

Revised March 23, 2017

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

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



### ADMINISTRATIVE APPLICATION CHECKLIST

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

Applicant: \_\_\_\_\_ OGRID Number: \_\_\_\_\_  
 Well Name: \_\_\_\_\_ API: \_\_\_\_\_  
 Pool: \_\_\_\_\_ Pool Code: \_\_\_\_\_

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

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

A. Location – Spacing Unit – Simultaneous Dedication

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

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

[ I ] Commingling – Storage – Measurement

☐ DHC    ☐ CTB    ☐ PLC    ☐ PC    ☐ OLS    ☐ OLM

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

☐ WFX    ☐ PMX    ☐ SWD    ☐ IPI    ☐ EOR    ☐ PPR

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

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

#### FOR OCD ONLY

- ☐ Notice Complete  
☐ Application Content Complete

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

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

Print or Type Name

*Pattin*

Signature

Date

Phone Number

e-mail Address



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

March 13, 2024

**VIA ONLINE FILING**

Dylan Fuge, Division Director (Acting)  
Oil Conservation Division  
New Mexico Department of Energy, Minerals and Natural Resources  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

**Re: Application of Matador Production Company for administrative approval to surface commingle (pool and lease) oil and gas production from spacing units comprised of the E/2 of Section 32 and all of Section 33, Township 20 South, Range 30 East, NMPM, Eddy County, New Mexico (the "Lands")**

Dear Mr. Fuge:

Matador Production County (OGRID No. 228937) ("Matador"), pursuant to 19.15.12.10 NMAC, seeks administrative approval to surface commingle (pool and lease) diversely owned oil and gas production at the **Alyson 3332 Federal Com Central Tank Battery** *insofar as all existing and future wells drilled in the following spacing units:*

- (a) The 240-acre spacing unit comprised of the N/2 NE/4 of Section 32 and the N/2 N/2 of Section 33, in the WC-015 G-04 S203032P; Bone Spring [98008] – currently dedicated to the **Alyson 3332 Fed Com 121H** (API. No. 30-015-54593);
- (b) The 240-acre spacing unit comprised of the S/2 NE/4 of Section 32 and the S/2 N/2 of Section 33, in the WC-015 G-04 S203032P; Bone Spring [98008] – currently dedicated to the **Alyson 3332 Fed Com 122H** (API. No. 30-015-54592);
- (c) The 240-acre spacing unit comprised of the N/2 SE/4 of Section 32 and the N/2 S/2 of Section 33, in the WC-015 G-04 S203032P; Bone Spring [98008] – currently dedicated to the **Alyson 3332 Fed Com 123H** (API. No. 30-015-54609);
- (d) The 240-acre spacing unit comprised of the S/2 SE/4 of Section 32 and the S/2 S/2 of Section 33, in the WC-015 G-04 S203032P; Bone Spring [98008] – currently dedicated to the **Alyson 3332 Fed Com 124H** (API. No. 30-015-54633);
- (e) The 240-acre spacing unit comprised of the N/2 NE/4 of Section 32 and the N/2 N/2 of Section 33, in the WC-015 G-07 S203032G; Wolfcamp [97963] – currently dedicated to the **Alyson 3332 Fed Com 201H** (API. No. 30-015-54591);



**Paula M. Vance**  
**Associate**  
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(f) The 240-acre spacing unit comprised of the S/2 NE/4 of Section 32 and the S/2 N/2 of Section 33, in the WC-015 G-07 S203032G; Wolfcamp [97963] – currently dedicated to the **Alyson 3332 Fed Com 202H** (API. No. 30-015-54590);

(g) The 240-acre spacing unit comprised of the N/2 SE/4 of Section 32 and the N/2 S/2 of Section 33, in the WC-015 G-07 S203032G; Wolfcamp [97963] – currently dedicated to the **Alyson 3332 Fed Com 203H** (API. No. 30-015-54632);

(h) The 240-acre spacing unit comprised of the S/2 SE/4 of Section 32 and the S/2 S/2 of Section 33, in the WC-015 G-07 S203032G; Wolfcamp [97963] – currently dedicated to the **Alyson 3332 Fed Com 204H** (API. No. 30-015-54631); and

(i) Pursuant to 19.15.12.10.C(4)(g), *from all future additions of pools, leases or leases and pools to the Alyson 3332 Federal Com Central Tank Battery* with notice provided only to the owners of interests to be added.

Oil and gas production from these spacing units will be commingled and sold at the **Alyson 3332 Federal Com Central Tank Battery** (“CTB”) located in the S/2 NE/4 of Section 33. Each well is equipped with a three-phase separator and metered on lease before production is transferred to the CTB. Gas production from the separator will be individually metered with a calibrated orifice meter that is manufactured to AGA specifications. Oil production from the separator will be separately metered using turbine meters.

**Exhibit 1** is a land plat showing Matador’s current development plan, flow lines, well pads, the central tank battery (“Facility Pad”) in the subject area, and common gathering line. The plat also identifies the wellbores and lease/spacing unit boundaries.

**Exhibit 2** is a completed Application for Surface Commingling (Diverse Ownership) Form C-107-B, that includes a statement from Kenneth Dodson, 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 an example gas analysis (Exhibit B to the statement).

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

**Exhibit 4** includes relevant communitization agreements.

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 5** is a list of the interest owners (including any owners of royalty or overriding royalty interests) affected by this application, an example of the letters sent by certified mail advising the interest owners that any objections must be filed in writing with the



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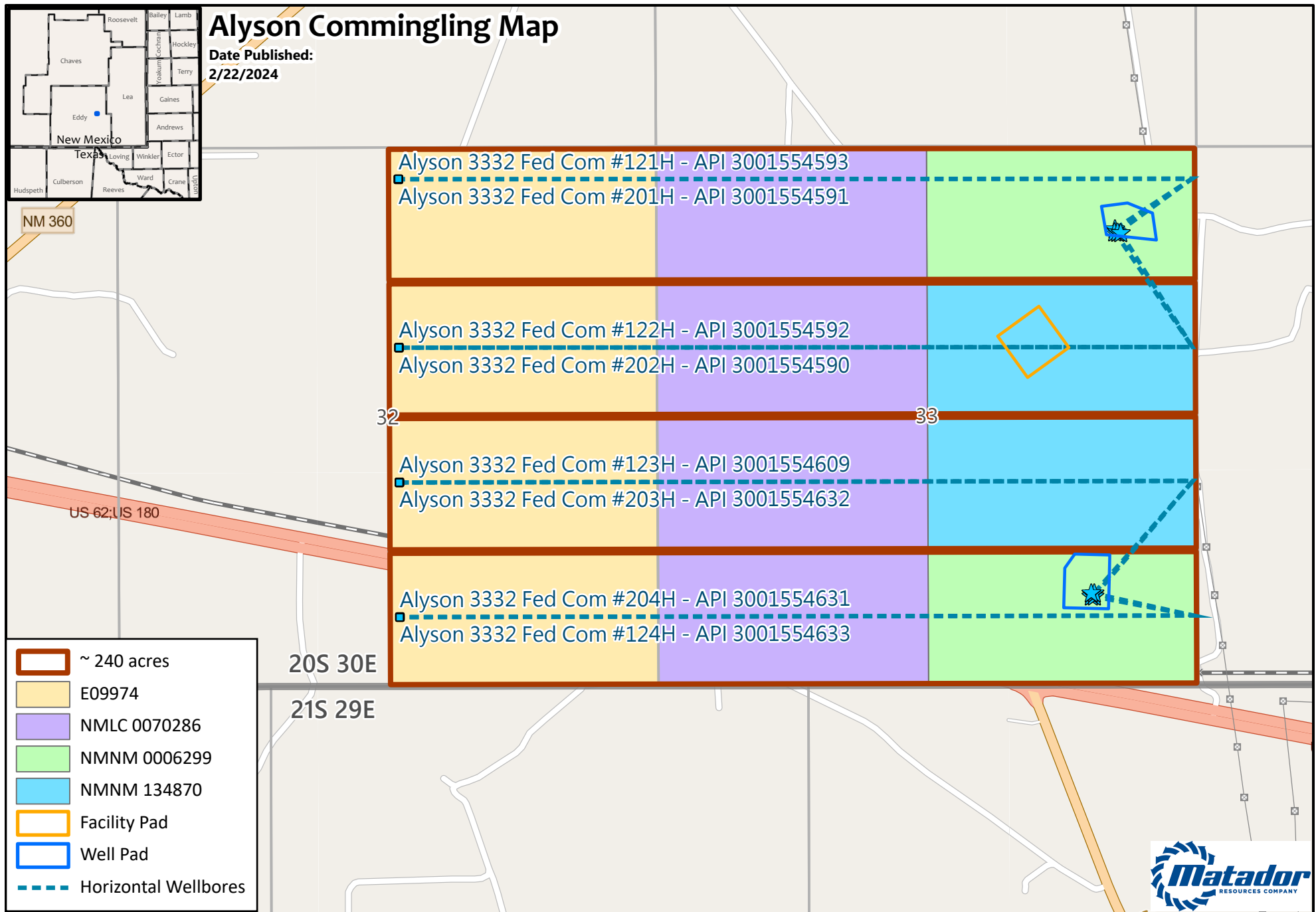
Division within 20 days from the date the Division receives this application, and proof of mailing. A copy of this application has been provided to the State Land Office ("SLO") and Bureau of Land Management ("BLM") since state and federal lands are involved.

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

Sincerely,

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

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



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

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-B  
Revised August 1, 2011

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

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

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: Matador Production Company

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

APPLICATION TYPE:

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

LEASE TYPE: ☐ Fee ☒ State ☒ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. \_\_\_\_\_

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
☒ Yes ☐ No

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

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production	Calculated Value of Commingled Production	Volumes
[98008] WC-015 G-04 S203032P; BONE SPRING	37.35 °	39.99° oil 1283 BTU/CF	\$71.16/bbl oil Deemed 40° Sweet (Dec '23 realized price)  \$2.37/mcf (Dec '23 realized price)	4240 bopd
[98008] WC-015 G-04 S203032P; BONE SPRING	1252 BTU/CF			8240 mcf
[97963] WC-015 G-07 S203032G; WOLFCAMP	42.47 °			4500 bopd
[97963] WC-015 G-07 S203032G; WOLFCAMP	1309 BTU/CF			9640 mcf

(2) Are any wells producing at top allowables? ☐ Yes ☒ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No

(4) Measurement type: ☒ Metering ☐ Other (Specify)

(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

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

(1) Pool Name and Code-

(2) Is all production from same source of supply? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No

(4) Measurement type: ☐ Metering ☐ Other (Specify)

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

(1) Complete Sections A and E.

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

(1) Is all production from same source of supply? ☐ Yes ☐ No

(2) Include proof of notice to all interest owners.

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

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE: 

TITLE: Staff Facilities Engineer

DATE: 2/12/2024

TYPE OR PRINT NAME Kenneth Dodson

TELEPHONE NO.: (972) 371-5489

E-MAIL ADDRESS: kdodson@matadorresources.com

EXHIBIT  
2



# Matador Production Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240  
Voice 972.371.5489 • Fax 972.371.5201  
[kdodson@matadorresources.com](mailto:kdodson@matadorresources.com)

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**Kenneth Dodson**  
Staff Facilities Engineer

February 14, 2024

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

**Re: Application of Matador Production Company for administrative approval to surface commingle (lease and pool) gas and oil production from the spacing units comprised of Section 33 & the E/2 of Section 32 Township 20 South, Range 30 East, NMPM, Eddy County, New Mexico (the “Lands”).**

To Whom This May Concern,

Matador Production Company (“Matador”), OGRID: 228937, requests to commingle current oil and gas production from eight (8) distinct wells located on the Lands and future production from the Lands as described herein. All wells will be metered through individual test separators with an oil turbine meter and gas orifice meter. The gas commingling will occur after individual measurement at each well. Gas exiting each well test flows into one gathering line, as depicted on **Exhibit A**, the San Mateo Midstream, LLC gathering line. Each well on the Lands will have its own test separator with an orifice meter manufactured and assembled in accordance with American Gas Association (AGA) specifications. All primary and secondary Electronic Flow Measurement (EFM) equipment is tested and calibrated by a reputable third party measurement company in accordance with industry specifications.

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

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

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

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

Very truly yours,

MATADOR PRODUCTION COMPANY

Kenneth Dodson  
Staff Facilities Engineer







## Certificate of Analysis

Number: 6030-20120189-002A

Artesia Laboratory

200 E Main St.

Artesia, NM 88210

Phone 575-746-3481

John Romano  
Ascent Energy, LLC  
1125 17th St.  
Suite 410  
Denver, CO 80202

Jan. 04, 2021

Station Name: Big Moose CTB Sales Check  
Station Number: 0103901850  
Station Location: Ascent  
Sample Point: Meter Run  
Instrument: 70104251 (Inficon GC-MicroFusion)  
Last Inst. Cal.: 01/04/2021 0:00 AM  
Analyzed: 01/04/2021 13:05:21 by PGS

Sampled By: Derek Sauder  
Sample Of: Gas Spot  
Sample Date: 12/23/2020  
Sample Conditions: 78 psig, @ 72 °F Ambient: 50 °F  
Effective Date: 12/23/2020  
Method: GPA-2261M  
Cylinder No: 1111-001212

## Analytical Data

Components	Un-normalized Mol %	Mol. %	Wt. %	GPM at 14.696 psia		
Nitrogen	2.512	2.51392	2.722		GPM TOTAL C2+	9.970
Methane	63.010	63.06044	39.094		GPM TOTAL C3+	5.853
Carbon Dioxide	0.223	0.22328	0.380		GPM TOTAL iC5+	1.373
Ethane	15.336	15.34873	17.836	4.117		
Propane	10.132	10.14024	17.280	2.802		
Iso-butane	1.336	1.33677	3.003	0.439		
n-Butane	3.914	3.91735	8.799	1.239		
Iso-pentane	0.899	0.89972	2.509	0.330		
n-Pentane	1.034	1.03493	2.886	0.376		
Hexanes Plus	1.523	1.52462	5.491	0.667		
	99.919	100.0000	100.000	9.970		

## Calculated Physical Properties

	Total	C6+
Relative Density Real Gas	0.8981	3.2176
Calculated Molecular Weight	25.88	93.19
Compressibility Factor	0.9944	

## GPA 2172 Calculation:

Calculated Gross BTU per ft<sup>3</sup> @ 14.696 psia & 60°F

Real Gas Dry BTU	1499	5129
Water Sat. Gas Base BTU	1474	5040
Ideal, Gross HV - Dry at 14.696 psia	1490.6	5129.2
Ideal, Gross HV - Wet	1464.6	5039.7

Comments: H2S Field Content 1.25 ppm

Hydrocarbon Laboratory Manager

Quality Assurance:

The above analyses are performed in accordance with ASTM, UOP, GPA guidelines for  
assurance, unless otherwise stated.

EXHIBIT

B

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

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number	<sup>2</sup> Pool Code	<sup>3</sup> Pool Name
<sup>4</sup> Property Code	<sup>5</sup> Property Name ALYSON 3332 FED COM	
<sup>6</sup> Well Number 121H	<sup>7</sup> Elevation 3331'	
<sup>8</sup> OCRID No.	<sup>9</sup> Operator Name MATADOR PRODUCTION COMPANY	

<sup>10</sup>Surface Location

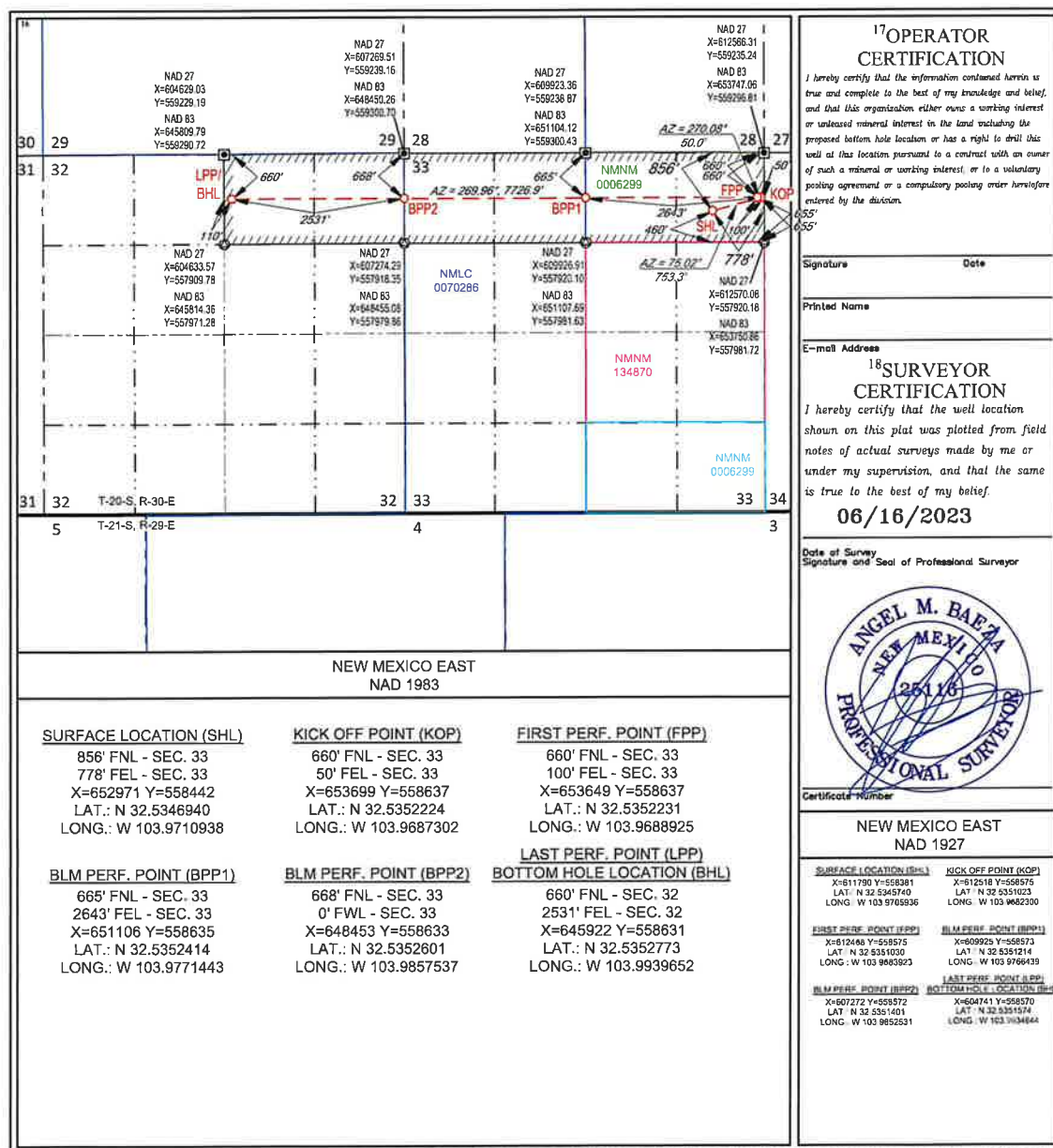
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	33	20-S	30-E	-	856'	NORTH	778'	EAST	EDDY

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

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	32	20-S	30-E	-	660'	NORTH	2531'	EAST	EDDY

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



EXHIBIT

3

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
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  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name	
<sup>4</sup> Property Code		<sup>5</sup> Property Name ALYSON 3332 FED COM			<sup>6</sup> Well Number 122H
<sup>7</sup> OCRID No.		<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY			<sup>9</sup> Elevation 3333'
<sup>10</sup> Surface Location					
UL or lot no. A	Section 33	Township 20-S	Range 30-E	Lot Idn -	Feet from the 859'
		North/South line NORTH		Feet from the 749'	
		East/West line EAST		County EDDY	
<sup>11</sup> Bottom Hole Location If Different From Surface					
UL or lot no. G	Section 32	Township 20-S	Range 30-E	Lot Idn -	Feet from the 1980'
		North/South line NORTH		Feet from the 2531'	
		East/West line EAST		County EDDY	
<sup>12</sup> Dedicated Acres 240		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code	
				<sup>15</sup> Order No.	

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

		<p><b><sup>17</sup>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p> <p><b><sup>18</sup>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.</p> <p>06/16/2023</p> <p>Date of Survey Signature and Seal of Professional Surveyor</p> <p>Certificate Number _____</p> <p>NEW MEXICO EAST NAD 1927</p> <table border="1"> <tr> <td><b>SURFACE LOCATION (SHL)</b></td> <td><b>KICK OFF POINT (KOP)</b></td> <td><b>FIRST PERF. POINT (FPP)</b></td> </tr> <tr> <td>859' FNL - SEC. 33</td> <td>1980' FNL - SEC. 33</td> <td>1980' FNL - SEC. 33</td> </tr> <tr> <td>749' FEL - SEC. 33</td> <td>50' FEL - SEC. 33</td> <td>100' FEL - SEC. 33</td> </tr> <tr> <td>X=653001 Y=558438</td> <td>X=653703 Y=557317</td> <td>X=653653 Y=557317</td> </tr> <tr> <td>LAT.: N 32.5346837</td> <td>LAT.: N 32.5315940</td> <td>LAT.: N 32.5315947</td> </tr> <tr> <td>LONG.: W 103.9709974</td> <td>LONG.: W 103.9687325</td> <td>LONG.: W 103.9688947</td> </tr> <tr> <td><b>BLM PERF. POINT (BPP1)</b></td> <td><b>BLM PERF. POINT (BPP2)</b></td> <td><b>LAST PERF. POINT (LPP)</b></td> </tr> <tr> <td>1985' FNL - SEC. 33</td> <td>1988' FNL - SEC. 33</td> <td>1980' FNL - SEC. 32</td> </tr> <tr> <td>2643' FEL - SEC. 33</td> <td>0' FWL - SEC. 33</td> <td>2531' FEL - SEC. 32</td> </tr> <tr> <td>X=651110 Y=557315</td> <td>X=648458 Y=557313</td> <td>X=645927 Y=557311</td> </tr> <tr> <td>LAT.: N 32.5316131</td> <td>LAT.: N 32.5316317</td> <td>LAT.: N 32.5316489</td> </tr> <tr> <td>LONG.: W 103.9771470</td> <td>LONG.: W 103.9857520</td> <td>LONG.: W 103.9939640</td> </tr> <tr> <td><b>BOTTOM HOLE LOCATION (BHL)</b></td> <td></td> <td></td> </tr> <tr> <td>1980' FNL - SEC. 32</td> <td></td> <td></td> </tr> <tr> <td>2531' FEL - SEC. 32</td> <td></td> <td></td> </tr> <tr> <td>X=604746 Y=557250</td> <td></td> <td></td> </tr> <tr> <td>LAT.: N 32.5315290</td> <td></td> <td></td> </tr> <tr> <td>LONG.: W 103.9634634</td> <td></td> <td></td> </tr> </table>	<b>SURFACE LOCATION (SHL)</b>	<b>KICK OFF POINT (KOP)</b>	<b>FIRST PERF. POINT (FPP)</b>	859' FNL - SEC. 33	1980' FNL - SEC. 33	1980' FNL - SEC. 33	749' FEL - SEC. 33	50' FEL - SEC. 33	100' FEL - SEC. 33	X=653001 Y=558438	X=653703 Y=557317	X=653653 Y=557317	LAT.: N 32.5346837	LAT.: N 32.5315940	LAT.: N 32.5315947	LONG.: W 103.9709974	LONG.: W 103.9687325	LONG.: W 103.9688947	<b>BLM PERF. POINT (BPP1)</b>	<b>BLM PERF. POINT (BPP2)</b>	<b>LAST PERF. POINT (LPP)</b>	1985' FNL - SEC. 33	1988' FNL - SEC. 33	1980' FNL - SEC. 32	2643' FEL - SEC. 33	0' FWL - SEC. 33	2531' FEL - SEC. 32	X=651110 Y=557315	X=648458 Y=557313	X=645927 Y=557311	LAT.: N 32.5316131	LAT.: N 32.5316317	LAT.: N 32.5316489	LONG.: W 103.9771470	LONG.: W 103.9857520	LONG.: W 103.9939640	<b>BOTTOM HOLE LOCATION (BHL)</b>			1980' FNL - SEC. 32			2531' FEL - SEC. 32			X=604746 Y=557250			LAT.: N 32.5315290			LONG.: W 103.9634634		
<b>SURFACE LOCATION (SHL)</b>	<b>KICK OFF POINT (KOP)</b>	<b>FIRST PERF. POINT (FPP)</b>																																																						
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Energy, Minerals & Natural Resources  
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OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

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Revised August 1, 2011  
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WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name	
4 Property Code		5 Property Name ALYSON 3332 FED COM			6 Well Number 123H
7 OGRID No.		8 Operator Name MATADOR PRODUCTION COMPANY			9 Elevation 3393'
10 Surface Location					
UL or lot no. P	Section 33	Township 20-S	Range 30-E	Lot Idn -	Feet from the 884'
		North/South line SOUTH		Feet from the 1018'	East/West line EAST
				County EDDY	
11 Bottom Hole Location If Different From Surface					
UL or lot no. J	Section 32	Township 20-S	Range 30-E	Lot Idn -	Feet from the 1980'
		North/South line SOUTH		Feet from the 2532'	East/West line EAST
				County EDDY	
12 Dedicated Acres 240		13 Joint or Infill		14 Consolidation Code	
				15 Order No.	

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		<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>
<p>NEW MEXICO EAST NAD 1983</p>		<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.</p> <p>06/15/2023</p> <p>Date of Survey Signature and Seal of Professional Surveyor</p> <p>ANGEL M. BAEZA NEW MEXICO PROFESSIONAL SURVEYOR 25118</p> <p>Certificate Number _____</p>
<p>SURFACE LOCATION (SHL)</p> <p>884' FSL - SEC. 33 1018' FEL - SEC. 33 X=652743 Y=554907 LAT.: N 32.5249803 LONG.: W 103.9718743</p>		<p>KICK OFF POINT (KOP)</p> <p>1980' FSL - SEC. 33 50' FEL - SEC. 33 X=653707 Y=556005 LAT.: N 32.5279890 LONG.: W 103.9687341</p>
<p>BLM PERF. POINT (BPP1)</p> <p>1980' FSL - SEC. 33 2644' FEL - SEC. 33 X=651113 Y=556000 LAT.: N 32.5279991 LONG.: W 103.9771497</p>		<p>FIRST PERF. POINT (FPP)</p> <p>1980' FSL - SEC. 33 100' FEL - SEC. 33 X=653657 Y=556005 LAT.: N 32.5279892 LONG.: W 103.9688963</p>
<p>BLM PERF. POINT (BPP2)</p> <p>1980' FSL - SEC. 33 0' FWL - SEC. 33 X=648463 Y=555995 LAT.: N 32.5280089 LONG.: W 103.9857489</p>		<p>LAST PERF. POINT (LPP)</p> <p>1980' FSL - SEC. 32 2532' FEL - SEC. 32 X=645931 Y=555990 LAT.: N 32.5280177 LONG.: W 103.9939628</p>
<p>BOTTOM HOLE LOCATION (BHL)</p> <p>1980' FSL - SEC. 32 2532' FEL - SEC. 32 X=645931 Y=555990 LAT.: N 32.5280177 LONG.: W 103.9939628</p>		<p>NEW MEXICO EAST NAD 1927</p> <p>SURFACE LOCATION (SHL)</p> <p>X=611562 Y=554846 LAT. N 32.5248602 LONG. W 103.9713743</p> <p>KICK OFF POINT (KOP)</p> <p>X=612528 Y=555944 LAT. N 32.5278888 LONG. W 103.968342</p> <p>FIRST PERF. POINT (FPP)</p> <p>X=612476 Y=555944 LAT. N 32.5278690 LONG. W 103.9683864</p> <p>BLM PERF. POINT (BPP1)</p> <p>X=607282 Y=555934 LAT. N 32.5278889 LONG. W 103.9852486</p> <p>BLM PERF. POINT (BPP2)</p> <p>X=604750 Y=555929 LAT. N 32.5278978 LONG. W 103.9934823</p>

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Energy, Minerals & Natural Resources  
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Santa Fe, NM 87505

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name	
<sup>4</sup> Property Code		<sup>5</sup> Property Name ALYSON 3332 FED COM			<sup>6</sup> Well Number 124H
<sup>7</sup> OGRID No.		<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY			<sup>9</sup> Elevation 3393'
<sup>10</sup> Surface Location					
UL or lot no. P	Section 33	Township 20-S	Range 30-E	Lot Idn -	Feet from the 884'
				North/South line SOUTH	Feet from the 1048'
				East/West line EAST	County EDDY
<sup>11</sup> Bottom Hole Location If Different From Surface					
UL or lot no. 0	Section 32	Township 20-S	Range 30-E	Lot Idn -	Feet from the 660'
				North/South line SOUTH	Feet from the 2533'
				East/West line EAST	County EDDY
<sup>12</sup> Dedicated Acres 240		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code	
				<sup>15</sup> Order No.	

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<p>NEW MEXICO EAST NAD 1983</p>		
<p><u>SURFACE LOCATION (SHL)</u></p> <p>884' FSL - SEC. 33 1048' FEL - SEC. 33 X=652713 Y=554907 LAT.: N 32.5249798 LONG.: W 103.9719718</p>	<p><u>KICK OFF POINT (KOP)</u></p> <p>660' FSL - SEC. 33 50' FEL - SEC. 33 X=653711 Y=554685 LAT.: N 32.5243606 LONG.: W 103.9687352</p>	<p><u>FIRST PERF. POINT (FPP)</u></p> <p>660' FSL - SEC. 33 100' FEL - SEC. 33 X=653661 Y=554685 LAT.: N 32.5243608 LONG.: W 103.9688974</p>
<p><u>BLM PERF. POINT (BPP1)</u></p> <p>660' FSL - SEC. 33 2644' FEL - SEC. 33 X=651117 Y=554680 LAT.: N 32.5243708 LONG.: W 103.9771524</p>	<p><u>BLM PERF. POINT (BPP2)</u></p> <p>660' FSL - SEC. 33 0' FWL - SEC. 33 X=648468 Y=554675 LAT.: N 32.5243806 LONG.: W 103.9857444</p>	<p><u>LAST PERF. POINT (LPP)</u></p> <p><u>BOTTOM HOLE LOCATION (BHL)</u></p> <p>660' FSL - SEC. 32 2533' FEL - SEC. 32 X=645936 Y=554670 LAT.: N 32.5243894 LONG.: W 103.9939616</p>
<p><u>SURFACE LOCATION (FPP1)</u></p> <p>X=611532 Y=554846 LAT. N 32.5248997 LONG. W 103.9714719</p>	<p><u>KICK OFF POINT (KOP1)</u></p> <p>X=612330 Y=554624 LAT. N 32.5242405 LONG. W 103.9622353</p>	<p><u>FIRST PERF. POINT (FPP1)</u></p> <p>X=612460 Y=554824 LAT. N 32.5242407 LONG. W 103.9663975</p>
<p><u>BLM PERF. POINT (BPP1)</u></p> <p>X=607286 Y=554614 LAT.: N 32.5242605 LONG. W 103.9852441</p>	<p><u>BLM PERF. POINT (BPP2)</u></p> <p>X=604936 Y=554619 LAT. N 32.5242567 LONG. W 103.9766523</p>	<p><u>LAST PERF. POINT (LPP1)</u></p> <p><u>BOTTOM HOLE LOCATION (BHL1)</u></p> <p>X=604755 Y=554609 LAT. N 32.5242894 LONG. W 103.9938112</p>

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Department  
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Santa Fe, NM 87505

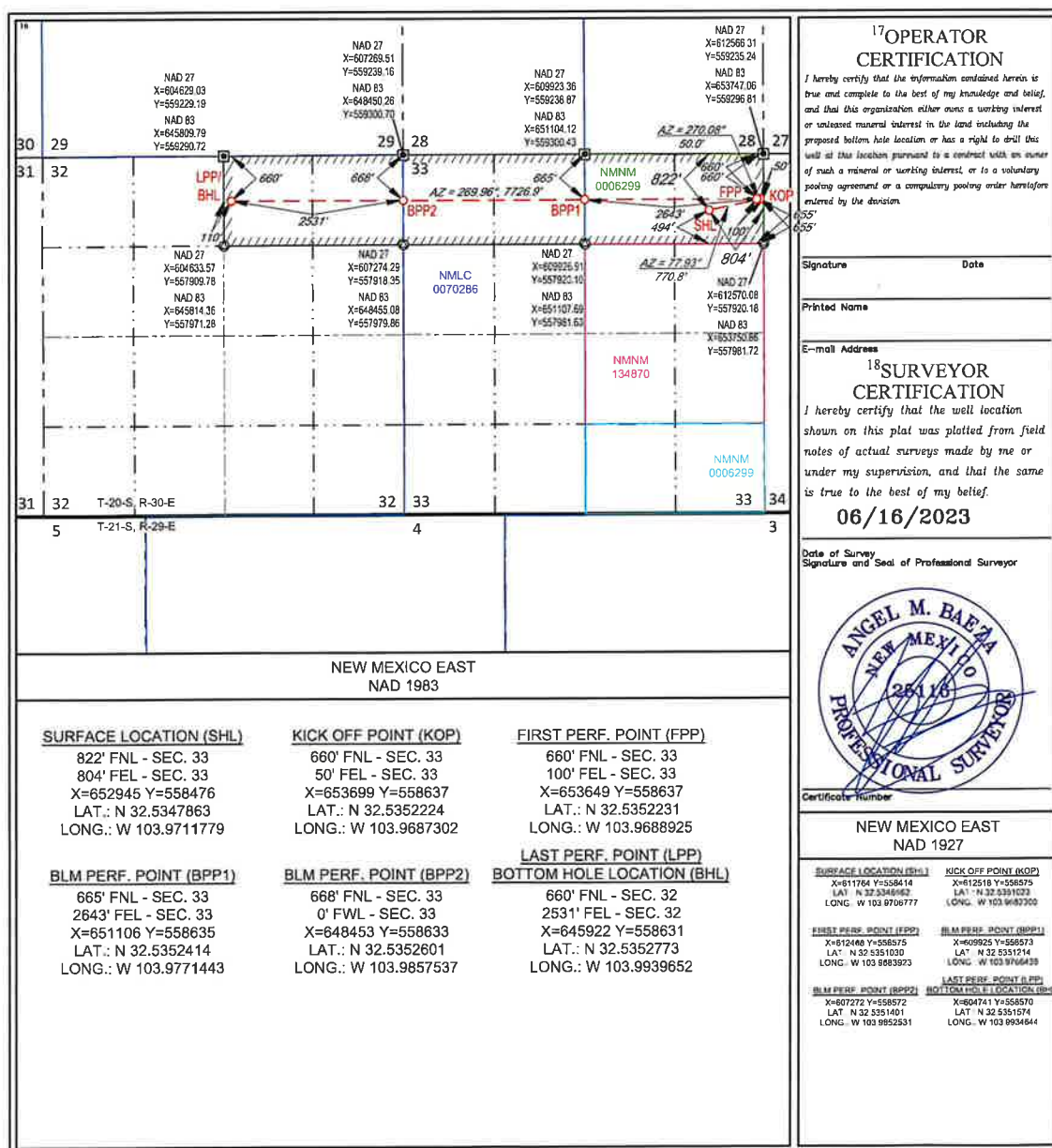
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AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name					
<sup>4</sup> Property Code		<sup>5</sup> Property Name ALYSON 3332 FED COM						<sup>6</sup> Well Number 201H	
<sup>7</sup> GRID No.		<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY						<sup>9</sup> Elevation 3334'	
<sup>10</sup> Surface Location									
UL or lot no. A	Section 33	Township 20-S	Range 30-E	Lot Idn -	Feet from the 822'	North/South line NORTH	Feet from the 804'	East/West line EAST	County EDDY
<sup>11</sup> Bottom Hole Location If Different From Surface									
UL or lot no. B	Section 32	Township 20-S	Range 30-E	Lot Idn -	Feet from the 660'	North/South line NORTH	Feet from the 2531'	East/West line EAST	County EDDY
<sup>12</sup> Dedicated Acres 240		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.			

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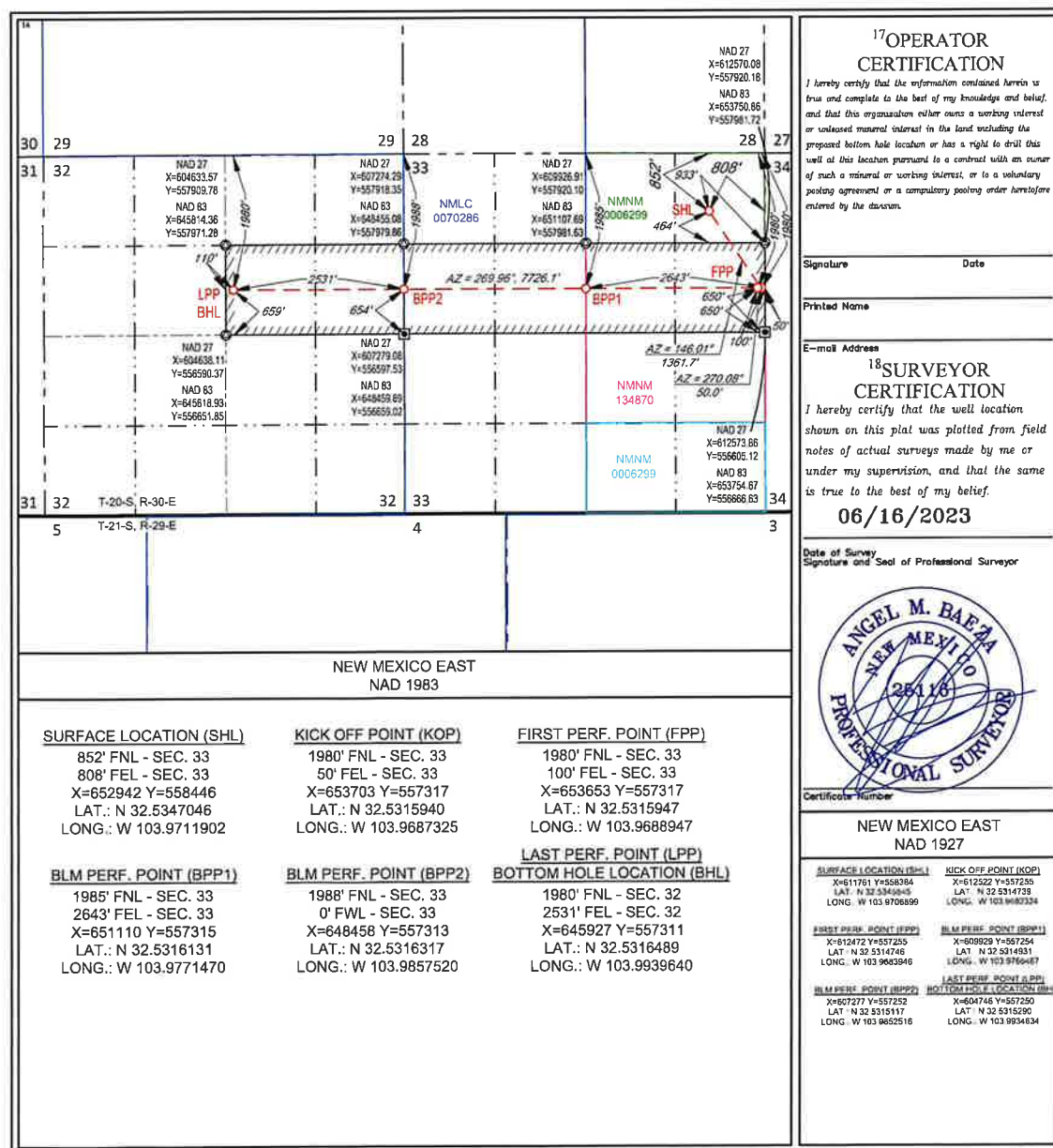
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### WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name	
<sup>4</sup> Property Code		<sup>5</sup> Property Name ALYSON 3332 FED COM			<sup>6</sup> Well Number 202H
<sup>7</sup> OGRID No.		<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY			<sup>9</sup> Elevation 3331'
<sup>10</sup> Surface Location					
UL or lot no. A	Section 33	Township 20-S	Range 30-E	Lot Idn -	Feet from the 852'
				North/South line NORTH	Feet from the 808'
				East/West line EAST	County EDDY
<sup>11</sup> Bottom Hole Location If Different From Surface					
UL or lot no. G	Section 32	Township 20-S	Range 30-E	Lot Idn -	Feet from the 1980'
				North/South line NORTH	Feet from the 2531'
				East/West line EAST	County EDDY
<sup>12</sup> Dedicated Acres 240		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code	
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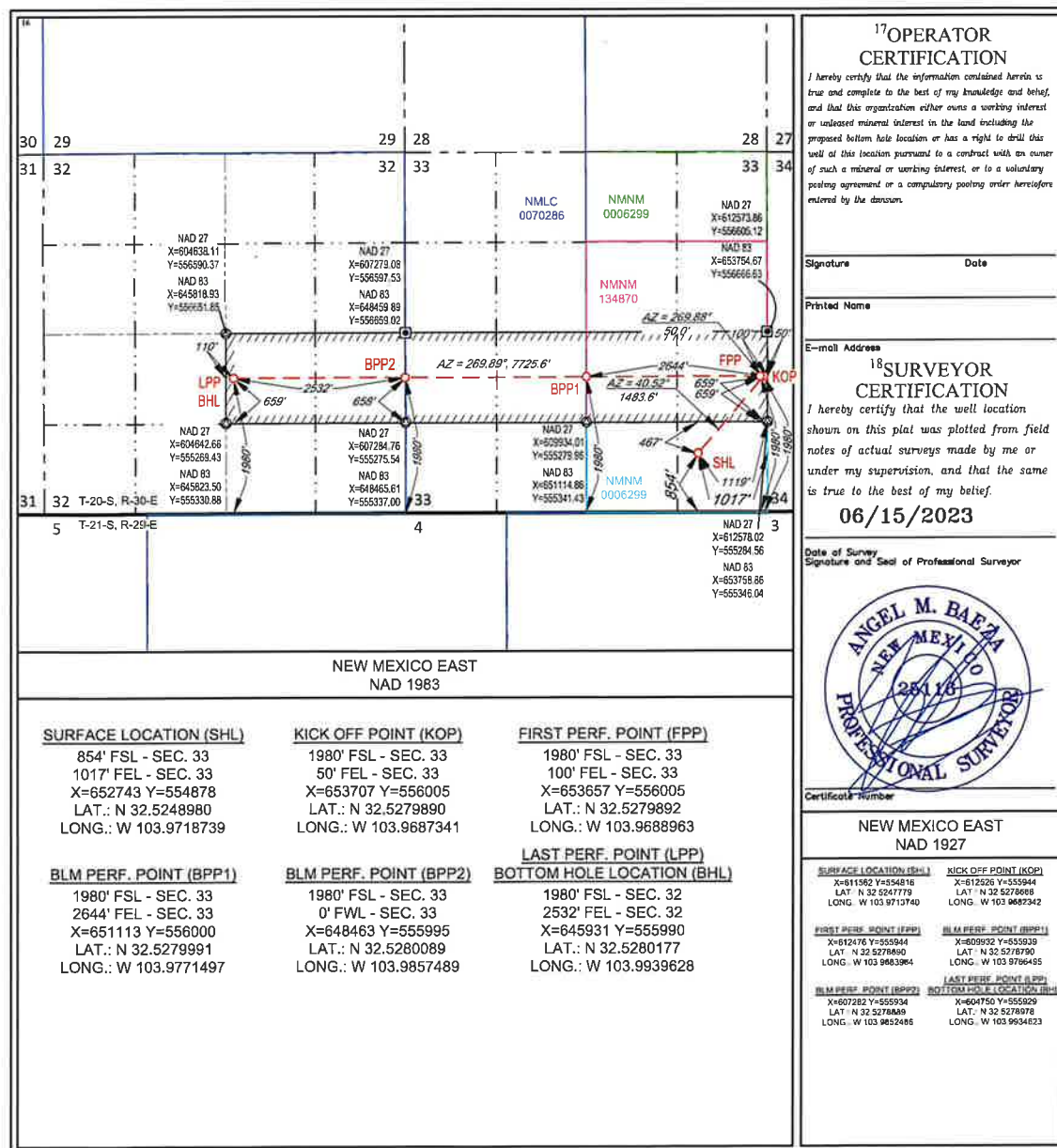
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<sup>1</sup> API Number		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name	
<sup>4</sup> Property Code		<sup>5</sup> Property Name ALYSON 3332 FED COM			<sup>6</sup> Well Number 203H
<sup>7</sup> OGRID No.		<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY			<sup>9</sup> Elevation 3394'
<sup>10</sup> Surface Location					
UL or lot no. P	Section 33	Township 20-S	Range 30-E	Lot Idn -	Feet from the 854'
		North/South line SOUTH		Feet from the 1017'	East/West line EAST
				County EDDY	
<sup>11</sup> Bottom Hole Location If Different From Surface					
UL or lot no. J	Section 32	Township 20-S	Range 30-E	Lot Idn -	Feet from the 1980'
		North/South line SOUTH		Feet from the 2532'	East/West line EAST
				County EDDY	
<sup>12</sup> Dedicated Acres 240		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code	
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name	
<sup>4</sup> Property Code		<sup>5</sup> Property Name ALYSON 3332 FED COM			<sup>6</sup> Well Number 204H
<sup>7</sup> OCRID No.		<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY			<sup>9</sup> Elevation 3394'

<sup>10</sup>Surface Location

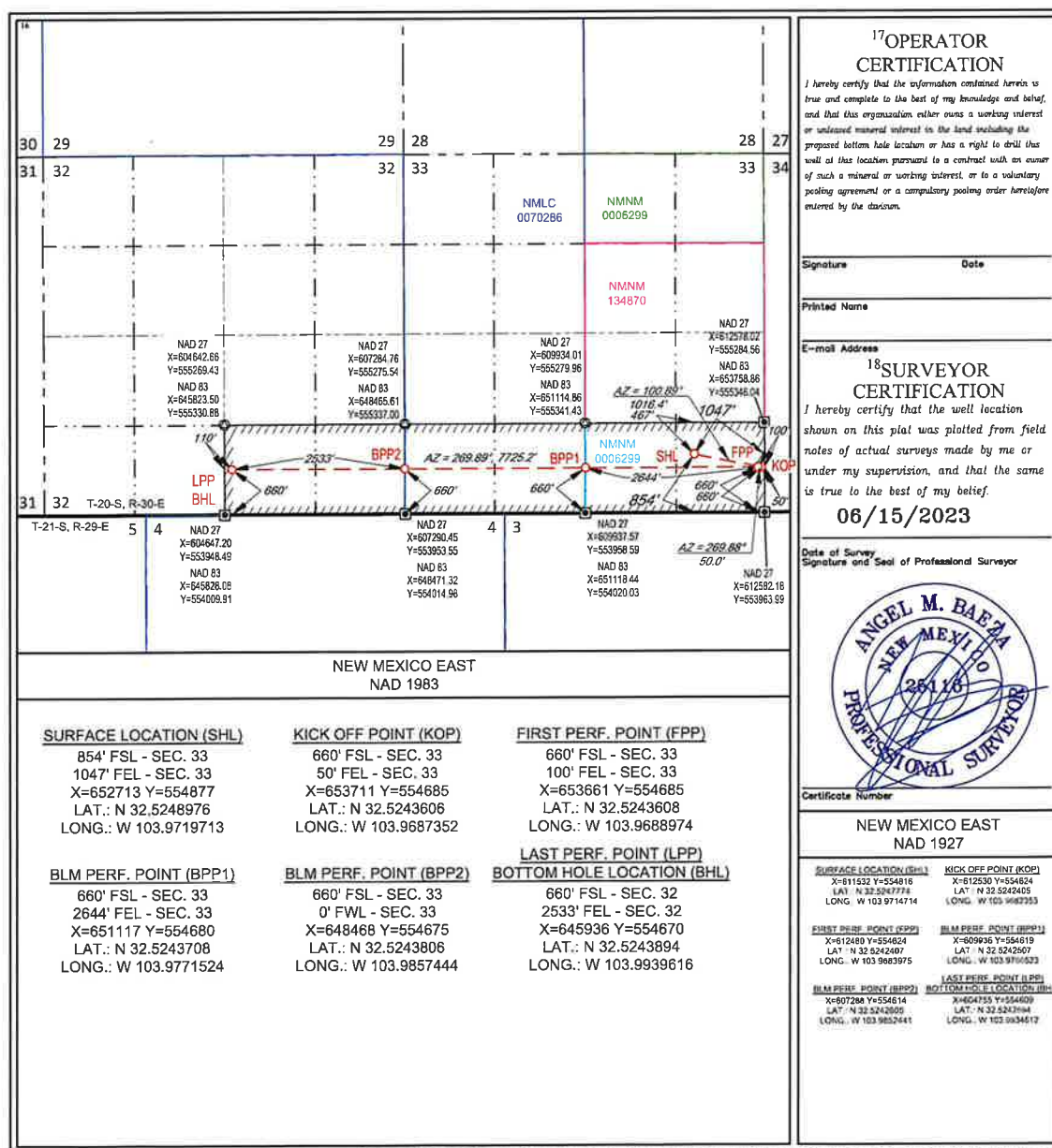
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	33	20-S	30-E	-	854'	SOUTH	1047'	EAST	EDDY

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

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	32	20-S	30-E	-	660'	SOUTH	2533'	EAST	EDDY

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

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



S:\SURVEY\MATADOR\_RESOURCE\ALYSON\_33-20S-30E\FINAL\_PRODUCT\SLD\_ALYSON\_3332\_FED\_COM\_204H\_REV2.DWG 8/4/2023 9:36:57 AM asanabali

Federal Communitization Agreement

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

THIS AGREEMENT entered into as of the **1<sup>st</sup>** day of **December, 2023**, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

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

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

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

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

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

**N2NE4 of Section 32 & the N2N2 of Section 33, Township 20S, Range 30E, Eddy County, New Mexico.**

Containing **240.00** acres, and this agreement shall include only the Bone Spring Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

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



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

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

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

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

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

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

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

10. The date of this agreement is **December 1, 2023**, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all



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

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

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

**Operator: Matador Production Company**

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

**By: Bryan A. Erman E.V.P. and General Counsel and Head of M&A**  
Name & Title of Authorized Agent

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

## ACKNOWLEDGEMENT

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this \_\_\_\_ day of \_\_\_\_\_, 2024, before me, a Notary Public for the State of Texas, personally appeared Bryan A. Erman, known to me to be the E.V.P. and General Counsel and Head of M&A of Matador Production Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

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

**MRC Permian Company**

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

Bryan A. Erman E.V.P. and General Counsel and Head of M&A  
Print Name

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

**ACKNOWLEDGEMENT**

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this \_\_\_\_ day of \_\_\_\_\_, 2024, before me, a Notary Public for the State of Texas, personally appeared Bryan A. Erman, known to me to be the E.V.P. and General Counsel and Head of M&A of MRC Permian Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

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

COMMUNITIZATION AGREEMENT: \_\_\_\_\_

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

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

NAME: \_\_\_\_\_

Signature of office

Printed: Bryan A. Erman

TITLE: E.V.P. and General Counsel and Head of M&A

Phone number : (972) -371-5469

**EXHIBIT “A”**

Plat of communitized area covering **240.00** acres in **N2NE4 of Section 32 & the N2N2 of Section 33, Township 20S, Range 30E, Eddy County, New Mexico.**

**Alyson 3332 Fed Com #121H**

	<b>Tract 1</b> <b>E0-0997-0004</b> <b>80 Acres</b>	<b>Tract 2</b> <b>NMLC-0070286</b> <b>80 Acres</b>	<b>Tract 3</b> <b>NMNM-0006299</b> <b>80 Acres</b>
<b>Section 32</b>		<b>Section 33</b>	

**EXHIBIT “B”**

Attached to and made a part of that certain Communitization Agreement dated December 1, 2023, embracing the following described land in the N2NE4 of Section 32 & the N2N2 of Section 33, Township 20S, Range 30E, Eddy County, New Mexico.

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

DESCRIPTION OF LEASES COMMITTED

**Tract No. 1**

**Lease Serial Number:** E0-0997-0004

**Description of Land Committed:** Township 20 South, Range 30 East,  
Section 32: N2NE4

**Number of Acres:** 80.00

**Current Lessee of Record:** Gulf Oil Corporation

**Name and Percent of Working Interest Owners:** MRC Permian Company – 100%

**Tract No. 2**

**Lease Serial Number:** NMLC-0070286

**Description of Land Committed:** Township 20 South, Range 30 East,  
Section 33: N2NW4

**Number of Acres:** 80.00

**Current Lessee of Record:** Emperor Oil Company

**Name and Percent of Working Interest Owners:** MRC Permian Company – 100%

**Tract No. 3**

**Lease Serial Number:** NMNM-0006299

**Description of Land Committed:** Township 20 South, Range 30 East,  
Section 33: N2NE4

**Number of Acres:** 80.00

**Current Lessee of Record:** Murrell E. Van Hook

**Name and Percent of Working Interest Owners:** MRC Delaware Resources, LLC – 28.542539%  
Jalapeno Corporation – 11.997066%  
Yates Energy Corporation – 9.460395%  
Permian Resources – 50.000000%

**RECAPITULATION**

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	80.00	33.33
2	80.00	33.33
3	80.00	33.34
Total	240.00	100.00%

## Federal Communitization Agreement

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

THIS AGREEMENT entered into as of the **1<sup>st</sup>** day of **December, 2023**, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

### WITNESSETH:

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

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

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

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

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

**N2NE4 of Section 32 & the N2N2 of Section 33, Township 20S, Range 30E, Eddy County, New Mexico.**

Containing **240.00** acres, and this agreement shall include only the Wolfcamp Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

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



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

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

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

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

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

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

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

10. The date of this agreement is **December 1, 2023**, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all

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

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

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

**Operator: Matador Production Company**

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

**By: Bryan A. Erman E.V.P. and General Counsel and Head of M&A**  
Name & Title of Authorized Agent

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

## ACKNOWLEDGEMENT

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this \_\_\_\_ day of \_\_\_\_\_, 2024, before me, a Notary Public for the State of Texas, personally appeared Bryan A. Erman, known to me to be the E.V.P. and General Counsel and Head of M&A of Matador Production Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

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

**MRC Permian Company**

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

Bryan A. Erman E.V.P. and General Counsel and Head of M&A  
Print Name

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

**ACKNOWLEDGEMENT**

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COUNTY OF **DALLAS**)

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(SEAL)

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My Commission Expires

\_\_\_\_\_  
Notary Public

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

**MRC Delaware Resources, LLC**

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

Bryan A. Erman E.V.P. and General Counsel and Head of M&A  
Print Name

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

**ACKNOWLEDGEMENT**

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this \_\_\_\_ day of \_\_\_\_\_, 2024, before me, a Notary Public for the State of Texas, personally appeared Bryan A. Erman, known to me to be the E.V.P. and General Counsel and Head of M&A of MRC Delaware Resources, LLC, the limited liability company that executed the foregoing instrument and acknowledged to me such limited liability company executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

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

COMMUNITIZATION AGREEMENT: \_\_\_\_\_

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

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

NAME: \_\_\_\_\_

Signature of office

Printed: Bryan A. Erman

TITLE: E.V.P. and General Counsel and Head of M&A

Phone number : (972) -371-5469



**EXHIBIT “A”**

Plat of communitized area covering **240.00** acres in **N2NE4** of **Section 32** & the **N2N2** of **Section 33, Township 20S, Range 30E, Eddy County, New Mexico.**

**Alyson 3332 Fed Com #201H**

	<b>Tract 1</b> <b>E0-0997-0004</b> <b>80 Acres</b>	<b>Tract 2</b> <b>NMLC-0070286</b> <b>80 Acres</b>	<b>Tract 3</b> <b>NMNM-0006299</b> <b>80 Acres</b>
<b>Section 32</b>		<b>Section 33</b>	

**EXHIBIT “B”**

Attached to and made a part of that certain Communitization Agreement dated December 1, 2023, embracing the following described land in the N2NE4 of Section 32 & the N2N2 of Section 33, Township 20S, Range 30E, Eddy County, New Mexico.

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

DESCRIPTION OF LEASES COMMITTED

**Tract No. 1**

**Lease Serial Number:** E0-0997-0004

**Description of Land Committed:** Township 20 South, Range 30 East,  
Section 32: N2NE4

**Number of Acres:** 80.00

**Current Lessee of Record:** Gulf Oil Corporation

**Name and Percent of Working Interest Owners:** MRC Permian Company – 100%

**Tract No. 2**

**Lease Serial Number:** NMLC-0070286

**Description of Land Committed:** Township 20 South, Range 30 East,  
Section 33: N2NW4

**Number of Acres:** 80.00

**Current Lessee of Record:** Emperor Oil Company

**Name and Percent of Working Interest Owners:** MRC Permian Company – 100%

**Tract No. 3**

**Lease Serial Number:** NMNM-0006299

**Description of Land Committed:** Township 20 South, Range 30 East,  
Section 33: N2NE4

**Number of Acres:** 80.00

**Current Lessee of Record:** Murrell E. Van Hook

**Name and Percent of Working Interest Owners:** MRC Delaware Resources, LLC – 28.542539%  
Jalapeno Corporation – 11.997066%  
Yates Energy Corporation – 9.460395%  
Permian Resources – 50.000000%

**RECAPITULATION**

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	80.00	33.33
2	80.00	33.33
3	80.00	33.34
Total	240.00	100.00%

## Federal Communitization Agreement

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

THIS AGREEMENT entered into as of the **1<sup>st</sup>** day of **December, 2023**, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

### WITNESSETH:

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

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

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

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

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

**S2NE4 of Section 32 & the S2N2 of Section 33, Township 20S, Range 30E, Eddy County, New Mexico.**

Containing **240.00** acres, and this agreement shall include only the Bone Spring Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

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

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

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

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

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

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

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

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

10. The date of this agreement is **December 1, 2023**, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all

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

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

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

**Operator: Matador Production Company**

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

**By: Bryan A. Erman E.V.P. and General Counsel and Head of M&A**  
Name & Title of Authorized Agent

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

## ACKNOWLEDGEMENT

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this \_\_\_\_ day of \_\_\_\_\_, 2024, before me, a Notary Public for the State of Texas, personally appeared Bryan A. Erman, known to me to be the E.V.P. and General Counsel and Head of M&A of Matador Production Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public



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

**MRC Permian Company**

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

Bryan A. Erman E.V.P. and General Counsel and Head of M&A  
Print Name

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

**ACKNOWLEDGEMENT**

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this \_\_\_\_ day of \_\_\_\_\_, 2024, before me, a Notary Public for the State of Texas, personally appeared Bryan A. Erman, known to me to be the E.V.P. and General Counsel and Head of M&A of MRC Permian Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

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

**MRC Delaware Resources, LLC**

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

Bryan A. Erman E.V.P. and General Counsel and Head of M&A  
Print Name

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

**ACKNOWLEDGEMENT**

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this \_\_\_\_ day of \_\_\_\_\_, 2024, before me, a Notary Public for the State of Texas, personally appeared Bryan A. Erman, known to me to be the E.V.P. and General Counsel and Head of M&A of MRC Delaware Resources, LLC, the limited liability company that executed the foregoing instrument and acknowledged to me such limited liability company executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

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

**COMMUNITIZATION AGREEMENT:** \_\_\_\_\_

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

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

**NAME:** \_\_\_\_\_

Signature of office

**Printed:** Bryan A. Erman

**TITLE:** E.V.P. and General Counsel and Head of M&A

**Phone number :** (972) -371-5469

**EXHIBIT “A”**

Plat of communitized area covering **240.00** acres in **S2NE4** of **Section 32** & the **S2N2** of **Section 33**, **Township 20S**, **Range 30E**, **Eddy County**, **New Mexico**.

**Alyson 3332 Fed Com #122H**

	<b>Tract 1</b> <b>E0-0997-0004</b> <b>80 Acres</b>	<b>Tract 2</b> <b>NMLC-0070286</b> <b>80 Acres</b>	<b>Tract 3</b> <b>NMNM-134870</b> <b>80 Acres</b>
<b>Section 32</b>		<b>Section 33</b>	

**EXHIBIT “B”**

Attached to and made a part of that certain Communitization Agreement dated December 1, 2023, embracing the following described land in the S2NE4 of Section 32 & the S2N2 of Section 33, Township 20S, Range 30E, Eddy County, New Mexico.

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

DESCRIPTION OF LEASES COMMITTED

**Tract No. 1**

**Lease Serial Number:** E0-0997-0004

**Description of Land Committed:** Township 20 South, Range 30 East,  
Section 32: S2NE4

**Number of Acres:** 80.00

**Current Lessee of Record:** Gulf Oil Corporation

**Name and Percent of Working Interest Owners:** MRC Permian Company – 100%

**Tract No. 2**

**Lease Serial Number:** NMLC-0070286

**Description of Land Committed:** Township 20 South, Range 30 East,  
Section 33: S2NW4

**Number of Acres:** 80.00

**Current Lessee of Record:** Emperor Oil Company

**Name and Percent of Working Interest Owners:** MRC Permian Company – 100%

**Tract No. 3**

**Lease Serial Number:** NMNM-134870

**Description of Land Committed:** Township 20 South, Range 30 East,  
Section 33: S2NE4

**Number of Acres:** 80.00

**Current Lessee of Record:** CVT O&G NM, LLC

**Name and Percent of Working Interest Owners:** MRC Permian Company – 100%

**RECAPITULATION**

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	80.00	33.33
2	80.00	33.33
3	80.00	33.34
Total	240.00	100.00%

## Federal Communitization Agreement

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

THIS AGREEMENT entered into as of the **1<sup>st</sup>** day of **December, 2023**, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

### WITNESSETH:

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

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

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

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

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

**S2NE4 of Section 32 & the S2N2 of Section 33, Township 20S, Range 30E, Eddy County, New Mexico.**

Containing **240.00** acres, and this agreement shall include only the Wolfcamp Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

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

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

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

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



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

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

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

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

10. The date of this agreement is **December 1, 2023**, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all

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

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

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

**Operator: Matador Production Company**

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

**By: Bryan A. Erman E.V.P. and General Counsel and Head of M&A**  
Name & Title of Authorized Agent

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

## ACKNOWLEDGEMENT

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this \_\_\_\_ day of \_\_\_\_\_, 2024, before me, a Notary Public for the State of Texas, personally appeared Bryan A. Erman, known to me to be the E.V.P. and General Counsel and Head of M&A of Matador Production Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

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

**MRC Permian Company**

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

Bryan A. Erman E.V.P. and General Counsel and Head of M&A  
Print Name

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

**ACKNOWLEDGEMENT**

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this \_\_\_\_ day of \_\_\_\_\_, 2024, before me, a Notary Public for the State of Texas, personally appeared Bryan A. Erman, known to me to be the E.V.P. and General Counsel and Head of M&A of MRC Permian Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

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

**MRC Delaware Resources, LLC**

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

Bryan A. Erman E.V.P. and General Counsel and Head of M&A  
Print Name

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

**ACKNOWLEDGEMENT**

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this \_\_\_\_ day of \_\_\_\_\_, 2024, before me, a Notary Public for the State of Texas, personally appeared Bryan A. Erman, known to me to be the E.V.P. and General Counsel and Head of M&A of MRC Delaware Resources, LLC, the limited liability company that executed the foregoing instrument and acknowledged to me such limited liability company executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

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

COMMUNITIZATION AGREEMENT: \_\_\_\_\_

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

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

NAME: \_\_\_\_\_

Signature of office

Printed: Bryan A. Erman

TITLE: E.V.P. and General Counsel and Head of M&A

Phone number : (972) -371-5469

**EXHIBIT “A”**

Plat of communitized area covering **240.00** acres in **S2NE4 of Section 32 & the S2N2 of Section 33, Township 20S, Range 30E, Eddy County, New Mexico.**

**Alyson 3332 Fed Com #202H**

	<b>Tract 1</b> <b>E0-0997-0004</b> <b>80 Acres</b>	<b>Tract 2</b> <b>NMLC-0070286</b> <b>80 Acres</b>	<b>Tract 3</b> <b>NMNM-134870</b> <b>80 Acres</b>
<b>Section 32</b>		<b>Section 33</b>	

**EXHIBIT “B”**

Attached to and made a part of that certain Communitization Agreement dated December 1, 2023, embracing the following described land in the S2NE4 of Section 32 & the S2N2 of Section 33, Township 20S, Range 30E, Eddy County, New Mexico.

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

DESCRIPTION OF LEASES COMMITTED

**Tract No. 1**

**Lease Serial Number:** E0-0997-0004

**Description of Land Committed:** Township 20 South, Range 30 East,  
Section 32: S2NE4

**Number of Acres:** 80.00

**Current Lessee of Record:** Gulf Oil Corporation

**Name and Percent of Working Interest Owners:** MRC Permian Company – 100%

**Tract No. 2**

**Lease Serial Number:** NMLC-0070286

**Description of Land Committed:** Township 20 South, Range 30 East,  
Section 33: S2NW4

**Number of Acres:** 80.00

**Current Lessee of Record:** Emperor Oil Company

**Name and Percent of Working Interest Owners:** MRC Permian Company – 100%



**Tract No. 3**

**Lease Serial Number:** NMNM-134870

**Description of Land Committed:** Township 20 South, Range 30 East,  
Section 33: S2NE4

**Number of Acres:** 80.00

**Current Lessee of Record:** CVT O&G NM, LLC

**Name and Percent of Working Interest Owners:** MRC Permian Company – 100%

**RECAPITULATION**

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	80.00	33.33
2	80.00	33.33
3	80.00	33.34
Total	240.00	100.00%

## Federal Communitization Agreement

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

THIS AGREEMENT entered into as of the **1<sup>st</sup>** day of **December, 2023**, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

### WITNESSETH:

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

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

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

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

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

**N2SE4 of Section 32 & the N2S2 of Section 33, Township 20S, Range 30E, Eddy County, New Mexico.**

Containing **240.00** acres, and this agreement shall include only the Bone Spring Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

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

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

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

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

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

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

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

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

10. The date of this agreement is **December 1, 2023**, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all

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

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

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

**Operator: Matador Production Company**

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

**By: Bryan A. Erman E.V.P. and General Counsel and Head of M&A**  
Name & Title of Authorized Agent

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

## ACKNOWLEDGEMENT

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this \_\_\_\_ day of \_\_\_\_\_, 2024, before me, a Notary Public for the State of Texas, personally appeared Bryan A. Erman, known to me to be the E.V.P. and General Counsel and Head of M&A of Matador Production Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public



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

**MRC Permian Company**

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

Bryan A. Erman E.V.P. and General Counsel and Head of M&A  
Print Name

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

**ACKNOWLEDGEMENT**

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this \_\_\_\_ day of \_\_\_\_\_, 2024, before me, a Notary Public for the State of Texas, personally appeared Bryan A. Erman, known to me to be the E.V.P. and General Counsel and Head of M&A of MRC Permian Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

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

**MRC Delaware Resources, LLC**

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

Bryan A. Erman E.V.P. and General Counsel and Head of M&A  
Print Name

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

**ACKNOWLEDGEMENT**

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this \_\_\_\_ day of \_\_\_\_\_, 2024, before me, a Notary Public for the State of Texas, personally appeared Bryan A. Erman, known to me to be the E.V.P. and General Counsel and Head of M&A of MRC Delaware Resources, LLC, the limited liability company that executed the foregoing instrument and acknowledged to me such limited liability company executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

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

COMMUNITIZATION AGREEMENT: \_\_\_\_\_

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

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

NAME: \_\_\_\_\_

Signature of office

Printed: Bryan A. Erman

TITLE: E.V.P. and General Counsel and Head of M&A

Phone number : (972) -371-5469

**EXHIBIT “A”**

Plat of communitized area covering **240.00** acres in **N2SE4 of Section 32 & the N2S2 of Section 33, Township 20S, Range 30E, Eddy County, New Mexico.**

**Alyson 3332 Fed Com #123H**

Section 32		Section 33	
	Tract 1 E0-0997-0004 80 Acres	Tract 2 NMLC-0070286 80 Acres	Tract 3 NMNM-134870 80 Acres

**EXHIBIT “B”**

Attached to and made a part of that certain Communitization Agreement dated December 1, 2023, embracing the following described land in the N2SE4 of Section 32 & the N2S2 of Section 33, Township 20S, Range 30E, Eddy County, New Mexico.

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

**DESCRIPTION OF LEASES COMMITTED**

**Tract No. 1**

**Lease Serial Number:** E0-0997-0004

**Description of Land Committed:** Township 20 South, Range 30 East,  
Section 32: N2SE4

**Number of Acres:** 80.00

**Current Lessee of Record:** Gulf Oil Corporation

**Name and Percent of Working Interest Owners:** MRC Permian Company – 100%

**Tract No. 2**

**Lease Serial Number:** NMLC-0070286

**Description of Land Committed:** Township 20 South, Range 30 East,  
Section 33: N2SW4

**Number of Acres:** 80.00

**Current Lessee of Record:** Emperor Oil Company

**Name and Percent of Working Interest Owners:** MRC Permian Company – 100%

**Tract No. 3**

**Lease Serial Number:** NMNM-134870

**Description of Land Committed:** Township 20 South, Range 30 East,  
Section 33: N2SE4

**Number of Acres:** 80.00

**Current Lessee of Record:** CVT O&G NM, LLC

**Name and Percent of Working Interest Owners:** MRC Permian Company – 100%

**RECAPITULATION**

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	80.00	33.33
2	80.00	33.33
3	80.00	33.34
Total	240.00	100.00%

## Federal Communitization Agreement

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

THIS AGREEMENT entered into as of the **1<sup>st</sup>** day of **December, 2023**, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

### WITNESSETH:

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

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

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

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

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

**N2SE4 of Section 32 & the N2S2 of Section 33, Township 20S, Range 30E, Eddy County, New Mexico.**

Containing **240.00** acres, and this agreement shall include only the Wolfcamp Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

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

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

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

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



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

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

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

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

10. The date of this agreement is **December 1, 2023**, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all

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

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

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

**Operator: Matador Production Company**

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

**By: Bryan A. Erman E.V.P. and General Counsel and Head of M&A**  
Name & Title of Authorized Agent

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

## ACKNOWLEDGEMENT

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this \_\_\_\_ day of \_\_\_\_\_, 2024, before me, a Notary Public for the State of Texas, personally appeared Bryan A. Erman, known to me to be the E.V.P. and General Counsel and Head of M&A of Matador Production Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

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

**MRC Permian Company**

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

Bryan A. Erman E.V.P. and General Counsel and Head of M&A  
Print Name

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

**ACKNOWLEDGEMENT**

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this \_\_\_\_ day of \_\_\_\_\_, 2024, before me, a Notary Public for the State of Texas, personally appeared Bryan A. Erman, known to me to be the E.V.P. and General Counsel and Head of M&A of MRC Permian Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

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

**MRC Delaware Resources, LLC**

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

Bryan A. Erman E.V.P. and General Counsel and Head of M&A  
Print Name

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

**ACKNOWLEDGEMENT**

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this \_\_\_\_ day of \_\_\_\_\_, 2024, before me, a Notary Public for the State of Texas, personally appeared Bryan A. Erman, known to me to be the E.V.P. and General Counsel and Head of M&A of MRC Delaware Resources, LLC, the limited liability company that executed the foregoing instrument and acknowledged to me such limited liability company executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

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

COMMUNITIZATION AGREEMENT: \_\_\_\_\_

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

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

NAME: \_\_\_\_\_

Signature of office

Printed: Bryan A. Erman

TITLE: E.V.P. and General Counsel and Head of M&A

Phone number : (972) -371-5469

**EXHIBIT “A”**

Plat of communitized area covering **240.00** acres in **N2SE4 of Section 32 & the N2S2 of Section 33, Township 20S, Range 30E, Eddy County, New Mexico.**

**Alyson 3332 Fed Com #203H**

Section 32		Section 33	
	Tract 1 E0-0997-0004 80 Acres	Tract 2 NMLC-0070286 80 Acres	Tract 3 NMNM-134870 80 Acres

**EXHIBIT “B”**

Attached to and made a part of that certain Communitization Agreement dated December 1, 2023, embracing the following described land in the N2SE4 of Section 32 & the N2S2 of Section 33, Township 20S, Range 30E, Eddy County, New Mexico.

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

DESCRIPTION OF LEASES COMMITTED

**Tract No. 1**

**Lease Serial Number:** E0-0997-0004

**Description of Land Committed:** Township 20 South, Range 30 East,  
Section 32: N2SE4

**Number of Acres:** 80.00

**Current Lessee of Record:** Gulf Oil Corporation

**Name and Percent of Working Interest Owners:** MRC Permian Company – 100%

**Tract No. 2**

**Lease Serial Number:** NMLC-0070286

**Description of Land Committed:** Township 20 South, Range 30 East,  
Section 33: N2SW4

**Number of Acres:** 80.00

**Current Lessee of Record:** Emperor Oil Company

**Name and Percent of Working Interest Owners:** MRC Permian Company – 100%



**Tract No. 3**

**Lease Serial Number:** NMNM-134870

**Description of Land Committed:** Township 20 South, Range 30 East,  
Section 33: N2SE4

**Number of Acres:** 80.00

**Current Lessee of Record:** CVT O&G NM, LLC

**Name and Percent of Working Interest Owners:** MRC Permian Company – 100%

**RECAPITULATION**

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	80.00	33.33
2	80.00	33.33
3	80.00	33.34
Total	240.00	100.00%

## Federal Communitization Agreement

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

THIS AGREEMENT entered into as of the **1<sup>st</sup>** day of **December, 2023**, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

### WITNESSETH:

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

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

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

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

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

**S2SE4 of Section 32 & the S2S2 of Section 33, Township 20S, Range 30E, Eddy County, New Mexico.**

Containing **240.00** acres, and this agreement shall include only the Bone Spring Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

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

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

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

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

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

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

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

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

10. The date of this agreement is **December 1, 2023**, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all

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

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

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

**Operator: Matador Production Company**

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

**By: Bryan A. Erman E.V.P. and General Counsel and Head of M&A**  
Name & Title of Authorized Agent

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

## ACKNOWLEDGEMENT

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this \_\_\_\_ day of \_\_\_\_\_, 2023, before me, a Notary Public for the State of Texas, personally appeared Bryan A. Erman, known to me to be the E.V.P. and General Counsel and Head of M&A of Matador Production Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

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

**MRC Permian Company**

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

Bryan A. Erman E.V.P. and General Counsel and Head of M&A  
Print Name

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

**ACKNOWLEDGEMENT**

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this \_\_\_\_ day of \_\_\_\_\_, 2023, before me, a Notary Public for the State of Texas, personally appeared Bryan A. Erman, known to me to be the E.V.P. and General Counsel and Head of M&A of MRC Permian Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

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

**MRC Delaware Resources, LLC**

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

Bryan A. Erman E.V.P. and General Counsel and Head of M&A  
Print Name

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

**ACKNOWLEDGEMENT**

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this \_\_\_\_ day of \_\_\_\_\_, 2024, before me, a Notary Public for the State of Texas, personally appeared Bryan A. Erman, known to me to be the E.V.P. and General Counsel and Head of M&A of MRC Delaware Resources, LLC, the limited liability company that executed the foregoing instrument and acknowledged to me such limited liability company executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public



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

COMMUNITIZATION AGREEMENT: \_\_\_\_\_

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

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

NAME: \_\_\_\_\_

Signature of office

Printed: Bryan A. Erman

TITLE: E.V.P. and General Counsel and Head of M&A

Phone number : (972) -371-5469

**EXHIBIT “A”**

Plat of communitized area covering **240.00** acres in **S2SE4 of Section 32 & the S2S2 of Section 33, Township 20S, Range 30E, Eddy County, New Mexico.**

**Alyson 3332 Fed Com #124H**

Section 32		Section 33	
	Tract 1 E0-0997-0004 80 Acres	Tract 2 NMLC-0070286 80 Acres	Tract 3 NMNM-0006299 80 Acres

**EXHIBIT “B”**

Attached to and made a part of that certain Communitization Agreement dated December 1, 2023, embracing the following described land in the S2SE4 of Section 32 & the S2S2 of Section 33, Township 20S, Range 30E, Eddy County, New Mexico.

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

DESCRIPTION OF LEASES COMMITTED

**Tract No. 1**

**Lease Serial Number:** E0-0997-0004

**Description of Land Committed:** Township 20 South, Range 30 East,  
Section 32: S2SE4

**Number of Acres:** 80.00

**Current Lessee of Record:** Gulf Oil Corporation

**Name and Percent of Working Interest Owners:** MRC Permian Company – 100%

**Tract No. 2**

**Lease Serial Number:** NMLC-0070286

**Description of Land Committed:** Township 20 South, Range 30 East,  
Section 33: S2SW4

**Number of Acres:** 80.00

**Current Lessee of Record:** Emperor Oil Company

**Name and Percent of Working Interest Owners:** MRC Permian Company – 100%

**Tract No. 3**

**Lease Serial Number:** NMNM-0006299

**Description of Land Committed:** Township 20 South, Range 30 East,  
Section 33: S2SE4

**Number of Acres:** 80.00

**Current Lessee of Record:** Murrell E. Van Hook

**Name and Percent of Working Interest Owners:** MRC Permian Company – 28.542539%  
Jalapeno Corporation – 11.997066%  
Yates Energy Corporation – 9.460395%  
Permian Resources – 50.000000%

**RECAPITULATION**

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	80.00	33.33
2	80.00	33.33
3	80.00	33.34
Total	240.00	100.00%

## Federal Communitization Agreement

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

THIS AGREEMENT entered into as of the **1<sup>st</sup>** day of **December, 2023**, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

### WITNESSETH:

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

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

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

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

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

**S2SE4 of Section 32 & the S2S2 of Section 33, Township 20S, Range 30E, Eddy County, New Mexico.**

Containing **240.00** acres, and this agreement shall include only the Wolfcamp Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

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

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

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

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

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

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

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

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

10. The date of this agreement is **December 1, 2023**, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all



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

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

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

**Operator:** Matador Production Company

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

By: Bryan A. Erman E.V.P. and General Counsel and Head of M&A  
Name & Title of Authorized Agent

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

## ACKNOWLEDGEMENT

STATE OF TEXAS)

COUNTY OF DALLAS)

On this \_\_\_\_ day of \_\_\_\_\_, 2024, before me, a Notary Public for the State of Texas, personally appeared Bryan A. Erman, known to me to be the E.V.P. and General Counsel and Head of M&A of Matador Production Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

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

**MRC Permian Company**

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

Bryan A. Erman E.V.P. and General Counsel and Head of M&A  
Print Name

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

**ACKNOWLEDGEMENT**

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this \_\_\_\_ day of \_\_\_\_\_, 2024, before me, a Notary Public for the State of Texas, personally appeared Bryan A. Erman, known to me to be the E.V.P. and General Counsel and Head of M&A of MRC Permian Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

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

**MRC Delaware Resources, LLC**

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

Bryan A. Erman E.V.P. and General Counsel and Head of M&A  
Print Name

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

**ACKNOWLEDGEMENT**

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this \_\_\_\_ day of \_\_\_\_\_, 2024, before me, a Notary Public for the State of Texas, personally appeared Bryan A. Erman, known to me to be the E.V.P. and General Counsel and Head of M&A of MRC Delaware Resources, LLC, the limited liability company that executed the foregoing instrument and acknowledged to me such limited liability company executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

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

COMMUNITIZATION AGREEMENT: \_\_\_\_\_

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

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

NAME: \_\_\_\_\_

Signature of office

Printed: Bryan A. Erman

TITLE: E.V.P. and General Counsel and Head of M&A

Phone number : (972) -371-5469

**EXHIBIT “A”**

Plat of communitized area covering **240.00** acres in **S2SE4** of **Section 32** & the **S2S2** of **Section 33**, **Township 20S**, **Range 30E**, **Eddy County**, **New Mexico**.

**Alyson 3332 Fed Com #204H**

Section 32		Section 33	
	Tract 1 E0-0997-0004 80 Acres	Tract 2 NMLC-0070286 80 Acres	Tract 3 NMNM-0006299 80 Acres

**EXHIBIT “B”**

Attached to and made a part of that certain Communitization Agreement dated December 1, 2023, embracing the following described land in the S2SE4 of Section 32 & the S2S2 of Section 33, Township 20S, Range 30E, Eddy County, New Mexico.

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

DESCRIPTION OF LEASES COMMITTED

**Tract No. 1**

**Lease Serial Number:** E0-0997-0004

**Description of Land Committed:** Township 20 South, Range 30 East,  
Section 32: S2SE4

**Number of Acres:** 80.00

**Current Lessee of Record:** Gulf Oil Corporation

**Name and Percent of Working Interest Owners:** MRC Permian Company – 100%

**Tract No. 2**

**Lease Serial Number:** NMLC-0070286

**Description of Land Committed:** Township 20 South, Range 30 East,  
Section 33: S2SW4

**Number of Acres:** 80.00

**Current Lessee of Record:** Emperor Oil Company

**Name and Percent of Working Interest Owners:** MRC Permian Company – 100%

**Tract No. 3**

**Lease Serial Number:** NMNM-0006299

**Description of Land Committed:** Township 20 South, Range 30 East,  
Section 33: S2SE4

**Number of Acres:** 80.00

**Current Lessee of Record:** Murrell E. Van Hook

**Name and Percent of Working Interest Owners:** MRC Permian Company – 28.542539%  
Jalapeno Corporation – 11.997066%  
Yates Energy Corporation – 9.460395%  
Permian Resources – 50.000000%

**RECAPITULATION**

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	80.00	33.33
2	80.00	33.33
3	80.00	33.34
Total	240.00	100.00%

NM State Land Office  
Oil, Gas, & Minerals Division

STATE/FEDERAL OR  
STATE/FEDERAL/FEE

Revised June, 2022

ONLINE Version

# COMMUNITIZATION AGREEMENT

API Initial Well: 30-0\_\_\_\_\_ - \_\_\_\_\_

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

## WITNESSETH:

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

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

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

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

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

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

Subdivisions N2NE4 of Section 32 & the N2N2 of Section 33,

Sect(s) 32&33, T 20S, R 30E, NMPM Eddy County, NM

containing 240.00 acres, more or less, and this agreement shall include only the

Bone Spring Formation

or pool, underlying said lands and the oil and gas

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



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

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is **December** \_\_\_\_\_ Month **1<sup>st</sup>** Day, **2023** Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his/her duly authorized representative, and by the Commissioner or his/her duly authorized representative, and shall remain in force and effect for a period of one (1) year and so 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 & regulations; provided, that the one-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the

Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

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

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

Operator: **Matador Production Company**

By: Bryan A. Erman - E.V.P. and General Counsel and Head of M&A  
Name & Title of Authorized Agent

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

**Acknowledgment in a Representative Capacity**

STATE OF TEXAS) §

COUNTY OF DALLAS) §

This instrument was acknowledged before me on \_\_\_\_\_, 2024, by Bryan A. Erman, as E.V.P. and General Counsel and Head of M&A for Matador Production Company, on behalf of said corporation.

\_\_\_\_\_  
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 General Counsel and Head of M&A  
Name & Title of Authorized Agent

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

**Acknowledgment in a Representative Capacity**

STATE OF TEXAS) §

COUNTY OF DALLAS) §

This instrument was acknowledged before me on \_\_\_\_\_, 2024, by Bryan A. Erman, as E.V.P. and General Counsel and Head of M&A, for MRC Permian Company on behalf of said corporation.

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

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

ONLINE  
version

State/State

**EXHIBIT “A”**

Plat of communitized area covering **240.00** acres in **N2NE4 of Section 32 & the N2N2 of Section 33,**  
**Township 20S, Range 30E, Eddy County, New Mexico.**

**Alyson 3332 Fed Com #121H**

	<b>Tract 1</b> <b>E0-0997-0004</b> <b>80 Acres</b>	<b>Tract 2</b> <b>NMLC-0070286</b> <b>80 Acres</b>	<b>Tract 3</b> <b>NMNM-0006299</b> <b>80 Acres</b>
<b>Section 32</b>		<b>Section 33</b>	

EXHIBIT “B”

Attached to and made a part of that certain Communitization Agreement dated December 1, 2023, embracing the following described land in the N2NE4 of Section 32 & the N2N2 of Section 33, Township 20S, Range 30E, Eddy County, New Mexico.

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

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number: E0-0997-0004

Description of Land Committed: Township 20 South, Range 30 East,  
Section 32: N2NE4

Number of Acres: 80.00

Current Lessee of Record: Gulf Oil Corporation

Name and Percent of Working Interest Owners: MRC Permian Company

Tract No. 2

Lease Serial Number: NMLC-0070286

Description of Land Committed: Township 20 South, Range 30 East,  
Section 33: N2NW4

Number of Acres: 80.00

Current Lessee of Record: Emperor Oil Company

Name and Percent of Working Interest Owners: MRC Permian Company

**Tract No. 3**

**Lease Serial Number:** NMNM-0006299

**Description of Land Committed:** Township 20 South, Range 30 East,  
Section 33: N2NE4

**Number of Acres:** 80.00

**Current Lessee of Record:** Murrell E. Van Hook

**Name and Percent of Working Interest Owners:** MRC Delaware Resources, LLC  
Jalapeno Corporation  
Yates Energy Corporation  
Permian Resources

**RECAPITULATION**

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	80.00	33.33
2	80.00	33.33
3	80.00	33.34
Total	240.00	100.00%

NM State Land Office  
Oil, Gas, & Minerals Division

STATE/FEDERAL OR  
STATE/FEDERAL/FEE

Revised June, 2022

ONLINE Version

# COMMUNITIZATION AGREEMENT

API Initial Well: 30-0\_\_\_\_\_ - \_\_\_\_\_

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

## WITNESSETH:

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

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

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

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

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

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

Subdivisions N2NE4 of Section 32 & the N2N2 of Section 33,

Sect(s) 32&33, T 20S, R 30E, NMPM Eddy County, NM

containing 240.00 acres, more or less, and this agreement shall include only the

Wolfcamp Formation

or pool, underlying said lands and the oil and gas

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



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

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is **December** \_\_\_\_\_ Month **1<sup>st</sup>** Day, **2023** Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his/her duly authorized representative, and by the Commissioner or his/her duly authorized representative, and shall remain in force and effect for a period of one (1) year and so 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 & regulations; provided, that the one-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the

Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

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

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

Operator: **Matador Production Company**

By: Bryan A. Erman - E.V.P. and General Counsel and Head of M&A  
Name & Title of Authorized Agent

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

**Acknowledgment in a Representative Capacity**

STATE OF TEXAS) §

COUNTY OF DALLAS) §

This instrument was acknowledged before me on \_\_\_\_\_, 2024, by Bryan A. Erman, as E.V.P. and General Counsel and Head of M&A for Matador Production Company, on behalf of said corporation.

\_\_\_\_\_  
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 General Counsel and Head of M&A  
Name & Title of Authorized Agent

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

**Acknowledgment in a Representative Capacity**

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

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

ONLINE  
version

State/State

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

**MRC Delaware Resources, LLC**

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

Bryan A. Erman E.V.P. and General Counsel and Head of M&A  
Print Name

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

**ACKNOWLEDGEMENT**

STATE OF TEXAS)

COUNTY OF DALLAS)

On this \_\_\_\_ day of \_\_\_\_\_, 2024, before me, a Notary Public for the State of Texas, personally appeared Bryan A. Erman, known to me to be the E.V.P. and General Counsel and Head of M&A of MRC Delaware Resources, LLC, the limited liability company that executed the foregoing instrument and acknowledged to me such limited liability company executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

ONLINE  
version

State/State

**EXHIBIT “A”**

Plat of communitized area covering **240.00** acres in **N2NE4 of Section 32 & the N2N2 of Section 33,**  
**Township 20S, Range 30E, Eddy County, New Mexico.**

**Alyson 3332 Fed Com #201H**

	<b>Tract 1</b> <b>E0-0997-0004</b> <b>80 Acres</b>	<b>Tract 2</b> <b>NMLC-0070286</b> <b>80 Acres</b>	<b>Tract 3</b> <b>NMNM-0006299</b> <b>80 Acres</b>
<b>Section 32</b>		<b>Section 33</b>	

EXHIBIT “B”

Attached to and made a part of that certain Communitization Agreement dated December 1, 2023, embracing the following described land in the N2NE4 of Section 32 & the N2N2 of Section 33, Township 20S, Range 30E, Eddy County, New Mexico.

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

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number: E0-0997-0004

Description of Land Committed: Township 20 South, Range 30 East,  
Section 32: N2NE4

Number of Acres: 80.00

Current Lessee of Record: Gulf Oil Corporation

Name and Percent of Working Interest Owners: MRC Permian Company

Tract No. 2

Lease Serial Number: NMLC-0070286

Description of Land Committed: Township 20 South, Range 30 East,  
Section 33: N2NW4

Number of Acres: 80.00

Current Lessee of Record: Emperor Oil Company

Name and Percent of Working Interest Owners: MRC Permian Company

**Tract No. 3**

**Lease Serial Number:** NMNM-0006299

**Description of Land Committed:** Township 20 South, Range 30 East,  
Section 33: N2NE4

**Number of Acres:** 80.00

**Current Lessee of Record:** Murrell E. Van Hook

**Name and Percent of Working Interest Owners:** MRC Delaware Resources, LLC  
Jalapeno Corporation  
Yates Energy Corporation  
Permian Resources

**RECAPITULATION**

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	80.00	33.33
2	80.00	33.33
3	80.00	33.34
Total	240.00	100.00%



NM State Land Office  
Oil, Gas, & Minerals Division

STATE/FEDERAL OR  
STATE/FEDERAL/FEE

Revised June, 2022

ONLINE Version

# COMMUNITIZATION AGREEMENT

API Initial Well: 30-0\_\_\_\_\_ - \_\_\_\_\_

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

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

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

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Subdivisions S2NE4 of Section 32 & the S2N2 of Section 33,

Sect(s) 32&33, T 20S, R 30E, NMPM Eddy County, NM

containing 240.00 acres, more or less, and this agreement shall include only the

Bone Spring Formation

or pool, underlying said lands and the oil and gas

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

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

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is **December** \_\_\_\_\_ Month **1<sup>st</sup>** Day, **2023** Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his/her duly authorized representative, and by the Commissioner or his/her duly authorized representative, and shall remain in force and effect for a period of one (1) year and so 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 & regulations; provided, that the one-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the

Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

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

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

Operator: **Matador Production Company**

By: Bryan A. Erman - E.V.P. and General Counsel and Head of M&A  
Name & Title of Authorized Agent

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

**Acknowledgment in a Representative Capacity**

STATE OF TEXAS) §

COUNTY OF DALLAS) §

This instrument was acknowledged before me on \_\_\_\_\_, 2024, by Bryan A. Erman, as E.V.P. and General Counsel and Head of M&A for Matador Production Company, on behalf of said corporation.

\_\_\_\_\_  
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 General Counsel and Head of M&A  
Name & Title of Authorized Agent

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

**Acknowledgment in a Representative Capacity**

STATE OF TEXAS) §

COUNTY OF DALLAS) §

This instrument was acknowledged before me on \_\_\_\_\_, 2024, by Bryan A. Erman, as E.V.P. and General Counsel and Head of M&A, for MRC Permian Company on behalf of said corporation.

\_\_\_\_\_  
Signature of Notarial Officer  
My commission expires \_\_\_\_\_

ONLINE  
version

State/State

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

**MRC Delaware Resources, LLC**

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

Bryan A. Erman E.V.P. and General Counsel and Head of M&A  
Print Name

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

**ACKNOWLEDGEMENT**

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this \_\_\_\_ day of \_\_\_\_\_, 2024, before me, a Notary Public for the State of Texas, personally appeared Bryan A. Erman, known to me to be the E.V.P. and General Counsel and Head of M&A of MRC Delaware Resources, LLC, the limited liability company that executed the foregoing instrument and acknowledged to me such limited liability company executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

ONLINE  
version

State/State

**EXHIBIT “A”**

Plat of communitized area covering **240.00** acres in **S2NE4 of Section 32 & the S2N2 of Section 33,**  
**Township 20S, Range 30E, Eddy County, New Mexico.**

**Alyson 3332 Fed Com #122H**

	<b>Tract 1</b> <b>E0-0997-0004</b> <b>80 Acres</b>	<b>Tract 2</b> <b>NMLC-0070286</b> <b>80 Acres</b>	<b>Tract 3</b> <b>NMNM-134870</b> <b>80 Acres</b>
<b>Section 32</b>		<b>Section 33</b>	

**EXHIBIT “B”**

Attached to and made a part of that certain Communitization Agreement dated December 1, 2023, embracing the following described land in the S2NE4 of Section 32 & the S2N2 of Section 33, Township 20S, Range 30E, Eddy County, New Mexico.

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

DESCRIPTION OF LEASES COMMITTED

**Tract No. 1**

**Lease Serial Number:** E0-0997-0004

**Description of Land Committed:** Township 20 South, Range 30 East,  
Section 32: S2NE4

**Number of Acres:** 80.00

**Current Lessee of Record:** Gulf Oil Corporation

**Name and Percent of Working Interest Owners:** MRC Permian Company

**Tract No. 2**

**Lease Serial Number:** NMLC-0070286

**Description of Land Committed:** Township 20 South, Range 30 East,  
Section 33: S2NW4

**Number of Acres:** 80.00

**Current Lessee of Record:** Emperor Oil Company

**Name and Percent of Working Interest Owners:** MRC Permian Company



**Tract No. 3**

**Lease Serial Number:** NMNM-134870

**Description of Land Committed:** Township 20 South, Range 30 East,  
Section 33: S2NE4

**Number of Acres:** 80.00

**Current Lessee of Record:** CVT O&G NM, LLC

**Name and Percent of Working Interest Owners:** MRC Permian Company

**RECAPITULATION**

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	80.00	33.33
2	80.00	33.33
3	80.00	33.34
Total	240.00	100.00%

NM State Land Office  
Oil, Gas, & Minerals Division

STATE/FEDERAL OR  
STATE/FEDERAL/FEE

Revised June, 2022

ONLINE Version

# COMMUNITIZATION AGREEMENT

API Initial Well: 30-0\_\_\_\_\_ - \_\_\_\_\_

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

## WITNESSETH:

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

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

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

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

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

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

Subdivisions S2NE4 of Section 32 & the S2N2 of Section 33,

Sect(s) 32&33, T 20S, R 30E, NMPM Eddy County, NM

containing 240.00 acres, more or less, and this agreement shall include only the

Wolfcamp Formation

or pool, underlying said lands and the oil and gas

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

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

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is **December** \_\_\_\_\_ Month **1<sup>st</sup>** Day, **2023** Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his/her duly authorized representative, and by the Commissioner or his/her duly authorized representative, and shall remain in force and effect for a period of one (1) year and so 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 & regulations; provided, that the one-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the

Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

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

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

Operator: **Matador Production Company**

By: Bryan A. Erman - E.V.P. and General Counsel and Head of M&A  
Name & Title of Authorized Agent

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

**Acknowledgment in a Representative Capacity**

STATE OF TEXAS) §

COUNTY OF DALLAS) §

This instrument was acknowledged before me on \_\_\_\_\_, 2024, by Bryan A. Erman, as E.V.P. and General Counsel and Head of M&A for Matador Production Company, on behalf of said corporation.

\_\_\_\_\_  
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 General Counsel and Head of M&A  
Name & Title of Authorized Agent

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

**Acknowledgment in a Representative Capacity**

STATE OF TEXAS) §

COUNTY OF DALLAS) §

This instrument was acknowledged before me on \_\_\_\_\_, 2024, by Bryan A. Erman, as E.V.P. and General Counsel and Head of M&A, for MRC Permian Company on behalf of said corporation.

\_\_\_\_\_  
Signature of Notarial Officer  
My commission expires \_\_\_\_\_

ONLINE  
version

State/State

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

**MRC Delaware Resources, LLC**

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

Bryan A. Erman E.V.P. and General Counsel and Head of M&A  
Print Name

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

**ACKNOWLEDGEMENT**

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this \_\_\_\_ day of \_\_\_\_\_, 2024, before me, a Notary Public for the State of Texas, personally appeared Bryan A. Erman, known to me to be the E.V.P. and General Counsel and Head of M&A of MRC Delaware Resources, LLC, the limited liability company that executed the foregoing instrument and acknowledged to me such limited liability company executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

ONLINE  
version

State/State

**EXHIBIT “A”**

Plat of communitized area covering **240.00** acres in **S2NE4 of Section 32 & the S2N2 of Section 33,**  
**Township 20S, Range 30E, Eddy County, New Mexico.**

**Alyson 3332 Fed Com #202H**

	<b>Tract 1</b> <b>E0-0997-0004</b> <b>80 Acres</b>	<b>Tract 2</b> <b>NMLC-0070286</b> <b>80 Acres</b>	<b>Tract 3</b> <b>NMNM-134870</b> <b>80 Acres</b>
<b>Section 32</b>		<b>Section 33</b>	



EXHIBIT “B”

Attached to and made a part of that certain Communitization Agreement dated December 1, 2023, embracing the following described land in the S2NE4 of Section 32 & the S2N2 of Section 33, Township 20S, Range 30E, Eddy County, New Mexico.

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

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

**Lease Serial Number:** E0-0997-0004  
**Description of Land Committed:** Township 20 South, Range 30 East, Section 32: S2NE4  
**Number of Acres:** 80.00  
**Current Lessee of Record:** Gulf Oil Corporation  
**Name and Percent of Working Interest Owners:** MRC Permian Company

Tract No. 2

**Lease Serial Number:** NMLC-0070286  
**Description of Land Committed:** Township 20 South, Range 30 East, Section 33: S2NW4  
**Number of Acres:** 80.00  
**Current Lessee of Record:** Emperor Oil Company  
**Name and Percent of Working Interest Owners:** MRC Permian Company

**Tract No. 3**

**Lease Serial Number:** NMNM-134870

**Description of Land Committed:** Township 20 South, Range 30 East,  
Section 33: S2NE4

**Number of Acres:** 80.00

**Current Lessee of Record:** CVT O&G NM, LLC

**Name and Percent of Working Interest Owners:** MRC Permian Company

**RECAPITULATION**

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	80.00	33.33
2	80.00	33.33
3	80.00	33.34
Total	240.00	100.00%

NM State Land Office  
Oil, Gas, & Minerals Division

STATE/FEDERAL OR  
STATE/FEDERAL/FEE

Revised June, 2022

ONLINE Version

# COMMUNITIZATION AGREEMENT

API Initial Well: 30-0\_\_\_\_\_ - \_\_\_\_\_

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

## WITNESSETH:

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

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

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

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

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

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

Subdivisions N2SE4 of Section 32 & the N2S2 of Section 33,

Sect(s) 32&33, T 20S, R 30E, NMPM Eddy County, NM

containing 240.00 acres, more or less, and this agreement shall include only the

Bone Spring Formation

or pool, underlying said lands and the oil and gas

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

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

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is **December** \_\_\_\_\_ Month **1<sup>st</sup>** Day, **2023** Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his/her duly authorized representative, and by the Commissioner or his/her duly authorized representative, and shall remain in force and effect for a period of one (1) year and so 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 & regulations; provided, that the one-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the

Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

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

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

Operator: **Matador Production Company**

By: Bryan A. Erman - E.V.P. and General Counsel and Head of M&A  
Name & Title of Authorized Agent

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

**Acknowledgment in a Representative Capacity**

STATE OF TEXAS) §

COUNTY OF DALLAS) §

This instrument was acknowledged before me on \_\_\_\_\_, 2024, by Bryan A. Erman, as E.V.P. and General Counsel and Head of M&A for Matador Production Company, on behalf of said corporation.

\_\_\_\_\_  
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 General Counsel and Head of M&A  
Name & Title of Authorized Agent

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

**Acknowledgment in a Representative Capacity**

STATE OF TEXAS) §

COUNTY OF DALLAS) §

This instrument was acknowledged before me on \_\_\_\_\_, 2024, by Bryan A. Erman, as E.V.P. and General Counsel and Head of M&A, for MRC Permian Company on behalf of said corporation.

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

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

ONLINE  
version

State/State

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

**MRC Delaware Resources, LLC**

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

Bryan A. Erman E.V.P. and General Counsel and Head of M&A  
Print Name

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

**ACKNOWLEDGEMENT**

STATE OF TEXAS)

COUNTY OF DALLAS)

On this \_\_\_\_ day of \_\_\_\_\_, 2024, before me, a Notary Public for the State of Texas, personally appeared Bryan A. Erman, known to me to be the E.V.P. and General Counsel and Head of M&A of MRC Delaware Resources, LLC, the limited liability company that executed the foregoing instrument and acknowledged to me such limited liability company executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

ONLINE  
version

State/State



**EXHIBIT “A”**

Plat of communitized area covering **240.00** acres in **N2SE4 of Section 32 & the N2S2 of Section 33,**  
**Township 20S, Range 30E, Eddy County, New Mexico.**

**Alyson 3332 Fed Com #123H**

Section 32		Section 33	
	Tract 1 E0-0997-0004 80 Acres	Tract 2 NMLC-0070286 80 Acres	Tract 3 NMNM-134870 80 Acres

**EXHIBIT “B”**

Attached to and made a part of that certain Communitization Agreement dated December 1, 2023, embracing the following described land in the N2SE4 of Section 32 & the N2S2 of Section 33, Township 20S, Range 30E, Eddy County, New Mexico.

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

DESCRIPTION OF LEASES COMMITTED

**Tract No. 1**

**Lease Serial Number:** E0-0997-0004

**Description of Land Committed:** Township 20 South, Range 30 East,  
Section 32: N2SE4

**Number of Acres:** 80.00

**Current Lessee of Record:** Gulf Oil Corporation

**Name and Percent of Working Interest Owners:** MRC Permian Company

**Tract No. 2**

**Lease Serial Number:** NMLC-0070286

**Description of Land Committed:** Township 20 South, Range 30 East,  
Section 33: N2SW4

**Number of Acres:** 80.00

**Current Lessee of Record:** Emperor Oil Company

**Name and Percent of Working Interest Owners:** MRC Permian Company

**Tract No. 3**

**Lease Serial Number:** NMNM-134870

**Description of Land Committed:** Township 20 South, Range 30 East,  
Section 33: N2SE4

**Number of Acres:** 80.00

**Current Lessee of Record:** CVT O&G NM, LLC

**Name and Percent of Working Interest Owners:** MRC Permian Company

**RECAPITULATION**

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	80.00	33.33
2	80.00	33.33
3	80.00	33.34
Total	240.00	100.00%

NM State Land Office  
Oil, Gas, & Minerals Division

STATE/FEDERAL OR  
STATE/FEDERAL/FEE

Revised June, 2022

ONLINE Version

# COMMUNITIZATION AGREEMENT

API Initial Well: 30-0\_\_\_\_\_ - \_\_\_\_\_

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

## WITNESSETH:

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

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

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

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

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

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

Subdivisions N2SE4 of Section 32 & the N2S2 of Section 33,

Sect(s) 32&33, T 20S, R 30E, NMPM Eddy County, NM

containing 240.00 acres, more or less, and this agreement shall include only the

Wolfcamp Formation

or pool, underlying said lands and the oil and gas

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

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

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is **December** \_\_\_\_\_ Month **1<sup>st</sup>** Day, **2023** Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his/her duly authorized representative, and by the Commissioner or his/her duly authorized representative, and shall remain in force and effect for a period of one (1) year and so 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 & regulations; provided, that the one-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the

Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

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

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

Operator: **Matador Production Company**

By: Bryan A. Erman - E.V.P. and General Counsel and Head of M&A  
Name & Title of Authorized Agent

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

**Acknowledgment in a Representative Capacity**

STATE OF TEXAS) §

COUNTY OF DALLAS) §

This instrument was acknowledged before me on \_\_\_\_\_, 2024, by Bryan A. Erman, as E.V.P. and General Counsel and Head of M&A for Matador Production Company, on behalf of said corporation.

\_\_\_\_\_  
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 General Counsel and Head of M&A  
Name & Title of Authorized Agent

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

**Acknowledgment in a Representative Capacity**

STATE OF TEXAS) §

COUNTY OF DALLAS) §

This instrument was acknowledged before me on \_\_\_\_\_, 2024, by Bryan A. Erman, as E.V.P. and General Counsel and Head of M&A, for MRC Permian Company on behalf of said corporation.

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

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

ONLINE  
version

State/State



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

**MRC Delaware Resources, LLC**

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

Bryan A. Erman E.V.P. and General Counsel and Head of M&A  
Print Name

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

**ACKNOWLEDGEMENT**

STATE OF TEXAS)

COUNTY OF DALLAS)

On this \_\_\_\_ day of \_\_\_\_\_, 2024, before me, a Notary Public for the State of Texas, personally appeared Bryan A. Erman, known to me to be the E.V.P. and General Counsel and Head of M&A of MRC Delaware Resources, LLC, the limited liability company that executed the foregoing instrument and acknowledged to me such limited liability company executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

ONLINE  
version

State/State

**EXHIBIT “A”**

Plat of communitized area covering **240.00** acres in **N2SE4 of Section 32 & the N2S2 of Section 33,**  
**Township 20S, Range 30E, Eddy County, New Mexico.**

**Alyson 3332 Fed Com #203H**

Section 32		Section 33	
	Tract 1 E0-0997-0004 80 Acres	Tract 2 NMLC-0070286 80 Acres	Tract 3 NMNM-134870 80 Acres

EXHIBIT “B”

Attached to and made a part of that certain Communitization Agreement dated December 1, 2023, embracing the following described land in the N2SE4 of Section 32 & the N2S2 of Section 33, Township 20S, Range 30E, Eddy County, New Mexico.

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

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number: E0-0997-0004

Description of Land Committed: Township 20 South, Range 30 East,  
Section 32: N2SE4

Number of Acres: 80.00

Current Lessee of Record: Gulf Oil Corporation

Name and Percent of Working Interest Owners: MRC Permian Company

Tract No. 2

Lease Serial Number: NMLC-0070286

Description of Land Committed: Township 20 South, Range 30 East,  
Section 33: N2SW4

Number of Acres: 80.00

Current Lessee of Record: Emperor Oil Company

Name and Percent of Working Interest Owners: MRC Permian Company

**Tract No. 3**

**Lease Serial Number:** NMNM-134870

**Description of Land Committed:** Township 20 South, Range 30 East,  
Section 33: N2SE4

**Number of Acres:** 80.00

**Current Lessee of Record:** CVT O&G NM, LLC

**Name and Percent of Working Interest Owners:** MRC Permian Company

**RECAPITULATION**

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	80.00	33.33
2	80.00	33.33
3	80.00	33.34
Total	240.00	100.00%

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

**STATE/FEDERAL OR  
STATE/FEDERAL/FEE**

Revised June, 2022

ONLINE Version

**COMMUNITIZATION AGREEMENT**

API Initial Well: 30-0\_\_\_\_\_ - \_\_\_\_\_

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

**WITNESSETH:**

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

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

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

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

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

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

Subdivisions S2SE4 of Section 32 & the S2S2 of Section 33,

Sect(s) 32&33, T 20S, R 30E, NMPM Eddy County, NM

containing 240.00 acres, more or less, and this agreement shall include only the

Bone Spring Formation

or pool, underlying said lands and the oil and gas

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

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

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is **December** \_\_\_\_\_ Month **1<sup>st</sup>** Day, **2023** Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his/her duly authorized representative, and by the Commissioner or his/her duly authorized representative, and shall remain in force and effect for a period of one (1) year and so 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 & regulations; provided, that the one-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the

Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

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

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



Operator: **Matador Production Company**

By: Bryan A. Erman - E.V.P. and General Counsel and Head of M&A  
Name & Title of Authorized Agent

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

**Acknowledgment in a Representative Capacity**

STATE OF TEXAS) §

COUNTY OF DALLAS) §

This instrument was acknowledged before me on \_\_\_\_\_, 2024, by Bryan A. Erman, as E.V.P. and General Counsel and Head of M&A for Matador Production Company, on behalf of said corporation.

\_\_\_\_\_  
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 General Counsel and Head of M&A  
Name & Title of Authorized Agent

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

**Acknowledgment in a Representative Capacity**

STATE OF TEXAS) §

COUNTY OF DALLAS) §

This instrument was acknowledged before me on \_\_\_\_\_, 2024, by Bryan A. Erman, as E.V.P. and General Counsel and Head of M&A, for MRC Permian Company on behalf of said corporation.

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

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

ONLINE  
version

State/State

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

**MRC Delaware Resources, LLC**

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

Bryan A. Erman E.V.P. and General Counsel and Head of M&A  
Print Name

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

**ACKNOWLEDGEMENT**

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this \_\_\_\_ day of \_\_\_\_\_, 2024, before me, a Notary Public for the State of Texas, personally appeared Bryan A. Erman, known to me to be the E.V.P. and General Counsel and Head of M&A of MRC Delaware Resources, LLC, the limited liability company that executed the foregoing instrument and acknowledged to me such limited liability company executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

ONLINE  
version

State/State

**EXHIBIT “A”**

Plat of communitized area covering **240.00** acres in **S2SE4 of Section 32 & the S2S2 of Section 33,**  
**Township 20S, Range 30E, Eddy County, New Mexico.**

**Alyson 3332 Fed Com #124H**

Section 32		Section 33	
	Tract 1 E0-0997-0004 80 Acres	Tract 2 NMLC-0070286 80 Acres	Tract 3 NMNM-0006299 80 Acres

**EXHIBIT “B”**

Attached to and made a part of that certain Communitization Agreement dated December 1, 2023, embracing the following described land in the S2SE4 of Section 32 & the S2S2 of Section 33, Township 20S, Range 30E, Eddy County, New Mexico.

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

DESCRIPTION OF LEASES COMMITTED

**Tract No. 1**

**Lease Serial Number:** E0-0997-0004

**Description of Land Committed:** Township 20 South, Range 30 East,  
Section 32: S2SE4

**Number of Acres:** 80.00

**Current Lessee of Record:** Gulf Oil Corporation

**Name and Percent of Working Interest Owners:** MRC Permian Company

**Tract No. 2**

**Lease Serial Number:** NMLC-0070286

**Description of Land Committed:** Township 20 South, Range 30 East,  
Section 33: S2SW4

**Number of Acres:** 80.00

**Current Lessee of Record:** Emperor Oil Company

**Name and Percent of Working Interest Owners:** MRC Permian Company

**Tract No. 3**

**Lease Serial Number:** NMNM-0006299

**Description of Land Committed:** Township 20 South, Range 30 East,  
Section 33: S2SE4

**Number of Acres:** 80.00

**Current Lessee of Record:** Murrell E. Van Hook

**Name and Percent of Working Interest Owners:** MRC Permian Company  
Jalapeno Corporation  
Yates Energy Corporation  
Permian Resources

**RECAPITULATION**

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	80.00	33.33
2	80.00	33.33
3	80.00	33.34
Total	240.00	100.00%

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

**STATE/FEDERAL OR  
STATE/FEDERAL/FEE**

Revised June, 2022

ONLINE Version

**COMMUNITIZATION AGREEMENT**

API Initial Well: 30-0\_\_\_\_\_ - \_\_\_\_\_

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

**WITNESSETH:**

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

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

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

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

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

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

Subdivisions S2SE4 of Section 32 & the S2S2 of Section 33,

Sect(s) 32&33, T 20S, R 30E, NMPM Eddy County, NM

containing 240.00 acres, more or less, and this agreement shall include only the

Wolfcamp Formation

or pool, underlying said lands and the oil and gas

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

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

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is **December** \_\_\_\_\_ Month **1<sup>st</sup>** Day, **2023** Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his/her duly authorized representative, and by the Commissioner or his/her duly authorized representative, and shall remain in force and effect for a period of one (1) year and so 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 & regulations; provided, that the one-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the



Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

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

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

Operator: **Matador Production Company**

By: Bryan A. Erman - E.V.P. and General Counsel and Head of M&A  
Name & Title of Authorized Agent

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

**Acknowledgment in a Representative Capacity**

STATE OF TEXAS) §

COUNTY OF DALLAS) §

This instrument was acknowledged before me on \_\_\_\_\_, 2024, by Bryan A. Erman, as E.V.P. and General Counsel and Head of M&A for Matador Production Company, on behalf of said corporation.

\_\_\_\_\_  
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 General Counsel and Head of M&A  
Name & Title of Authorized Agent

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

**Acknowledgment in a Representative Capacity**

STATE OF TEXAS) §

COUNTY OF DALLAS) §

This instrument was acknowledged before me on \_\_\_\_\_, 2024, by Bryan A. Erman, as E.V.P. and General Counsel and Head of M&A, for MRC Permian Company on behalf of said corporation.

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

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

ONLINE  
version

State/State

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

**MRC Delaware Resources, LLC**

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

Bryan A. Erman E.V.P. and General Counsel and Head of M&A  
Print Name

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

**ACKNOWLEDGEMENT**

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this \_\_\_\_ day of \_\_\_\_\_, 2024, before me, a Notary Public for the State of Texas, personally appeared Bryan A. Erman, known to me to be the E.V.P. and General Counsel and Head of M&A of MRC Delaware Resources, LLC, the limited liability company that executed the foregoing instrument and acknowledged to me such limited liability company executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

ONLINE  
version

State/State

**EXHIBIT “A”**

Plat of communitized area covering **240.00** acres in **S2SE4 of Section 32 & the S2S2 of Section 33,**  
**Township 20S, Range 30E, Eddy County, New Mexico.**

**Alyson 3332 Fed Com #204H**

Section 32		Section 33	
	Tract 1 E0-0997-0004 80 Acres	Tract 2 NMLC-0070286 80 Acres	Tract 3 NMNM-0006299 80 Acres

**EXHIBIT “B”**

Attached to and made a part of that certain Communitization Agreement dated December 1, 2023, embracing the following described land in the S2SE4 of Section 32 & the S2S2 of Section 33, Township 20S, Range 30E, Eddy County, New Mexico.

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

DESCRIPTION OF LEASES COMMITTED

**Tract No. 1**

**Lease Serial Number:** E0-0997-0004

**Description of Land Committed:** Township 20 South, Range 30 East,  
Section 32: N2NE4

**Number of Acres:** 80.00

**Current Lessee of Record:** Gulf Oil Corporation

**Name and Percent of Working Interest Owners:** MRC Permian Company

**Tract No. 2**

**Lease Serial Number:** NMLC-0070286

**Description of Land Committed:** Township 20 South, Range 30 East,  
Section 33: N2NW4

**Number of Acres:** 80.00

**Current Lessee of Record:** Emperor Oil Company

**Name and Percent of Working Interest Owners:** MRC Permian Company

**Tract No. 3**

**Lease Serial Number:** NMNM-0006299

**Description of Land Committed:** Township 20 South, Range 30 East,  
Section 33: S2SE4

**Number of Acres:** 80.00

**Current Lessee of Record:** Murrell E. Van Hook

**Name and Percent of Working Interest Owners:** MRC Permian Company  
Jalapeno Corporation  
Yates Energy Corporation  
Permian Resources

**RECAPITULATION**

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	80.00	33.33
2	80.00	33.33
3	80.00	33.34
Total	240.00	100.00%

Alexander Oil and Gas, LLC	2121 S Columbia Ave	Tulsa	OK	74114
Ard Oil, Ltd.	P.O. Box 101027	Fort Worth	TX	76185
B&G Royalties	P.O. Box 376	Artesia	NM	88211
Barbe Development, LLC	121 W Third St.	Roswell	NM	88201
Bureau of Land Management	301 Dinosaur Trail	Santa Fe	NM	87508
Chad Barbe	P.O. Box 2107	Roswell	NM	88202
Colgate Production, LLC	300 N. Marienfeld St., Suite 1000	Midland	TX	79701
Compound Properties	P.O. Box 2990	Ruidoso	NM	88355
Cope Properties, LLC	4801 E Broadway Blvd	Tucson	AZ	85711
CTV-CTAM BPEOR NM, LLC	201 Main Street, Suite 2300	Fort Worth	TX	76102
CTV-LMB I BPEOR NM, LLC	201 Main Street, Suite 2300	Fort Worth	TX	76102
CTV-LMB II BPEOR NM, LLC	201 Main Street, Suite 2300	Fort Worth	TX	76102
CTV-SRB I BPEOR NM, LLC	201 Main Street, Suite 2300	Fort Worth	TX	76102
CTV-SRB II BPEOR NM, LLC	201 Main Street, Suite 2300	Fort Worth	TX	76102
DASCO Energy Corporation	225 E. Bender Blvd #150	Hobbs	NM	88240
Delmar Hudson Lewis, Trustee of the Delmar Hudson Lewis Living Trust u/t/a dated September 9, 2002	6300 Ridglea Place, Suite 1005A	Fort Worth	TX	76116
Fonay Oil & Gas, LLC	5333 N. Baggett St.	Hobbs	NM	88242
Francis Hill Hudson, Trustee of Lindy's Living Trust u/t/a dated July 8, 1994	215 W. Bandera Road, Suite 114-620	Boerne	TX	78006
Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust f/b/o J. Terrell	P.O. Box 1600	San Antonio	TX	78296
Hal Brunson	3186 Crestview Dr.	Pineville	LA	71360
Jalepeno Corporation	P.O. Box 1608	Albuquerque	NM	87103
Javelina Partners	616 Texas Street	Fort Worth	TX	76102
Lynx Petroleum Consultants, Inc.	P.O. Box 1708	Hobbs	NM	88241
Mark McClellan and Paula McClellan	P.O. Box 730	Roswell	NM	88202
Merrion Oil & Gas Corporation	610 Reilly Ave	Farmington	NM	87401
Moore & Shelton Company, Ltd.	P.O. Box 3070	Galveston	TX	77552
Moore & Shelton Company, Ltd.	P.O. Box 3070	Galveston	TX	77552
MSH Family Real Estate Partnership II, LLC	4143 Maple Ave Ste 500	Dallas	TX	75219
New Mexico State Land Office	310 Old Santa Fe Trail	Santa Fe	NM	87501
Pat Guthrie, Trustee of the Guthrie Family Trust dated July 12, 1993	3105 E 4th St. Apt. 8D	Bartlesville	OK	74006
Pegasus Resources, LLC	P.O. Box 733980	Dallas	TX	75373

Penasco Petroleum, LLC	P.O. Box 4168	Roswell	NM	88202
Powder Horn Investments, LLC	619 E. Abo Dr.	Hobbs	NM	88240
Rolla R. Hinkle, III	P.O. Box 2292	Roswell	NM	88202
RR Resources Ltd. Co.	1629 W. Bender	Hobbs	NM	88240
SMP Sidecar Titan Mineral Holdings, LP	4143 Maple Ave Ste 500	Dallas	TX	75219
SMP Titan Flex, LP	4143 Maple Ave Ste 500	DallaS	TX	75219
SMP Titan Mineral Holdings, LP	4143 Maple Ave Ste 500	Dallas	TX	75219
Teaco Energy	320 N Turner St.	Hobbs	NN	88240
The Toles Company	P.O. Drawer 1300	Roswell	NM	88202
Trigg Oil & Gas Limited Partnership	P.O. Box 520	Roswell	NM	88202
Underwood, LLC	2 20th St. N Suite A	Birmingham	AL	35203
W&C Oil Properties, LLC	1207 W Caprock St.	Hobbs	NM	88240
Watson Oil and Gas, LLC	P.O. Box 10	Hobbs	NM	88241
West Bend Energy Partners, LLC	1320 S University Dr Ste 701	Fort Worth	TX	76107
XTO Delaware Basin, LLC	22777 Springwoods Village Parkway	Spring	TX	77389
Yates Energy Corporation	P.O. Box 2323	Roswell	NM	88202
Zorro Partners, Ltd.	616 Texas Street	Fort Worth	TX	76102





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

March 12, 2024

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

**TO: ALL AFFECTED PARTIES**

**Re: Application of Matador Production Company for administrative approval to surface commingle (pool and lease) oil and gas production from spacing units comprised of the E/2 of Section 32 and all of Section 33, Township 20 South, Range 30 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,

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

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

MRC - Alyson Commingling  
Postal Delivery Report

9402811898765407425868	Alexander Oil and Gas, LLC	2121 S Columbia Ave	Tulsa	OK	74114-3505	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.
9402811898765407425806	Ard Oil, Ltd.	PO Box 101027	Fort Worth	TX	76185-1027	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.
9402811898765407425899	B&G Royalties	PO Box 376	Artesia	NM	88211-0376	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.
9402811898765407425844	Barbe Development, LLC	121 W 3rd St	Roswell	NM	88201-4707	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.
9402811898765407425882	Bureau of Land Management	301 Dinosaur Trl	Santa Fe	NM	87508-1560	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.
9402811898765407425837	Chad Barbe	PO Box 2107	Roswell	NM	88202-2107	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.
9402811898765407425875	Colgate Production, LLC	300 N Marienfeld St Ste 1000	Midland	TX	79701-4688	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.

MRC - Alyson Commingling  
Postal Delivery Report

9402811898765407425714	Compound Properties	PO Box 2990	Ruidoso	NM	88355-2990	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.
9402811898765407425752	Cope Properties, LLC	4801 E Broadway Blvd	Tucson	AZ	85711-3633	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.
9402811898765407425769	CTV-CTAM BPEOR NM, LLC	201 Main St Ste 2300	Fort Worth	TX	76102-3137	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.
9402811898765407425707	CTV-LMB I BPEOR NM, LLC	201 Main St Ste 2300	Fort Worth	TX	76102-3137	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.
9402811898765407425790	CTV-LMB II BPEOR NM, LLC	201 Main St Ste 2300	Fort Worth	TX	76102-3137	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.
9402811898765407425745	CTV-SRB I BPEOR NM, LLC	201 Main St Ste 2300	Fort Worth	TX	76102-3137	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.
9402811898765407425783	CTV-SRB II BPEOR NM, LLC	201 Main St Ste 2300	Fort Worth	TX	76102-3137	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.

MRC - Alyson Commingling  
Postal Delivery Report

9402811898765407425776	DASCO Energy Corporation	225 E Bender Blvd Unit 150	Hobbs	NM	88240-2331	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.
9402811898765407425912	Delmar Hudson Lewis, Trustee of the Delmar Hudson Lewis Living Trust u/t/a dated September 9, 2002	6300 Ridglea Pl Ste 1005A	Fort Worth	TX	76116-5763	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.
9402811898765407425950	Fonay Oil & Gas, LLC	5333 N Baggett St	Hobbs	NM	88242-9703	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.
9402811898765407425967	Francis Hill Hudson, Trustee of Lindys Living Trust u/t/a dated July 8, 1994	215 W Bandera Rd Ste 114-620	Boerne	TX	78006-2820	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.
9402811898765407425929	Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust f/b/o J. Terrell	PO Box 1600	San Antonio	TX	78296-1600	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.
9402811898765407425998	Hal Brunson	3186 Crestview Dr	Pineville	LA	71360-5803	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.
9402811898765407425943	Jalepeno Corporation	PO Box 1608	Albuquerque	NM	87103-1608	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.

MRC - Alyson Commingling  
Postal Delivery Report

9402811898765407425981	Javelina Partners	616 Texas St	Fort Worth	TX	76102-4612	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.
9402811898765407425936	Lynx Petroleum Consultants, Inc.	PO Box 1708	Hobbs	NM	88241-1708	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.
9402811898765407425974	Mark McClellan and Paula McClellan	PO Box 730	Roswell	NM	88202-0730	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.
9402811898765407425615	Merrion Oil & Gas Corporation	610 Reilly Ave	Farmington	NM	87401-2634	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.
9402811898765407425653	Moore & Shelton Company, Ltd.	PO Box 3070	Galveston	TX	77552-0070	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.
9402811898765407425660	MSH Family Real Estate Partnership II, LLC	4143 Maple Ave Ste 500	Dallas	TX	75219-3294	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.
9402811898765407425622	New Mexico State Land Office	310 Old Santa Fe Trl	Santa Fe	NM	87501-2708	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.

MRC - Alyson Commingling  
Postal Delivery Report

9402811898765407425691	Pat Guthrie, Trustee of the Guthrie Family Trust dated July 12, 1993	3105 E 4th St Apt 8D	Bartlesville	OK	74006-8241	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.
9402811898765407425646	Pegasus Resources, LLC	PO Box 733980	Dallas	TX	75373-3980	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.
9402811898765407425684	Penasco Petroleum, LLC	PO Box 4168	Roswell	NM	88202-4168	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.
9402811898765407425639	Powder Horn Investments, LLC	619 E Abo Dr	Hobbs	NM	88240-3405	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.
9402811898765407425110	Rolla R. Hinkle, III	PO Box 2292	Roswell	NM	88202-2292	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.
9402811898765407425158	RR Resources Ltd. Co.	1629 W Bender Blvd	Hobbs	NM	88240-8010	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.
9402811898765407425165	SMP Sidecar Titan Mineral Holdings, LP	4143 Maple Ave Ste 500	Dallas	TX	75219-3294	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.

MRC - Alyson Commingling  
Postal Delivery Report

9402811898765407425103	SMP Titan Flex, LP	4143 Maple Ave Ste 500	Dallas	TX	75219-3294	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.
9402811898765407425196	SMP Titan Mineral Holdings, LP	4143 Maple Ave Ste 500	Dallas	TX	75219-3294	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.
9402811898765407425189	Teaco Energy	320 N Turner St	Hobbs	NM	88240-8302	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.
9402811898765407425172	The Toles Company	PO Box 1300	Roswell	NM	88202-1300	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.
9402811898765407425318	Trigg Oil & Gas Limited Partnership	PO Box 520	Roswell	NM	88202-0520	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.
9402811898765407425356	Underwood, LLC	2 20th St N Ste A	Birmingham	AL	35203-4019	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.
9402811898765407425363	W&C Oil Properties, LLC	1207 W Caprock St	Hobbs	NM	88240-1123	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.

MRC - Alyson Commingling  
Postal Delivery Report

9402811898765407425325	Watson Oil and Gas, LLC	PO Box 10	Hobbs	NM	88241-0010	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.
9402811898765407425301	West Bend Energy Partners, LLC	1320 S University Dr Ste 701	Fort Worth	TX	76107-8061	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.
9402811898765407425394	XTO Delaware Basin, LLC	22777 Springwoods Village Pkwy	Spring	TX	77389-1425	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.
9402811898765407425349	Yates Energy Corporation	PO Box 2323	Roswell	NM	88202-2323	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.
9402811898765407425387	Zorro Partners, Ltd.	616 Texas St	Fort Worth	TX	76102-4612	Your shipment was received at 1:46 pm on March 12, 2024 in DENVER, CO 80217. The acceptance of your package is pending.





PO Box 631667 Cincinnati, OH 45263-1667

**PROOF OF PUBLICATION**

Joe Stark  
Holland And Hart  
110 N Guadalupe ST # 1  
Santa Fe NM 87501-1849

STATE OF WISCONSIN, COUNTY OF BROWN

The Carlsbad Current Argus, a newspaper published in the city of Carlsbad, Eddy County, State of New Mexico, and personal knowledge of the facts herein state and that the notice hereto annexed was Published in said newspapers in the issue:

03/13/2024

and that the fees charged are legal.  
Sworn to and subscribed before on 03/13/2024

Legal Clerk

Notary, State of WI, County of Brown

My commission expires

Publication Cost: \$286.40

Order No: 9945473

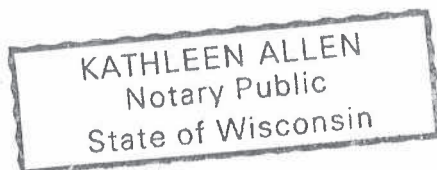
Customer No: 1360634

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**THIS IS NOT AN INVOICE!**

*Please do not use this form for payment remittance.*



## Legal Notice (Publication)

To: All affected parties, including: Jalepeno Corporation; Yates Energy Corporation; Colgate Production, LLC; Merrion Oil & Gas Corporation; Lynx Petroleum Consultants, Inc.; Alexander Oil and Gas, LLC; Hal Brunson, his heirs and devisees; Cope Properties, LLC; DASCO Energy Corporation; Fonay Oil & Gas, LLC; Powder Horn Investments, LLC; RR Resources Ltd. Co.; Teaco Energy; Underwood, LLC; W&C Oil Properties, LLC; Watson Oil and Gas, LLC; Francis Hill Hudson, Trustee of Lindy's Living Trust u/t/a dated July 8, 1994; Delmar Hudson Lewis, Trustee of the Delmar Hudson Lewis Living Trust u/t/a dated September 9, 2002; Moore & Shelton Company, Ltd.; Zorro Partners, Ltd.; Javelina Partners; Ard Oil, Ltd.; Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust f/b/o J. Terrell; Compound Properties; Pat Guthrie, Trustee of the Guthrie Family Trust dated July 12, 1993; B&G Royalties; Penasco Petroleum, LLC; Rolla R. Hinkle, III; Barbe Development, LLC; Chad Barbe, his heirs and devisees; The Toles Company; Mark McClellan and Paula McClellan; Pegasus Resources, LLC; West Bend Energy Partners, LLC; SMP Sidcar Titan Mineral Holdings, LP; SMP Titan Mineral Holdings, LP; MSH Family Real Estate Partnership II, LLC; SMP Titan Flex, LP; XTO Delaware Basin, LLC; CTV-SRB II BPEOR NM, LLC; CTV-SRB I BPEOR NM, LLC; CTV-CTAM BPEOR NM, LLC; CTV-LMB II BPEOR NM, LLC; CTV-LMB I BPEOR NM, LLC; Francis Hill Hudson, Trustee of Lindy's Living Trust u/t/a dated July 8, 1994; Delmar Hudson Lewis, Trustee of the Delmar Hudson Lewis Living Trust u/t/a dated September 9, 2002; Moore & Shelton Company, Ltd.; Zorro Partners, Ltd.; Ard Oil, Ltd.; Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust f/b/o J. Terrell; Trigg Oil & Gas Limited Partnership; XTO Delaware Basin LLC; New Mexico State Land Office, and Bureau of Land Management.

Application of Matador Production Company for administrative approval to surface commingle (pool and lease) oil and gas production from spacing units comprised of the E/2 of Section 32 and all of Section 33, Township 20 South, Range 30 East, NMPM, Eddy County, New Mexico (the "Lands"). Matador Production County (OGRID No. 228937) ("Matador"), pursuant to 19.15.12.10 NMAC, seeks administrative approval to surface commingle (pool and lease) diversely owned oil and gas production at the Alyson 3332 Federal Com Central Tank Battery insofar as all existing and future wells drilled in the following spacing units:

- (a) The 240-acre spacing unit comprised of the N/2 NE/4 of Section 32 and the N/2 N/2 of Section 33, in the WC-015 G-04 S203032P; Bone Spring [98008] – currently dedicated to the Alyson 3332 Fed Com 121H (API. No. 30-015-54593);
- (b) The 240-acre spacing unit comprised of the S/2 NE/4 of Section 32 and the S/2 N/2 of Section 33, in the WC-015 G-04 S203032P; Bone Spring [98008] – currently dedicated to the Alyson 3332 Fed Com 122H (API. No. 30-015-54592);
- (c) The 240-acre spacing unit comprised of the N/2 SE/4 of Section 32 and the N/2 S/2 of Section 33, in the WC-015 G-04 S203032P; Bone Spring [98008] – currently dedicated to the Alyson 3332 Fed Com 123H (API. No. 30-015-54609);
- (d) The 240-acre spacing unit comprised of the S/2 SE/4 of Section 32 and the S/2 S/2 of Section 33, in the WC-015 G-04 S203032P; Bone Spring [98008] – currently dedicated to the Alyson 3332 Fed Com 124H (API. No. 30-015-54633);
- (e) The 240-acre spacing unit comprised of the N/2 NE/4 of Section 32 and the N/2 N/2 of Section 33, in the WC-015 G-07 S203032G; Wolfcamp [97963] – currently dedicated to the Alyson 3332 Fed Com 201H (API. No. 30-015-54591);
- (f) The 240-acre spacing unit comprised of the S/2 NE/4 of Section 32 and the S/2 N/2 of Section 33, in the WC-015 G-07 S203032G; Wolfcamp [97963] – currently dedicated to the Alyson 3332 Fed Com 202H (API. No. 30-015-54590);
- (g) The 240-acre spacing unit comprised of the N/2 SE/4 of Section 32 and the N/2 S/2 of Section 33, in the WC-015 G-07 S203032G; Wolfcamp [97963] – currently dedicated to the Alyson 3332 Fed Com 203H (API. No. 30-015-54632);
- (h) The 240-acre spacing unit comprised of the S/2 SE/4 of Section 32 and the S/2 S/2 of Section 33, in the WC-015 G-07 S203032G; Wolfcamp [97963] – currently dedicated to the Alyson 3332 Fed Com 204H (API. No. 30-015-54631); and
- (i) Pursuant to 19.15.12.10.C(4)(g), from all future additions of pools, leases or leases and pools to the Alyson 3332 Federal Com Central Tank Battery (located in the S/2 NE/4 of Section 33) with notice provided only to the owners of interests to be added.

Any objection to this application must be filed in writing within twenty days from date of publication with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division. If you have any questions about this application, please contact Kyle Perkins, Matador Production Company, (972) 371-5092 or KPerkins@matadorresources.com.

**From:** [McClure, Dean, EMNRD](#) on behalf of [Engineer, OCD, EMNRD](#)  
**To:** [Paula M. Vance](#)  
**Cc:** [McClure, Dean, EMNRD](#); [Lowe, Leonard, EMNRD](#); [Rikala, Ward, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); [Paradis, Kyle O](#); [Walls, Christopher](#); [Lamkin, Baylen L](#).  
**Subject:** Approved Administrative Order PLC-940  
**Date:** Friday, August 9, 2024 8:52:49 AM  
**Attachments:** [PLC940 Order.pdf](#)

NMOCD has issued Administrative Order PLC-940 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
30-015-54593	Alyson 33 32 Federal Com #121H	N/2 NE/4	32-20S-30E	98008
		N/2 N/2	33-20S-30E	
30-015-54592	Alyson 33 32 Federal Com #122H	S/2 NE/4	32-20S-30E	98008
		S/2 N/2	33-20S-30E	
30-015-54609	Alyson 33 32 Federal Com #123H	N/2 SE/4	32-20S-30E	98008
		N/2 S/2	33-20S-30E	
30-015-54633	Alyson 33 32 Federal Com #124H	S/2 SE/4	32-20S-30E	98008
		S/2 S/2	33-20S-30E	
30-015-54591	Alyson 33 32 Federal Com #201H	N/2 NE/4	32-20S-30E	97963
		N/2 N/2	33-20S-30E	
30-015-54590	Alyson 33 32 Federal Com #202H	S/2 NE/4	32-20S-30E	97963
		S/2 N/2	33-20S-30E	
30-015-54632	Alyson 33 32 Federal Com #203H	N/2 SE/4	32-20S-30E	97963
		N/2 S/2	33-20S-30E	
30-015-54631	Alyson 33 32 Federal Com #204H	S/2 SE/4	32-20S-30E	97963
		S/2 S/2	33-20S-30E	

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

**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-940**

**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 as described 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. 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 as described in Exhibit A.
8. Applicant submitted or intends to submit one or more proposed communitization agreement(s) (“Proposed Agreement(s)”) to the BLM or NMSLO, as applicable, identifying the acreage of each lease to be consolidated into a single pooled area (“CA Pooled Area”), as described in Exhibit A.

### **CONCLUSIONS OF LAW**

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

### **ORDER**

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

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

2. For each CA Pooled Area described in Exhibit A, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil and gas production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.



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

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

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

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

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



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**GERASIMOS RAZATOS  
DIRECTOR (ACTING)**

**DATE:** 8/9/2024

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit A

Order: **PLC-940**

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

Central Tank Battery: **Alyson 33 32 Federal Com Central Tank Battery**

Central Tank Battery Location: **UL G H, Section 33, Township 20 South, Range 30 East**

Gas Title Transfer Meter Location: **UL G H, Section 33, Township 20 South, Range 30 East**

### Pools

Pool Name	Pool Code
WC-015 G-07 S203032G; WOLFCAMP	97963
WC-015 G-04 S203032P; BONE SPRING	98008

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

Lease	UL or Q/Q	S-T-R
PROPOSED CA Bone Spring NMNM 106356159	N/2 NE/4	32-20S-30E
	N/2 N/2	33-20S-30E
PROPOSED CA Bone Spring NMNM 106355858	S/2 NE/4	32-20S-30E
	S/2 N/2	33-20S-30E
PROPOSED CA Bone Spring NMNM 106355857	N/2 SE/4	32-20S-30E
	N/2 S/2	33-20S-30E
PROPOSED CA Bone Spring NMNM 106355855	S/2 SE/4	32-20S-30E
	S/2 S/2	33-20S-30E
PROPOSED CA Wolfcamp NMNM 106356905	N/2 NE/4	32-20S-30E
	N/2 N/2	33-20S-30E
PROPOSED CA Wolfcamp NMNM 106355861	S/2 NE/4	32-20S-30E
	S/2 N/2	33-20S-30E
PROPOSED CA Wolfcamp NMNM 106355854	N/2 SE/4	32-20S-30E
	N/2 S/2	33-20S-30E
PROPOSED CA Wolfcamp NMNM 106356856	S/2 SE/4	32-20S-30E
	S/2 S/2	33-20S-30E

### Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-54593	Alyson 33 32 Federal Com #121H	N/2 NE/4	32-20S-30E	98008
		N/2 N/2	33-20S-30E	
30-015-54592	Alyson 33 32 Federal Com #122H	S/2 NE/4	32-20S-30E	98008
		S/2 N/2	33-20S-30E	
30-015-54609	Alyson 33 32 Federal Com #123H	N/2 SE/4	32-20S-30E	98008
		N/2 S/2	33-20S-30E	
30-015-54633	Alyson 33 32 Federal Com #124H	S/2 SE/4	32-20S-30E	98008
		S/2 S/2	33-20S-30E	
30-015-54591	Alyson 33 32 Federal Com #201H	N/2 NE/4	32-20S-30E	97963
		N/2 N/2	33-20S-30E	



30-015-54590	Alyson 33 32 Federal Com #202H	S/2 NE/4 S/2 N/2	32-20S-30E 33-20S-30E	97963
30-015-54632	Alyson 33 32 Federal Com #203H	N/2 SE/4 N/2 S/2	32-20S-30E 33-20S-30E	97963
30-015-54631	Alyson 33 32 Federal Com #204H	S/2 SE/4 S/2 S/2	32-20S-30E 33-20S-30E	97963

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**District IV**  
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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 322900

CONDITIONS

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 322900
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	8/9/2024