
My commission expires		
	WORKING INTEREST OWNERS	
	AND/OR LESSEES OF RECORD	
MRC Permian Company		
WIKE I CI III all Company		
By: Bryan A. Erman– E.V.P. and Ge	eneral Counsel	
Name & Title of Authorized Agent		
Signature of Authorized Agent		
Signature of Mathorized Mgent		
Ack	anowledgment in a Representative Capacity	
STATE OF TEXAS) §		
STATE OF TEXAS) §		
COUNTY OF DALLAS) §		
This instrument was acknowledged to	pefore me on, 2023, by Branch Company on behalf of said corporation.	ryan A. Erman, as E.V.P. and
General Counsel, for WIKE Fermian	Company on behan of said corporation.	
Signature of Notarial Officer		
My commission expires		
ONT THE	01-1-1/01-1-1	
ONLINE version	State/State	7
December 9, 2021		•

EXHIBIT A

To Communitization Agreement dated October 23,	, 20 <u>23</u>
Plat of communitized area covering the:	
Subdivisions N2S2	
of Sect(s). 11&12 , T 24S , R 27E , NMPM,	Eddy
County, NM.	

David Edelstein State Com #113H & #123H

Tract 1 State Lease V0-9124-001 40 Acres		Tract 2 Fee Acreage 280 Acres
Section 11		Section 12

EXHIBIT B

	To Communitiza	tion Agreeme	nt dated October 23	2023	embracing the
Subdivisions	N2S2				
of Sect(s) 11&12	, T_24S, R_27E	, N.M	.P.M. <u>, Eddy</u>		County, NM
Operator of Con	nmunitized Area: <u>Matad</u>	or Productio	n Company		
TRACT NO. 1		RIPTION OF	LEASES COMMITT	<u>ED</u>	
Lease Serial No.:	V0-9124-0001				
Lease Date:	2/1/2012				
Lease Term:	5 years				
Lessor:	State of New Mexico				
Original Lessee:	Three Rivers Acquisition	LLC			
Present Lessee:	MRC Permian Company				
Description of La	nd Committed: Subdivision	s NW4SW4			
Sect(s) 11	, Twp <u>24S</u> , Rng <u>27E</u>	NMPM, <u>E</u>	ddy		County, NM
Number of Acres	40.00				
Royalty Rate:	1/6th				
Name and Percen	t WIOwners: MRC I	ermian Comp	any (100%)		
TRACT NO. 2					
Lease Serial No.:	Fee				
Description of La	nd Committed: Subdivision	ıs <u>11: NE4S'</u>	W4, N2SE4 ; 12: N2S2		
Sect(s) 11&12	, Twp <u>24S</u> , Rng <u>27E</u>	_, NMPM <u>, E</u>	ldy		County, NM
Number of Acres	280.00	<u></u>			
Name and Percen	t WIOwners: MRC Pe	rmian Compa	ny (100%)		

ONLINE version December 9, 2021

ONLINE version December 9, 2021

RECAPITULATION

Tract numbers	Number of Acres Committed	Percentage of Interest in Communitized Area
Tract No.1	40.00	12.5%
Tract No.2	280.00	87.5%

ONLINE version December 9, 2021

NM State Land Office Oil, Gas, & Minerals Division

STATE/STATE OR STATE/FEE

Revised December 2021

COMMUNITIZATION AGREEMENT

COUNTY OF EDDY

ONLINE Version

API #: 30-0 15 - 54236

Well Name: David Edelstein State Com #114H

API #: 30-0 15 - 54238

Well Name: David Edelstein State Com #124H

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of (date before 1st production) October 23 , 2023, 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 <u>Bone Spring</u> formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

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

ONLINE version December 9, 2021

State/State

1

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: S2S2 of Sections 11&12, Township 24 South, Range 27 East, NMPM, Eddy County, NM.

Containing 320 __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.

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- 4. <u>Matador Production Company</u> shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by <u>Matador Production Company</u>.
- 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

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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 NewMexico 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.

ONLINE version December 9, 2021

Operator: Matador Production (Company	
By: Bryan A. Erman– E.V.P. and C	reneral Counsel	
Name & Title of Authorized Agent		
Signature of Authorized Agent		
Signature of Authorized Agent		
Ac	cknowledgment in a Representative Capacity	
STATE OF TEXAS) §		
, 3		
COUNTY OF DALLAS) §		
This instrument was acknowledged General Counsel, for Matador Prod	before me on, 2023, by Brya luction Company, on behalf of said corporation.	an A. Erman, as E.V.P. and
Signature of Notarial Officer		
My commission expires		
	WORKING INTEREST OWNERS	
	AND/OR LESSEES OF RECORD	
MRC Permian Company		
By: Bryan A. Erman– E.V.P. and C	Janaral Councel	
Name & Title of Authorized Agent		
rume & Thre of Maniorized Agent		
Signature of Authorized Agent		
	.l	
AC	eknowledgment in a Representative Capacity	
STATE OF TEXAS) §		
COUNTY OF DALLAS) §		
	11 C	A.E. EMP 1
	l before me on, 2023, by Bryan Company on behalf of said corporation.	in A. Erman, as E.V.P. and
General Counsel, for WIKE Fermial	n Company on benan of said corporation.	
Signature of Notarial Officer		
My commission expires		
ONLINE version	State/State	7
December 9, 2021		I

EXHIBIT A

To Communitization Agreement dated October 23,	, 20 <u>23</u>
Plat of communitized area covering the:	
Subdivisions S2S2	
of Sect(s). 11&12 , T 24S , R 27E , NMPM,	Eddy
County, NM.	

David Edelstein State Com #114H & #124H

Section 11	Section 12
<u>Tract 1</u> State Lease V0-9124-001 160 Acres	<u>Tract 2</u> Fee Acreage 160 Acres

EXHIBIT B

	To Communitization Agreement dated October 23	2023, embracing the
Subdivisions	S2S2	
of Sect(s) 11&12	, T <u>24S</u> , R <u>27E</u> , N.M.P.M., <u>Eddy</u>	County, NM
Operator of Cor	mmunitized Area: Matador Production Company	
TRACT NO. 1	<u>DESCRIPTION OF LEASES COMMITTED</u>	
Lease Serial No.:	<u>V0-9124-0001</u>	
Lease Date:	2/1/2012	
Lease Term:	5 years	
Lessor:	State of New Mexico	
Original Lessee:	Three Rivers Acquisition LLC	
Present Lessee:	MRC Permian Company	
Description of La	and Committed: Subdivisions S2S2	
	,Sect(s) 11 , Twp 24S , Rng 27E	NMPM,
Eddy	County, NM Number of Acres: 160.00	
Royalty Rate: Name and Percer	1/6th nt WIOwners: MRC Permian Company (100%)	
TRACT NO.	<u>2</u>	
Lease Serial No.:	Fee Leases	
Description of La	and Committed: Subdivisions S2S2	
Sect(s) 12	, Twp <u>24S</u> , Rng <u>27E</u> , NMPM <u>, Eddy</u>	County, NM
Number of Acres	s: <u>160.00</u>	
Name and Percer	nt WIOwners: MRC Permian Company (100%)	

ONLINE version December 9, 2021

RECAPITULATION

Tract numbers	Number of Acres Committed	Percentage of Interest in Communitized Area
Tract No.1	160.00	50.00%
Tract No.2	160.00	50.00%

ONLINE version December 9, 2021



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

November 29th, 2016

Trey Goodwin Matador Production Company 5400 LBJ Freeway, Suite 1500 Dallas, TX 75240

Re:

Communitization Agreement Approval
Brantley State Com 13-24-27 RB #221H

Vertical Extent: Wolfcamp

Township: 24 South, Range 27 East, NMPM

Section 13: N2

Eddy County, New Mexico

Dear Mr. Goodwin,

The Commissioner of Public Lands has this date approved the Brantley State Com 13-24-27 RB #221H Communitization Agreement for the Wolfcamp formation effective 11/11/2016. 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 Niranjan Khalsa at (505) 827-6628.

Sincerely

COMMISSIONER OF PUBLIC LANDS

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

Matador Production Company
Brantley State Com 13-24-27 RB #221H
Vertical Extent: Wolfcamp
Township: 24 South, Range: 27 East, NMPM
Section 13: N2
Eddy County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Consolidation Agreement for the development and operation of acreage which is described within the referenced Agreement dated **November 11, 2016**, 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 29th day of November, 2016.

COMMISSIONER OF PUBLIC LANDS

of the State of New Mexico

Brantley 13-24S-27E State Com #221H

NM State Land Office Oil, Gas, & Minerals Division STATE/STATE OR STATE/FEE

Revised 'HF. 201

COMMUNITIZATION AGREEMENT

ONLINE Version

KNUW	ALL MEN BY	THESE PRESEN	12:

STATE OF NEW MEXICO) ss)
COUNTY OF EDDY)

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of November 11, 2016, 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 lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State 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 area on an acreage or other basis found by the Commissioner 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 Wolfcamp formation (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:

ONLINE version

State/State

3019 NOA 18 VW 10: 18

December 2014

Brantley 13-24S-27E State Com #221H

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

Township 24 South, Range 27 East, N.M.P.M. Section 13: N2 Eddy County, New Mexico

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

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases 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, 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. 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.

2016 NOY 18 AM 10: 18

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December 2014

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- 5. 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.
- 6. The commencement, completion, and continued operation or production of a well or wells for 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.
- 7. 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.
- 8. Matador Production Company shall be the Operator of said communitized area and all matters of operation shall be determined and performed by Matador Production Company.
- 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 paving 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 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 production,

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December 2014

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

Date: 11-11-2016

By: Craig N. Adams

Title: Executive Vice President

BAE

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December 2014

State/State

Notary ID 290370-9

	LESSEES OF RECORD:
Date: 11-11-2016	MRC Permian Company By: Craig N. Adams Title: Executive Vice President
Date: 11-11-2016	MRC Permian LKE Company, LLC By: Craig N. Adams Title: Executive Vice President
	Chevron U.S.A., Inc. Please see attached Compulsory Pooling Order No. R- 14229
CORP	ORATE ACKNOWLEDGEMENT
STATE OF TEXAS)
COUNTY OF DALLAS)
	acknowledged before me this the day of worker, 2016 by ent of Matador Production Company, a Texas corporation, on behalf
My Commission Expires: 2-14-3	Notary Public
ONLINE version December 2014	State/Fee DIANE E. STRICKLING Notary Public, State of Texas

STATE OF TEXAS)			
COUNTY OF DALLAS)			
The foregoing instrument was Craig N. Adams, Executive Vice Pressaid corporation.				
My Commission Expires: <u>2-14-</u>	2018	Diane &	Shuiller Notary Public	+
STATE OF TEXAS	}	Notary Public	STRICKLING , State of Texas	
COUNTY OF DALLAS	j [es 02-14-2018 290370-9	
The foregoing instrument was Craig N. Adams, Executive Vice Preon behalf of said corporation.				
My Commission Expires: <u>2-14-</u>	2018	A iam	ESlunhla Notary Public	7
		Notary Pr Comm.	E E. STRICKLING ublic, State of Texas Expires 02-14-2018 ry 1D 290370-9	

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EXHIBIT "A"

Attached to and made part of the Communitization Agreement dated November 11, 2016, by and between Matador Production Company and the State of New Mexico, covering the N2 of Section 13, Township 24S, Range 27E, N.M.P.M., Eddy County, New Mexico.

Operator of Communitized Area: Matador Production Company

DESCRIPTION OF LEASES COMMITTED:

TRACT NO. 1:

Lessor: Fee Mineral Owners

Lessee of Record: MRC Permian Company

Description of Township 24 South, Range 27 East, N.M.P.M., Eddy County, NM

Lands Committed: Section 13: E½NW¼NW¼, E½NW¼ AND NE¼

Number of Acres: 260.00

Lessor: Fee Mineral Owners Lessee of Record: Chevron U.S.A., Inc.

Description of Township 24 South, Range 27 East, N.M.P.M., Eddy County, NM

Lands Committed: Section 13: E½NW¼NW¼, E½NW¼ AND NE¼

Number of Acres: 260.00

TRACT NO. 2:

Lessor: State of New Mexico acting by and through its Commissioner of Public Lands

Lessee of Record: MRC Permian Company

Serial No. of Lease: VB-2115

Date of Lease: February 1, 2011

Description of Township 23 South, Range 28 East, N.M.P.M., Eddy County, NM

Lands Committed: Section 13: SWNW

Number of Acres: 40.00

TRACT NO. 3:

Lessor: Fee Mineral Owners
Lessee of Record: MRC Permian Company

Description of Township 24 South, Range 27 East, N.M.P.M., Eddy County, NM

Lands Committed: Section 13: W½NW¼NW¼

Number of Acres: 20.00

Lessor: Fee Mineral Owners

Lessee of Record: MRC Permian LKE Company, LLC

Description of Township 24 South, Range 27 East, N.M.P.M., Eddy County, NM

Lands Committed: Section 13: W½NW¼NW¼

Number of Acres: 20.00

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RECAPITULATION

Tract number	Number of Acres Committed	Percentage of Interest In Communitized Area
No. 1	260.00	81.250000%
No. 2	40.00	12.500000%
No. 3	20.00	6.2500000%
Total:	320.00	100.000000%

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ONLINE version

December 2014

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

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

> CASE NO. 15498 (Re-opened) ORDER NO. R-14229

APPLICATION OF MATADOR PRODUCTION COMPANY FOR COMPULSORY POOLING AND APPROVAL OF AN UNORTHODOX WELL LOCATION, EDDY COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on September 29, 2016, before Examiner Michael A. McMillan, and again on October 13, 2016, before Examiner Scott Dawson.

NOW, on this 2nd of November, 2016, the Division Director, having considered the testimony, the record and the recommendations of Examiner McMillan.

FINDS THAT:

- (1) Due public notice has been given, and the Division has jurisdiction of this case and of the subject matter.
- (2) Matador Production Company ("Applicant" or "Matador"), seeks an order pooling all uncommitted interests in the Wolfcamp formation, Black River; Wolfcamp, East (G) Pool (Pool code: 97442), underlying the N/2 of Section 13, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico, to form a standard 320-acre gas spacing unit (the "Unit").
- (3) The Unit will be dedicated to the Applicant's Brantley State Com. 13 24 27 RB Well No. 221H (the "proposed well"; API No. 30-015-43774), a horizontal well to be drilled from a surface location 631 feet from the North line and 187 feet from the West line (Unit D) of Section 18, Township 24 South, Range 28 East to a terminus or bottom bole location 330 feet from the North line and 240 feet from the West line (Unit D) of Section 13, Township 24 South, Range 27 East.

Case Nos. 15498 (Re-opened) Order No. R-14229 Page 2 of 6

- (4) The proposed well is within the Black River; Wolfcamp, East (G) Pool (Pool code 97442), which is governed by Special Pool Rules promulgated by Division Order No. R-14185, which provide for wells to be located no closer than 330 feet from an outer boundary of a standard 320-acre gas spacing unit.
- (5) Applicant appeared at the hearing through counsel and presented land evidence to the effect that:
 - (a) The Wolcamp formation in this area is suitable for development by horizontal drilling;
 - (b) the proposed orientation of the horizontal well from West to East or East to West is appropriate for the proposed Unit;
 - (c) The penetration point is 330 feet from the North line and 330 feet from the East line (Unit A) of Section 13, Township 24 South, Range 27 East and the final perforation is 330 feet from the North line and 330 feet from the West line (Unit D) of Section 13, Township 24 South, Range 27 East;
 - (d) notice was provided to all interest owners subject to pooling proceedings as affected parties of the proposed compulsory pooling within the Unit; and
 - (e) Applicant provided notice of this application by publication before hearing in a newspaper of general circulation in Eddy County, New Mexico, the county in which the property is located for the unlocatable interests.
- (6) No other party appeared at the hearing, or otherwise opposed the granting of this application.

The Division concludes that:

- (7) The case was re-opened because a hearing did not convene on June 30, 2016, and the continuance of the case was not announced.
- (8) The non-standard location portion is not needed and should be <u>dismissed</u>. The Black River; Wolfcamp, East has special pool rules that allow wells to be located no closer than 330 feet from a unit outer boundary of a standard 320-acre gas spacing unit.
- (9) Two or more separately owned tracts are embraced within the Unit, and/or there are royalty interests and/or undivided interests in oil and gas minerals in one or more tracts included in the Unit that are separately owned.
- (10) Applicant is owner of an oil and gas working interest within the Unit. Applicant has the right to drill and proposes to drill the proposed well to a common source of supply within the Unit at the proposed location.

Case Nos. 15498 (Re-opened) Order No. R-14229 Page 3 of 6

- (11) There are interest owners in the Unit that have not agreed to pool their interests
- (12) To avoid the drilling of unnecessary wells, protect correlative rights, prevent waste and afford to the owner of each interest in the Unit the opportunity to recover or receive without unnecessary expense its just and fair share of hydrocarbons, this application should be approved by pooling all uncommitted interests, whatever they may be, in the oil and gas within the Unit.
 - (13) Matador should be designated the operator of the proposed well and the Unit.
- (14) Any pooled working interest owner who does not pay its share of estimated well costs should have withheld from production its share of reasonable well costs plus an additional 200% thereof as a reasonable charge for the risk involved in drilling the proposed well.
- (15) Reasonable charges for supervision (combined fixed rates) should be fixed at \$7,000 per month while drilling and \$700 per month while producing, provided that these rates should be adjusted annually pursuant to Section III.1.A.3. of the COPAS form titled "Accounting Procedure-Joint Operations."

IT IS THEREFORE ORDERED THAT:

- (1) Pursuant to the application of Matador Production Company, all uncommitted interests, whatever they may be, in the oil and gas in the Wolfcamp formation, Black River; Wolfcamp, East (G) Pool (Pool code 97442), underlying the N/2 of Section 13, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico (the "Unit"), are hereby pooled.
- (2) The Unit shall be dedicated to the Applicant's Brantley State Com. 13 24 27 RB Well No. 221H (the "proposed well"; API No. 30-015-43774), a horizontal well to be drilled from a surface location 631 feet from the North line and 187 feet from the West line (Unit D) of Section 18, Township 24 South, Range 28 East, to a terminus or bottom hole location 330 feet from the North line and 240 feet from the West line (Unit D) of Section 13, Township 24 South, Range 27 East. The completed interval of the proposed well is orthodox.
- (3) The non-standard location portion of the application is <u>dismissed</u> without prejudice.
- (4) The operator of the Unit shall commence drilling the proposed well on or before October 31, 2017, and shall thereafter continue drilling the proposed well with due diligence to test the Wolfcamp formation.
- (5) In the event the operator does not commence drilling the proposed well on or before October 31, 2017, Ordering Paragraph (1) shall be of no effect, unless the operator obtains a time extension from the Division Director for good cause demonstrated by satisfactory evidence.

Case Nos. 15498 (Re-opened) Order No. R-14229 Page 4 of 6

- (6) Should the proposed well not be drilled and completed within 120 days after commencement thereof, then Ordering Paragraph (1) shall be of no further effect, and the unit and created by this order shall terminate, unless operator appears before the Division Director and obtains an extension of the time for completion of the proposed well for good cause shown by satisfactory evidence.
- (7) Upon final plugging and abandonment of the proposed well and any other well drilled on that Unit pursuant to Division Rule 19.15.13.9 NMAC, the Unit created by this Order shall terminate, unless this Order has been amended to authorize further operations.
- (8) Matador Production Company (OGRID 228937) is hereby designated the operator of the well and the Unit.
- (9) After pooling, uncommitted working interest owners are referred to as pooled working interest owners. ("Pooled working interest owners" are owners of working interests in the Unit, including unleased mineral interests, who are not parties to an operating agreement governing the Unit.) After the effective date of this order, the operator shall furnish the Division and each known pooled working interest owner in the Unit an itemized schedule of estimated costs of drilling, completing and equipping the subject well ("well costs").
- (10) Within 30 days from the date the schedule of actual well costs is furnished, any pooled working interest owner shall have the right to pay its share of actual well costs to the operator in lieu of paying its share of reasonable well costs out of production as hereinafter provided, and any such owner who pays its share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges. Pooled working interest owners who elect not to pay their share of estimated well costs as provided in this paragraph shall thereafter be referred to as "non-consenting working interest owners."
- (11) The operator shall furnish the Division and each known pooled working interest owner (including non-consenting working interest owners) an itemized schedule of actual well costs within 90 days following completion of the subject well. If no objection to the actual well costs is received by the Division, and the Division has not objected, within 45 days following receipt of the schedule, the actual well costs shall be deemed to be the reasonable well costs. If there is an objection to actual well costs within the 45-day period, the Division will determine reasonable well costs after public notice and hearing.
- (12) Within 60 days following determination of reasonable well costs, any pooled working interest owner who has paid its share of actual costs in advance as provided above shall pay to the operator its share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator the amount, if any, that the actual well costs it has paid exceed its share of reasonable well costs.
- (13) The operator is hereby authorized to withhold the following costs and charges from production from each well:

Case Nos. 15498 (Re-opened) Order No. R-14229 Page 5 of 6

- the proportionate share of reasonable well costs attributable to each non-consenting working interest owner; and
- (b) as a charge for the risk involved in drilling the well, 200% of the above costs.
- (14) The operator shall distribute the costs and charges withheld from production, proportionately, to the parties who advanced the well costs.
- (15) Reasonable charges for supervision (combined fixed rates) for the well are hereby fixed at \$7,000 per month while drilling and \$700 per month while producing, provided that these rates shall be adjusted annually pursuant to Section III.1.A.3. of the COPAS form titled "Accounting Procedure-Joint Operations." The operator is authorized to withhold from production the proportionate share of both the supervision charges and the actual expenditures required for operating the well, not in excess of what are reasonable, attributable to pooled working interest owners.
- (16) Except as provided in Paragraphs (13) and (15) above, all proceeds from production from the subject well that are not disbursed for any reason shall be held for the account of the person or persons entitle thereto pursuant to the Oil and Gas Proceeds Payment Act (NMSA 1978 Sections 70-10-1 through 70-10-6, as amended). If not disbursed, such proceeds shall be turned over to the appropriate authority as and when required by the Uniform Unclaimed Property Act (NMSA 1978 Sections 7-8A-1 through 7-8A-31, as amended).
- (17) Any unleased mineral interests shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for the purpose of allocating costs and charges under this order. Any well costs or charges that are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.
- (18) Should all the parties to this compulsory pooling order reach voluntary agreement subsequent to entry of this Order, this Order shall thereafter be of no further effect.
- (19) The operator of the well and Unit shall notify the Division in writing of the subsequent voluntary agreement of parties subject to the compulsory pooling provisions of this Order.

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Case Nos. 15498 (Re-opened) Order No. R-14229 Page 6 of 6

(20) Jurisdiction of this case is retained for the entry of such further Order as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

DAVID R. CATANACH DIRECTOR

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

SEAL

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David Edelstein State Com RB #203H

NM State Land Office Oil, Gas, & Minerals Division

STATE/STATE OR 2018 JUN - | STATEZEE Revised 'HF. 201

COMMUNITIZATION AGREEMENT

ONLINE Version

KNOW ALL MEN BY THESE PRESENTS:

STATE OF NEW MEXICO)

COUNTY OF EDDY

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of March 7, 2018 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 lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State 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 area on an acreage or other basis found by the Commissioner 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 Wolfcamp formation (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:

ONLINE version

State/State

December 2014

State/Fee

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David Edelstein State Com RB #203H

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

Township 24 South, Range 27 East, N.M.P.M. Section 11 & 12: N/2/S/2 Eddy County, New Mexico

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

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases 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, 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. 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.

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- 5. 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 owner 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.
- 6. The commencement, completion, and continued operation or production of a well or wells for 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.
- 7. 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.
- 8. Matador Production Company shall be the Operator of said communitized area and all matters of operation shall be determined and performed by Matador Production Company.
- 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 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 production,

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State/State

December 2014



- Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals 10. 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.
- It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly 11. 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.
- If any order of the Oil Conservation Division of the New Mexico Energy Minerals and 12. 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.
- This agreement shall be binding upon the parties hereto and shall extend to and be binding 14. 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

Date: 3.8.18

By:

Craig N. Adams

Title: Executive Vice President

ONLINE version

Received by OCD: 1/2/2024 1:50:03 PM

December 2014

State/State

Received by OCD: 1/2/2024 1:50:03 PM

	LESSEE OF RECORD:	
	MRC Permian Company 2018 JUN - 1	AM 10: 25
Date: 3 · 8 · 18	By:	1 .
	Craig N. Adams	sout
	Title: Executive Vice President	Polo
	LESSEE OF RECORD:	
	COG Operating LLC	
Date:	Ву:	=
	Name:	
	Title:	
CORP	ORATE ACKNOWLEDGEMENT	
STATE OF TEXAS)	
COUNTY OF DALLAS)	
	acknowledged before me this 8 day of March sident of Matador Production Company, a Texas corporation	
My Commission Expires: 8-24	-2021 Notary Public Waingn	
JAIME GRAINGER Notary Public, State of Te Comm. Expires 08-24-20 Notary ID 131259323	ixas 121	

ONLINE version

December 2014

State/State

STATE OF TEXAS

said corporation.

STATE OF

COUNTY OF

corporation.

My Commission Expires:

COUNTY OF DALLAS

My Commission Expires: 8-24-2021

JAIME GRAINGER

Notary Public, State of Texas Comm. Expires 08-24-2021

Notary ID 131259323

of COG Operating LLC, on behalf of said

The foregoing instrument was acknowledged before me this $\frac{4}{3}$ day of $\frac{1}{3}$, 2018 by

Notary Public

Craig N. Adams, Executive Vice President of MRC Permian Company, a Texas corporation, on behalf of

The foregoing instrument was acknowledged before me this ___ day of _

2018 JUN - 1 AM 10: 25

Released to Imaging: 3/8/2024 2:57:44 PM

	LESSEE OF RECORD:	0.5
	MRC Permian Company 2018 JUN - 1 AM 10:	25
Date: 3 8 18	By: Craig N. Adams Title: Executive Vice President	H
	LESSEE OF RECORD	
	COG Operating LLC	
May 7, 2018	Mark A. Carter, Attorney-in-Fact	
CORP	PORATE ACKNOWLEDGEMENT	
STATE OF TEXAS)	
COUNTY OF DALLAS		
The foregoing instrument was Craig N. Adams, Executive Vice Pre behalf of said corporation. My Commission Expires: 8-24	s acknowledged before me this general day of March, 201 esident of Matador Production Company, a Texas corporation and the second secon	8 by

JAIME GRAINGER

Notary Public, State of Texas

Comm. Expires 08-24-2021

Notary ID 131259323

ONLINE version

Received by OCD: 1/2/2024 1:50:03 PM

December 2014

State/State

Notary Public

STATE OF TEXAS

said corporation.

COUNTY OF DALLAS

My Commission Expires: 8-24-2021

2018 JUN - 1 AM 10: 25

Released to Imaging: 3/8/2024 2:57:44 PM

	JAIME GRAINGER Notary Public, State of Texas Comm. Expires 08-24-2021 Notary ID 131259323
STATE OF TEXAS	§ .
COUNTY OF MIDLAND	§ §
This instrument was acl Attorney-in-Fact for COG Open limited liability company. MCAU MC	knowledged before me on May

The foregoing instrument was acknowledged before me this **S** day of **MOYC**, 2018 by Craig N. Adams, Executive Vice President of **MRC Permian Company**, a Texas corporation, on behalf of

EXHIBIT "A"

Attached to and made part of the Communitization Agreement dated March 7, 2018, by and between Matador Production Company and the State of New Mexico, covering the N/2/S/2 of Section 11 & 12, Township 24 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

Operator of Communitized Area: Matador Production Company

DESCRIPTION OF LEASES COMMITTED:

TRACT NO. 1:

Lessor: State of New Mexico

Lease Number: V0-9124-0000

Lessee of Record: COG Operating LLC

Description of Township 24 South, Range 27 East, N.M.P.M., Eddy County, NM

Lands Committed: Section 11: NW/4SW/4

Number of Acres: 40.00

TRACT NO.2:

Lessor: Fee Mineral Owners
Lessee of Record: MRC Permian Company

Description of Township 24 South, Range 27 East, N.M.P.M., Eddy County, NM

Lands Committed: Section 11: NE/4SW/4, N/2SE/4

Number of Acres: 120.00

TRACT NO.3:

Lessor: Fee Mineral Owners
Lessee of Record: MRC Permian Company

Description of Township 24 South, Range 27 East, N.M.P.M., Eddy County, NM

Lands Committed: Section 12: W/2NW/4SW/4

Number of Acres: 20.00

TRACT NO.4:

Lessor: Fee Mineral Owners
Lessee of Record: MRC Permian Company

Description of Township 24 South, Range 27 East, N.M.P.M., Eddy County, NM

Lands Committed: Section 12: N/2E3/4SW/4, NW/4SE/4

Number of Acres: 100.00

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Released to Imaging: 3/8/2024 2:57:44 PM

December 2014

State/Fee

TRACT NO.5:

Lessor:

Fee Mineral Owners

Lessee of Record:

MRC Permian Company

Description of

Township 24 South, Range 27 East, N.M.P.M., Eddy County, NM

Lands Committed: Number of Acres:

Section 12: NE/4SE/4

40.00

RECAPITULATION

Tract No.	Number of Acres Committed	Percentage of Interest in Communitized Area
Tract 1:	40.00	12.5%
Tract 2:	120.00	37.5%
Tract 3:	20.00	6.25%
Tract 4:	100.00	31.25%
Tract 5:	40.00	12.5%
TOTAL:	320.00	100.0000%

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December 2014

State/State

State/Fee

Owner Name	Address	City	State	Zip Code
B & G Royalties	P. O. Box 376	Artesia	NM	88211-0376
Brandy M Beeman	1006 Dogwood Lane	Carlsbad	NM	88220
Carmex. Inc.	P O Box 1718	Carlsbad	NM	88221-1718
Charles A Wyman	P.O. Box 90952	Albuquerque	NM	87199-0952
COG OPERATING LLC	PO BOX 849929	Dallas	TX	75284-9929
Compound Properties,LLC	P.O. Box 2990	Ruidoso	NM	88355-2990
Daniel Diescher	PO Box 12981	Wilmington	NC	28404
Deanna Diescher	71 Armetale Luster	Webster	NY	14580
Deborah Caughey	42 Parker Ave	Cortland	NY	13045
Deborah R Diescher	35 Fox Hollow Rd	Cortland	NY	13045
Douglas Helm Baskett	10 Eliot Street	Wellesley	MA	02482
Eleanor Baskett Mulder and	Antonius Emil Mulder, Indiv and □	Eugene	OR	97405-3296
	Co-Trsts Mulder Living Trust□			
	76 W 29th Ave Apt 2301 □			
	·			
Geneva Osborn	PO Box 419	Tipton	OK	73570
George H Brantley &	Nancy H Brantley joint tenants□	Carlsbad	NM	88220
	1304 West Riverside Drive			
Janet Lorine Beeman Janzen	26702 NS 123 Rd	Balko	OK	73931-1182
Joe H Beeman				
John R Diescher	3946 Route 11 So	Cortland	NY	13045
Mark Allan Beeman	P.O. Box 8255	Roswell	NM	88202
Martin Scott Baskett	2647 JEFFERSON STREET	EUGENE	OR	97405
Mary Ann Wyman Dye	54 Emanuel Dr	Boxborough	MA	01719
Mary Camille Hall	3812 Tailfeather Drive	Round Rock	TX	78681
McAlister Royalties LLC	Jake E McAlister□	Midland	TX	79702-1488
	P. O. Box 1488			
MRC Permian Company	5400 LBJ Freeway Ste 1500	Dallas	TX	75240
New Mexico State Land Office	P O Box 1148	Santa Fe	NM	87504
Norma A Beeman	1006 Dogwood Lane	Carlsbad	NM	88220
Oak Valley Mineral and Land LP	P. O. Box 50820	Midland	TX	79710
Pamela Rae Cummings	P.O. Box 817	Panhandle	TX	79068
Patricia A Beeman Allen Revoc TR	Lori Ann McKee as POA□	Carlsbad	NM	88221-0574
	PO Box 574			
Patricia Gae Stamps	P.O. Box 249	Panhandle	TX	79068
Pecos Bend Royalties, LLLP	C R Bailey, President□	Midland	TX	79702-2802
	P. O. Box 2802			
Penasco Petroleum LLC	PO Box 4168□	Roswell	NM	88202-4168
Post Oak Crown Minerals LLC	34 S Wynden Dr Ste 210	Houston	TX	77056-2531
Realeza Del Spear LP	PO Box 1684	Midland	TX	79702
Rick F Beeman	1322 Lyons Ln	Erie	CO	80516-7112
Robert B Beeman	1520 N Guadalupe street	Carlsbad	NM	88220
Roberta Patterson Parker	3544 Birdfield Court	Leland	NC	28451

EXHIBIT

Rolla R Hinkle III	P. O. Box 2292	Roswell	NM	88202-2292
Ross Duncan Properties LLC	P. O. Box 647	Artesia	NM	88211-0647
Sara Marie Baskett	6043 44th Avenue, NE	Seattle	WA	98115-7513
SEAFM, LLC	18011 Whispering Gables	Dallas	TX	75287
Sitio Permian LLC	1401 Lawrence St Ste 1750	Denver	CO	80202-2497
Sortida Resources LLC	PO Box 50820	Midland	TX	79710-0820
Sue Osborn Powell	899 Hedgewood Drive	Georgetown	TX	78620
T L Rees	P.O. BOX 1007	COLORADO CITY	TX	79512-1007
The Beveridge Company	4305 N GARFIELD ST STE 261□	MIDLAND	TX	79705
Thomas B Stribling and wife,	Martha Stribling			
Virginia P Skinner	200 Lennox Dr. Apt 2D□	Jamestown	NC	27282
Wilke LTD Co	P.O. BOX 1653	ARTESIA	NM	88211-1653
William Diescher IV	148 Groton Ave	Cortland	NY	13045
William F Beeman	71 Apache Drive	Carlsbad	NM	88220
Word B Wilson Investments LP	PO Box 51790	Midland	TX	79710
Zia Royalty, LLC	P O Box 2160	Hobbs	NM	88241-2160
Trabajo Del Spear LP	P. O. Box 1684	Midland	TX	79702-1684
Bertha Lorene Osborn				
Joe H Beeman & Patricia Ann	et al□	Carlsbad	NM	88220
Beeman				
Big Three Energy Group LLC	P. O. Box 429	Roswell	NM	88202-0429
Camarie Oil and Gas, LLC	2502 Camarie Ave	Midland	TX	79705
Caza Petroleum, LLC	200 N. Loraine St. Suite 1550	Midland	TX	79701
CHEVRON USA, INC.	POST OFFICE BOX 730436	DALLAS	TX	75373-0436
Featherstone Development Corp	P. O. Box 429	Roswell	NM	88202-0429
Mary Jo Beeman, as her separate pro	PO Box 642	Glenpool	OK	74033
MRC Permian LKE Company, LLC	5400 LBJ Freeway Ste 1500	Dallas	TX	75240
Prospector LLC	P. O. Box 429	Roswell	NM	88202-0429
Seminole Hospital d/b/a Memorial Ho	209 NW 8th	Seminole	TX	79360
Susan Marie Thoma	P O Box 329	Elbert	СО	80106
XPLOR Resources LLC	1104 North Shore Drive	Carlsbad	NM	88220-4638



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

December 27, 2023

<u>CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PARTIES

Re: Application of Matador Production Company to amend NMOCD Order CTB-812-B and for administrative approval to surface commingle (lease and pool) oil and gas production from the spacing units comprising the S/2 of Sections 11 and 13 and the N/2 of Section 13, Township 24 South, Range 27 East, NMPM, Eddy 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 the date this application is received by 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,

Paula M. Vance

ATTORNEY FOR MATADOR PRODUCTION

COMPANY

Parent	Mail Date	Company	Name	Address_1	Address2	City	ST	Zip	MailClass	Tracking	Well
ID 31309	12/27/		B & G Royalties	PO Box 376		Artesia	NM	88211-	Certified	94148118	78459 - Edelstein
	2023					1 555.6		0376	w/Return	98765491	Commingling List
									Receipt	552711	31118559.1.xlsx - 1
									(Signature)		
31309	12/27/		Deborah R Diescher	35 Fox Hollow		Cortland	NY	13045-	Certified	94148118	78459 - Edelstein
	2023			Rd				3230	w/Return	98765491	Commingling List
									Receipt	552919	31118559.1.xlsx - 10
									(Signature)		
31309	12/27/		Douglas Helm	10 Eliot St		Wellesley	MA	02482-	Certified	94148118	78459 - Edelstein
	2023		Baskett					7006	w/Return	98765491	Commingling List
									Receipt	552957	31118559.1.xlsx - 11
									(Signature)		
31309		Indiv Andco-Trsts	Eleanor Baskett	76 W 29th Ave		Eugene	OR	97405-	Certified	94148118	78459 - Edelstein
	2023	Mulder Living	Mulder & Antonius	Apt 2301				3296	w/Return	98765491	Commingling List
		Trust	Emil Mulder,						Receipt	552964	31118559.1.xlsx - 12
									(Signature)		
31309	12/27/		Geneva Osborn	PO Box 419		Tipton	ОК	73570-		94148118	78459 - Edelstein
	2023							0419	w/Return		Commingling List
									Receipt	552926	31118559.1.xlsx - 13
									(Signature)		
31309		Joint Tenants	George H Brantley	1304 W		Carlsbad	NM	88220-	Certified		78459 - Edelstein
	2023		& Nancy H Brantley	Riverside Dr				4033	w/Return	98765491	Commingling List
									Receipt	552902	31118559.1.xlsx - 14
24200	42/27/			26702 N. 422		D !!		72024	(Signature)	04440440	70450 5111
31309	12/27/		Janet Lorine	26702 Ns 123		Balko	ОК	73931-			78459 - Edelstein
	2023		Beeman Janzen	Rd				1182	w/Return		Commingling List
									Receipt	552995	31118559.1.xlsx - 15
24200	12/27/		Inha D Dinashan	2046 Davita 44		Cantlanal	NIX/	12045	(Signature)	04440440	70450 54-1-+-
31309	12/27/		John R Diescher	3946 Route 11		Cortland	NY	13045-	Certified	94148118	78459 - Edelstein
	2023							9740	w/Return	98765491	Commingling List
									Receipt	552940	31118559.1.xlsx - 17
								<u> </u>	(Signature)		

	Mail	Company	Name	Address_1	Address2	City	ST	Zip	MailClass	Tracking	Well
ID	Date										
31309	12/27/		Mark Allan Beeman	PO Box 8255		Roswell	NM	88202-	Certified		78459 - Edelstein
	2023							8255	w/Return		Commingling List
									Receipt	552988	31118559.1.xlsx - 18
									(Signature)		
31309	12/27/		Martin Scott	2647 Jefferson		Eugene	OR	97405-			78459 - Edelstein
	2023		Baskett	St				2523	w/Return		Commingling List
									Receipt	552933	31118559.1.xlsx - 19
									(Signature)		
31309	12/27/		Brandy M Beeman	1006 Dogwood		Carlsbad	NM	88220-	Certified		78459 - Edelstein
	2023			Ln				3228	w/Return		Commingling List
									Receipt	552759	31118559.1.xlsx - 2
									(Signature)		
31309	12/27/		Mary Ann Wyman	54 Emanuel Dr		Boxborough	MA	01719-	Certified		78459 - Edelstein
	2023		Dye					1133	w/Return	98765491	Commingling List
									Receipt	552971	31118559.1.xlsx - 20
									(Signature)		
31309	12/27/		Mary Camille Hall	3812 Tailfeather		Round Rock	TX	78681-		94148118	78459 - Edelstein
	2023			Dr				1041	w/Return		Commingling List
									Receipt	552612	31118559.1.xlsx - 21
									(Signature)		
31309	12/27/		McAlister Royalties	PO Box 1488	Jake E	Midland	TX	79702-	Certified		78459 - Edelstein
	2023		LLC		McAlisterp O			1488	w/Return	98765491	Commingling List
									Receipt	552650	31118559.1.xlsx - 22
									(Signature)		
31309	12/27/		MRC Permian	5400 Lbj Fwy		Dallas	TX	75240-			78459 - Edelstein
	2023		Company	Ste 1500				1017	w/Return	98765491	Commingling List
									Receipt	552667	31118559.1.xlsx - 23
									(Signature)		
31309	12/27/		New Mexico State	PO Box 1148		Santa Fe	NM	87504-	Certified	94148118	78459 - Edelstein
	2023		Land Office					1148	w/Return		Commingling List
									Receipt	552629	31118559.1.xlsx - 24
									(Signature)		

	Mail Date	Company	Name	Address_1	Address2	City	ST	Zip	MailClass	Tracking	Well
31309	12/27/ 2023		Norma A Beeman	1006 Dogwood Ln		Carlsbad	NM	88220- 3228	Certified w/Return Receipt (Signature)	94148118 98765491 552605	78459 - Edelstein Commingling List 31118559.1.xlsx - 25
31309	12/27/ 2023		Oak Valley Mineral and Land LP	PO Box 50820		Midland	TX	79710- 0820			78459 - Edelstein Commingling List 31118559.1.xlsx - 26
31309	12/27/ 2023		Pamela Rae Cummings	PO Box 817		Panhandle	TX	79068- 0817	Certified w/Return Receipt (Signature)		78459 - Edelstein Commingling List 31118559.1.xlsx - 27
31309	12/27/ 2023		Patricia A Beeman Allen Revoc TR	PO Box 574	Lori Ann McKee As Poapo	Carlsbad	NM	88221- 0574	Certified w/Return Receipt (Signature)	94148118 98765491 552636	78459 - Edelstein Commingling List 31118559.1.xlsx - 28
31309	12/27/ 2023		Patricia Gae Stamps	PO Box 249		Panhandle	TX	79068- 0249	Certified w/Return Receipt (Signature)		78459 - Edelstein Commingling List 31118559.1.xlsx - 29
31309	12/27/ 2023		Carmex, Inc.	PO Box 1718		Carlsbad	NM	88221- 1718	Certified w/Return Receipt (Signature)	94148118 98765491 552728	78459 - Edelstein Commingling List 31118559.1.xlsx - 3
31309	12/27/ 2023	Pecos Bend Royalties, Lllp	C R Bailey, President	PO Box 2802		Midland	TX	79702- 2802	Certified w/Return Receipt (Signature)		78459 - Edelstein Commingling List 31118559.1.xlsx - 30
31309	12/27/ 2023		Penasco Petroleum LLC	PO Box 4168		Roswell	NM	88202- 4168	Certified w/Return Receipt (Signature)	94148118 98765491 552162	78459 - Edelstein Commingling List 31118559.1.xlsx - 31

Parent ID	Mail Date	Company	Name	Address_1	Address2	City	ST	Zip	MailClass	Tracking	Well
31309	12/27/ 2023		Post Oak Crown Minerals LLC	34 S Wynden Dr Ste 210		Houston	TX	77056- 2531	Certified w/Return Receipt (Signature)		78459 - Edelstein Commingling List 31118559.1.xlsx - 32
31309	12/27/ 2023		Realeza Del Spear LP	PO Box 1684		Midland	TX	79702- 1684	Certified w/Return Receipt (Signature)		78459 - Edelstein Commingling List 31118559.1.xlsx - 33
31309	12/27/ 2023		Rick F Beeman	1322 Lyons Ln		Erie	СО	80516- 7112	Certified w/Return Receipt (Signature)		78459 - Edelstein Commingling List 31118559.1.xlsx - 34
31309	12/27/ 2023		Robert B Beeman	1520 N Guadalupe St		Carlsbad	NM	88220- 8811	Certified w/Return Receipt (Signature)	94148118 98765491 552148	78459 - Edelstein Commingling List 31118559.1.xlsx - 35
31309	12/27/ 2023		Roberta Patterson Parker	3544 Birdfield Ct		Leland	NC	28451- 1898	Certified w/Return Receipt (Signature)		78459 - Edelstein Commingling List 31118559.1.xlsx - 36
31309	12/27/ 2023		Rolla R Hinkle III	PO Box 2292		Roswell	NM	88202- 2292	Certified w/Return Receipt (Signature)	94148118 98765491 552131	78459 - Edelstein Commingling List 31118559.1.xlsx - 37
31309	12/27/ 2023		Ross Duncan Properties LLC	PO Box 647		Artesia	NM	88211- 0647	Certified w/Return Receipt (Signature)		78459 - Edelstein Commingling List 31118559.1.xlsx - 38
31309	12/27/ 2023		Sara Marie Baskett	6043 44th Ave NE		Seattle	WA	98115- 7513	Certified w/Return Receipt (Signature)		78459 - Edelstein Commingling List 31118559.1.xlsx - 39

Parent ID	Mail Date	Company	Name	Address_1	Address2	City	ST	Zip	MailClass	Tracking	Well
31309	12/27/ 2023		Charles A Wyman	PO Box 90952		Albuquerque	NM	87199- 0952	Certified w/Return Receipt (Signature)		78459 - Edelstein Commingling List 31118559.1.xlsx - 4
31309	12/27/ 2023		SEAFM, LLC	18011 Whispering Gables Ln		Dallas	TX	75287- 6653	Certified w/Return Receipt (Signature)		78459 - Edelstein Commingling List 31118559.1.xlsx - 40
31309	12/27/ 2023		Sitio Permian LLC	1401 Lawrence St Ste 1750		Denver	СО	80202- 3074	Certified w/Return Receipt (Signature)		78459 - Edelstein Commingling List 31118559.1.xlsx - 41
31309	12/27/ 2023		Sortida Resources LLC	PO Box 50820		Midland	TX	79710- 0820	Certified w/Return Receipt (Signature)	94148118 98765491 552308	78459 - Edelstein Commingling List 31118559.1.xlsx - 42
31309	12/27/ 2023		Sue Osborn Powell	899 Hedgewood Dr		Georgetown	TX	78628- 2411	Certified w/Return Receipt (Signature)	94148118 98765491 552391	78459 - Edelstein Commingling List 31118559.1.xlsx - 43
31309	12/27/ 2023		T L Rees	PO Box 1007		Colorado City	TX	79512- 1007	Certified w/Return Receipt (Signature)	94148118 98765491 552346	78459 - Edelstein Commingling List 31118559.1.xlsx - 44
31309	12/27/ 2023		The Beveridge Company	4305 N Garfield St Ste 261		Midland	TX	79705- 4344	Certified w/Return Receipt (Signature)		78459 - Edelstein Commingling List 31118559.1.xlsx - 45
31309	12/27/ 2023		Virginia P Skinner	200 Lennox Dr Unit 2D		Jamestown	NC	27282- 9840	Certified w/Return Receipt (Signature)	94148118 98765491 552339	78459 - Edelstein Commingling List 31118559.1.xlsx - 47

Parent ID	Mail Date	Company	Name	Address_1	Address2	City	ST	Zip	MailClass	Tracking	Well
31309	12/27/		Wilke LTD Co	PO Box 1653		Artesia	NM	88211-	Certified	94148118	78459 - Edelstein
	2023							1653	w/Return	98765491	Commingling List
									Receipt	552377	31118559.1.xlsx - 48
									(Signature)		
31309	12/27/		William Diescher IV	148 Groton Ave		Cortland	NY	13045-	Certified	94148118	78459 - Edelstein
	2023							1832	w/Return	98765491	Commingling List
									Receipt	552018	31118559.1.xlsx - 49
									(Signature)		
31309	12/27/		COG OPERATING	PO Box 849929		Dallas	TX	75284-	Certified	94148118	78459 - Edelstein
	2023		LLC					9929	w/Return	98765491	Commingling List
									Receipt	552797	31118559.1.xlsx - 5
									(Signature)		
31309	12/27/		William F Beeman	71 Apache Dr		Carlsbad	NM	88220-	Certified	94148118	78459 - Edelstein
	2023							9405	w/Return	98765491	Commingling List
									Receipt	552056	31118559.1.xlsx - 50
									(Signature)		
31309	12/27/		Word B Wilson	PO Box 51790		Midland	TX	79710-	Certified	94148118	78459 - Edelstein
	2023		Investments LP					1790	w/Return	98765491	Commingling List
									Receipt	552063	31118559.1.xlsx - 51
									(Signature)		
31309	12/27/		Zia Royalty, LLC	PO Box 2160		Hobbs	NM	88241-	Certified	94148118	78459 - Edelstein
	2023							2160	w/Return	98765491	Commingling List
									Receipt	552025	31118559.1.xlsx - 52
									(Signature)		
31309	12/27/		Trabajo Del Spear	PO Box 1684		Midland	TX	79702-			78459 - Edelstein
	2023		LP					1684	w/Return	98765491	Commingling List
									Receipt	552094	31118559.1.xlsx - 53
									(Signature)		
31309	12/27/		Joe H Beeman &	Et Al		Carlsbad	NM	88220	Certified	94148118	78459 - Edelstein
	2023		Patricia Ann						w/Return	98765491	Commingling List
			Beeman						Receipt	552049	31118559.1.xlsx - 55
									(Signature)		

Parent ID	Mail Date	Company	Name	Address_1	Address2	City	ST	Zip	MailClass	Tracking	Well
31309	12/27/ 2023		Big Three Energy Group LLC	PO Box 429		Roswell	NM	88202- 0429	Certified w/Return Receipt (Signature)	94148118 98765491 552087	78459 - Edelstein Commingling List 31118559.1.xlsx - 56
31309	12/27/ 2023		Camarie Oil and Gas, LLC	2502 Camarie Ave		Midland	TX	79705- 6309	Certified w/Return Receipt (Signature)		78459 - Edelstein Commingling List 31118559.1.xlsx - 57
31309	12/27/ 2023		Caza Petroleum, LLC	200 N Loraine St Ste 1550		Midland	TX	79701- 4765	Certified w/Return Receipt (Signature)		78459 - Edelstein Commingling List 31118559.1.xlsx - 58
31309	12/27/ 2023		CHEVRON USA, INC.	PO Box 730436		Dallas	TX	75373- 0436	Certified w/Return Receipt (Signature)	94148118 98765491 552414	78459 - Edelstein Commingling List 31118559.1.xlsx - 59
31309	12/27/ 2023		Compound Properties,LLC	PO Box 2990		Ruidoso	NM	88355- 2990	Certified w/Return Receipt (Signature)	94148118 98765491 552742	78459 - Edelstein Commingling List 31118559.1.xlsx - 6
31309	12/27/ 2023		Featherstone Development Corp	PO Box 429		Roswell	NM	88202- 0429	Certified w/Return Receipt (Signature)	94148118 98765491 552452	78459 - Edelstein Commingling List 31118559.1.xlsx - 60
31309	12/27/ 2023		Mary Jo Beeman, as her separate pro	PO Box 642		Glenpool	ОК	74033- 0642	Certified w/Return Receipt (Signature)		78459 - Edelstein Commingling List 31118559.1.xlsx - 61
31309	12/27/ 2023		MRC Permian LKE Company, LLC	5400 Lbj Fwy Ste 1500		Dallas	TX	75240- 1017	Certified w/Return Receipt (Signature)	94148118 98765491 552421	78459 - Edelstein Commingling List 31118559.1.xlsx - 62

Parent	Mail	Company	Name	Address_1	Address2	City	ST	Zip	MailClass	Tracking	Well
ID	Date	, ,		_				·			
31309	12/27/		Prospector LLC	PO Box 429		Roswell	NM	88202-	Certified	94148118	78459 - Edelstein
	2023							0429	w/Return	98765491	Commingling List
									Receipt	552407	31118559.1.xlsx - 63
									(Signature)		
31309	12/27/		Seminole Hospital	209 NW 8th St		Seminole	TX	79360-	Certified	94148118	78459 - Edelstein
	2023		d/b/a Memorial Ho					3447	w/Return	98765491	Commingling List
									Receipt	552483	31118559.1.xlsx - 64
									(Signature)		
31309	12/27/		Susan Marie Thoma	PO Box 329		Elbert	CO	80106-	Certified	94148118	78459 - Edelstein
	2023							0329	w/Return	98765491	Commingling List
									Receipt	552438	31118559.1.xlsx - 65
									(Signature)		
31309	12/27/		XPLOR Resources	1104 North		Carlsbad	NM	88220-	Certified	94148118	78459 - Edelstein
	2023		LLC	Shore Dr				4638	w/Return	98765491	Commingling List
									Receipt	552513	31118559.1.xlsx - 66
									(Signature)		
31309	12/27/		Daniel Diescher	PO Box 12981		Wilmington	NC	28405-		94148118	78459 - Edelstein
	2023							0133	w/Return	98765491	Commingling List
									Receipt	552780	31118559.1.xlsx - 7
									(Signature)		
31309	12/27/		Deanna Diescher	71 Armetale		Webster	NY	14580-	Certified		78459 - Edelstein
	2023			Luster				2471	w/Return	98765491	Commingling List
									Receipt	552735	31118559.1.xlsx - 8
									(Signature)		
31309	12/27/		Deborah Caughey	42 Parker Ave		Cortland	NY	13045-		94148118	78459 - Edelstein
	2023							1602	w/Return	98765491	Commingling List
									Receipt	552773	31118559.1.xlsx - 9
									(Signature)		

From: McClure, Dean, EMNRD on behalf of Engineer, OCD, EMNRD

To: Paula M. Vance

Cc: McClure, Dean, EMNRD; Rikala, Ward, EMNRD; Wrinkle, Justin, EMNRD; Powell, Brandon, EMNRD; Lamkin, Baylen, EMNRD

Subject:Approved Administrative Order PLC-924Date:Friday, March 8, 2024 2:32:54 PM

Attachments: PLC924 Order.pdf

NMOCD has issued Administrative Order PLC-924 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
30-015-41775	Rustler Breaks 12 24 27 #1H	S/2	12-24S-27E	98220
30-015-43194	Rustler Breaks 12 24 27 #204H	S/2	12-24S-27E	98220
30-015-44742	Brantley State Com 13 24 27 RB #205H	N/2	13-24S-27E	98220
30-015-44597	Brantley State Com 13 24 27 RB #206H	N/2	13-24S-27E	98220
30-015-44743	Brantley State Com 13 24 27 RB #211H	N/2	13-24S-27E	98220
30-015-43774	Brantley State Com 13 24 27 RB 221H	N/2	13-24S-27E	98220
30-015-44682	David Edelstein State Com #203H	N/2 S/2	11-24S-27E	98220
30-013-44062	David Edelstein State Com #20311	N/2 S/2	12-24S-27E	90220
30-015-45143	David Edelstein State Com #223H	N/2 S/2	11-24S-27E	98220
30-013-43143	David Edelstein State Com #22311	N/2 S/2	12-24S-27E	70220
30-015-53829	David Edelstein State Com #113H	N/2 S/2	11-24S-27E	96415
	David Edelstein State Com #11511	N/2 S/2	12-24S-27E	70413
30-015-53832	David Edelstein State Com #123H	N/2 S/2	11-24S-27E	96415
30-013-33032	David Edelstein State Com #12511	N/2 S/2	12-24S-27E	70413
30-015-54236	David Edelstein State Com #114H	S/2 S/2	11-24S-27E	96415
30-013-34230	David Edeistem State Com #11411	S/2 S/2	12-24S-27E	90413
30-015-54238	David Edelstein State Com #124H	S/2 S/2	11-24S-27E	96415
30-013-34238	David Edeistein State Com #124ff	S/2 S/2	12-24S-27E	90413
20 015 54227	David Edeletein State Com #124H	S/2 S/2	11-24S-27E	0.6415
30-015-54237	David Edelstein State Com #134H	S/2 S/2	12-24S-27E	96415

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

Carlsbad Current Argus.

Affidavit of Publication Ad # 0005869607 This is not an invoice

HOLLAND AND HART PO BOX 2208

SANTA FE, NM 87504-2208

I, a legal clerk of the Carlsbad Current Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

12/29/2023

Legal Clerk

Subscribed and sworn before me this December 29,

1/10000

State of WI, County of Brown NOTARY PUBLIC

My commission expires

KATHLEEN ALLEN
Notary Public
State of Wisconsin

Ad # 0005869607 PO #: 5869607 # of Affidavits 1

This is not an invoice

Legal Notice (Publication)

To: All affected par-ties, including: B & G Royal-ties; Brandy M Beeman, her heirs and devisees; Carmex, Inc.; Charles A Wyman, his heirs and devisees; COG OP-ERATING LLC; Compound Properties,LLC; Daniel Diescher, his heirs and devisees; Deanna Diescher, her heirs and devisees; Deborah Caughey, her heirs and de-visees; Deborah R Diescher, her heirs and devisees; Douglas Helm Baskett, his heirs and devisees; Eleanor **Baskett Mulder and Geneva** Osborn, their heirs and de-visees; George H Brantley & Janet Lorine Beeman Janzen, their heirs and devisees; Joe H Beeman, his heirs and devisees; John R Diescher, his heirs and devi-sees; Mark Allan Beeman, his heirs and devisees; Martin Scott Baskett, his marum SCOTT BASKETT, his heirs and devisees; Mary Ann Wyman Dye, her heirs and devisees; Mary Camille Hall, her heirs and devisees; McAlister Royalties LLC; MRC Permian Company MRC Permian Company; New Mexico State Land Of-fice; Norma A Beeman, her heirs and devisees; Oak Valley Mineral and Land LP; Pamela Rae Cummings, her heirs and devisees; Patricia A Beeman Allen Revoc TR, her heirs and devisees; Patricia Gae Stamps, her heirs and devisees; Pecos Bend Royalties, LLLP; Penasco Pe-troleum LLC; Post Oak Minerals Crown Realeza Del Spear LP; Rick F Beeman, his heirs and devisees; Robert B Beeman, his heirs and devisees; Roberta Patterson Parker, her heirs and devisees; Rolla R Hinkle III, his heirs and devisees; III, his heirs and devisees; Ross Duncan Properties LLC; Sara Marie Baskett, her heirs and devisees; SEAFM, LLC; Sitio Permian LLC; Sortida Resources LLC; Sue Osborn Powell, her heirs and devisees; T L Rees, his or her heirs and devisees: and devisees; I L Rees, his or her heirs and devisees; The Beveridge Company; Thomas B Stribling and wife, their heirs and devisees; Virginia P Skinner, her heirs and devisees; Wilke LTD Co; William Diescher IV, his heirs and devisees: Wilhis heirs and devisees; William F Beeman, his heirs and devisees; Word B Wilson Investments LP; Zia Royalty, LLC; Trabajo Del Spear LP; Bertha Lorene Osborn, her heirs and devisees; Joe H Beeman & Patricia Ann Beeman, their heirs and devisees; Big Three Energy Group LLC; Carae Petroleum, LLC; CHEVRON USA, INC.; Featherstone Development Corp; Mary Jo Beeman, as her separate pro, her heirs and devisees; MRC Permian LKE Company, LLC; Prospector LLC; Seminole Hospital d/b/a Memorial Ho; Susan Marie Thoma, her heirs and devisees; and XPLOR Resources LLC.

Application of Matador Production Company to amend NMOCD Order CTB-812-B and for administrative approval to surface commingle (lease and pool) oil and gas production from the spacing units comprising the S/2 of Sections 11 and 12 and the N/2 of Section 13, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico (the "Lands"). Matador Production Company (OGRID No. 228937) ("Matador") seeks to amend Administrative Order CTB-812-B ("Order CTB-812-B authorizes lease commingling, off-lease storage, off-lease measurement, and off-lease marketing at the Rustler Breaks Tank Battery, located in the SE/4 SE/4 (Unit P) of Section 12, Township 24 South, Range 27 East, of production from all existing and future wells drilled in the following spacing units:

- (a) The 320-acre, more or less, spacing unit underlying the 5/2 of Section 12, Township 24 South, Range 27 East, in the Purple Sage; Wolfcamp (gas) [98220]. This spacing unit is currently dedicated to the Rustler Breaks 12-24-27 1H (API 30-015-41775) and Rustler Breaks 12 24S 27E RB 204H (API 30-015-43194);
- (b) The 320-acre, more or less, spacing unit underlying the N/2 of Section 13, Township 24 South, Range 27 East, in the Purple Sage; Wolfcamp (gas) [98220]. This spacing unit is currently

dedicated to the Brantley State Com 13-245-27E RB 205H (API 30-015-44742), Brantley State Com 13-245-27E RB 206H (API 30-015-44597), Brantley State Com 13-245-27E RB 211H (API 30-015-44743), and Brantley State Com 13 24 27 RB 221H (API 30-015-43774);

- (c) The 320-acre, more or less, spacing unit underlying the N/2 S/2 of Sections 11 and 12, Township 24 East, Range 27 South, in the Purple Sage; Wolfcamp (gas) [98220]. This spacing unit is currently dedicated to the David Edelstein State Com 12 24S 27E RB 203H (API 30-015-44682) and David Edelstein State Com 12-24S-27E 223H (API 30-015-45143); and
- (d) Pursuant to 19.15.12.10.C(4)(g), from all future additions of pools, leases or leases and pools to the Rustler Breaks Tank Battery with notice provided only to the owners of interests to be added.

Pursuant to 19.15.12.7, Matador seeks to amend the terms of Order CTB-812-B to add to the terms of the order the production from all existing and future infill wells drilled in the following spacing units:

- (a) The 320-acre, more or less, spacing unit underlying the N/2 S/2 of Sections 11 and 12, Township 24 East, Range 27 South, in the Willow Lake; Bone Spring West [96415]. This spacing unit is currently dedicated to the David Edelstein State Com 113H (API 30-015-53829) and David Edelstein State Com 123H (API 30-015-53832); and
- (b) The 320-acre, more or less, spacing unit underlying the S/2 S/2 of Sections 11 and 12, Township 24 East, Range 27 South, in the Willow Lake; Bone Spring West [96415]. This spacing unit is currently dedicated to the David Edelstein State Com 114H (API 30-015-54236), David Edelstein State Com 124H (API 30-015-54238), and David Edelstein State Com 134H (API 30-015-54238), and David Edelstein State Com 134H (API 30-015-

54237).

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. #5869607, Current Argus, Dec. 29, 2023

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-924

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 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.
- 4. Applicant provided notice of the Application to the Bureau of Land Management ("BLM") or New Mexico State Land Office ("NMSLO"), as applicable.
- 5. 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.
- 6. Applicant in the notice for the Application stated that it sought authorization to prospectively include additional pools, leases, and wells in accordance with 19.15.12.10.C.(4)(g) NMAC.
- 7. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil and gas production from wells which have not yet been approved to be drilled, but will produce from a pool and lease identified in Exhibit A.

CONCLUSIONS OF LAW

8. 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.

Order No. PLC-924 Page 1 of 4

- 9. 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.
- 10. 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.
- 11. 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.
- 12. 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.
- 13. 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.
- 14. 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 CTB-812-B.
- 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.

Order No. PLC-924 Page 2 of 4

4. The allocation of oil and gas production shall be based on the production life of each well as measured for three periods: (a) the initial production period shall be measured from the first production until the earlier of either the peak production rate or thirty (30) days after the first production; (b) the plateau period shall be measured from the end of the initial production period to the peak decline rate; and (c) the decline period shall be measured from the end of the plateau period until the well is plugged and abandoned.

During the initial production period, the oil and gas production for each well identified in Exhibit A shall be allocated using a production curve calculated from a minimum of ten (10) well tests per month, except that any day in which a well test cannot achieve an accurate result due to a temporary change in oil and gas production shall not be included in the computation of time determining the well test schedule. The production curve shall be calculated by interpolating daily production for each day using the known daily production obtained by well tests and shall use a method of interpolation that is at minimum as accurate as maintaining a constant rate of change for each day's production between the known daily production values.

During the plateau period, the oil and gas production for each well identified in Exhibit A shall be allocated using a minimum of three (3) well tests per month.

During the decline period, the oil and gas production for each well identified in Exhibit A shall be allocated as follows: (a) a minimum of three (3) well tests per month when the decline rate is greater than twenty-two percent (22%) per month; (b) a minimum of two (2) well tests per month when the decline rate is between twenty-two percent (22%) and ten percent (10%) per month; and (c) a minimum of one (1) well test per month when the decline rate is less than ten percent (10%) per month.

Upon OCD's request, Applicant shall submit a Form C-103 to the OCD Engineering Bureau that contains the decline rate curve and other relevant information demonstrating the production life of a well.

Applicant shall conduct a well test by separating and metering the oil and gas production from that well for either (a) a minimum of twenty-four (24) consecutive hours; or (b) a combination of nonconsecutive periods that meet the following conditions: (i) each period shall be a minimum of six (6) hours; and (ii) the total duration of the nonconsecutive periods shall be a minimum of eighteen (18) hours.

The well test requirements of this Order shall be suspended for any well shut-in for a period that continues for more than fifteen (15) days until the well commences production.

- 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

Order No. PLC-924 Page 3 of 4

or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8.E. NMAC.

- 7. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
- 8. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
- 9. Applicant may submit an application to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by this Order by submitting a Form C-107-B in accordance with 19.15.12.10.C.(4)(g) NMAC, provided the pools, leases, and subsequently drilled wells are within the identified parameters included in the Application.
- 10. If a well is not included in Exhibit A but produces from a pool and lease identified in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well, proposed method to determine the allocation of oil and gas production to it, and the location(s) that commingling of its production will occur.
- 11. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
- 12. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
- 13. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

DYLAN M. FUGE

DIRECTOR (ACTING)

DATE: 3/8/24

Order No. PLC-924 Page 4 of 4

State of New Mexico Energy, Minerals and Natural Resources Department

Exhibit A

Order: PLC-924

Operator: Matador Production Company (228937)

Central Tank Battery: Rustler Breaks Tank Battery

Central Tank Battery Location: UL P, Section 12, Township 24 South, Range 27 East Gas Title Transfer Meter Location: UL P, Section 12, Township 24 South, Range 27 East

Pools

Pool Name Pool Code
WILLOW LAKE; BONE SPRING,WEST
PURPLE SAGE; WOLFCAMP (GAS) 98220

Leases as defined in 19.15.12.7(C) NMAC

Ecuses us defined in 1911011217 (c) 1 11111112		
Lease	UL or Q/Q	S-T-R
CA Wolfcamp NMSLO 203582 PUN 1355854	N/2	13-24S-27E
CA Wolfcamp NMSLO 203737 PUN 1370095	N/2 S/2	11-24S-27E
	N/2 S/2	12-24S-27E
CA Bone Spring NMSLO 204739 PUN 1401783	N/2 S/2	11-24S-27E
	N/2 S/2	12-24S-27E
CA Bone Spring NMSLO 204738 PUN 1401795	S/2 S/2	11-24S-27E
	S/2 S/2	12-24S-27E
Pooled Fee	S/2	12-24S-27E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-41775	Rustler Breaks 12 24 27 #1H	S/2	12-24S-27E	98220
30-015-43194	Rustler Breaks 12 24 27 #204H	S/2	12-24S-27E	98220
30-015-44742	Brantley State Com 13 24 27 RB #205H	N/2	13-24S-27E	98220
30-015-44597	Brantley State Com 13 24 27 RB #206H	N/2	13-24S-27E	98220
30-015-44743	Brantley State Com 13 24 27 RB #211H	N/2	13-24S-27E	98220
30-015-43774	Brantley State Com 13 24 27 RB 221H	N/2	13-24S-27E	98220
20.015.44(02	David Edalatain State Com #202H	N/2 S/2	11-24S-27E	00220
30-015-44682	David Edelstein State Com #203H	N/2 S/2	12-24S-27E	98220
20 015 45142	David Edulatein State Com #222H	N/2 S/2	11-24S-27E	00220
30-015-45143	David Edelstein State Com #223H	N/2 S/2	12-24S-27E	98220
20 015 52020	David Edulatein State Com #112H	N/2 S/2	11-24S-27E	06415
30-015-53829	David Edelstein State Com #113H	N/2 S/2	12-24S-27E	96415
20 015 52022	D 'IEII' C	N/2 S/2	11-24S-27E	0.6415
30-015-53832	David Edelstein State Com #123H	N/2 S/2	12-24S-27E	96415

30-015-54236	30-015-54236 David Edelstein State Com #114H	S/2 S/2	11-24S-27E	96415	
	30-013-34230	David Edelstein State Com #114H	S/2 S/2	12-24S-27E	90415
30-015-54238	20.015.54229 David Edulatein State Com #124H	David Edelstein State Com #124H	S/2 S/2	11-24S-27E	96415
	30-015-54256	David Edelstein State Com #124H	S/2 S/2	12-24S-27E	90415
30-015-54237	20.015.54227	David Edalatain State Com #124H	S/2 S/2	11-24S-27E	96415
	David Edelstein State Com #134H	S/2 S/2	12-24S-27E	90415	

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720

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

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 299013

CONDITIONS

Operator:	OGRID:	
MATADOR PRODUCTION COMPANY	228937	
One Lincoln Centre	Action Number:	
Dallas, TX 75240	299013	
	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 that you are familiar with the requirements and any conditions of approval. A copy of the order is attached. Please contact me with any questions regarding this matter.	3/8/2024