

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

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

WELL API NO. 30-025-46432
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Uncle Ches 2116 Fed Com
8. Well Number 122H
9. OGRID Number 228937
10. Pool name or Wildcat Featherstone; Bone Spring

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
MATADOR PRODUCTION COMPANY

3. Address of Operator
5400 LBJ Freeway, Ste 1500, Dallas, TX 75240

4. Well Location
Unit Letter N : 260 feet from the South line and 1827 feet from the West line
Section 21 Township 20-S Range 35-E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3716'

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Pursuant to Administrative Order CTB-973-A, Matador files this notice that the attached two communitization agreements have been approved.

Spud Date:

Rig Release Date:

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

SIGNATURE  TITLE Senior Vice President and Assistant General Counsel DATE 4/19/24

Type or print name Kyle Perkins E-mail address: Kperkins@matadorresources.com PHONE: 972-371-5202

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
New Mexico State Office
301 Dinosaur Trail
Santa Fe, New Mexico 87508
<https://www.blm.gov/new-mexico>

In Reply Refer To:
NMNM105778298
3105.2 (NM920)

Reference:
Communitization Agreement
Uncle Ches 2116 Fed Com #122H
Section 16: E2W2;
Section 21: E2W2;
T.20 S., R.35 E., N.M.P.M.
Lea County, New Mexico

Matador Production Co.
5400 LBJ Freeway Suite 1500
Dallas TX 75240

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM105778298 involving 120.00 acres of Federal land in lease NMNM137465, 40.00 acres of Federal land in lease NMNM132079, and 160.00 acres of state land, Lea County, New Mexico, which comprise a 320.00 acre well spacing unit.

The agreement communitizes all rights to crude oil, natural gas, and associated liquid hydrocarbons from the Bone Spring formation beneath the E2W2 of Secs. 16 and 21 of T. 20 S., R. 35 E., NMPM, Lea County, NM, and is effective July 20, 2021. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is accurate.

Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

If you have any questions regarding this approval, please contact Jordan Yawn by email at [jyawn@blm.gov](mailto: jyawn@blm.gov) or by phone (505) 954-2138. Please furnish all interested principals with appropriate evidence of this approval.

Sincerely,

**KYLE
PARADIS**

Digitally signed by
KYLE PARADIS
Date: 2024.02.01
13:10:20 -07'00'

Kyle Paradis
Branch Chief of Reservoir Management
Division of Minerals

1 Enclosure:
1 - Communitization Agreement

cc:
ONRR, Denver
NM Taxation & Revenue Dept. (Revenue Processing Div.)
NMOCD
NM (P0220-CFO, File Room)
NMSO (NM925, File)
NM STATE LAND COMM.

DETERMINATION - APPROVAL - CERTIFICATION

Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 266(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- A. Determine and certify that the plan of development and operation contemplated in the attached Communitization Agreement is necessary, advisable, and in the public interest for the purpose of more properly conserving the natural resources.
- B. Approve the attached Communitization Agreement NMNM105778298 involving Federal Lease(s) NMNM137465 and NMNM132079. This Communitization Agreement is in Sec. 16 and 21, T. 20 S., R. 35 E., NMPM, Lea County, New Mexico, for production of crude oil, natural gas, and associated liquid hydrocarbons producible from the Bone Spring Formation.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said Communitization Agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the Communitization Agreement.

Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto. In addition, approval of this agreement does not warrant or certify that the State or Patented land descriptions and acreages are consistent with the latest survey for those lands.

This approval is granted subject to the condition that the requirements of Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982 be satisfied for all wells drilled anywhere within the communitized area.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a leases site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated, or the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells, as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated, or the date on which gas is first measured through permanent metering facilities, whichever first occurs.

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for civil penalties for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3163.2(e)(2).

**KYLE
PARADIS**

Digitally signed by
KYLE PARADIS
Date: 2024.02.01
13:11:03 -07'00'

Kyle Paradis
Branch Chief of Reservoir Management
Division of Minerals

Effective: July 20, 2021
Contract No.: NMNM105778298

RECEIVED

AUG - 4 2022

BLM, NMSO
SANTA FE

Federal Communitization Agreement

Contract No. NmNm 105278298

THIS AGREEMENT entered into as of the 20th day of July, 2021, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

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

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

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

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

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

E2W2 of Sections 16 and 21, Township 20 South, Range 35 East, N.M.P.M., Lea County, New Mexico.

Containing **320.00** acres, and this agreement shall include only the Bone Spring Formation underlying said lands and the crude oil, natural gas and associated liquid hydrocarbons hereafter referred to as "communitized substances," producible from such formation(s).

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

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

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

All proceeds, 8/8ths, attributed to unleased Federal lands included within the CA area are to be paid into the appropriate Unleased Lands Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is July 20, 2021, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to

Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.

- 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

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

Operator:

Matador Production Company

By: Craig N. Adams
Craig N. Adams
Executive Vice President

NF
[Handwritten initials]

Date: 7/26/21

ACKNOWLEDGEMENT

STATE OF TEXAS §

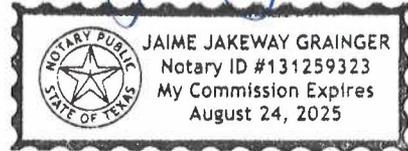
COUNTY OF DALLAS §

On this 20th day of JULY, 2021, before me, a Notary Public for the State of Texas, personally appeared Craig N. Adams, known to me to be the Executive Vice President of Matador Production Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

8/24/2025
My Commission Expires

Jaime Jakeway Grainger
Notary Public



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

MRC Permian Company

By: Craig Adams
Craig N. Adams
Executive Vice President

NF
[Signature] (Y)

Date: 7/26/21

ACKNOWLEDGEMENT

STATE OF TEXAS §

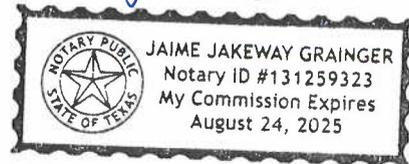
COUNTY OF DALLAS §

On this 26th day of JULY, 2021, before me, a Notary Public for the State of Texas, personally appeared Craig N. Adams, known to me to be the Executive Vice President of MRC Permian Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

8/24/2025
My Commission Expires

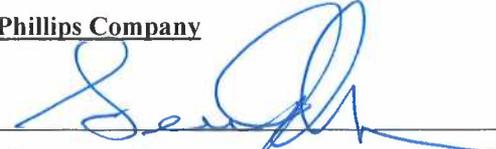
Jaime Jakeway Grainger
Notary Public



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

ConocoPhillips Company

Date: 9/9/21

By:  *32 mac*

Name: Sean Johnson

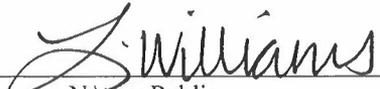
Title: Attorney-In-Fact

ACKNOWLEDGEMENT

STATE OF Texas)
COUNTY midland)

The foregoing instrument was acknowledged before me this 9th day of September 2021, by Sean Johnson, in his/her capacity as Attorney-In-Fact of ConocoPhillips Company, on behalf of said corporation.

My Commission Expires: _____


Notary Public

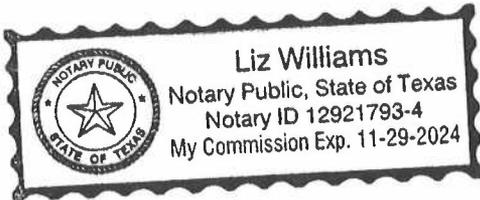


EXHIBIT "A"

Plat of communitized area covering **320.00** acres in E2W2 of Sections 16 and 21,
Township 20 South, Range 35 East, N.M.P.M., Lea County, New Mexico.

Uncle Ches 2116 Federal Com #122H

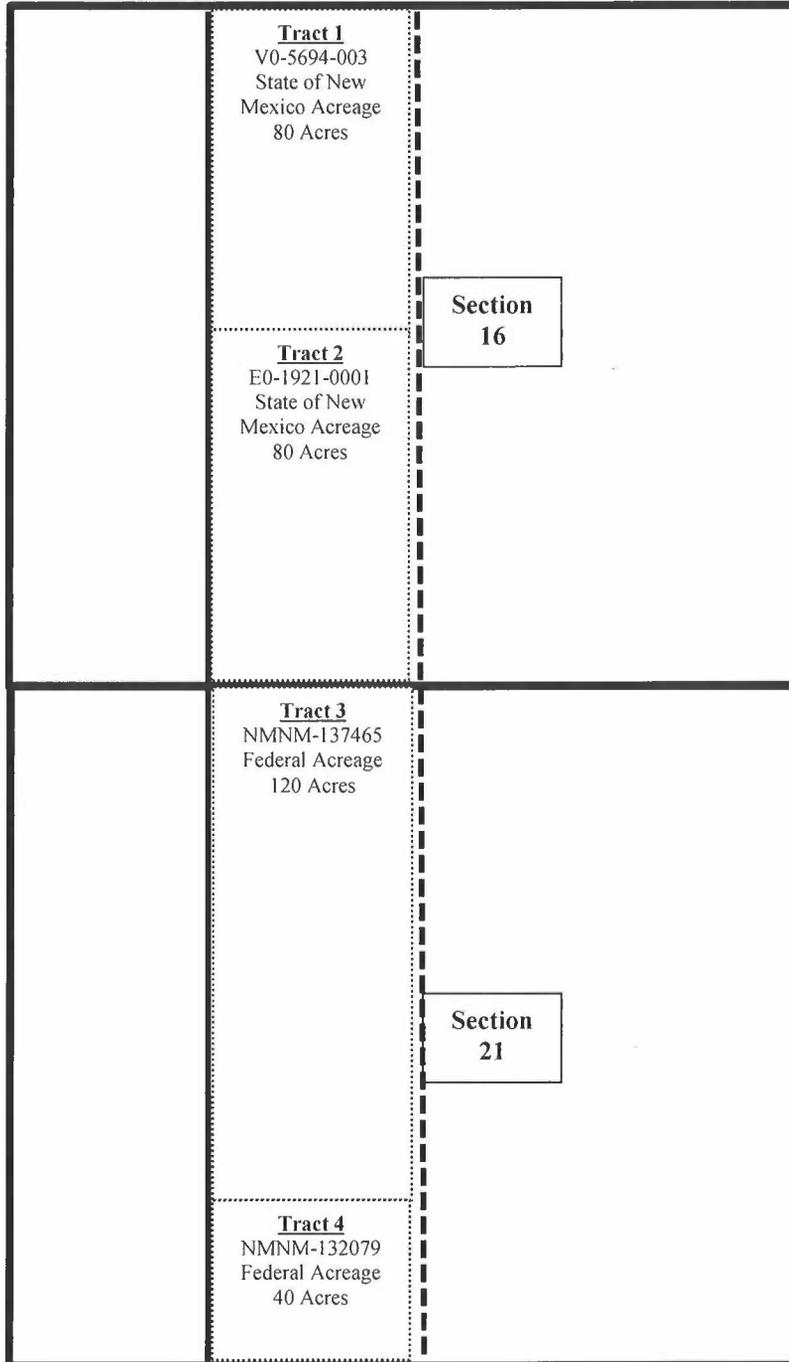


EXHIBIT "B"

To Communitization Agreement Dated July 20, 2021 embracing the following described land in E2W2 of Sections 16 and 21, Township 20 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

Lease Serial Number:	State Lease V0-5694-0003
Description of Land Committed:	Township 20 South, Range 35 East, Section 16; E/2NW/4
Number of Acres:	80
Current Lessee of Record:	MRC Permian Company
Name of Working Interest Owners:	MRC Permian Company Caza Petroleum, LLC Alpha Energy Partners, LLC (Compulsory Pooled)
Overriding Royalty Owners:	Bear Energy, Inc. The James Walter Duncan IV, Revocable Trust The Branesky Family Chevron U.S.A., Inc. The Murlin Family Revocable Trust The Nicholas E. Humphrey Revocable Trust The P.O. Williams Revocable Trust Sweeney Family, LLC Walter Duncan Oil, LLC Blaine Hess

Tract No. 2

Lease Serial Number: State Lease E0-1921-0001
Description of Land Committed: Township 20 South, Range 35 East,
Section 16; E/2SW/4
Number of Acres: 80
Current Lessee of Record: Conoco Phillips Company
Name of Working Interest Owners: Conoco Phillips Company
Caza Petroleum, LLC
Overriding Royalty Owners: Devon Energy Production Company, LP

Tract No. 3

Lease Serial Number: Federal Lease NMNM 137465
Description of Land Committed: Township 20 South, Range 35 East,
Section 21; E/2NW/4 & NE/4SW/4
Number of Acres: 120
Current Lessee of Record: MRC Permian Company
Name of Working Interest Owners: MRC Permian Company
Overriding Royalty Owners: N/A

Tract No. 4

Lease Serial Number: Federal Lease NMNM 132079
Description of Land Committed: Township 20 South, Range 35 East,
Section 21; SE/4SW/4
Number of Acres: 40
Current Lessee of Record: MRC Permian Company
Name of Working Interest Owners: MRC Permian Company
Overriding Royalty Owners: N/A

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	80.00	25.0000%
2	80.00	25.0000%
3	120.00	37.5000%
4	<u>40.00</u>	<u>12.5000%</u>
Total	320.00	100.0000%



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
New Mexico State Office
301 Dinosaur Trail
Santa Fe, New Mexico 87508
<https://www.blm.gov/new-mexico>

In Reply Refer To:
NMNM105778295
3105.2 (NM920)

Reference:
Communitization Agreement
Uncle Ches 2116 Fed Com #125H
Section 16: W2W2;
Section 21: W2W2;
T.20 S., R.35 E., N.M.P.M.
Lea County, New Mexico

Matador Production Co.
5400 LBJ Freeway Suite 1500
Dallas TX 75240

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM105778295 involving 120.00 acres of Federal land in lease NMNM137465, 40.00 acres of Federal land in lease NMNM132079, and 160.00 acres of state land, Lea County, New Mexico, which comprise a 320.00 acre well spacing unit.

The agreement communitizes all rights to crude oil, natural gas, and associated liquid hydrocarbons from the Bone Spring formation beneath the W2W2 of Secs. 16 and 21 of T. 20 S., R. 35 E., NMPM, Lea County, NM, and is effective July 20, 2021. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is accurate.

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If you have any questions regarding this approval, please contact Jordan Yawn by email at jyawn@blm.gov or by phone (505) 954-2138. Please furnish all interested principals with appropriate evidence of this approval.

Sincerely,

**KYLE
PARADIS**

Digitally signed by
KYLE PARADIS
Date: 2024.02.01
13:07:02 -07'00'

Kyle Paradis
Branch Chief of Reservoir Management
Division of Minerals

1 Enclosure:
1 - Communitization Agreement

cc:
ONRR, Denver
NM Taxation & Revenue Dept. (Revenue Processing Div.)
NMOCD
NM (P0220-CFO, File Room)
NMSO (NM925, File)
NM STATE LAND COMM.

DETERMINATION - APPROVAL - CERTIFICATION

Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 266(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- A. Determine and certify that the plan of development and operation contemplated in the attached Communitization Agreement is necessary, advisable, and in the public interest for the purpose of more properly conserving the natural resources.
- B. Approve the attached Communitization Agreement NMNM105778295 involving Federal Lease(s) NMNM137465 and NMNM132079. This Communitization Agreement is in Sec. 16 and 21, T. 20 S., R. 35 E., NMPM, Lea County, New Mexico, for production of crude oil, natural gas, and associated liquid hydrocarbons producible from the Bone Spring Formation.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said Communitization Agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the Communitization Agreement.

Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto. In addition, approval of this agreement does not warrant or certify that the State or Patented land descriptions and acreages are consistent with the latest survey for those lands.

This approval is granted subject to the condition that the requirements of Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982 be satisfied for all wells drilled anywhere within the communitized area.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a leases site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated, or the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells, as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated, or the date on which gas is first measured through permanent metering facilities, whichever first occurs.

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for civil penalties for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3163.2(e)(2).

**KYLE
PARADIS**

Digitally signed by KYLE
PARADIS
Date: 2024.02.01
13:08:27 -07'00'

Kyle Paradis
Branch Chief of Reservoir Management
Division of Minerals

Effective: July 20, 2021
Contract No.: NMNM105778295

COPY

Federal Communitization Agreement

Contract No. NMNM 105778295

RECEIVED

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AUG - 4 2022

**BLM, NMSO
SANTA FE**

WITNESSETH:

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

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

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

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

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

W2W2 of Sections 16 and 21, Township 20 South, Range 35 East, N.M.P.M., Lea County, New Mexico.

Containing **320.00** acres, and this agreement shall include only the Bone Spring Formation underlying said lands and the crude oil, natural gas and associated liquid hydrocarbons hereafter referred to as "communitized substances," producible from such formation(s).

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

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

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

All proceeds, 8/8ths, attributed to unleased Federal lands included within the CA area are to be paid into the appropriate Unleased Lands Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is July 20, 2021, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to

Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.

- 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

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

Operator:

Matador Production Company

By: Craig N. Adams
Craig N. Adams
Executive Vice President

NF
fdd 20

Date: 7/24/21

ACKNOWLEDGEMENT

STATE OF TEXAS §

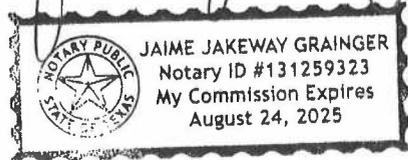
COUNTY OF DALLAS §

On this 26th day of JULY, 2021, before me, a Notary Public for the State of Texas, personally appeared Craig N. Adams, known to me to be the Executive Vice President of Matador Production Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

8/24/2025
My Commission Expires

Jaime Jakeway Grainger
Notary Public



JAIME JAKEWAY GRAINGER
Notary ID #131259323
My Commission Expires
August 24, 2025

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

MRC Permian Company

By: Craig N. Adams
Craig N. Adams
Executive Vice President

NE
[Signature]

Date: 7/24/21

ACKNOWLEDGEMENT

STATE OF TEXAS §

COUNTY OF DALLAS §

On this 26th day of JULY, 2021, before me, a Notary Public for the State of Texas, personally appeared Craig N. Adams, known to me to be the Executive Vice President of MRC Permian Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

8/24/2025
My Commission Expires

Jaime Faraway Spange
Notary Public

WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD

ConocoPhillips Company

Date: 9/9/21

By: [Signature] *man*

Name: Sean Johnson

Title: Attorney-In-Fact

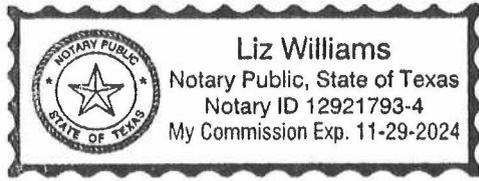
ACKNOWLEDGEMENT

STATE OF Texas)
COUNTY Midland)

The foregoing instrument was acknowledged before me this 9th day of September, 2021, by Sean Johnson, in his/her capacity as Attorney-In-Fact of ConocoPhillips Company, on behalf of said corporation.

My Commission Expires: _____

[Signature]
Notary Public



WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD

Alpha Energy Partners, LLC

Date: 12-16-2021

By: *P. Maxwell*

Name: P. Nick MAXWELL

Title: AUTHORIZED MEMBER

ACKNOWLEDGEMENT

STATE OF Texas)
COUNTY Midland)

The foregoing instrument was acknowledged before me this 16 day of December, 2021, by P. Nick Maxwell, in his/her capacity as Authorized Member of Alpha Energy Partners LLC, on behalf of said corporation.

My Commission Expires: 2-19-2022

Jared M. Forisha
Notary Public

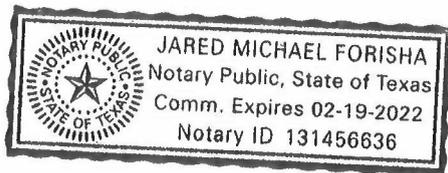


EXHIBIT "A"

Plat of communitized area covering **320.00** acres in W2W2 of Sections 16 and 21,
Township 20 South, Range 35 East, N.M.P.M., Lea County, New Mexico.

Uncle Ches 2116 Federal Com #125H

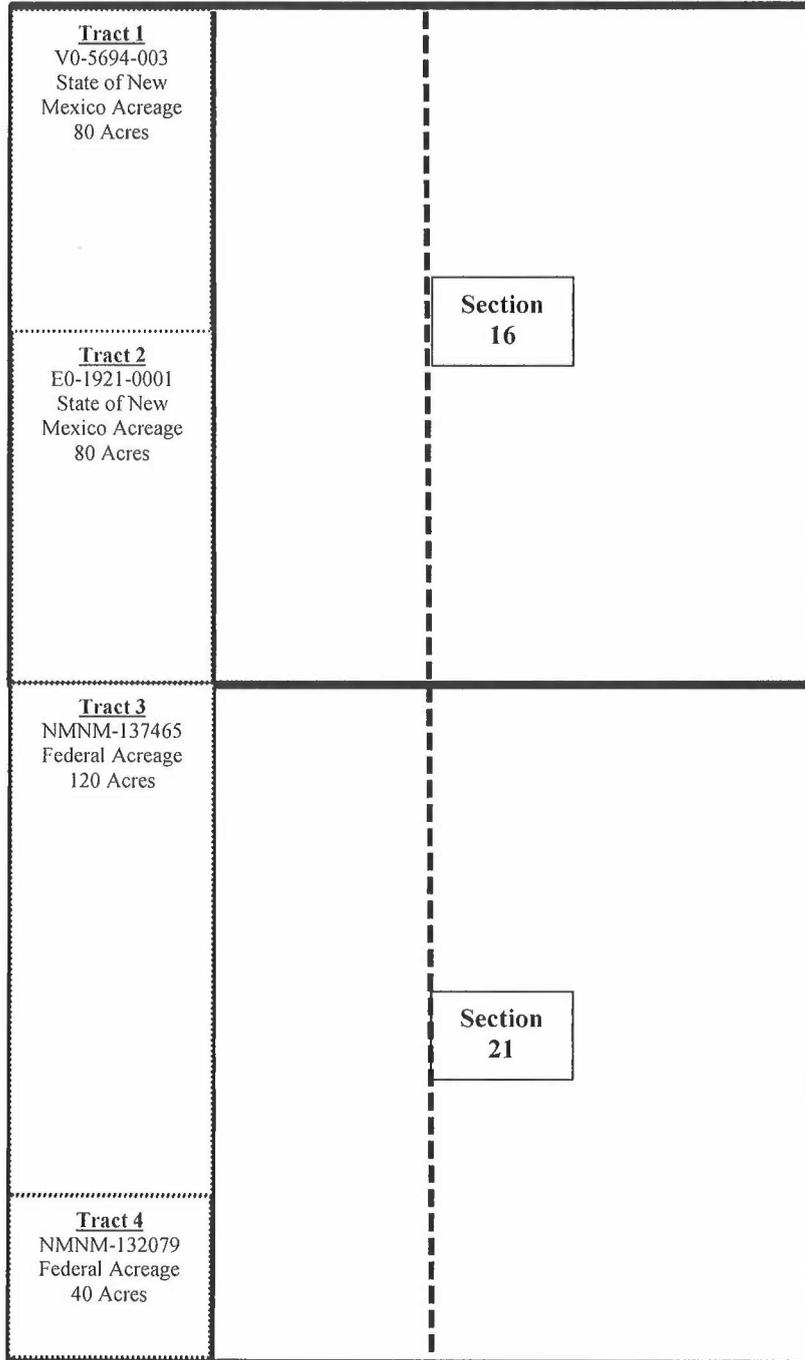


EXHIBIT "B"

To Communitization Agreement Dated July 20, 2021 embracing the following described land in W2W2 of Sections 16 and 21, Township 20 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

Lease Serial Number:	State Lease V0-5694-0003
Description of Land Committed:	Township 20 South, Range 35 East, Section 16; W/2NW/4
Number of Acres:	80
Current Lessee of Record:	MRC Permian Company
Name of Working Interest Owners:	MRC Permian Company Caza Petroleum, LLC Alpha Energy Partners, LLC (<i>Compulsory Pooled</i>)
Overriding Royalty Owners:	Bear Energy, Inc. The James Walter Duncan IV, Revocable Trust The Branesky Family Chevron U.S.A., Inc. The Murlin Family Revocable Trust The Nicholas E. Humphrey Revocable Trust The P.O. Williams Revocable Trust Sweeney Family, LLC Walter Duncan Oil, LLC Blaine Hess

Tract No. 2

Lease Serial Number: State Lease E0-1921-0001
Description of Land Committed: Township 20 South, Range 35 East,
Section 16; W/2SW/4
Number of Acres: 80
Current Lessee of Record: Conoco Phillips Company
Name of Working Interest Owners: Conoco Phillips Company
Caza Petroleum, LLC
Overriding Royalty Owners: Devon Energy Production Company, LP

Tract No. 3

Lease Serial Number: Federal Lease NMNM 137465
Description of Land Committed: Township 20 South, Range 35 East,
Section 21; W/2NW/4 & NW/4SW/4
Number of Acres: 120
Current Lessee of Record: MRC Permian Company
Name of Working Interest Owners: MRC Permian Company
Overriding Royalty Owners: N/A

Tract No. 4

Lease Serial Number: Federal Lease NMNM 132079

Description of Land Committed: Township 20 South, Range 35 East,
Section 21; SW/4SW/4

Number of Acres: 40

Current Lessee of Record: MRC Permian Company

Name of Working Interest Owners: MRC Permian Company

Overriding Royalty Owners: N/A

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	80.00	25.0000%
2	80.00	25.0000%
3	120.00	37.5000%
4	<u>40.00</u>	<u>12.5000%</u>
Total	320.00	100.0000%

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

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/oecd/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 431773

CONDITIONS

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 431773
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
sarah.clelland	ACCEPTED FOR RECORD ONLY; any revisions or the addition of wells to the commingling project shall be reported in accordance with the Commingling Order.	2/13/2025