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SUBMIT ACCURA	TE AND COMPLETE IN	FORMATION REC		ROCESS THE TYPE OF APPLICATIO
	CATION: Check those - Spacing Unit – Simul SL NSP _{(P}		ntion	JNIT) SD
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administrative a understand that	approval is accurate	and complete the ken on this app	to the best o	vith this application for of my knowledge. I also the required information and
Not	e: Statement must be compl	eted by an individual	with managerial	and/or supervisory capacity.
			Date	
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Pakhir			Phone	e Number

e-mail Address

Signature



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

August 21, 2024

VIA ONLINE FILING

Gerasimos Razatos, 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 to amend NMOCD Order PLC-876 and for administrative approval to surface commingle (pool and lease) oil and gas production from the spacing units underlying all of Section 32, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico (the "Lands")

Dear Mr. Razatos:

Matador Production Company (OGRID No. 228937) ("Matador") seeks to amend Administrative Order PLC-876 ("Order PLC-876"), attached as **Exhibit 1**. Order PLC-876 authorizes pool and lease commingling, off-lease storage, off-lease measurement, and off-lease marketing at the **Irvin Wall Central Tank Battery** ("CTB") of production from *all existing and future wells drilled in the following spacing units*:

- (a) The 160-acre spacing unit comprised of the E/2 E/2 of Section 32, in the WC-025 G-08 S233528D; Lower Bone Spring [97958] currently dedicated to the **Irvin Wall State Com #134H** (API No. 30-025-45432);
- (b) The 160-acre spacing unit comprised of the W/2 E/2 of Section 32, in the WC-025 G-08 S233528D; Lower Bone Spring [97958] currently dedicated to the Irvin Wall State Com #113H (API No. 30-025-45429) and Irvin Wall State Com #133H (API No. 30-025-45431);
- (c) The 160-acre spacing unit comprised of the E/2 W/2 of Section 32, in the WC-025 G-08 S233528D; Lower Bone Spring [97958] currently dedicated to the **Irvin Wall State Com #132H** (API No. 30-025-45430);
- (d) The 160-acre spacing unit comprised of the W/2 W/2 of Section 32, in the WC-025 G-08 S233528D; Lower Bone Spring [97958] currently dedicated to the **Irvin Wall State Com #131H** (API No. 30-015-44659);
- (e) The 160-acre spacing unit comprised of the W/2 W/2 of Section 32, in the Cinta Rojo; Delaware [96341] currently dedicated to the **Shearn State Com #1H** (API



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No. 30-025-40670); and

(f) Pursuant to 19.15.12.10.C(4)(g), future leases, pools, or leases and pools connected to the Irvin Wall Central Tank Battery with notice provided only to the owners of interests to be added.

Pursuant to 19.15.12.7 NMAC, Matador seeks to amend the terms of Order PLC-876 to add to the terms of the order the production from all existing and future infill wells drilled in the following spacing units:

- (a) The 320-acre spacing unit comprised of the W/2 of Section 32, in the WC-025 G-08 S233528D; Lower Bone Spring [97958] currently dedicated to the **Burke State Com #110H** (API No. 30-025-52957), **Burke State Com #120H** (API No. 30-025-52958), and **Burke State Com #150H** (API No. 30-025-52960); and
- (b) The 320-acre spacing unit comprised of the E/2 of Section 32, in the WC-025 G-08 S233528D; Lower Bone Spring [97958] currently dedicated to the **Burke State Com #129H** (API No. 30-025-52959).

Oil and gas production from these spacing units will be commingled and sold at the Irvin Wall Central Tank Battery, located in the S/2 SW/4 (Units M and N) of Section 32. Production from the wellbores will either flow into a wellhead test separator or bulk separator, which will separate the oil, gas, and water. Gas production from the separators will be individually metered with a calibrated orifice meter that is manufactured to AGA specifications. Oil production from the separator will be separately metered using turbine meters. Gas and oil production will then be allocated on a daily basis based on the most recent individual well tests of oil, gas, and water.

Exhibit 2 is a land plat showing Matador's current development plan, flow lines, well pads, the tank battery ("Facility Pad") in the subject area. The plat also identifies the wellbores (including surface/bottomhole locations) and lease/spacing unit boundaries.

Exhibit 3 is a completed Application for Surface Commingling (Diverse Ownership) Form C-107-B, that includes a statement from Oscar Gonzalez, Production 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 4 is a C-102 for each of the wells currently permitted or drilled within the existing spacing units.

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



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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 Division within 20 days from the date the Division receives this application, and proof of mailing. A copy of this application has been provided to the New Mexico State Land Office since state lands are involved.

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

Sincerely,

Paula M. Vance

ATTORNEY FOR MATADOR PRODUCTION COMPANY

EXHIBIT 1

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

APPLICATION FOR SURFACE COMMINGLING SUBMITTED BY MATADOR PRODUCTION COMPANY

ORDER NO. PLC-876

ORDER

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

FINDINGS OF FACT

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

CONCLUSIONS OF LAW

8. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.

Order No. PLC-876 Page 1 of 4

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

ORDER

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

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

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

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

- 2. This Order supersedes Order CTB-898.
- 3. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil and gas production to each well not included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.

Order No. PLC-876 Page 2 of 4

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

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

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

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

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

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

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

- 5. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
- 6. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8.B. NMAC for such venting

Order No. PLC-876 Page 3 of 4

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

DYLAN M. FUGE

DIRECTOR (ACTING)

Order No. PLC-876 Page 4 of 4

DATE: 1/5/24

State of New Mexico Energy, Minerals and Natural Resources Department

Exhibit A

Order: PLC-876

Operator: Matador Production Company (228937)

Central Tank Battery: Irvin Wall Central Tank Battery

Central Tank Battery Location: UL M N, Section 32, Township 23 South, Range 35 East Gas Title Transfer Meter Location: UL M N, Section 32, Township 23 South, Range 35 East

Pools

Pool Name Pool Code CINTA ROJO; DELAWARE 96341

WC-025 G-08 S233528D; LWR BONE SPRIN 97958

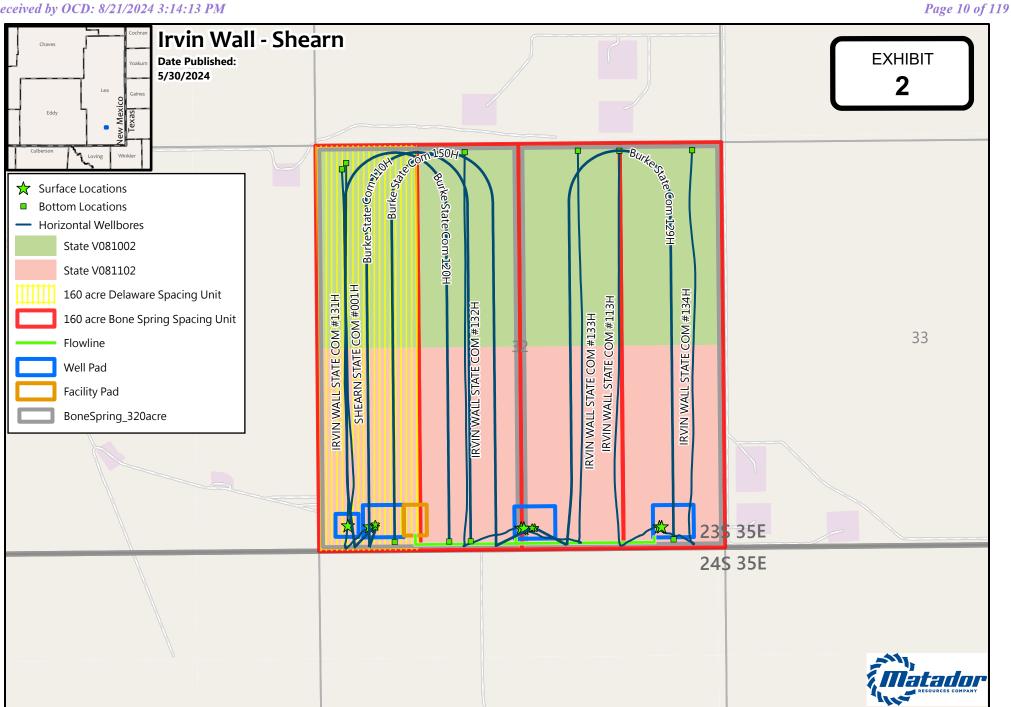
Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R	
CA Bone Spring NMSLO 204541 PUN 1369989	W/2 W/2	32-23S-35E	
CA Bone Spring NMSLO 203916 PUN 1377065	E/2 W/2	32-23S-35E	
CA Bone Spring NMSLO 203917 PUN 1377053	W/2 E/2	32-23S-35E	
CA Bone Spring NMSLO 203918 PUN 1377044	E/2 E/2	32-23S-35E	
CA Delaware NMSLO 204542 PUN 1329113	W/2 W/2	32-23S-35E	
CA Delaware NMSLO 204542 PUN 1329113	W/2 W/2	32-23S-35E	

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-44659	Irvin Wall State Com #131H	W/2 W/2	32-23S-35E	97958
30-025-45430	Irvin Wall State Com #132H	E/2 W/2	32-23S-35E	97958
30-025-45429	Irvin Wall State Com #113H	W/2 E/2	32-23S-35E	97958
30-025-45431	Irvin Wall State Com #133H	W/2 E/2	32-23S-35E	97958
30-025-45432	Irvin Wall State Com #134H	E/2 E/2	32-23S-35E	97958
30-025-40670	Shearn State Com #1H	W/2 W/2	32-23S-35E	96341

Received by OCD: 8/21/2024 3:14:13 PM



1:15,000 1 inch equals 1,250 feet District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM

87505

State of New Mexico Energy, Minerals and Natural Resources Departm EXHIBIT 3

Form C-107-B d 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 SUR	FACE COMMI	NGLING (DIVERS	SE OWNERSHIP)	
OPERATOR NAME: Matador Production C	Company			
OPERATOR ADDRESS: 5400 LBJ Freeway To	ower 1 Suite 1500 Da	allas, TX 75240		
APPLICATION TYPE:				
☐Pool Commingling ☐Lease Commingling ☐Pool and	d Lease Commingling	☐Off-Lease Storage and Me	easurement (Only if not Surface	Commingled)
LEASE TYPE: Fee State	Federal			
Is this an Amendment to existing Order? ☑Yes ☐ Have the Bureau of Land Management (BLM) and S☐ Yes ☐No				ngling
	A) POOL COMN ach sheets with the	IINGLING 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
WC-025 G-08 S233528D; LWR BONE SPRIN [97958]	48.24°		\$80.03/bbl oil (price	4,430 BOPD
WC-025 G-08 S233528D; LWR BONE SPRIN [97958]	1,615 BTU	47.15°	realization Q1 2024)	6,330 MCF/D
CINTA ROJO; DELAWARE [96341]	40,66°	1,473.8 BTU	\$1.56/mcf (price	20 BOPD
CINTA ROJO; DELAWARE [96341] (2) Are any wells producing at top allowables? Yes	1,307 BTU ⊠No		realization Q1 2024)	70 MCF/D
	Yes No of the proposed comm	ingling?	□No	
		COMMINGLING		
Ų.	ach sheets with the	following information		
(1) Complete Sections A and E.				
(D) OFF-LE	ASE STORAGE	and MEASUREMEN	VT	
		following information		
 (1) Is all production from same source of supply? (2) Include proof of notice to all interest owners. 	Yes No			
		ON (for all application following information	ı types)	
 A schematic diagram of facility, including legal loca A plat with lease boundaries showing all well and fa Lease Names, Lease and Well Numbers, and API No 	tion. cility locations. Includ	8	r State lands are involved.	
I hereby certify that the information above is true and com SIGNATURE: Sical Signature TYPE OR PRINT NAME: Oscar Gonzalez		luction Engineer	DATE: 05/21/2	024

E-MAIL ADDRESS: ogonzalez@matadorresources.com

Matador Production Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240 Voice 972.587.4638 • Fax 972.371.5201 ogonzalez@matadorresources.com

Oscar Gonzalez Production Engineer

May 21, 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 Amend Administrative Order PLC-876 to Surface Commingle (pool and lease commingle) production from the spacing units comprising All of Section 32, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico (the "Lands")

To Whom This May Concern,

Under NMOCD Order No. PLC-876, Matador Production Company ("Matador"), OGRID: 228937, was authorized to surface commingle production the Bone Spring pool WC-025 G-08 S233528D; LWR Bone Spring (Pool Code 97958) from all of Section 32, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico and the production from the Cinta Rojo; Delaware (Pool Code 96341) from an additional well in the W/2 W/2 of Section 32, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico. Pursuant to this application, Matador seeks to amend Order No. PLC-876 to add the authority to commingle future production from two new spacing units, one being the W/2 of Section 32 and one being the E/2 of Section 32, which together will include a total of four (4) new wells producing from the Bone Spring pool WC-025 G-08 S233528D; LWR Bone Spring (Pool Code 97958), and to allow for allocation of the commingled production via well test, as described below.

Specifically, Matador requests to surface commingle current and upcoming production from ten (10) wells located on the Lands and future production from the Lands as described herein. Production will be allocated on a daily basis based on the most recent individual well tests of oil, gas, and water. These well tests will last a minimum of 24 hours and will be conducted following the guidelines shown below:

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

Gas exiting each separator will flow into one gathering line, as depicted on **Exhibit A**, the Northwind Midstream or Longwood Gathering line. Each separator will have its own orifice meter

manufactured and assembled in accordance with American Gas Association (AGA) specifications. All primary and secondary Electronic Flow Measurement (EFM) equipment is tested and calibrated by a reputable third-party measurement company in accordance with industry specifications.

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

The flow stream from each wellhead is demonstrated in the Process Flow Diagram (PFD) attached as **Exhibit A** hereto. As shown on Exhibit A, a number of the wells will initially have their own separate and meter, and will not initially be included in the wells using the bulk and test separators. Matador may choose to later include some of those wells into the bulk separator and test separators later in such wells production life.

The PFD shows that the water, oil, and gas leave the wellbore and flow into either a wellhead test separator or the bulk separator, which separates the oil, gas, and water. The oil is measured via turbine meter which is calibrated periodically in accordance with industry specifications by a third party measurement company for accuracy. The gas is measured on a volume and MMBTU basis by an orifice meter and supporting EFM equipment in accordance with American Petroleum Association (API) Chapter 21.1. The gas is then sent into a gathering line where it is commingled with each of the other wells' metered gas. 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. Northwind Midstream or Longwood Gathering has its own orifice meter that measures the gas for custody transfer. These meters are also calibrated periodically to ensure the measurement accuracy.

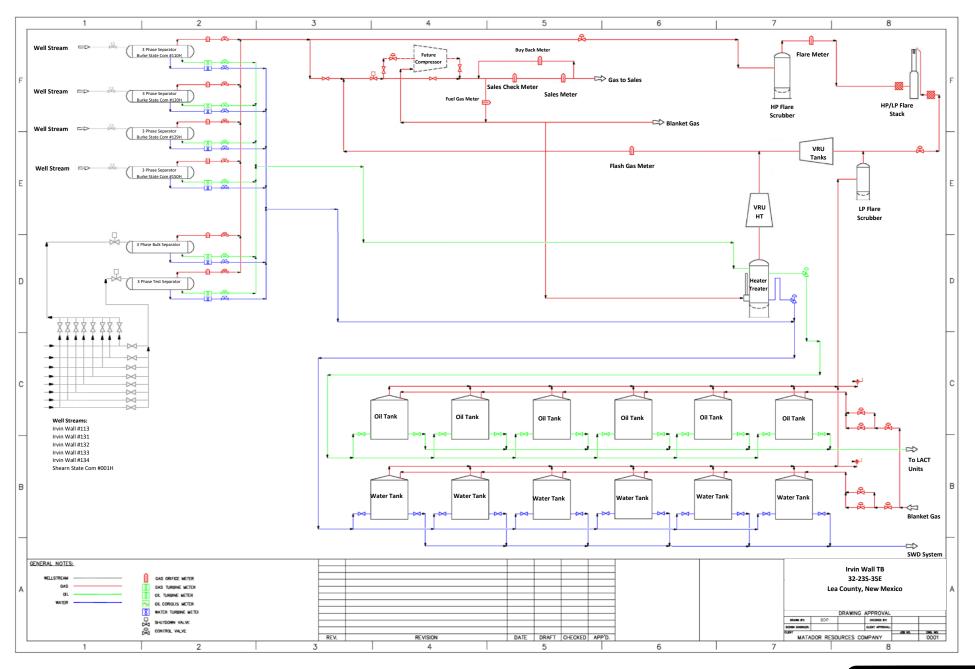
Very truly yours,

MATADOR PRODUCTION COMPANY

Oscar Gonzalez

Production Engineer

Oscar July





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

For: Matador Production Company

One Lincoln Centre

5400 LBJ Freeway, Suite 1500

Dallas, Texas 75240

Sample: Irvin Wall State COM No. 133H

First Stage Separator Gas

Spot Sample @ 278 psig & 121 °F

Date Sampled: 05/21/2019 Job Number: 192263.001

EXHIBIT **B**

CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286

COMPONENT	MOL%	GPN
Hydrogen Sulfide*	0.006	
Nitrogen	1.482	
Carbon Dioxide	0.398	
Methane	68.087	
Ethane	11.156	3.065
Propane	6.429	1.819
Isobutane	0.958	0.322
n-Butane	2.896	0.938
2-2 Dimethylpropane	0.007	0.003
Isopentane	1.126	0.423
n-Pentane	1.383	0.515
Hexanes	1.787	0.756
Heptanes Plus	4.285	1.732
Totals	100.000	9.573

Computed Real Characteristics Of Heptanes Plus:

Specific Gravity	3.327	(Air=1)
Molecular Weight	95.67	
Gross Heating Value	5005	BTU/CF

Computed Real Characteristics Of Total Sample:

Specific Gravity	0.953	(Air=1)
Compressibility (Z)	0.9927	
Molecular Weight	27.40	
Gross Heating Value		
Dry Basis	1615	BTU/CF
Saturated Basis	1587	BTU/CF

^{*}Hydrogen Sulfide tested on location by: Stain Tube Method (GPA 2377)

Results: 3.773 Gr/100 CF, 60.0 PPMV or 0.006 Mol %

Base Conditions: 15.025 PSI & 60 Deg F

Sampled By: (14) R.Perez Certified: FESCO, Ltd. - Alice, Texas

Analyst: NG Processor: RG Cylinder ID: T-4311

David Dannhaus 361-661-7015

Job Number: 192263.001

CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286 TOTAL REPORT

COMPONENT	MOL %	GP	М	WT %
Hydrogen Sulfide*	0.006			0.007
Nitrogen	1.482			1.515
Carbon Dioxide	0.398			0.639
Methane	68.087			39.869
Ethane	11.156	3.06	5	12.243
Propane	6.429	1.81		10.347
Isobutane	0.958	0.32		2.032
n-Butane	2.896	0.93		6.143
2,2 Dimethylpropane	0.007	0.003		0.018
Isopentane	1.126	0.423		2.965
n-Pentane	1.383	0.51		3.642
2,2 Dimethylbutane	0.012	0.00		0.038
Cyclopentane	0.000	0.00		0.000
2,3 Dimethylbutane	0.174	0.073		0.547
2 Methylpentane	0.526	0.22		1.654
3 Methylpentane	0.331	0.13		1.041
n-Hexane	0.744	0.31		2.340
Methylcyclopentane	0.380	0.13		1.167
Benzene	0.491	0.14	1	1.400
Cyclohexane	0.635	0.22		1.950
2-Methylhexane	0.130	0.06	2	0.475
3-Methylhexane	0.180	0.08	4	0.658
2,2,4 Trimethylpentane		0.00)	0.000
Other C7's	0.389	0.17	4	1.408
n-Heptane	0.336	0.159	9	1.229
Methylcyclohexane	0.501	0.20	7	1.795
Toluene	0.447	0.15	4	1.503
Other C8's	0.369	0.17	6	1.484
n-Octane	0.103	0.05	4	0.429
Ethylbenzene	0.035	0.01	4	0.136
M & P Xylenes	0.050	0.02	0	0.194
O-Xylene	0.015	0.00	6	0.058
Other C9's	0.132	0.069	9	0.608
n-Nonane	0.024	0.01	4	0.112
Other C10's	0.052	0.03	1	0.268
n-Decane	0.005	0.00	3	0.026
Undecanes (11)	0.011	0.00	<u>7</u>	0.060
Totals	100.000	9.57		100.000
Computed Real Charac	cteristics of T	Fotal Sample		
Specific Gravity		0.95	3 (Air=1)	
Compressibility (Z) -		0.992	7	
Molecular Weight		27.4	0	

 Dry Basis ---- 1615
 BTU/CF

 Saturated Basis ---- 1587
 BTU/CF

Gross Heating Value

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

Sample: Irvin Wall State COM No. 133H

First Stage Separator Gas Spot Sample @ 278 psig & 121 °F

Date Sampled: 05/21/2019 Job Number: 192263.001

GLYCALC FORMAT

COMPONENT	MOL%	GPM	Wt %
Carbon Dioxide	0.398		0.639
Hydrogen Sulfide	0.006		0.007
Nitrogen	1.482		1.515
Methane	68.087		39.869
Ethane	11.156	3.065	12.243
Propane	6.429	1.819	10.347
Isobutane	0.958	0.322	2.032
n-Butane	2.903	0.941	6.161
Isopentane	1.126	0.423	2.965
n-Pentane	1.383	0.515	3.642
Cyclopentane	0.000	0.000	0.000
n-Hexane	0.744	0.314	2.340
Cyclohexane	0.635	0.222	1.950
Other C6's	1.043	0.441	3.280
Heptanes	1.415	0.614	4.937
Methylcyclohexane	0.501	0.207	1.795
2,2,4 Trimethylpentane	0.000	0.000	0.000
Benzene	0.491	0.141	1.400
Toluene	0.447	0.154	1.503
Ethylbenzene	0.035	0.014	0.136
Xylenes	0.065	0.026	0.252
Octanes Plus	<u>0.696</u>	<u>0.354</u>	<u>2.987</u>
Totals	100.000	9.573	100.000

Real Characteristics Of Octanes Plus:

Specific Gravity	4.091	(Air=1)
Molecular Weight	117.62	
Gross Heating Value	6195	BTU/CF

Real Characteristics Of Total Sample:

Specific Gravity	0.953	(Air=1)	
Compressibility (Z)	0.9927		
Molecular Weight	27.40		
Gross Heating Value			
Dry Basis	1615	BTU/CF	
Saturated Basis	1587	BTU/CF	

District 1
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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

UL or lot no.

P

State of New Mexico
Energy, Minerals & Natural 1988
Department
OIL CONSERVATION DIVISION 2019
1220 South St. Francis Dr.
Santa Fe, NM 87503ECEIVED

4

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AMENDED REPORT

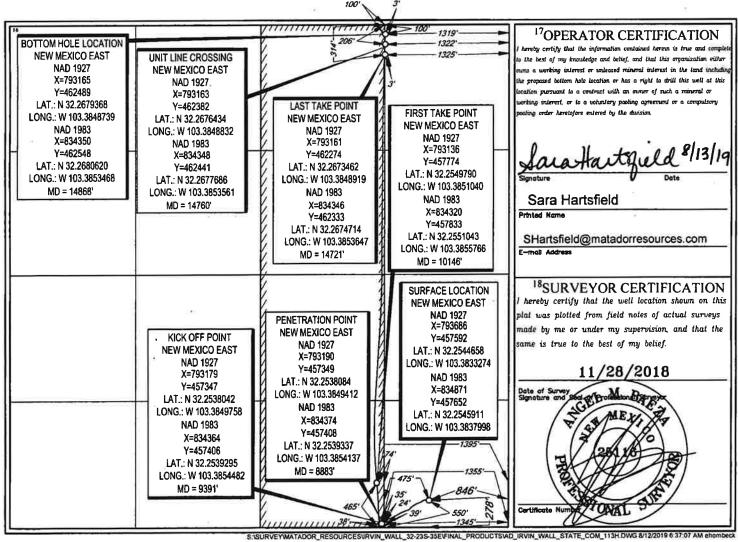
WELL LOCATION AND ACREAGE DEDICATION PLAT

² Pool Code	³ Pool Name	13
97958	WC-025 G-08 S233528D;LWR BON	NE SPRING
5Pr	roperty Name	*Well Number
IRVIN WA	LL STATE COM	113H
8Oi	perator Name	⁹ Elevation
MATADOR PRO	DUCTION COMPANY	3452'
	97958 SPI IRVIN WA	

¹⁰Surface Location County North/South line Feet from the East/West line Lot Idn Feet from the Section Township Range 278 846 EAST LEA SOUTH 32 23-S 35-E

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section 32	Township 23-S	35-E	Lot Idn —	Feet from the 100'	North/South line NORTH	Feet from the 1319'	East/West line EAST	County LEA
¹³ Dedicated Acres 160	¹³ Joint or l	nfill ¹⁴ Ce	onsolidation Code	¹⁵ Order	No.		8	6	



District II

811 S. First St., Artesia, NM 88210

Phone: (575) 748-1283 Fax: (575) 748-9720

Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Sante Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

1000 Rio Brazos Road, Aztec, NM 87410

State of New Mexico District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720

HOBBS OCD Energy, Minerals & Natural Resources 3 0 2018 Department

OIL CONSERVATION DIVISIPECEIVED 1220 South St. Francis Dr. Santa Fe, NM 87505

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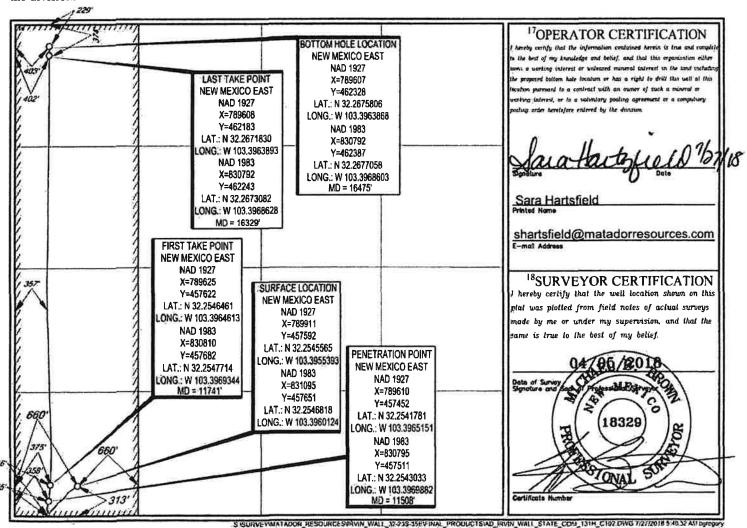
1220 S. St. Francis Dr., Sante Fe, NM 875 Phone: (50S) 476-3460 Fax: (505) 476-34	Santa	Fe, NM 87505	AMENDED REI OR I		
		ACREAGE DEDICATION PLAT	as Drilled		
'API Number 30-015-4465	¹ Pool Cade 97958	³ Pool Name WC-025 G-08 S233528D; LWR BC	ONE SPRING		
*Property Code 321163		Property Name IRVIN WALL STATE COM			
OGRID No. 228937		*Operator Name MATADOR PRODUCTION COMPANY			

10 Surface Location

		A							
M	32	23-S	35-E		313'	SOUTH	660'	WEST	LEA
UL or lot no.	Section	Township	Range	Loi lớn	Feet from the	North/South line	Feet from the	Easi/West line	County

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section 32	Township 23-S	35-E	Lot idn	Feet from the 229	North/South line NORTH	Feet from the	East/West line WEST	County LEA
¹² Dedicated Acres 160	¹³ Joint or I	nfill 14C	Consolidation Code)5Order	No.				



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State of New Mexico
Energy, Minerals & Natural Resources
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OIL CONSERVATION DIVISIONS OF 1220 South St. Francis Dr.
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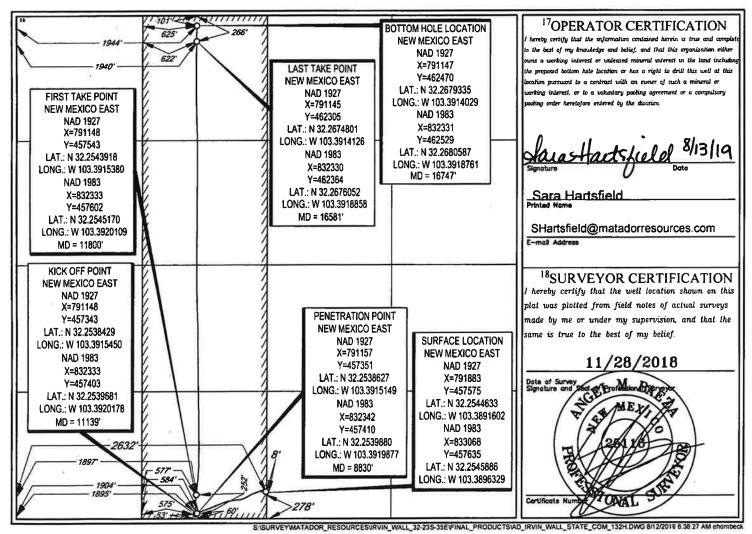
WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	² Pool Code	Pool Name	240 0	
30-025-45430	97958	WC-025 G-08 S233528D;LWR BONE	SPRING	
*Property Code	.5	Property Name	*Well Number	
321163	IRVIN WA	132H		
OGRID No.	8(Operator Name	⁹ Elevation	
228937	MATADOR PRO	3450'		
· · · · · · · · · · · · · · · · · · ·	10Sm	rface Location		

East/West line County Feet from the Feet from the Township Range Lot Idn North/South line UL or lot no. Section 2632 278 SOUTH WEST LEA 32 23-S 35-E N

11 Bottom Hole Location If Different From Surface

UL or lot no. C	Section 32	Township 23-S	Range 35-E	Lot Idn	Feet from the 101'	North/South line NORTH	Feet from the 1944'	East/West line WEST	County LEA
¹² Dedicated Acres 160	¹³ Joint or I	nfill PC	Consolidation Code	15Order	No.		- X	2	



FORM C-102

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

160

State of New Mexico Energy, Minerals & Natural Resources

Department

HOBBS OCD

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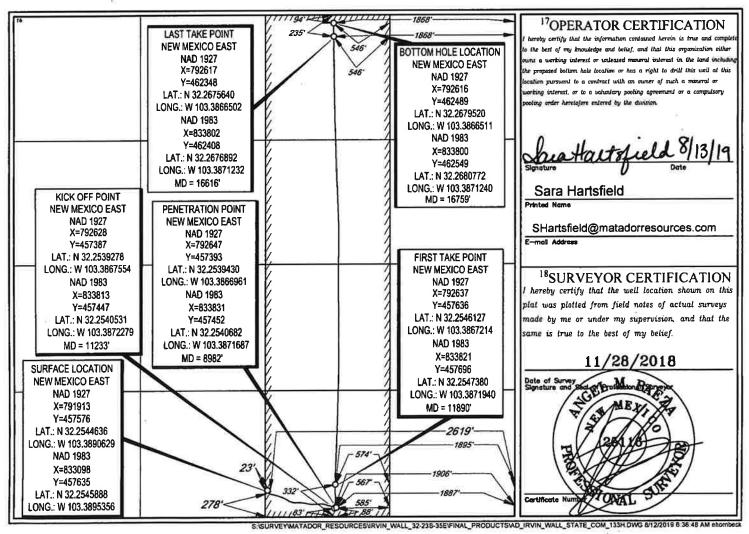
AMENDED REPORT

Revised August 1, 2011

OIL CONSERVATION DIVISION 1220 South St. Francis Dr. SEP 0.6 2019

Santa Fe, NM 87505

RECEIVED WELL LOCATION AND ACREAGE DEDICATION PLA' Pool Code API Number 97958 WC-025 G-08 S233528D;LWR BONE SPRING 30-025-45431 Well Number Property Code Property Name IRVIN WALL STATE COM 133H 321163 Operator Name Elevation OGRID No. 3451 MATADOR PRODUCTION COMPANY 228937 ¹⁰Surface Location Lot Ida Feet from the North/South line Feet from the East/West line County UL or löt no. Township Range Section 278' SOUTH 2619' EAST **LEA** 23-S 35-E 32 0 11 Bottom Hole Location If Different From Surface East/West line County North/South line Feet from the Lot Idn Feet from the UL or lot no. Township Range Section 94' 1868 LEA 32 23-S 35-E NORTH EAST B ¹²Dedicated Acres Joint or Infill Consolidation Code Order No.



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

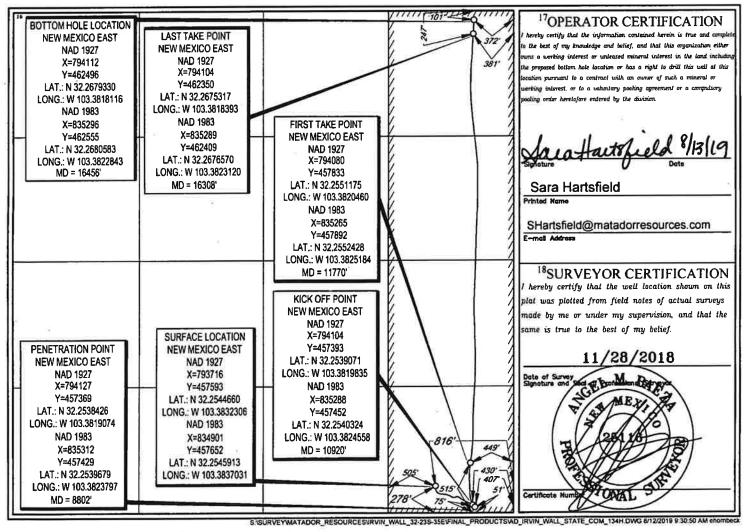
State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISIBLES OCD 1220 South St. Francis Dr. Santa Fe, NM 87505 SEP 1 1 2019

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDUCACION ENT API Number Pool Code WC-025 G-08 S233528D;LWR BONE SPRING 97958 30-025-45432 Property Name Well Number Property Code 134H IRVIN WALL STATE COM 321163 Elevation Operator Name OGRID No. 3451 MATADOR PRODUCTION COMPANY 228937 10Surface Location East/West line Feet from the UL or lot no. Section Township Range Lot Idn Feet from the North/South line 23-S 35-E 278' SOUTH 816 EAST LEA P 32 ¹¹Bottom Hole Location If Different From Surface East/West line UL or lot ao. Lot Idn Feet from the North/South line Feet from the Section Township Range 372' 32 23-S 35-E 101' NORTH EAST LEA Dedicated Acres Joint or Infill Consolidation Code Order No. 160



Revised to reflect actual BHL For

State of New Mexico

Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION

1220 South St. Francis Dr. Santa Fe, New Mexico 87505 Form C-102
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□ AMENDED REPORT

DISTRICT1 625 N. French Dr., Hobbs, NM 88240 Phone: (\$75) 393-6161 Fax: (\$75) 393-0720 DISTRICT II 811 S. First St., Artesio, NM 88210 Phone: (\$75) 748-1283 Fax: (\$75) 748-9720 DISTRICT III 1000 Rio Emzos Road, Aztec, NM 87410 Phone: (\$05) 334-6178 Fax: (\$05) 334-6170 DISTRICT IV

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name SHEARN STATE COM	Well Number 1H
OGRID No.	Operator Name REGENERATION ENERGY CORPO	ORATION Blevation 3445'

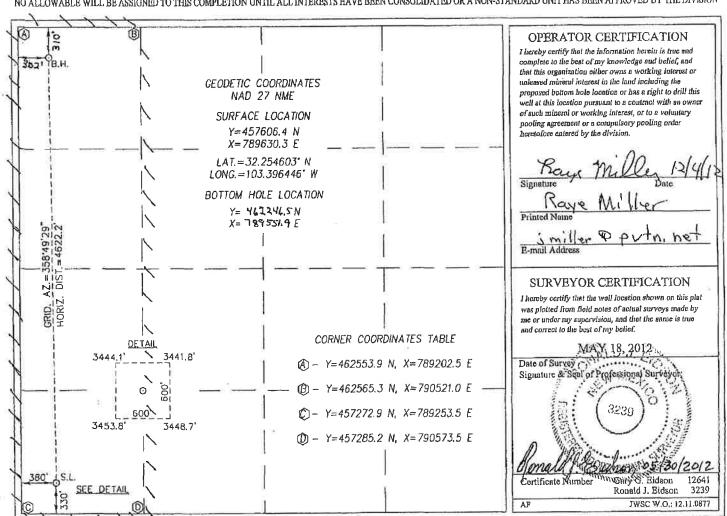
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
М	32	23-S	35-E		330	SOUTH	380	WEST	LEA

Bottom Hole Location If Different From Surface

-					L.	
D 32 2	23-S 35-E	310	SNORTH	301	WEST	LEA
Dedicated Acres Joint or Infill	Censolidation Cod	e Order No. 4910			12	

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BBEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

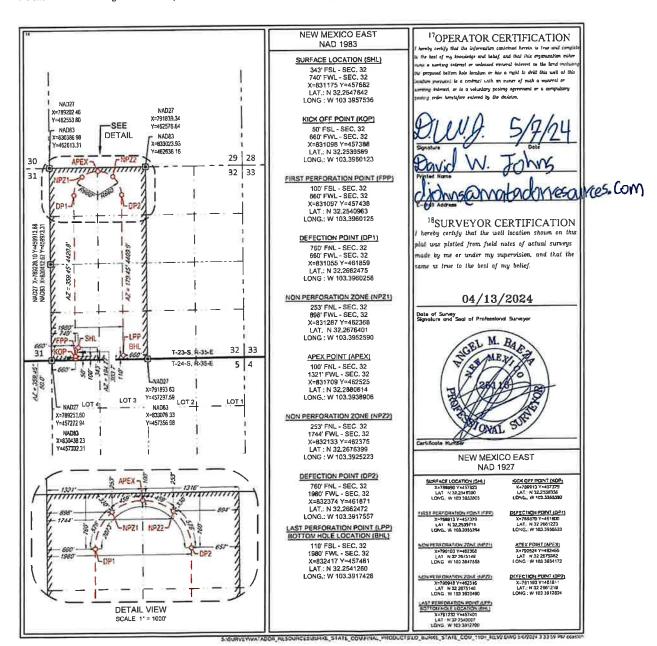


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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT 9795B WC-025 G-08 S2335280 Property Code 110H BURKE STATE COM Operator Name Elevation OGRID No. MATADOR PRODUCTION COMPANY 3444 228937 10 Surface Location UL or fot no Feet from th 740' WEST LEA SOUTH 32 23-S 35-E 343 M Bottom Hole Location If Different From Surface East/West In Feel from t UL or lot no. 110' SOUTH 1980' WEST LEA 23-S 35-E 32 Ν Order No Dedicated Acres 320



<u>District 1</u>
1625 N French Dr., Hubbs, NM 88240
Phone: (\$75) 393-6161 Fax: (\$75) 393-0720 District I) B11 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rto Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fc, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

Property Code

OGRID No.

228937

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

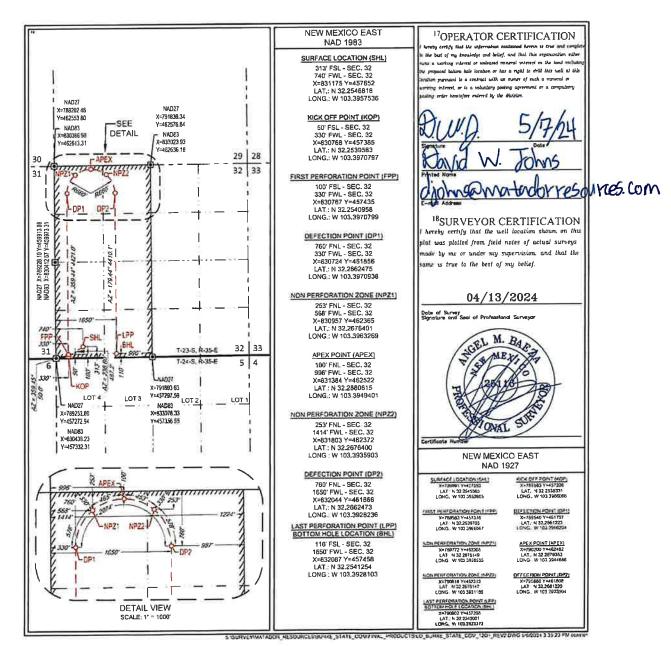
FORM C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

Santa Fe, NM 87505 WELL LOCATION AND ACREAGE DEDICATION PLAT API Number WC-025 Lwr Bone 6-08 S233528D 97958 120H BURKE STATE COM Elevation Operator Name 3443' MATADOR PRODUCTION COMPANY

10 Surface Location East/West II UL or let no. 313' SOUTH 740' WEST **LEA** 23-S 35-E 32 M 11 Bottom Hole Location If Different From Surface

Lat Id Feet from th WEST LEA 1650 32 23-S 35-E 110 SOUTH N Dedleated Acre Joint or Infill Consolidation Code Order No. 320

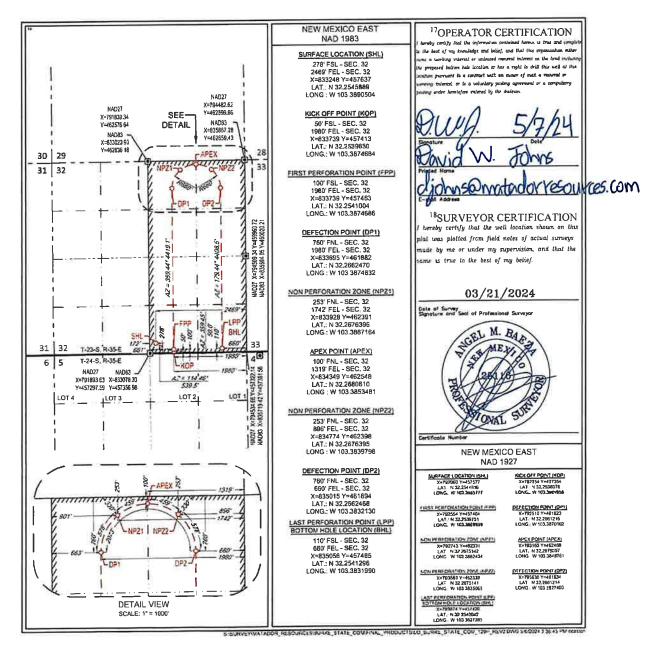


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Energy, Minerals & Natural Resources
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Santa Fe, NM 87505

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT 'API Number WC-025 S2335ABD 97958 Property Code 129H BURKE STATE COM OGRID No. Operator Name 3451 MATADOR PRODUCTION COMPANY 728937 OSurface Location East/West His UL or lot no. ownship LEA 35-E 278 SOUTH 2469' **EAST** 32 23-S 0 11Bottom Hole Location If Different From Surface East/West III UL or lot no Feet from th EAST LEA SOUTH 660' 110 32 23-S 35-E P Order No. Dedicated Acres Joint or Infill olidation Code 320



District I 1625 N. French Dr., Hobbs, NM 88240 Phome: (575) 393-6161 Fas: (575) 393-0720 District II 811 S Fres St., Artesia, NM 88210 Phome: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rto Bravos Road, Artec, NM 87410 Phome: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fc. NM 87505 Phome: (505) 476-3460 Fax: (505) 476-3420 State of New Mexico
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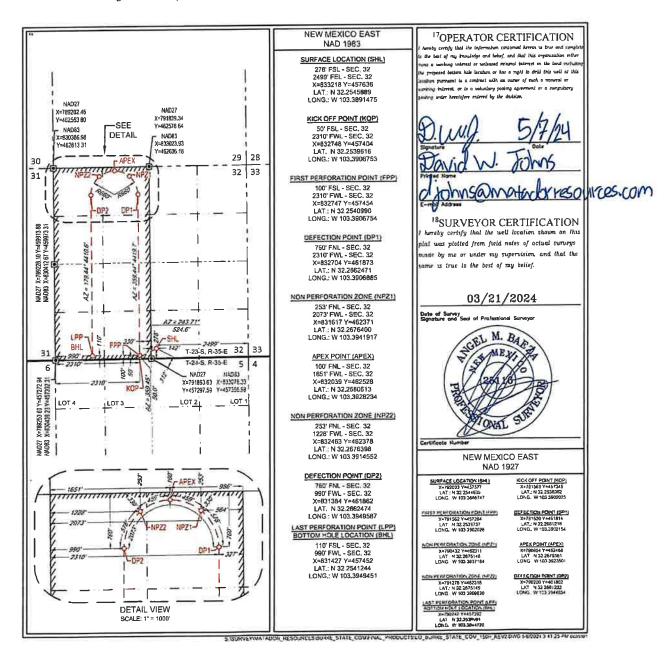
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT API Number 97958 5233528 D WC-025 150H BURKE STATE COM OGRID No. *Operator Name 3451 MATADOR PRODUCTION COMPANY 728937 OSurface Location UL or lot no LEA 278 SOUTH 2499' **EAST** 32 23-S 35-E 0 11Bottom Hole Location If Different From Surface East/West I UL or lot no Feet from ti WEST LEA 990' SOUTH 32 23-S 35 $-\mathbf{E}$ 110 M 2Dedicated Acres Joint or Infill Order No. 320





Commissioner

Stephanie Garcia Richard

State of New Mexico Commissioner of Public Lands

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

5

COMMISSIONER'S OFFIC \$2312024

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

April 3rd, 2019

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

Re:

Communitization Agreement Approval

Irvin Wall State Com #134H Vertical Extent: Bone Spring

Township: 23 South, Range 35 East, NMPM

Section 32: E2E2

Lea County, New Mexico

Dear Ms. Grainger,

The Commissioner of Public Lands has this date approved the Irvin Wall State Com #134H Communitization Agreement for the Bone Spring formation effective 2/7/2019. Enclosed are three Certificates of Approval.

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

Garaia Richard/JK

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

Sincerely,

Stephanie Garcia Richard

COMMISSIONER OF PUBLIC LANDS

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

Matador Production Company
Irvin Wall State Com #134H
Vertical Extent: Bone Spring
Township: 23 South, Range: 35 East, NMPM
Section 32: E2E2
Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated February 7, 2019, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

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

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

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 3rd Day of April, 2019.

COMMISSIONER OF PUBLIC LANDS

of the State of New Mexico

Received by OCD: 8/21/2024 3:14:13 PM

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

Matador Production Company
Irvin Wall State Com #134H
Vertical Extent: Bone Spring
Township: 23 South, Range: 35 East, NMPM
Section 32: E2E2
Lea County, New Mexico

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IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 3rd Day of April, 2019.

tephone Gazin Lichard

of the State of New Mexico

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

Matador Production Company
Irvin Wall State Com #134H
Vertical Extent: Bone Spring
Township: 23 South, Range: 35 East, NMPM
Section 32: E2E2
Lea County, New Mexico

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- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

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

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 3rd Day of April, 2019.

COMMISSIONER OF PUBLIC LANDS

of the State of New Mexico

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

Revised March 2017

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COMMUNITIZATION AGREEMENT

		ONLIN	E Version	Incin Mall State Com #424L
KNOW ALL MEN	BYTH	ESE PRESENTS:	Well Name:	Irvin Wall State Com #134H
STATE OF NEW	MEXICO) SS)		API #: 30 - 25 - 45432
COUNTY OF	Lea)		

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered , 20 19, by and between the parties subscribing, ratifying or February 7 consenting hereto, such parties hereinafter being referred to as "Parties hereto";

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

WHEREAS, the parties hereto, own working, royalty, or other leasehold interests or operating rights under the oil and gas leases and lands subject to this agreement, which leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

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

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

> State/State State/Fee

1819 FEB 22 AN 10: 27

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

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

Subdivisions		E/2E/2						
Of Sect(s)	32	Twnshp	23\$	Rng	35E	NMPM	Lea	County, NM

containing 160 acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

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

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

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

- 4. Matador Production Company shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by Matador Production Company
- 5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.
- 6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.
- 7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.
- 8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.
- This agreement shall be effective as of the date hereinabove written upon execution by the 9 necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be

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

- 10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.
- 11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.
- 12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.
- 13. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 14. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.

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

18 19 FEB 22 EM 10: 27

OPERATOR: Matador Production Company	
BY: Craig N. Adams - Executive Vice President - Land, Legal and Administration Name and Title of Authorized Agent Signature of Authorized Agent	L
Acknowledgment in an Individual Capacity	
State of) SS)	
County of)	
This instrument was acknowledged before me on	Date
By Name(s) of Person(s)	4
(Seal)	Signature of Notarial Officer
	My commission expires:
Acknowledgment in an Representative Capacity	
State of TEXAS) County of Dauas)	
This instrument was acknowledged before me on Fe broady 11, 2019 Date By CVAIG N Adams - Executive NEW President Name(s) of Person(s) Adams - Executive NEW President Marian MA	
(SMME GRAINGER Notary Public, State of Texas Comm. Expires 08-24-2021 Notary ID 131259323	Signature of Notarial Officer My commission expires: 8-24-2021

LEASE #: V0-8100	
LESSEE OF RECORD: MRC Permian Comp	any
BY: Craig N. Adams - Executive Vice President - Land, Legal and Administration Name & Title of Authorized Agent Signature of Authorized Agent Acknowledgment in an I	stration
State of)	
State of SS) County of)	
This instrument was acknowledged before me on By Name(s) of Person(s)	Date
(Seal)	Signature of Notarial Officer My commission expires:
Acknowledgment in an Re	
State of Texas County of Dallas This instrument was acknowledged before me on F By Craig N. Adams - Executive Name(s) of Person(s) (SedAIME GRAINGER Notary Public, State of Texas Comm. Expires 08-24-2021 Notary ID 131259323	Signature of Votarial Officer My commission expires: $\frac{5-24-202}{5}$

ONLINE version

March, 2017

State/State

State/Fee

FS:01711 SS 0378105

6

LEASE#: V0-8110	
LESSEE OF RECORD: MRC Permian Comp	any
BY: Craig N. Adams - Executive Vice President - Land, Legal and Adminis Name & Title of Authorized Agent Signature of Authorized Agent	
Acknowledgment in an I	ndividual Capacity
State of) SS)	
County of)	
This instrument was acknowledged before me on By Name(s) of Person(s)	Date
(Seal)	Signature of Notarial Officer
	My commission expires:
Acknowledgment in an Re	presentative Capacity
State of TAXAS) SS) County of Damas)	
This instrument was acknowledged before me on F By VOID N Addm'S - EVECU- Name(s) of Person(s) (Seal AIME GRAINGER Notary Public, State of Texas	Signature of Notarial Officer
Comm. Expires 08-24-2021 Notary ID 131259323	My commission expires: 8-21-11

FS:01/M3 SS 8378105

Page 38 of 119

EXHIBIT A

Attached to and made a part of that Communitization Agreement dated company and MRC Permian Company by and between Matador Production Company

MRC Permian Company

the Subdivisions

E/2E/2

32 Sect , Twnshp

, Rnge **23S**

35E

, NMPM

Lea

County, NM

Limited in depth from ft to ft. (enter here what is granted in pooling order if

applicable)

OPERATOR of Communitized Area: Matador Production Company

DESCRIPTION OF LEASES COMMITTED:

TRACT NO. 1

Lessor:

State of New Mexico Commissioner of Public Lands

35E

Lessee of Record: MRC Permian Company

Serial No. of Lease:

V0-8100

Date of Lease:

10/1/2007

Description of Lands Committed:

Subdivisions:

E/2NE/4

32 Twnshp Sect

23S

Rng

NMPM

Lea

County NM

No. of Acres:

80.00

TRACT NO. 2

Lessor: State of New Mexico Commissioner of Public Lands

Lessee of Record: MRC Permian Company

Serial No. of Lease:

V0-8110

Date of Lease:

10/1/2007

Description of Lands Committed:

Subdivisions:

E2/SE/4

Sect 32 Twnshp **23S**

Rng

35E

NMPM

Lea

County NM

No. of Acres:

80.00

ONLINE version

State/State

SOID FEB 22 PH 10: 27

March, 2017

State/Fee

7

TRA	CT	NO.	3

Lessor:

Lessee of Record:

Serial No. of Lease:

Date of Lease:

Description of Lands Committed:

Subdivisions:

Sect

Twnshp

Rng

NMPM

County NM

No. of Acres:

TRACT NO. 4

Lessor:

Lessee of Record:

Serial No. of Lease:

Date of Lease:

Description of Lands Committed:

Subdivisions:

Sect

Twnshp

Rng

NMPM

County NM

No. of Acres:

RECAPITULATION

Tract number	Number of Acres Committed	Percentage of Interest in Communitized Area
No. 1	80.00	50.00%
No. 2	80.00	50.00%
No. 3		
No. 4		
TOTAL	160.0	100.00%

ONLINE version

State/State

State/Fee

MIDLED SS WIND: SA

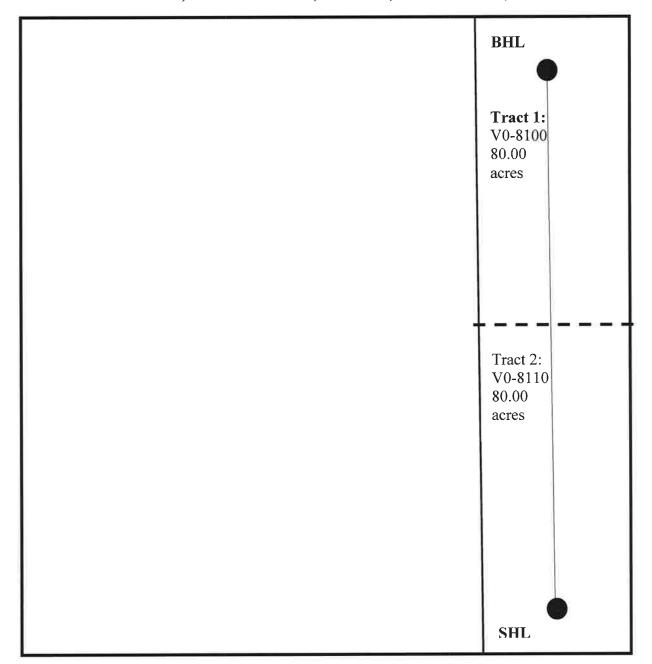
March,2017

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EXHIBIT "B"

PLAT OF COMMUNITIZED AREA COVERING THE E2E2 OF SECTION 32, TOWNSHIP 23 SOUTH, RANGE 35 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO





Commissioner

Stephanie Garcia Richard

State of New Mexico Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148 SANTA FE, NEW MEXICO 87504-1148 COMMISSIONER'S OFFIC

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

April 3rd, 2019

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

Re:

Communitization Agreement Approval

Irvin Wall State Com #133H Vertical Extent: Bone Spring

Township: 23 South, Range 35 East, NMPM

Section 32: W2E2 Lea County, New Mexico

Dear Ms. Grainger,

The Commissioner of Public Lands has this date approved the Irvin Wall State Com #133H Communitization Agreement for the Bone Spring formation effective 2/7/2019. Enclosed are three Certificates of Approval.

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

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

Sincerely, Stephenie Garac Richard/JK

Stephanie Garcia Richard

COMMISSIONER OF PUBLIC LANDS

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

Matador Production Company
Irvin Wall State Com #133H
Vertical Extent: Bone Spring
Township: 23 South, Range: 35 East, NMPM
Section 32: W2E2
Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **February 7, 2019**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

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

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

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 3rd Day of April, 2019.

Stephane Geric Kichard TK

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

CERTIFICATE OF APPROVAL

Matador Production Company Irvin Wall State Com #133H Vertical Extent: Bone Spring Township: 23 South, Range: 35 East, NMPM Section 32: W2E2 Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated February 7, 2019, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

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

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

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 3rd Day of April, 2019.

COMMISSIONER OF PUBLIC LANDS

of the State of New Mexico

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CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

Matador Production Company
Irvin Wall State Com #133H
Vertical Extent: Bone Spring
Township: 23 South, Range: 35 East, NMPM
Section 32: W2E2
Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated February 7, 2019, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

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

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

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 3rd Day of April, 2019.

COMMISSIONER OF PUBLIC LANDS

NM State Land Office Oil, Gas, & Minerals Division

STATE/STATE OR STATE/FEE

Revised March 2017

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COMMUNITIZATION AGREEMENT

			ONLINE		Invin Wall State Com #1224
KNOW ALL ME	N BY TH	ESE PRES	SENTS:	Well Name:	Irvin Wall State Com #133H
STATE OF NEW	MEXICO) SS)			API#: 30 - 25 - 45431
COUNTY OF	Lea) _			

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered , 20 19, by and between the parties subscribing, ratifying or February 7 consenting hereto, such parties hereinafter being referred to as "Parties hereto";

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

WHEREAS, the parties hereto, own working, royalty, or other leasehold interests or operating rights under the oil and gas leases and lands subject to this agreement, which leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

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

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

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

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

Subdivisions W/2E/2

Of Sect(s) 32 Twnshp 23S Rng 35E NMPM Lea County, NM

containing **160** acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

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

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

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

2019 FEB 22 MM 10: 26

- 5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.
- 6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.
- 7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.
- 8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.
- 9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be

28 CET 26 CET 26

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

- 10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.
- 11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.
- 12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.
- 13. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 14. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.

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

State/State37:01 M 72 33 6103

ONLINE version March, 2017

State/State
State/Fee

FS 52 MH 32 834 9105

Received by OCD: 8/21/2024 3:14:13 PM

LEASE #: V0-8100			
LESSEE OF RECORD: MRC P	ermian Compan	у	
BY: Craig N. Adams - Executive Vice President Name & Title of Authorized Agent Signature of Authorized Agent			
- C - C - 1 - C - 1 - C - C - C - C - C	wledgment in an Indi	ividual Capacity	
State of SS County of)	5)		
This instrument was acknowledg	ged before me on		Date
Name(s) of Person(s)			
(Seal)	=		Signature of Notarial Officer
	Му	commission expires:	
Acknowl	edgment in an Repre	esentative Capacity	
State of Texas County of Dawas) S)		
This instrument was acknowledge	ged before me on F	onary 11, 2019	1 _{Date}
By Chang N. Adam Name(s) & Person(s)	ns Executive	na presid	ent
(Seal) JAIME GRAING Notary Public, State Comm. Expires 08-2 Notary ID 13125	of Texas 24-2021	commission expires:	Signature of Notatial Officer 3-24-2021
ONLINE version March,2017	State/State State/Fee	FS:01 MR	22 CE 2019 FED 22

Page 51 of 119

LEASE#: V0-8110		
LESSEE OF RECORD: MRC Permia	an Company	
BY: Craig N. Adams - Executive Vice President - Land, L		
(nent in an Individ	ual Capacity
State of) SS) County of)		
This instrument was acknowledged before	ore me on	Date
By Name(s) of Person(s)		
(Seal)	: 	Signature of Notarial Officer
	My com	mission expires:
Acknowledgme	ent in an Represen	tative Capacity
State of Texas) SS) County of Dallas)		
This instrument was acknowledged before By Croud No Adams	EXECUTIVE 1	any 11, 2019Date Ace president
JAIME GRAINGER Notary Public, State of Texas Comm. Expires 08-24-2021 Notary ID 131259323	My on	Signature of Notarial Officer mission expires: 8-24-2021
ONLINE version March, 2017	State/State State/Fee	LZ:01111 ZZ 0346111.

EXHIBIT A

Attached to and made a part of that Communitization Agreement dated

by and between Matador Production Company

company and MRC Permian Company

MRC Permian Company

the Subdivisions

W/2E/2

Sect

32 Twnshp

23S , Rnge 35E

, NMPM

Lea

County, NM

Limited in depth from _____ ft to ____ ft. (enter here what is granted in pooling order if

applicable)

OPERATOR of Communitized Area: Matador Production Company

DESCRIPTION OF LEASES COMMITTED:

TRACT NO. 1

Lessor:

State of New Mexico Commissioner of Public Lands

Lessee of Record: MRC Permian Company

Serial No. of Lease:

V0-8100

Date of Lease:

10/1/2007

Lea

Description of Lands Committed:

Subdivisions:

W/2NE/4

Sect 32

Twnshp

Rng **23S**

35E

NMPM

County NM

No. of Acres:

80.00

TRACT NO. 2

Lessor: State of New Mexico Commissioner of Public Lands

Lessee of Record: MRC Permian Company

Serial No. of Lease:

V0-8110

Date of Lease:

10/1/2007

Description of Lands Committed:

Subdivisions:

W2/SE/4

32 Sect

Twnshp

23S Rng 35E

NMPM

Lea

County NM

No. of Acres:

80.00

ONLINE version

State/State

State/Fee

FS:01101 SS 837 8105

March, 2017

7

TRACT NO. 3

Lessor:

Lessee of Record:

Serial No. of Lease:

Date of Lease:

Description of Lands Committed:

Subdivisions:

Sect

Twnshp

Rng

NMPM

County NM

No. of Acres:

TRACT NO. 4

Lessor:

Lessee of Record:

Serial No. of Lease:

Date of Lease:

Description of Lands Committed:

Subdivisions:

Sect

Twnshp

Rng

NMPM

County NM

No. of Acres:

RECAPITULATION

Tract number	Number of Acres Committed	Percentage of Interest in Communitized Area
No. 1	80.00	50.00%
No. 2	80.00	50.00%
No. 3		
No. 4		
TOTAL	160.0	100.00%

ONLINE version

State/State

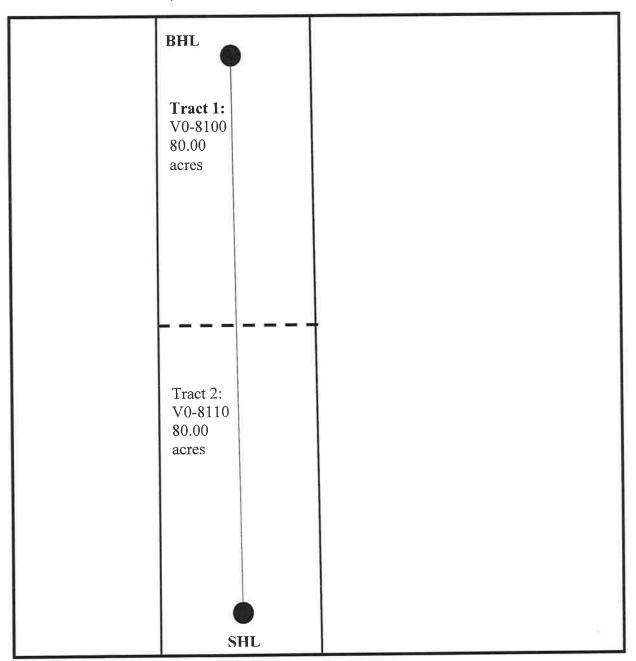
March,2017

State/Fee

FS:01HA SS 237 8103

EXHIBIT "B"

PLAT OF COMMUNITIZED AREA COVERING THE E2W2 OF SECTION 32, TOWNSHIP 23 SOUTH, RANGE 35 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO





Commissioner

Stephanie Garcia Richard

State of New Mexico Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148 SANTA FE, NEW MEXICO 87504-1148 COMMISSIONER'S OFFIC

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

April 3rd, 2019

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

Re:

Communitization Agreement Approval

Irvin Wall State Com #132H Vertical Extent: Bone Spring

Township: 23 South, Range 35 East, NMPM

Section 32: E2W2 Lea County, New Mexico

Dear Ms. Grainger,

The Commissioner of Public Lands has this date approved the Irvin Wall State Com #132H Communitization Agreement for the Bone Spring formation effective 2/7/2019. Enclosed are three Certificates of Approval.

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

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

Stephenie Genera Richard TX

Stephanie Garcia Richard

COMMISSIONER OF PUBLIC LANDS

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

Matador Production Company
Irvin Wall State Com #132H
Vertical Extent: Bone Spring
Township: 23 South, Range: 35 East, NMPM
Section 32: E2W2
Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **February 7, 2019**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

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

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

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 3rd Day of April, 2019.

COMMISSIONER OF PUBLIC LANDS

Stephenie Garcia Richard TR

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

Matador Production Company
Irvin Wall State Com #132H
Vertical Extent: Bone Spring
Township: 23 South, Range: 35 East, NMPM
Section 32: E2W2
Lea County, New Mexico

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

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IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 3rd Day of April, 2019.

COMMISSIONER OF PUBLIC LANDS

Stephanie Garcia Kichard,

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

Matador Production Company
Irvin Wall State Com #132H
Vertical Extent: Bone Spring
Township: 23 South, Range: 35 East, NMPM
Section 32: E2W2
Lea County, New Mexico

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

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IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 3rd Day of April, 2019.

COMMISSIONER OF PUBLIC LANDS

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

Revised March 2017

Received by OCD: 8/21/2024 3:14:13 PM

COMMUNITIZATION AGREEMENT

	ONLIN	E Version	Imin Mall State Com #422U
KNOW ALL MEN BY 7	THESE PRESENTS:	Well Name:	Irvin Wall State Com #132H
STATE OF NEW MEXI	CO)		API #: 30 - 25 - 45430
COUNTY OF Lea)		

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered , 20 19, by and between the parties subscribing, ratifying or February 7 consenting hereto, such parties hereinafter being referred to as "Parties hereto";

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

WHEREAS, the parties hereto, own working, royalty, or other leasehold interests or operating rights under the oil and gas leases and lands subject to this agreement, which leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

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

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

2019 FEB 22 MM 10: 25

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

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

Subdivisions **E/2W/2**

Of Sect(s) 32 Twnshp 23S Rng 35E NMPM Lea County, NM

containing **160** acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

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

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

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

- 4. Matador Production Company shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by Matador Production Company
- 5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.
- 6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.
- 7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.
- 8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.
- 9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be

2019 FED 22 AH 10: 25

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

- 10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.
- 11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.
- 12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.
- 13. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 14. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.

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

OPERATOR:	
BY: Craig N. Adams - Executive Vice President - Land, Legal and Administration Name and Title of Authorized Agent Signature of Authorized Agent	- grut pod
Acknowledgmen	t in an Individual Capacity
State of) SS)	
County of)	
This instrument was acknowledged before	me on Date
By Name(s) of Person(s)	
(Seal)	Signature of Notarial Officer
	My commission expires:
Acknowledgment i	n an Representative Capacity
State of TEXAS) SS) County of DallaS)	
	me on Flbruary 11, Date
This instrument was acknowledged before By Craig N. Adams - Ex Name(s) of Person(s)	me on February II, Date Kelutive vice president.
(SJA)ME GRAINGER Notary Public, State of Texas Comm. Expires 08-24-2021 Notary ID 131259323	Signature of Notaria/Officer My commission expires: 8-24-202

ONLINE version

March, 2017

State 22:01 11 22 0116100

State/Fee

March, 2017

LEASE #: V0-8100	
LESSEE OF RECORD: MRC Permian Company	
BY: Craig N. Adams - Executive Vice President - Land, Legal and Administration	
Name & Title of Authorized Agent	
Signature of Authorized Agent	
Acknowledgment in an Individual Capacity	
State of)	
SS) County of)	
This instrument was acknowledged before me on Date	
Ву	
Name(s) of Person(s)	
(Seal) Signature of Notaria	l Officer
My commission expires:	
Acknowledgment in an Representative Capacity	
Acknowledgment in an Acpresentative Capacity	
State of SS)	
County of Dawas	
This instrument was acknowledged before me on Flowary 11, 2019 ate By Craug N. Adams - Executive Vice president.	ě
Name(s) of Person(s)	1
Sandame Grainger	L Officer
(Seaf AIME GRAINGER Signature of Notaria Notary Public, State of Texas Comm. Expires 08-24-2021	
Notary ID 131259323 II Wy commission expires.	
ONLINE version State/State March,2017 State/Fee 97:01W 77 33 461	6

State/Fee

March, 2017

LEASE #: V0-8110			
LESSEE OF RECORD: MRC Pe	rmian Comp	pany	
BY : Craig N. Adams - Executive Vice President -			
Name & Title of Authorized Agent	.v		
Signature of Authorized Agent	8mm		
Acknow	(*) ledgment in an l	Individual Capacity	
	J		×
State of) SS)			
County of)			
This instrument was acknowledged	d before me on		Date
By			
Name(s) of Person(s)			
(Seal)			Signature of Notarial Officer
		My commission expires: _	
Acknowled	dgment in an Re	presentative Capacity	y
State of TEXAS)			
County of Dallas SS)			
This instrument was acknowledge By CVOUG N Adams	d before me on F S EXLOUTIVE	Hu preside	Date of the state
Name(s) of Person(s)		Naume	Drainger
(Seal)		My commission expires:	Signature of Novarial Officer 3-24-204
ONLINE version	State/State	FEB 22 M 10: 26	6102

State/Fee

Page 66 of 119

EXHIBIT A

Attached to and made a part of that Communitization Agreement dated

company and MRC Permian Company by and between Matador Production Company

MRC Permian Company

the Subdivisions

E/2W/2

32 , Twnshp Sect

. Rnge **23S**

35E

, NMPM

Lea

County, NM

Limited in depth from _____ ft to ___ ft. (enter here what is granted in pooling order if

applicable)

OPERATOR of Communitized Area: Matador Production Company

DESCRIPTION OF LEASES COMMITTED:

TRACT NO. 1

Lessor:

State of New Mexico Commissioner of Public Lands

Lessee of Record: MRC Permian Company

Serial No. of Lease:

V0-8100

Date of Lease:

10/1/2007

Description of Lands Committed:

Subdivisions:

E/2NW/4

32 Twnshp Sect

Rng **23S**

35E

NMPM

Lea

County NM

No. of Acres:

80.00

TRACT NO. 2

Lessor: State of New Mexico Commissioner of Public Lands

Lessee of Record: MRC Permian Company

Serial No. of Lease:

V0-8110

Date of Lease:

10/1/2007

Description of Lands Committed:

Subdivisions:

E2/SW/4

Sect 32 Twnshp **23S**

Rng

35E

NMPM

Lea

County NM

No. of Acres:

80.00

ONLINE version

State/State

State/Fee

2019 FEB 22 MM10: 26

7

March, 2017

TRACT NO. 3

Lessor:

Lessee of Record:

Serial No. of Lease:

Date of Lease:

Description of Lands Committed:

Subdivisions:

Sect

Twnshp

Rng

NMPM

County NM

No. of Acres:

TRACT NO. 4

Lessor:

Lessee of Record:

Serial No. of Lease:

Date of Lease:

Description of Lands Committed:

Subdivisions:

Sect

Twnshp

Rng

NMPM

County NM

No. of Acres:

RECAPITULATION

Tract number	Number of Acres Committed	in Communitized Area
No. 1	80.00	50.00%
No. 2	80.00	50.00%
No. 3		
No. 4		
TOTAL	160.0	100.00%

ONLINE version

State/State

2019 FEB 22 AN 10: 26

LINE Version

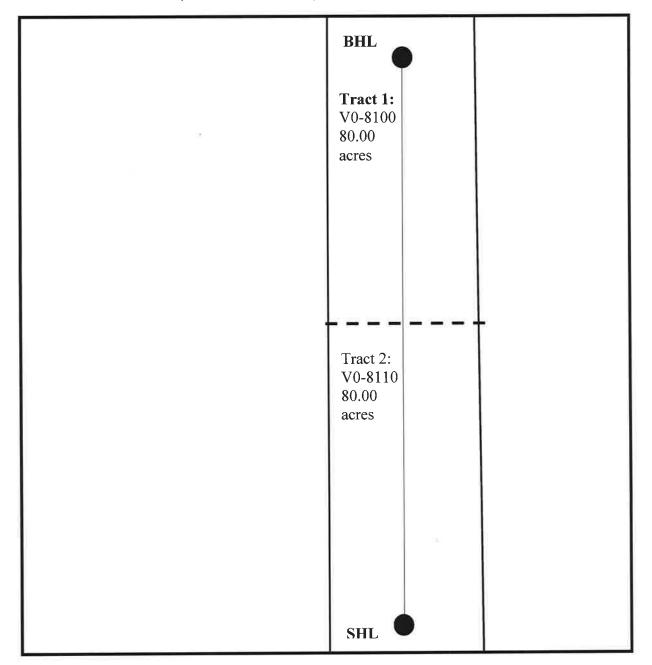
State/Fee

8

Received by OCD: 8/21/2024 3:14:13 PM

EXHIBIT "B"

PLAT OF COMMUNITIZED AREA COVERING THE W2E2 OF SECTION 32, TOWNSHIP 23 SOUTH, RANGE 35 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO







AUBREY DUNN COMMISSIONER

State of New Mexico Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148 SANTA FE, NEW MEXICO 87504-1148 **COMMISSIONER'S OFFICE**

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

June 26th, 2018

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

Re:

Communitization Agreement Approval

Irvin Wall State Com #131H Vertical Extent: Bone Spring

Township: 23 South, Range 35 East, NMPM

Section 32: W2W2 Lea County, New Mexico

Dear Ms. Grainger,

The Commissioner of Public Lands has this date approved the Irvin Wall State Com #131H Communitization Agreement for the Bone Spring formation effective 4/15/2018. Enclosed are three Certificates of Approval.

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

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

Sincerely,

AUBREY DUNN

COMMISSIONER OF PUBLIC LANDS

Received by OCD: 8/21/2024 3:14:13 PM

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

Matador Production Company
Irvin Wall State Com #131H
Vertical Extent: Bone Spring
Township: 23 South, Range: 35 East, NMPM
Section 32: W2W2
Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **April 15, 2018**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

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

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

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 26th Day of June, 2018.

COMMISSIONER OF PUBLIC LANDS

Received by OCD: 8/21/2024 3:14:13 PM

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

Matador Production Company
Irvin Wall State Com #131H
Vertical Extent: Bone Spring
Township: 23 South, Range: 35 East, NMPM
Section 32: W2W2
Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated April 15, 2018, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

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

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

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 26th Day of June, 2018.

COMMISSIONER OF PUBLIC LANDS

Received by OCD: 8/21/2024 3:14:13 PM

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

Matador Production Company
Irvin Wall State Com #131H
Vertical Extent: Bone Spring
Township: 23 South, Range: 35 East, NMPM
Section 32: W2W2
Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated April 15, 2018, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

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

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

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 26th Day of June, 2018.

COMMISSIONER OF PUBLIC LANDS

of the State of New Mexico

W2W2 of Irvin Wall State Com #131H

NM State Land Office Oil, Gas, & Minerals Division

STATE/STATE OR STATE/FEE

Revised 'HF. 201

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COMMUNITIZATION AGREEMENT

ONLINE Version

KNOW ALL MEN BY THESE PRESENTS:

STATE OF NEW MEXICO)

COUNTY OF LEA

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of April 15, 2018, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

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

WHEREAS, the parties hereto, own working, royalty, or other leasehold interests or operating rights under the oil and gas leases and lands subject to this agreement, which leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

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

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

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

ONLINE version

State/State

December 2014

State/Fee

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

Township 23 South, Range 35 East, N.M.P.M.

Section 32: W2W2

Lea County, New Mexico

Containing 160.00 acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

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

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

- 2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.
- 3. Subject to Paragraph 4, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.
- 4. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

State/State

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- 5. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.
- 6. The commencement, completion, and continued operation or production of a well or wells for communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.
- 7. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.
- 8. Matador Production Company shall be the Operator of said communitized area and all matters of operation shall be determined and performed by Matador Production Company.
- This agreement shall be effective as of the date hereinabove written upon execution by the 9. necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this Agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall to filed with the Commissioner within thirty (30) days after the cessation of such production,

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and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

- 10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.
- 11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.
- 12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.
- 13. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 14. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.

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

OPERATOR:

Matador Production Company

Date: 5-9-18

By:

Craig N. Adams

Title: Executive Vice President

.NR

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	MRC Permian Company	
Date: <u>5-9-18</u>	By: Craig N. Adams Title: Executive Vice President	ent KAR
CORE	PORATE ACKNOWLEDGEME	<u>ent</u>
STATE OF TEXAS)	
COUNTY OF DALLAS)	
The foregoing instrument was Craig N. Adams, Executive Vice Prebehalf of said corporation. My Commission Expires: 8-24 STATE OF TEXAS		day of
COUNTY OF DALLAS)	
The foregoing instrument was Craig N. Adams, Executive Vice Pressaid corporation.	s acknowledged before me this 2 sident of MRC Permian Compan	
My Commission Expires: 8-24	1-2021 Aum Notary Public	Maingn
ONLINE version December 2014	State/State State/Fee	JAIME GRAINGER Notary Public, State of Texas Comm. Expires 08-24-2021 Notary ID 131259323

EXHIBIT "A"

Attached to and made part of the Communitization Agreement dated April 15, 2018, by and between Matador Production Company and the State of New Mexico, covering the W2W2 of Section 32, Township 23 South, Range 35 East, N.M.P.M., Lea County, New Mexico.

Operator of Communitized Area: Matador Production Company

DESCRIPTION OF LEASES COMMITTED:

TRACT NO. 1:

Lessor: State of New Mexico Commissioner of Public Lands

Lessee of Record: MRC Permian Company

Description of Township 23 South, Range 35 East, N.M.P.M., Lea County, NM

Lands Committed: Section 32: W/2NW/4

Number of Acres: 80.00

TRACT NO.2:

Lessor: State of New Mexico Commissioner of Public Lands

Lessee of Record: MRC Permian Company

Description of Township 23 South, Range 35 East, N.M.P.M., Lea County, NM

Lands Committed: Section 32: W/2SW/4

Number of Acres: 80.00

RECAPITULATION

Tract No.	Number of Acres Committed	Percentage of Interest in Communitized Area
Tract 1:	80.00	50.00%
Tract 2:	80.00	50.00%
TOTAL:	160.00	100.00%

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ONLINE version State/State

December 2014 State/Fee



Ray Powell, M.S., D.V.M. COMMISSIONER

State of New Mexico Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148 SANTA FE, NEW MEXICO 87504-1148 COMMISSIONER'S OFFICE

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

August 30, 2012

Regeneration Energy Corp. Post Office Box 210 Artesia, NM 88211-0210

Attn:

Joel W. Miller

Re:

Communitization Agreement Approval (Delaware)

Shearn State Com Well No. 1H

W2W2, Section 32, Township 23 South, Range 35 East

Lea County, New Mexico

Dear Mr. Miller:

The Commissioner of Public Lands has this date approved the Shearn State Com Well No. 1H Communitization Agreement for the Delaware formation effective August 17, 2012. Enclosed are three Certificates of Approval.

The agreement shall remain in full force and effect until midnight October 1, 2012, and so long thereafter as communitized substances are produced from the communitized area in paying quantities.

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

Sincerely,

RAY POWELL, M.S., D.V.M.

COMMISSIONER OF PUBLIC LANDS

BY: Aug// LARRY J. ROYBAL, Director Oil, Gas & Minerals Division

(505)-827-5744

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NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

Regeneration Energy Corp. Shearn State Com Well No. 1H W2W2, Section 32, Township 23 South, Range 35 East, Lea County, New Mexico Delaware

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement, dated August 17, 2012, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

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

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

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 30th day of August, 2012.

COMMISSIONER OF PUBLIC LANDS

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of the State of New Mexico

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New Mexico State Land Office		SHORT TERM
Oil, Gas, and Minerals Division	COMMINITIZATION ACREEMENT	Revised March 2003
	COMMUNITIZATION AGREEMENT Online Version	
STATE OF NEW MEXICO)	
COUNTY OF Lea	ss)	
KNOW ALL MEN BY THESE PRE	ESENTS:	
Aug	t to be used for helium or carbon dioxional to the parties of the parties herefold to as "Parties herefo"	ties subscribing, ratifying or
as set forth in Sec. 19-10-53, New gas and the prevention of waste tunder agreements made by lesse lessees of State Lands, or oil and purpose of pooling or communitizi unit, pursuant to any order, rule of Mexico Energy, Minerals and Na	Public Lands of the State of New Mexico is at Mexico Statutes, Annotated, 1978, in the interest to consent to and approve the development ees of oil & gas leases thereon, jointly or set gas lessees or mineral owners of privately ing such lands to form a proration unit or por or regulation of the New Mexico Oil Consentural Resources Department where such a lor gas from such pools or communitized at to be fair and equitable.	erest of conservation of oil & or operation of State lands everally with other oil & gas owned or fee lands, for the tion thereof, or well-spacing evation Division of the New agreement provides for the
the oil and gas leases and lands s	wn working, royalty, or other leasehold interes subject to this agreement, which leases are m rked Exhibit "A" and made a part hereof, for al	nore particularly described in
WHEREAS, said leases, insofar as	s they cover the Delaware	
	formation (hereinafter referred scribed cannot be independently developed arablished for such formation in and under said	nd operated in conformity
subject to this agreement for the p	sire to communitize and pool their respective in ourpose of developing, operating and producing pereinafter described subject to the terms herec	ng hydrocarbons in the said
	tion of the premises and the mutual advantage by and between the undersigned as follows:	es to the parties hereto, it is

1. The lands covered by this agreement (hereinafter referred to as the "communitized area") are described as follows: Subdivisions W/2 W/2

Section 32, Twp 23S, Rng 35E, NMPM, Lea County,

New Mexico, containing 160 acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land inaccordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that

ONLINE version December 2004

the public interest:

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may be produced from the said formation (hereinafter referred to as "Communitized Substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

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

- 2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.
- 3. Subject to Paragraph 4, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.
- 4. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.
- 5. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure seperately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.
- 6. The commencement, completion, and continued operation or production of a well or wells for communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.
- 7. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws. executive orders, rules and regulations affecting the performance of the provisions hereof, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

8	Regeneration Energy Corp.	shall be the Operator of said communitized area and
all ma	atters of operation shall be determined and p	erformed by Regeneration Energy Corp.

9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution and, upon approval by the Commissioner of Public Lands, shall remain in full force and effect until midnight, local time, long thereafter as either: drilling operations are conducted upon the communitized area in accordance with the State of New Mexico oil and gas leases committed hereto, or communitized substances are produced from the communitized area in paying quantities; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such well is shut-in due to the inability of the operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to

prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this Agreement may be terminated at any time by mutual agreement of the parties hereto. This Agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

- 10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.
- 11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.
- 12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.
- 13. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 14. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.

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

OPERATOR:	Regene	eration Energy Corp.	Signature:_	Ro	rye	mil	les
Representativ	e	Raye Miller	Title_Preside	ent			
LESSEES OF REC	ORD:	Regeneration Energy Corp.					
		Regeneration Energy Corp.					
				37	8 MA	SS 9	UA SIOS

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Acknowledgement in an Individual Capacity State of _____ County of This instrument was acknowledged before me this _____ day of _____ 20____ Name(s) of Person(s) (Notary Seal) Signature of Notarial Officer My Commission Expires Acknowledgement in a Representative Capacity New Mexico State of)ss County of___ Eddy This instrument was acknowledged before me this 200 day of A by Raye Miller Name(s) of Person(s) as President of Regeneration Energy Corp. Type of authority; e.g., officer, trustee, etc. Name of partylon behalf of whom instrument was executed (Seal)

SOIS AUG 22 AM 8 31

OFFICIAL SEAL

NOTARY PUBLIC-STATE OF NEW MEXICO

Misti McLurg

My Commission expires

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EXHIBIT "A"

				August 17, 20 12
by and between Regene				Company covering
Subdivisions W/2 W/2			_	
Section 32, Twp				
Operator of Communitize	ed Area:	Company	Regeneration	Energy Corp.
	De	scription of Lea	ıses Committed:	
Tract No. 1				
Lessor:	State of Nev	w Mexico acting by	and through its Comm	issioner of Public Lands
Lessee of Record:	Regenerati	on Energy Corp.		
Serial No. of Lease:	V	' 0-8110	· · · · · ·	_
Date of Lease:	10/1/2007			
Description of Lands Cor	mmitted: Sub	odivisions W/2 S/2		
Sect 32 Twp 23S	Rng _ 35	Е_ NMPM	Lea	County NM
No. of Acres:	80			
Tract No. 2				
Lessor:	State of Nev	w Mexico acting by	y and through its Comm	issioner of Public Lands
Lessee of Record:	Regenerati	on Energy Corp.		
Serial No.of Lease:	V0-8100		_	
Date of Lease:	10/1/2007		_	
Description of Lands Cor	mmitted: Sub	odivisions W/2 N/2		
Sect 32 Twp 23S	_ Rng _35E	NMPM	Lea	County NM
No. of Acres:	80			

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Tract No. 3			
Lessor:	State of New	Mexico acting by and through	n its Commissioner of Public Lands
Lessee of Record:			
Serial No. of Lease:		<u>.</u>	
Date of Lease:		<u> </u>	
Description of Lands C	Committed: Sub-	livisions	
SectTwp	Rng	NMPM	County NM
No. of Acres:			
Tract No. 4			
Lessor:	State of New	Mexico acting by and through	n its Commissioner of Public Lands
Lessee of Record:			
Serial No. of Lease:			
Date of Lease:			
Description of Lands C	Committed: Sub-	divisions	
Soot Turn	Pna	NIMENA	County NA/

RECAPITULATION

TRACT NO.	NUMBER OF ACRES COMMITTED	PERCENTAGE OF INTEREST IN COMMUNITIZED AREA
No. 1	80	50%
No. 2	80	50%
No. 3		
No. 4		

SE 8 MA SS DUA SIOS

No. of Acres:

Received by OCD: 8/21/2024 3:14:13 PM

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

Regeneration Energy Corp. Shearn State Com Well No. 1H W2W2, Section 32, Township 23 South, Range 35 East, Lea County, New Mexico Delaware

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement, dated August 17, 2012, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

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

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

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 30th day of August, 2012.

COMMISSIONER OF PUBLIC LANDS

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of the State of New Mexico

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

Regeneration Energy Corp.
Shearn State Com Well No. 1H
W2W2, Section 32, Township 23 South, Range 35 East, Lea County, New Mexico
Delaware

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement, dated August 17, 2012, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

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

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

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 30th day of August, 2012.

COMMISSIONER OF PUBLIC LANDS

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of the State of New Mexico

New Mexico State Land Office Oil, Gas, & Minerals Division

STATE/STATE OR STATE/FEE

Revised July 2023

COMMUNITIZATION AGREEMENT

•	ONLINE Version	
API #: <u>30</u> -		

THIS COMMUNITIZATION AGREEMENT ("Agreement") [which is NOT to be used for carbon dioxide or helium] is entered into and made effective this __1st __ [day] of ___March_ [month]) ______, 20_24, by and between the parties signing below ("Parties"):

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

WHEREAS, the Parties own working, royalty, or other leasehold or other interests or operating rights under the oil and gas leases and lands subject to this Agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules and regulations, which leases, along with the well(s) on each lease to be encompassed by this Agreement, are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

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

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

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

1. The lands described in Exhibit A (or B) covered by this Agreement (hereinafter referred to as the "communitized area") are described as follows:

Subdivisions: W2 of Section 32

Of Sect(s): 32 Twp: 2 3 S Rng: 3 5 E NMPM Lea County, NM

Containing <u>320.00</u> acres, more or less. It is the judgment of the Parties that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the OCD, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

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

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

- 2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the Parties that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.
- 3. Subject to Paragraph 5, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals or performance of other lease obligations under the terms of said leases shall not be affected by this Agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this Agreement shall remain in full force and effect as originally issued and amended.

- 4. <u>Matador Production Company</u> shall be the operator of the said communitized area ("Operator") and all matters of operation shall be determined and performed by <u>Matador Production Company</u>. If more than one Operator operates wells subject to this Agreement, the Commissioner reserves the right to require one or more or all operators who added infill wells to this Agreement to obtain a new agreement.
- 5. The Commissioner hereafter is entitled to the right to take in kind the Commissioner's share for the communitized substances allocated to such tract, and the Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.
- 6. There shall be no obligation upon the Parties to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the Parties shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.
- 7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.
- 8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws.
- 9. This Agreement shall be effective as of the date hereinabove written upon execution by the Parties, notwithstanding the date of execution, and upon approval by the Commissioner, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all applicable State laws, rules, and regulations; provided, that this Agreement shall not expire if there is a well producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this Agreement so as to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this Agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well located within the physical boundaries of that specific lease assignment. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner with respect to any dry hole or abandoned well drilled upon the communitized area, this Agreement may be terminated at any time by mutual agreement of the Parties.

- 10. Notwithstanding any other provision herein, if there is a cessation of production of communitized substances for more than sixty (60) days beginning one year after the date of execution, this Agreement shall automatically terminate, along with the ability to produce communitized substances, unless notice of reworking or drilling operations on the communitized area is made within 60 days of cessation of production of communitized substances and are thereafter conducted with reasonable diligence or the Commissioner of Public Lands otherwise grants an exception to continued drilling operations, including for the compliance of other state rules, laws, or policies. All such notices provided pursuant to this Paragraph shall be in writing and must be approved by the Commissioner. As to State Trust Lands, written notice of intention to commence any operations hereunder shall be filed with the Commissioner within thirty(30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this Agreement. All requests to the Commissioner to grant an exception or exceptions for the compliance of other state rules, laws, or policies must be made in writing within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to this Agreement or any lease from the State of New Mexico included in this Agreement
- 11. Operator shall furnish the Commissioner and the OCD, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.
- 12. It is agreed between the Parties that the Commissioner, or the Commissioner's duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State Land Office and the OCD.
- 13. If any order of the OCD upon which this Agreement is predicated or based is in anyway changed or modified, then in such event said Agreement is likewise modified to conform thereto.
- 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 instruments, in writing, specifically referring hereto, and shall be binding upon all Parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. 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.

- 16. In the event that Operator is aggrieved by a decision of the Commissioner with respect to any action by the Commissioner arising under this Agreement, Operator may within thirty (30) days after the date of such action file an administrative contest pursuant to 19.7.64 NMSA (1978) and 19.2.15 NMAC. Operator shall initiate no court action against the Commissioner or New Mexico State Land Office regarding this Agreement except to appeal a final decision of the Commissioner rendered pursuant to such a contest proceeding, and as provided by 19.7.64 NMSA (1978). The Parties agree that any venue for any appeal or other action shall be in Santa Fe, New Mexico.
- 17. Operator shall notify the Commissioner in writing within ten (10) days of (i) Operator's receipt of any compliance order, enforcement order, notice of violation, warning letter, or other written notice of final or contemplated enforcement action taken by any federal, state, or local governmental entity arising out of or concerning any of Operator's operations on New Mexico state trust land; (ii) Operator's receipt of any order, judgment, or decree (on consent or otherwise) entered by any federal or state court against Operator arising out of or concerning any of Operator's operations on New Mexico state trust land; or (iii) Operator's receipt of any written notice of claim, written pre-suit notice, or lawsuit arising out of or concerning any of Operator's operations on New Mexico state trust land. Upon the Commissioner's request, Operator shall promptly provide the Commissioner with a copy of any such order, judgment, decree, notice, letter, or lawsuit.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year

Commissioner of Public Lands:	Date:	

Burke State Com #110H – State Comm Agreement

first above written.

Operator: Matador Production Company
By: Kyle Perkins - Senior Vice President & Assistant General Counsel
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 Kyle Perkins, as Senior Vice President & Assistant General Counsel, 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: Kyle Perkins - Senior Vice President & Assistant General Counsel
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 Kyle Perkins, as Senior Vice President & Assistant General Counsel, for MRC Permian Company on behalf of said corporation.
Signature of Notarial Officer My commission expires

Burke State Com #110H – State Comm Agreement

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EXHIBIT "A"

Plat of communitized area covering 320.00 acres in the W2 of Section 32, Township 23 South, Range 35 East, Lea County, New Mexico.

Burke State Com #110H

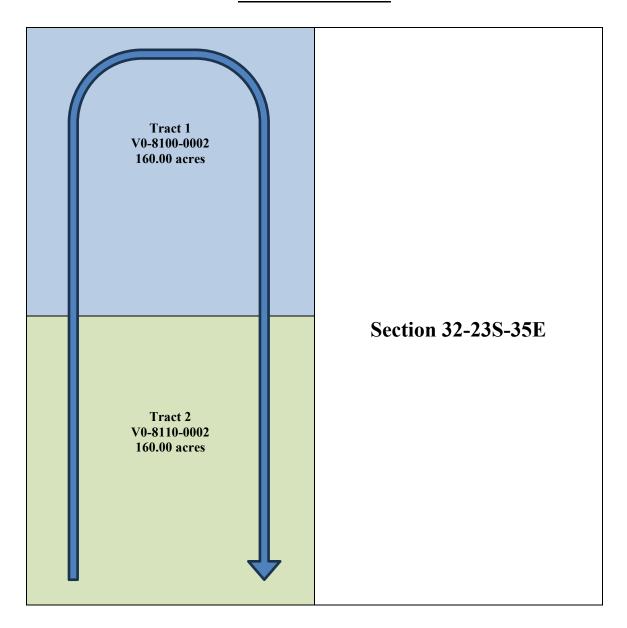


EXHIBIT "B"

Attached to and made a part of that certain Communitization Agreement dated March 1, 2024, embracing the following described land in the W2 of Section 32, Township 23 South, Range 35 East, Lea County, New Mexico.

Operator of Communitized Area: Matador Production Company

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number: V0-8100-0002

Description of Land Committed: Township 23 South, Range 35 East,

Section 32: NW4

Number of Acres: 160.00

Current Lessee of Record: MRC Permian Company

Name and Percent of Working Interest Owners: MRC Permian Company

Lynx Petroleum Consultants, Inc.

Tract No. 2

Lease Serial Number: V0-8110-0002

Description of Land Committed: Township 23 South, Range 35 East,

Section 32: SW4

Number of Acres: 160.00

Current Lessee of Record: MRC Permian Company

Name and Percent of Working Interest Owners: MRC Permian Company

Lynx Petroleum Consultants, Inc.

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	160.00	50.00
2	160.00	50.00
Total	320.00	100.00%

32569297_v1

New Mexico State Land Office Oil. Gas. & Minerals Division

STATE/STATE OR STATE/FEE

Revised July 2023

COMMUNITIZATION AGREEMENT ONLINE Version

01.21	
API #: <u>30</u> -	
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THIS COMMUNITIZATION AGREEMENT ("Agreement") [which is NOT to be used for carbon dioxide or helium] is entered into and made effective this __1st __ [day] of ___March_ [month])________, 20_24, by and between the parties signing below ("Parties"):

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

WHEREAS, the Parties own working, royalty, or other leasehold or other interests or operating rights under the oil and gas leases and lands subject to this Agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules and regulations, which leases, along with the well(s) on each lease to be encompassed by this Agreement, are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

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

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

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

1. The lands described in Exhibit A (or B) covered by this Agreement (hereinafter referred to as the "communitized area") are described as follows:

Subdivisions: E2 of Section 32

Of Sect(s): 32 Twp: 2 3 S Rng: 3 5 E NMPM Lea County, NM

Containing <u>320.00</u> acres, more or less. It is the judgment of the Parties that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the OCD, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

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

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

- 2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the Parties that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.
- 3. Subject to Paragraph 5, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals or performance of other lease obligations under the terms of said leases shall not be affected by this Agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this Agreement shall remain in full force and effect as originally issued and amended.

- 4. <u>Matador Production Company</u> shall be the operator of the said communitized area ("Operator") and all matters of operation shall be determined and performed by <u>Matador Production Company</u>. If more than one Operator operates wells subject to this Agreement, the Commissioner reserves the right to require one or more or all operators who added infill wells to this Agreement to obtain a new agreement.
- 5. The Commissioner hereafter is entitled to the right to take in kind the Commissioner's share for the communitized substances allocated to such tract, and the Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.
- 6. There shall be no obligation upon the Parties to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the Parties shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.
- 7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.
- 8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws.
- 9. This Agreement shall be effective as of the date hereinabove written upon execution by the Parties, notwithstanding the date of execution, and upon approval by the Commissioner, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all applicable State laws, rules, and regulations; provided, that this Agreement shall not expire if there is a well producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this Agreement so as to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this Agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well located within the physical boundaries of that specific lease assignment. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner with respect to any dry hole or abandoned well drilled upon the communitized area, this Agreement may be terminated at any time by mutual agreement of the Parties.

- 10. Notwithstanding any other provision herein, if there is a cessation of production of communitized substances for more than sixty (60) days beginning one year after the date of execution, this Agreement shall automatically terminate, along with the ability to produce communitized substances, unless notice of reworking or drilling operations on the communitized area is made within 60 days of cessation of production of communitized substances and are thereafter conducted with reasonable diligence or the Commissioner of Public Lands otherwise grants an exception to continued drilling operations, including for the compliance of other state rules, laws, or policies. All such notices provided pursuant to this Paragraph shall be in writing and must be approved by the Commissioner. As to State Trust Lands, written notice of intention to commence any operations hereunder shall be filed with the Commissioner within thirty(30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this Agreement. All requests to the Commissioner to grant an exception or exceptions for the compliance of other state rules, laws, or policies must be made in writing within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to this Agreement or any lease from the State of New Mexico included in this Agreement
- 11. Operator shall furnish the Commissioner and the OCD, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.
- 12. It is agreed between the Parties that the Commissioner, or the Commissioner's duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State Land Office and the OCD.
- 13. If any order of the OCD upon which this Agreement is predicated or based is in anyway changed or modified, then in such event said Agreement is likewise modified to conform thereto.
- 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 instruments, in writing, specifically referring hereto, and shall be binding upon all Parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. 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.

- 16. In the event that Operator is aggrieved by a decision of the Commissioner with respect to any action by the Commissioner arising under this Agreement, Operator may within thirty (30) days after the date of such action file an administrative contest pursuant to 19.7.64 NMSA (1978) and 19.2.15 NMAC. Operator shall initiate no court action against the Commissioner or New Mexico State Land Office regarding this Agreement except to appeal a final decision of the Commissioner rendered pursuant to such a contest proceeding, and as provided by 19.7.64 NMSA (1978). The Parties agree that any venue for any appeal or other action shall be in Santa Fe, New Mexico.
- 17. Operator shall notify the Commissioner in writing within ten (10) days of (i) Operator's receipt of any compliance order, enforcement order, notice of violation, warning letter, or other written notice of final or contemplated enforcement action taken by any federal, state, or local governmental entity arising out of or concerning any of Operator's operations on New Mexico state trust land; (ii) Operator's receipt of any order, judgment, or decree (on consent or otherwise) entered by any federal or state court against Operator arising out of or concerning any of Operator's operations on New Mexico state trust land; or (iii) Operator's receipt of any written notice of claim, written pre-suit notice, or lawsuit arising out of or concerning any of Operator's operations on New Mexico state trust land. Upon the Commissioner's request, Operator shall promptly provide the Commissioner with a copy of any such order, judgment, decree, notice, letter, or lawsuit.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year

Burke State Com #129H – State Comm Agreement

first above written.

Operator: Matador Production Company
By: Kyle Perkins – Senior Vice President & Assistant General Counsel
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 Kyle Perkins, as Senior Vice President & Assistant General Counsel 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: Kyle Perkins - Senior Vice President & Assistant General Counsel 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 Kyle Perkins, as Senior Vice President & Assistant General Counsel, for MRC Permian Company on behalf of said corporation.
Signature of Notarial Officer My commission expires

Burke State Com #129H – State Comm Agreement

Released to Imaging: 12/5/2024 2:17:03 PM

EXHIBIT "A"

Plat of communitized area covering 320.00 acres in the E2 of Section 32, Township 23 South, Range 35 East, Lea County, New Mexico.

Burke State Com #129H

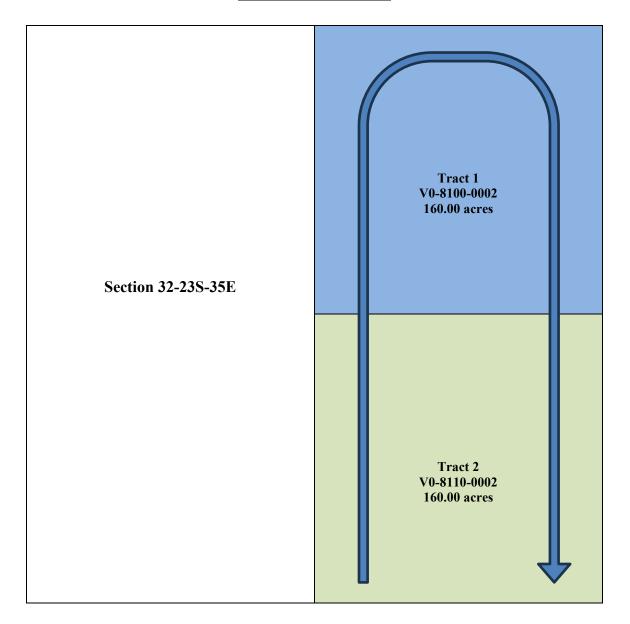


EXHIBIT "B"

Attached to and made a part of that certain Communitization Agreement dated March 1, 2024, embracing the following described land in the E2 of Section 32, Township 23 South, Range 35 East, Lea County, New Mexico.

Operator of Communitized Area: Matador Production Company

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number: V0-8100-0002

Description of Land Committed: Township 23 South, Range 35 East,

Section 32: NE4

Number of Acres: 160.00

Current Lessee of Record: MRC Permian Company

Name and Percent of Working Interest Owners: MRC Permian Company

Lynx Petroleum Consultants, Inc.

Tract No. 2

Lease Serial Number: V0-8110-0002

Description of Land Committed: Township 23 South, Range 35 East,

Section 32: SE4

Number of Acres: 160.00

Current Lessee of Record: MRC Permian Company

Name and Percent of Working Interest Owners: MRC Permian Company

Lynx Petroleum Consultants, Inc.

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	160.00	50.00
2	160.00	50.00
Total	320.00	100.00%

32569298_v1

Allar Development LLC	P.O. Box 1567	Graham	TX	76450
Amerind Oil Company, Ltd.	415 West Wall Street, Suite 1411	Midland	TX	79701-4467
Barrett Properties Inc.	P.O. Box 1185	Alto	NM	88312
Jal Draw Oil Company, Ltd.	PO Box 137380	Ft Worth	TX	76136
Judtih A. West a/k/a Judy Reynolds West	P O BOX 1948	Cullman	AL	35056
Martin Joyce	P.O. Box 2142	Roswell	NM	88202
Nestegg Energy Corporation	2308 Sierra Vista Road	Artesia	NM	88210
New Mexico State Land Office	P O Box 1148	Santa Fe	NM	87504
Sydhan, LP	P.O. Box 92349	Austin	TX	78709



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

August 13, 2024

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

TO: ALL AFFECTED PARTIES

Re: Application of Matador Production Company to amend NMOCD Order PLC-876 and for administrative approval to surface commingle (pool and lease) oil and gas production from the spacing units underlying all of Section 32, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico (the "Lands")

Ladies and Gentlemen:

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

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

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

Sincerely,

Paula M. Vance

ATTORNEY FOR MATADOR PRODUCTION

COMPANY

Matador - Burke Amend PLC-876 Commingling Postal Delivery Report

		, , ,				
9414811898765485372233	Allar Development LLC	PO Box 1567	Graham	TX	76450-7567	Your item was picked up at the post office at 10:21 am on August 16, 2024 in GRAHAM, TX 76450.
9414811898765485372813	Amerind Oil Company, Ltd.	415 W Wall St Ste 1411	Midland	TX	79701-4464	Your item arrived at our USPS facility in OKLAHOMA CITY OK DISTRIBUTION CENTER on August 18, 2024 at 11:51 am. The item is currently in transit to the destination.
9414811898765485372868	Barrett Properties Inc.	PO Box 1185	Alto	NM	88312-1185	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765485372806	Jal Draw Oil Company, Ltd.	PO Box 137380	Ft Worth	TX	76136-1380	Your item arrived at our USPS facility in OKLAHOMA CITY OK DISTRIBUTION CENTER on August 18, 2024 at 2:52 pm. The item is currently in transit to the destination.
9414811898765485372844	Judtih A. West a/k/a Judy Reynolds West	PO Box 1948	Cullman	AL	35056-1948	We attempted to deliver your item at 5:14 pm on August 16, 2024 in CULLMAN, AL 35055 and a notice was left because an authorized recipient was not available.

Matador - Burke Amend PLC-876 Commingling Postal Delivery Report

9414811898765485372837	Martin Joyce	PO Box 2142	Roswell	NM	88202-2142	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
						Your item departed our USPS facility in LUBBOCK TX DISTRIBUTION CENTER on August 19, 2024 at 5:41 am.
9414811898765485372752	Nestegg Energy Corporation	2308 Sierra Vista Rd	Artesia	NM	88210-9409	The item is currently in transit to the destination.
						Your item was picked up at a postal facility at 7:56 am on August 19, 2024 in SANTA FE,
9414811898765485372707	New Mexico State Land Office	PO Box 1148	Santa Fe	NM	87504-1148	NM 87501.
						Your item has been delivered and is available at a PO Box at 2:20 pm on August 16, 2024 in
9414811898765485372745	Sydhan, LP	PO Box 92349	Austin	TX	78709-2349	AUSTIN, TX 78749.

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

To: Paula M. Vance

Cc: McClure, Dean, EMNRD; Lowe, Leonard, EMNRD; Kautz, Paul, EMNRD; Wrinkle, Justin, EMNRD; Powell, Brandon,

EMNRD; Lamkin, Baylen L.

Subject:Approved Administrative Order PLC-876-ADate:Thursday, December 5, 2024 2:05:04 PM

Attachments: PLC876A Order.pdf

NMOCD has issued Administrative Order PLC-876-A which authorizes Matador Production Company (228937) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-44659	Irvin Wall State Com #131H	W/2 W/2	32-23S-35E	97958
30-025-45430	Irvin Wall State Com #132H	E/2 W/2	32-23S-35E	97958
30-025-45429	Irvin Wall State Com #113H	W/2 E/2	32-23S-35E	97958
30-025-45431	Irvin Wall State Com #133H	W/2 E/2	32-23S-35E	97958
30-025-45432	Irvin Wall State Com #134H	E/2 E/2	32-23S-35E	97958
30-025-40670	Shearn State Com #1H	W/2 W/2	32-23S-35E	96341
30-025-52957	Burke State Com #110H	W/2	32-23S-35E	97958
30-025-52958	Burke State Com #120H	W/2	32-23S-35E	97958
30-025-52960	Burke State Com #150H	W/2	32-23S-35E	97958
30-025-52959	Burke State Com #129H	E/2	32-23S-35E	97958

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

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

Dean McClure

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

Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated August 15, 2024 and ending with the issue dated August 15, 2024.

Publisher

Sworn and subscribed to before me this 15th day of August 2024.

Business Manager

My commission expires

January 29, 2027

(Seal)STATE OF NEW MEXICO
NOTARY PUBLIC
GUSSIE RUTH BLACK
COMMISSION # 1087526
COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

LEGAL NOTICE August 15, 2024

Legal Notice (Publication)

To: All affected parties, including all heirs, devisees, and successors of: Allar Development, LLC; Amerind Oli Company, Ltd.; Barrett Properties Inc.; Jal Draw Oli Company, Ltd.; Judith A. West alk/a Judy Reynolds West; Martin Joyce; Nestegg Energy Corporation; Sydhan, LP; New Mexico State

Application of Matador Production Company to amend NMOCD Order PLC-876 and for administrative approval to Surface Commingle (pool and lease) production from the spacing units underlying all of Section 32, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico (the Seeks to amend Administrative Order PLC-876 ("Order PLC-876"). Order PLC-876 authorizes pool and lease commingling, off-lease storage, off-lease measurement, and off-lease marketing at the Irvin Wall Central Tank Battery ("CTB") of production from all existing and future wells drilled in the following spacing units:

- (a) The 160-acre spacing unit comprised of the E/2 E/2 of Section 32, in the WC-025 G-08 S233528D; Lower Bone Spring [97958] currently dedicated to the Irvin Wall State Com #134H (API No. 30-025-45432);
- (b) The 160-acre spacing unit comprised of the W/2 E/2 of Section 32, in the WC-025 G-08 S233528D; Lower Bone Spring [97958] currently dedicated to the Irvin Wall State Com #113H (API No. 30-025-45429) and Irvin Wall State Com #133H (API No. 30-025-45431);
- (c) The 160-acre spacing unit comprised of the E/2 W/2 of Section 32, in the WC-025 G-08 S233528D; Lower Bone Spring [97958] currently dedicated to the Irvin Wall State Com #132H (API No. 30-025-45430);
- (d) The 160-acre spacing unit comprised of the W/2 W/2 of Section 32, in the WC-025 G-08 S233528D; Lower Bone Spring [97958] currently dedicated to the Irvin Wall State Com #131H (API No. 30-015-44659);
- (e) The 160-acre spacing unit comprised of the W/2 W/2 of Section 32, in the Cinta Rojo; Delaware [96341] currently dedicated to the **Shearn State Com**
- (f) Pursuant to 19.15.12.10.C(4)(g), future leases, pools, or leases and pools connected to the Irvin Wall Central Tank Battery (located in the S/2 SW/4 (Units M and N) of Section 32, Township 23 South, Range 35 East) with notice provided only to the owners of interests to be added.

Pursuant to 19.15.12.7 NMAC, Matador seeks to amend the terms of Order PLC-876 to add to the terms of the order the production from all existing and future infill wells drilled in the following spacing units:

- (a) The 320-acre spacing unit comprised of the W/2 of Section 32, in the WG-025 G-08 S233528D; Lower Bone Spring [97958] currently dedicated to the Burke State Com #110H (API No. 30-025-52957), Burke State Com #120H (API No. 30-025-52958), and Burke State Com #150H (API No. 30-025-52960); and
- (b) The 320-acre spacing unit comprised of the E/2 of Section 32, in the WC-025 G-08 S233528D; Lower Bone Spring [97958] currently dedicated to the Burke State Com #129H (API No. 30-025-52959).

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-stranger of 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. KPerkins@matadorresources.com.

67100754

00293225

HOLLAND & HART LLC 110 N GUADALUPE ST., STE. 1 SANTA FE, NM 87501

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-876-A

ORDER

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

FINDINGS OF FACT

- 1. Matador Production Company ("Applicant") submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells 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.

CONCLUSIONS OF LAW

- 8. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
- 9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10 A.(2) NMAC, 19.15.12.10 C.(4)(c) NMAC, and 19.15.12.10 C.(4)(e) NMAC, as applicable.

Order No. PLC-876-A Page 1 of 4

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

ORDER

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells 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. This Order supersedes Order PLC-876.
- 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 allocation of oil and gas production shall be based on the production life of each well as measured for three periods: (a) the initial production period shall be measured from the first production until the earlier of either the peak production rate or thirty (30) days after the first production; (b) the plateau period shall be measured from the end of the initial production

Order No. PLC-876-A Page 2 of 4

period to the peak decline rate; and (c) the decline period shall be measured from the end of the plateau period until the well is plugged and abandoned.

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

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

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

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

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

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

- 5. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
- 6. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8 B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8 E. NMAC.

Order No. PLC-876-A Page 3 of 4

- 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

GERASIMOS RAZATOS DIRECTOR (ACTING)

Order No. PLC-876-A Page 4 of 4

DATE: 12/4/2024

State of New Mexico Energy, Minerals and Natural Resources Department

Exhibit A

Order: PLC-876-A

Operator: Matador Production Company (228937)

Central Tank Battery: Irvin Wall Central Tank Battery

Central Tank Battery Location: UL M N, Section 32, Township 23 South, Range 35 East Gas Title Transfer Meter Location: UL M N, Section 32, Township 23 South, Range 35 East

Pools

Pool Name Pool Code CINTA ROJO; DELAWARE 96341

WC-025 G-08 S233528D; LWR BONE SPRIN 97958

Leases as defined in 19.15.12.7(C) NMAC

	Ecuses as defined in 1901201207 (e) 1 (ivilize					
	Lease	UL or Q/Q	S-T-R			
CA Bone Spring NMSLO 204	541 PUN 1369989	W/2 W/2	32-23S-35E			
CA Bone Spring NMSLO 203	916 PUN 1377065	E/2 W/2	32-23S-35E			
CA Bone Spring NMSLO 203	917 PUN 1377053	W/2 E/2	32-23S-35E			
CA Bone Spring NMSLO 203	918 PUN 1377044	E/2 E/2	32-23S-35E			
CA Delaware NMSLO 204	542 PUN 1329113	W/2 W/2	32-23S-35E			
CA Bone Spring NMS	LO 205028 PUN 0	W/2	32-23S-35E			
CA Bone Spring NMS	LO 205029 PUN 0	E/2	32-23S-35E			

Wells

	, , , , , , , , , , , , , , , , , , , 					
Well API	Well Name	UL or Q/Q	S-T-R	Pool		
30-025-44659	Irvin Wall State Com #131H	W/2 W/2	32-23S-35E	97958		
30-025-45430	Irvin Wall State Com #132H	E/2 W/2	32-23S-35E	97958		
30-025-45429	Irvin Wall State Com #113H	W/2 E/2	32-23S-35E	97958		
30-025-45431	Irvin Wall State Com #133H	W/2 E/2	32-23S-35E	97958		
30-025-45432	Irvin Wall State Com #134H	E/2 E/2	32-23S-35E	97958		
30-025-40670	Shearn State Com #1H	W/2 W/2	32-23S-35E	96341		
30-025-52957	Burke State Com #110H	W/2	32-23S-35E	97958		
30-025-52958	Burke State Com #120H	W/2	32-23S-35E	97958		
30-025-52960	Burke State Com #150H	W/2	32-23S-35E	97958		
30-025-52959	Burke State Com #129H	E/2	32-23S-35E	97958		

Sante Fe Main Office Phone: (505) 476-3441

General Information Phone: (505) 629-6116

Online Phone Directory https://www.emnrd.nm.gov/ocd/contact-us

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

CONDITIONS

Action 376261

CONDITIONS

Operator:	OGRID:	
MATADOR PRODUCTION COMPANY	228937	
One Lincoln Centre	Action Number:	
Dallas, TX 75240	376261	
	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 email us at OCD.Engineer@emnrd.nm.gov.	12/5/2024