

State of New Mexico
Energy, Minerals and Natural ResourcesForm **Page 3 of 97**
Revised July 19, 2023

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. 30-025-51461
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 Nina Cortell Fed Com
8. Well Number 112H
9. OGRID Number 228937
10. Pool name or Wildcat Bilbrey Basin; Bone Spring
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3790'

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 : 242 feet from the South line and 1711 feet from the West line

Section 10 Township 22-S Range 32-E NMPM County Lea

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐
CLOSED-LOOP SYSTEM ☐
OTHER: ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐
OTHER: ☐

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 PLC-865-A, Matador files this notice that the attached three 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 Kyle Perkins 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): _____



COMMISSIONER

Stephanie Garcia Richard

State of New Mexico
Commissioner of Public Lands

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

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

Preston Cazale
MRC Permian Company
5400 LBJ Freeway, Suite 1500
Dallas, TX 75240

February 7th, 2024

Re: Communitization Agreement Approval
Nina Cortell Federal Com #112H
Vertical Extent: Wolfcamp
Township: 22 South, Range 32 East, NMPM
Section 3: Lot 3, SE4NW4, E2SW4
Section 10: E2W2

Lea County, New Mexico

Dear Mr. Cazale,

The Commissioner of Public Lands has this date approved the Nina Cortell Federal Com #112H Communitization Agreement for the Wolfcamp formation effective 1-1-2024. Enclosed are three Certificates of Approval.

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

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

If we may be of further service, please contact Joseph Thompson at (505) 827-5750.

Sincerely,

Joseph Thompson

Joseph Thompson
Petroleum Specialist

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

Matador Production Company
Nina Cortell Federal Com #112H
Wolfcamp

Township: 22 South, Range: 32 East, NMPM
Section 3: Lot 3, SENW4, E2SW4
Section 10: E2W2

Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **January 1, 2024**, 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 7th day of February, 2024.



COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

NEW MEXICO STATE LAND OFFICE**CERTIFICATE OF APPROVAL****COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

Matador Production Company
Nina Cortell Federal Com #112H
Wolfcamp
Township: 22 South, Range: 32 East, NMPM
Section 3: Lot 3, SENW4, E2SW4
Section 10: E2W2

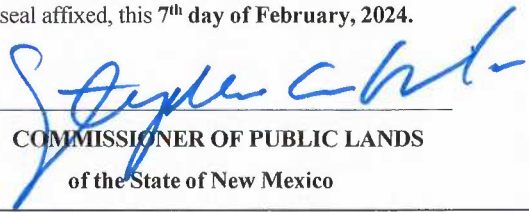
Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **January 1, 2024**, 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 7th day of February, 2024.


COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

NEW MEXICO STATE LAND OFFICE**CERTIFICATE OF APPROVAL****COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

**Matador Production Company
Nina Cortell Federal Com #112H
Wolfcamp**

**Township: 22 South, Range: 32 East, NMPM
Section 3: Lot 3, SENW4, E2SW4
Section 10: E2W2**

Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **January 1, 2024**, 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 7th day of February, 2024.


COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

NM State Land Office
Oil, Gas, & Minerals Division

STATE/FEDERAL OR
STATE/FEDERAL/FEE

Revised June, 2022

ONLINE Version
COMMUNITIZATION AGREEMENT

API Initial Well: 30-0_____ - _____

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

WITNESSETH:

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

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

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

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

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

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

Subdivisions Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10,

Sect(s) 3&10, T 22S, R 32E, NMPM Lea County, NM

containing 319.92 acres, more or less, and this agreement shall include only the

Bone Spring Formation

or pool, underlying said lands and the oil and gas

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

2024 JAN 30 AM 10:46

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

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

2024 JAN 30 AM 10:46


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

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

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

Operator: Matador Production Company

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

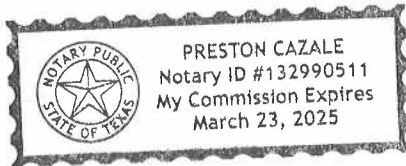
 *a*
POD
Signature of Authorized Agent

ACKNOWLEDGEMENT

STATE OF TEXAS §

COUNTY OF DALLAS §

This instrument was acknowledged before me on February 17th, 2023, by **Craig N. Adams, as Executive Vice President for Matador Production Company**, on behalf of said corporation.




Signature

Preston Cazale
Name (Print)
My commission expires 3/23/2025

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

MRC Permian Company

By: _____

Craig N. Adams

Print Name

Date: _____

2/17/23

Acknowledgment in a Representative Capacity

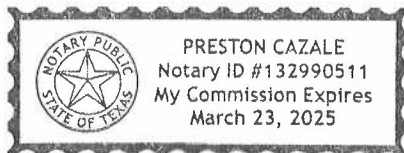
STATE OF TEXAS

§

COUNTY OF DALLAS

§

This instrument was acknowledged before me on February 17th, 2023, by **Craig N. Adams, as Executive Vice President**, for **MRC Permian Company** on behalf of said corporation.



Preston Cazale

Signature

Preston Cazale

Name (Print)

My commission expires 3/23/2025

2024 JAN 30 AM 10:46

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

MRC Permian LKE Company, LLC

By: _____

Craig N. Adams

Print Name

Date: _____

2/17/23

Acknowledgment in a Representative Capacity

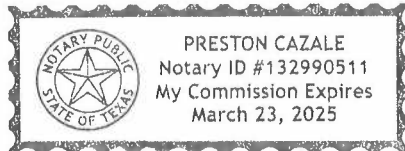
STATE OF TEXAS

§

COUNTY OF DALLAS

§

This instrument was acknowledged before me on February 17th, 2023, by **Craig N. Adams, as Executive Vice President**, for **MRC Permian LKE Company, LLC** on behalf of said corporation.



Signature

Name (Print)

My commission expires 3/23/2025

2024 JAN 30 AM 10:46

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**McCurdy Energy, LLC

By: _____

Mike McCurdy
Print NameDate: 3/2/2023**Acknowledgment in an Individual Capacity**

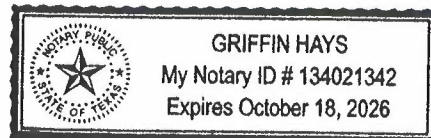
STATE OF _____ §

COUNTY OF _____ §

This instrument was acknowledged before me on _____, 2023, by

Signature_____
Name (Print)

My commission expires _____

Acknowledgment in a Representative CapacitySTATE OF Texas §COUNTY OF midland §This instrument was acknowledged before me on March 2, 2023, by Mike McCurdy, as
President, for McCurdy Energy, LLC on
behalf of said corporation._____
SignatureGriffin Hays
Name (Print)
My commission expires 10/18/2026

2024 JAN 30 AM 10:47

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

Charlotte West-Pietenpol

By: Albert Pietenpol

Charlotte West-Pietenpol
Print Name

Date: 3/16/23

Acknowledgment in an Individual Capacity

STATE OF Colorado §

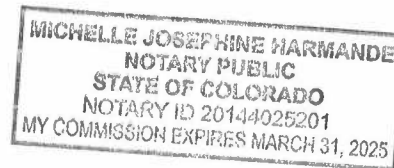
COUNTY OF Salmon §

This instrument was acknowledged before me on March 16, 2023, by
Charlotte West-Pietenpol

Michelle Harmande
Signature

Michelle Harmande
Name (Print)

My commission expires _____



Acknowledgment in a Representative Capacity

STATE OF _____ §

COUNTY OF _____ §

This instrument was acknowledged before me on _____, 2023, by _____, as
_____, for _____ on
behalf of said corporation.

Signature

Name (Print)
My commission expires _____

2024 JAN 30 AM 10:47

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

JSG Energy, LLC

By: _____

Print Name

Date: _____

Acknowledgment in an Individual Capacity

STATE OF Texas §

COUNTY OF Midland §

This instrument was acknowledged before me on 10th of March, 2023, by

JASON GROSS



GLORIA ACOSTA
Notary Public
STATE OF TEXAS
My Comm. Exp. 11-02-23

Signature

Name (Print)

My commission expires 11-2-2023

GLORIA ACOSTA
Notary Public

Acknowledgment in a Representative Capacity

STATE OF _____ §

COUNTY OF _____ §

This instrument was acknowledged before me on _____, 2023, by _____, as

_____, for _____ on
behalf of said corporation.

Signature

Name (Print)

My commission expires _____

2024 JAN 30 AM 10:47

EXHIBIT "A"

Plat of communitized area covering **319.92** acres in the Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Nina Cortell Fed Com #112H, #132H & #126H

	Tract 1 NMNM- 135247 Acres 79.92		
			3
	Tract 2 VC-0075 Acres 80.00		
	Tract 3 NMNM- 055952 Acres 40.00		
	Tract 4 NMNM- 141008 Acres 40.00		
			10
	Tract 5 NMNM- 086147 Acres 80.00		

EXHIBIT "B"

Attached to and made a part of that certain Communitization Agreement Dated January 1, 2023, embracing the following described land in the Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10, Township 22 South, Range 32 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:	NMMN-135247
Description of Land Committed:	Township 22 South, Range 32 East, Section 3: Lot 3, SE/4NW/4
Number of Acres:	79.92
Current Lessee of Record:	MRC Permian LKE Company, LLC
Name of Working Interest Owners:	MRC Permian LKE Company, LLC

Tract No. 2

Lease Serial No.:	VC-0075
Lease Date:	4/1/2017
Lease Term:	5 Years
Lessor:	State of New Mexico
Present Lessee:	MRC Permian Company
Description of Land Committed:	Township 22 South, Range 32 East, Section 3: E/2SW/4
Subdivisions:	
Number of Acres:	80.00
Royalty Rate:	1/5 th
Name and WI Owners:	MRC Permian Company

Tract No. 3

Lease Serial Number: NMNM-055952
Description of Land Committed: Township 22 South, Range 32 East,
Section 10: NE/4NW/4
Number of Acres: 40.00
Current Lessee of Record: David Pietenpol
Name of Working Interest Owners: MRC Permian Company
JSG Energy, LLC
McCurdy Energy, LLC
Osprey Oil and Gas, LLC

Tract No. 4

Lease Serial Number: NMNM-141008
Description of Land Committed: Township 22 South, Range 32 East,
Section 10: SE/4NW/4
Number of Acres: 40.00
Current Lessee of Record: MRC Permian Company
Name of Working Interest Owners: MRC Permian Company

Tract No. 5

Lease Serial No.: NMNM-086147
Description of Land Committed: Township 22 South, Range 32 East,
Sec 10: E/2SW/4
Number of Acres: 80.00
Current Lessee of Record: MRC Permian Company
Name of Working Interest Owner(s): MRC Permian Company

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	79.92	24.98%
2	80.00	25.01%
3	40.00	12.50%
4	40.00	12.50%
5	80.00	25.01%
Total	319.92	100.00%

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

**STATE/FEDERAL OR
STATE/FEDERAL/FEE**

Revised June, 2022

ONLINE Version

COMMUNITIZATION AGREEMENT

API Initial Well: 30-0 25 - 51461

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

WITNESSETH:

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

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

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

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

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

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

Subdivisions Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10,

Sect(s) 3&10, T 22S, R 32E, NMPM Lea County, NM

containing 319.92 acres, more or less, and this agreement shall include only the

Bone Spring Formation

or pool, underlying said lands and the oil and gas

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

ONLINE
version
June 2022

State/Fed/Fee

1

2024 JAN 30 AM 10:45

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

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

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


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

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

2024 JAN 30 AM 10:46
94:01:46

Operator: Matador Production Company

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


Signature of Authorized Agent

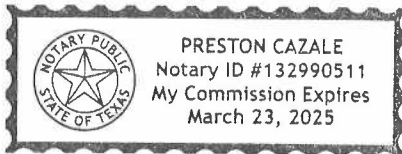


ACKNOWLEDGEMENT

STATE OF TEXAS §

COUNTY OF DALLAS §

This instrument was acknowledged before me on February 17th, 2023, by **Craig N. Adams, as Executive Vice President for Matador Production Company**, on behalf of said corporation.




Signature

Preston Cazale
Name (Print)
My commission expires 3/23/2025

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD****MRC Permian Company**By: CN u**Craig N. Adams**

Print Name

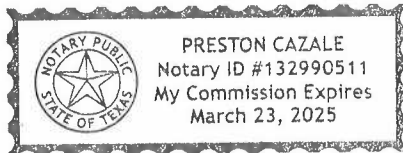
Date: 2/17/23**Acknowledgment in a Representative Capacity****STATE OF TEXAS**

§

COUNTY OF DALLAS

§

This instrument was acknowledged before me on February 17th, 2023, by **Craig N. Adams, as Executive Vice President**, for **MRC Permian Company** on behalf of said corporation.

Preston Cazale

Signature

Preston Cazale

Name (Print)

My commission expires 3/23/2025

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

MRC Permian LKE Company, LLC

By: _____

Craig N. Adams

Print Name

Date: _____

Acknowledgment in a Representative Capacity

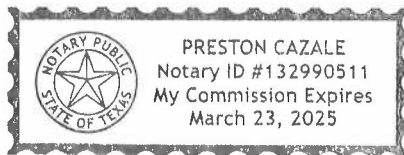
STATE OF TEXAS

§

COUNTY OF DALLAS

§

This instrument was acknowledged before me on February 17th, 2023, by **Craig N. Adams, as Executive Vice President**, for **MRC Permian LKE Company, LLC** on behalf of said corporation.



Signature

Name (Print)

My commission expires 3/23/2025

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

Charlotte West-Pietenpol

By: Charlotte West-Pietenpol

Charlotte West-Pietenpol
Print Name

Date: 3/16/23

Acknowledgment in an Individual Capacity

STATE OF _____ §

COUNTY OF _____ §

This instrument was acknowledged before me on _____, 2023, by

Signature

Name (Print)

My commission expires _____

Acknowledgment in a Representative Capacity

STATE OF _____ §

COUNTY OF _____ §

This instrument was acknowledged before me on _____, 2023, by _____, as
_____, for _____ on
behalf of said corporation.

Signature

Name (Print)

My commission expires _____

2024 JAN 30 AM 10:46

WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORDMcCurdy Energy, LLCBy: [Signature]Mike McCurdy
Print NameDate: 3/2/2023

Acknowledgment in an Individual Capacity

STATE OF _____ §

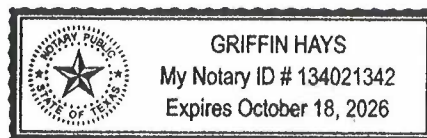
COUNTY OF _____ §

This instrument was acknowledged before me on _____, 2023, by

Signature_____
Name (Print)

My commission expires _____

Acknowledgment in a Representative Capacity

STATE OF Texas §COUNTY OF Midland §This instrument was acknowledged before me on March 2, 2023, by Mike McCurdy, as
President, for McCurdy Energy, LLC on
behalf of said corporation.[Signature]
SignatureGriffin Hays
Name (Print)My commission expires 10/18/2026

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

JSG Energy, LLC

By: _____

[Signature]
Jason Goss

Print Name

Date: _____

3-10-23

Acknowledgment in an Individual Capacity

STATE OF Texas §

COUNTY OF Midland §

This instrument was acknowledged before me on 10th of March, 2023, by
JASON GOSS

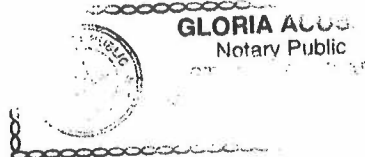


GLORIA ACOSTA
Notary Public
STATE OF TEXAS
My Comm. Exp. 11-02-23

[Signature]
Signature

GLORIA ACOSTA
Name (Print)

My commission expires 11-2-2023



Acknowledgment in a Representative Capacity

STATE OF _____ §

COUNTY OF _____ §

This instrument was acknowledged before me on _____, 2023, by _____, as
_____, for _____ on
behalf of said corporation.

Signature

Name (Print)

My commission expires _____

EXHIBIT "A"

Plat of communitized area covering **319.92** acres in the Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Nina Cortell Fed Com #112H, #132H & #126H

	Tract 1 NMNM- 135247 Acres 79.92		
			3
	Tract 2 VC-0075 Acres 80.00		
	Tract 3 NMNM- 055952 Acres 40.00		
	Tract 4 NMNM- 141008 Acres 40.00		
		10	
	Tract 5 NMNM- 086147 Acres 80.00		

EXHIBIT "B"

Attached to and made a part of that certain Communitization Agreement Dated January 1, 2023, embracing the following described land in the Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10, Township 22 South, Range 32 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:	NMNM-135247
Description of Land Committed:	Township 22 South, Range 32 East, Section 3: Lot 3, SE/4NW/4
Number of Acres:	79.92
Current Lessee of Record:	MRC Permian LKE Company, LLC
Name of Working Interest Owners:	MRC Permian LKE Company, LLC

Tract No. 2

Lease Serial No.:	VC-0075
Lease Date:	4/1/2017
Lease Term:	5 Years
Lessor:	State of New Mexico
Present Lessee:	MRC Permian Company
Description of Land Committed:	Township 22 South, Range 32 East, Section 3: E/2SW/4
Subdivisions:	
Number of Acres:	80.00
Royalty Rate:	1/5 th
Name and WI Owners:	MRC Permian Company

Tract No. 3

Lease Serial Number: NMNM-055952
Description of Land Committed: Township 22 South, Range 32 East,
Section 10: NE/4NW/4
Number of Acres: 40.00
Current Lessee of Record: David Pietenpol
Name of Working Interest Owners: MRC Permian Company
JSG Energy, LLC
McCurdy Energy, LLC
Osprey Oil and Gas, LLC

Tract No. 4

Lease Serial Number: NMNM-141008
Description of Land Committed: Township 22 South, Range 32 East,
Section 10: SE/4NW/4
Number of Acres: 40.00
Current Lessee of Record: MRC Permian Company
Name of Working Interest Owners: MRC Permian Company

Tract No. 5

Lease Serial No.: NMNM-086147
Description of Land Committed: Township 22 South, Range 32 East,
Sec 10: E/2SW/4
Number of Acres: 80.00
Current Lessee of Record: MRC Permian Company
Name of Working Interest Owner(s): MRC Permian Company

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	79.92	24.98%
2	80.00	25.01%
3	40.00	12.50%
4	40.00	12.50%
5	80.00	25.01%
Total	319.92	100.00%



COMMISSIONER

Stephanie Garcia Richard

State of New Mexico
Commissioner of Public Lands

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

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

Preston Cazale
MRC Permian Company
5400 LBJ Freeway, Suite 1500
Dallas, TX 75240

February 13th, 2024

Re: Communitization Agreement Approval
Nina Cortell Federal Com #202H
Vertical Extent: Wolfcamp
Township: 22 South, Range 32 East, NMPM
Section 3: Lot 3, SE4NW4, E2SW4
Section 10: E2W2

Lea County, New Mexico

Dear Mr. Cazale,

The Commissioner of Public Lands has this date approved the Nina Cortell Federal Com #202H Communitization Agreement for the Wolfcamp formation effective 1-1-2024. Enclosed are three Certificates of Approval.

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

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

If we may be of further service, please contact Joseph Thompson at (505) 827-5750.

Sincerely,

Joseph Thompson

Joseph Thompson
Petroleum Specialist

NEW MEXICO STATE LAND OFFICE**CERTIFICATE OF APPROVAL****COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

**Matador Production Company
Nina Cortell Federal Com #202H
Wolfcamp
Township: 22 South, Range: 32 East, NMPM
Section 3: Lot 3, SE4NW4, E2SW4
Section 10: E2W2**

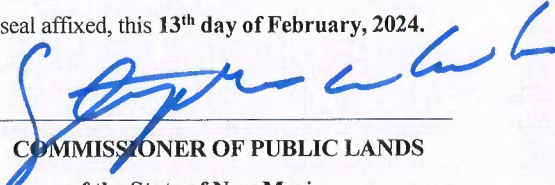
Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **January 1, 2024**, 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 **13th** day of February, 2024.


COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

**Matador Production Company
Nina Cortell Federal Com #202H
Wolfcamp**

**Township: 22 South, Range: 32 East, NMPM
Section 3: Lot 3, SE4NW4, E2SW4
Section 10: E2W2**

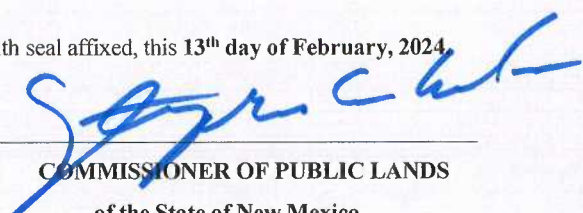
Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **January 1, 2024**, 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 **13th day of February, 2024**.



COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

**Matador Production Company
Nina Cortell Federal Com #202H
Wolfcamp**

**Township: 22 South, Range: 32 East, NMPM
Section 3: Lot 3, SE4NW4, E2SW4
Section 10: E2W2**

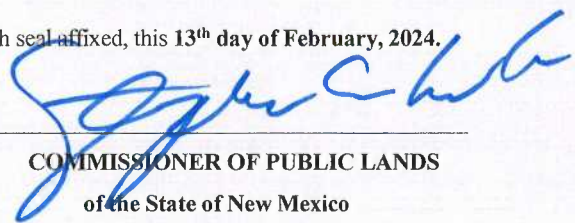
Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **January 1, 2024**, 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 **13th day of February, 2024**.



COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

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

**STATE/FEDERAL OR
STATE/FEDERAL/FEE**
Revised June, 2022

**ONLINE Version
COMMUNITIZATION AGREEMENT**

API Initial Well: 30-0 25 - 51287

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

WITNESSETH:

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

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

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

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

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

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

Subdivisions Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10,

Sect(s) 3&10, T 22S, R 32E, NMPM Lea County, NM

containing 319.92 acres, more or less, and this agreement shall include only the

Wolfcamp Formation

or pool, underlying said lands and the oil and gas

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

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

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

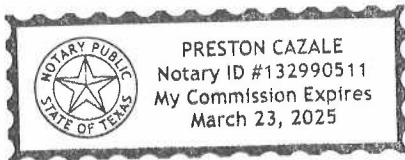
Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

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

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

Operator: Matador Production CompanyBy: Craig N. Adams – Executive Vice President
Name & Title of Authorized Agent
Signature of Authorized Agentcc
Good

ACKNOWLEDGEMENT

STATE OF TEXAS §COUNTY OF DALLAS §This instrument was acknowledged before me on February 17th, 2023, by **Craig N. Adams, as Executive Vice President for Matador Production Company**, on behalf of said corporation.
SignaturePreston Cazale
Name (Print)
My commission expires 3/23/2025

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

MRC Permian Company

By: _____ *ca*

Craig N. Adams

Print Name

Date: 2/17/23

Acknowledgment in a Representative Capacity

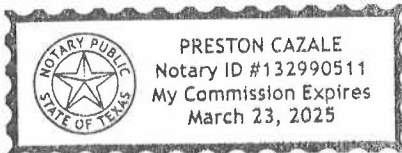
STATE OF TEXAS

§

COUNTY OF DALLAS

§

This instrument was acknowledged before me on February 17th, 2023, by **Craig N. Adams, as Executive Vice President**, for **MRC Permian Company** on behalf of said corporation.



Preston Cazale

Signature

Preston Cazale

Name (Print)

My commission expires 3/23/2025

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

MRC Permian LKE Company, LLC

By:  

Craig N. Adams

Print Name

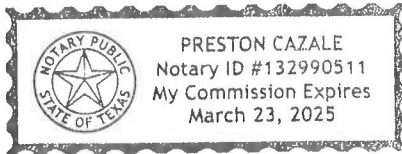
Date: 2/17/23

Acknowledgment in a Representative Capacity

STATE OF TEXAS §

COUNTY OF DALLAS §

This instrument was acknowledged before me on February 17th, 2023, by **Craig N. Adams**, as **Executive Vice President**, for **MRC Permian LKE Company, LLC** on behalf of said corporation.




Signature

Preston Cazale
Name (Print)

My commission expires 3/23/2025

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

JSG Energy, LLC

By: *[Signature]*

Jason Goss

Print Name

Date: 3-10-23

Acknowledgment in an Individual Capacity

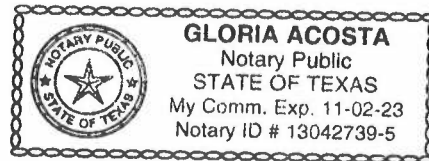
STATE OF Texas §

COUNTY OF Midland §

This instrument was acknowledged before me on 10TH OF March, 2023, by
JASON GOSS

[Signature]
Signature

GLORIA ACOSTA
Name (Print)
My commission expires 11-2-2023



Acknowledgment in a Representative Capacity

STATE OF _____ §

COUNTY OF _____ §

This instrument was acknowledged before me on _____, 2023, by _____, as
_____, for _____ on
behalf of said corporation.

Signature

Name (Print)
My commission expires _____

WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORDMcCurdy Energy, LLCBy: [Signature]Mike McCurdy
Print NameDate: 3/2/2023

Acknowledgment in an Individual Capacity

STATE OF _____ §

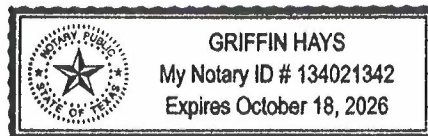
COUNTY OF _____ §

This instrument was acknowledged before me on _____, 2023, by

Signature_____
Name (Print)

My commission expires _____

Acknowledgment in a Representative Capacity

STATE OF Texas §COUNTY OF Midland §This instrument was acknowledged before me on March 2, 2023, by Mike McCurdy, as
President, for McCurdy Energy, LLC on
behalf of said corporation.[Signature]
SignatureGriffin Hays
Name (Print)My commission expires 10/18/2026

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

Charlotte West-Pietenpol

By: Charlotte West-Pietenpol

Charlotte West-Pietenpol
Print Name

Date: 3/16/23

Acknowledgment in an Individual Capacity

STATE OF Colorado §

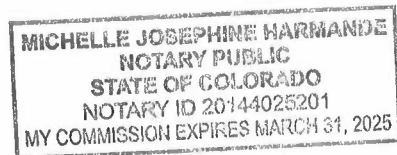
COUNTY OF LaSalle §

This instrument was acknowledged before me on March 16, 2023, by
Charlotte West-Pietenpol

Michelle Harmande
Signature

Michelle Harmande
Name (Print)

My commission expires March 31, 2025



Acknowledgment in a Representative Capacity

STATE OF _____ §

COUNTY OF _____ §

This instrument was acknowledged before me on _____, 2023, by _____, as
_____, for _____ on
behalf of said corporation.

Signature

Name (Print)

My commission expires _____

EXHIBIT "A"

Plat of communitized area covering **319.92** acres in the Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Nina Cortell Fed Com #202H

	Tract 1 NMNM- 135247 Acres 79.92		
			3
	Tract 2 VC-0075 Acres 80.00		
	Tract 3 NMNM- 055952 Acres 40.00		
	Tract 4 NMNM- 141008 Acres 40.00		
			10
	Tract 5 NMNM- 086147 Acres 80.00		

EXHIBIT "B"

Attached to and made a part of that certain Communitization Agreement Dated January 1, 2023, embracing the following described land in the Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10, Township 22 South, Range 32 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:	NMNM-135247
Description of Land Committed:	Township 22 South, Range 32 East, Section 3: Lot 3, SE/4NW/4
Number of Acres:	79.92
Current Lessee of Record:	MRC Permian LKE Company, LLC
Name of Working Interest Owners:	MRC Permian LKE Company, LLC

Tract No. 2

Lease Serial No.:	VC-0075
Lease Date:	4/1/2017
Lease Term:	5 Years
Lessor:	State of New Mexico
Present Lessee:	MRC Permian Company
Description of Land Committed:	Township 22 South, Range 32 East, Section 3: E/2SW/4
Subdivisions:	
Number of Acres:	80.00
Royalty Rate:	1/5 th
Name and WI Owners:	MRC Permian Company

Tract No. 3

Lease Serial Number: NMNM-055952
Description of Land Committed: Township 22 South, Range 32 East,
Section 10: NE/4NW/4
Number of Acres: 40.00
Current Lessee of Record: David Pietenpol
Name of Working Interest Owners: MRC Permian Company
JSG Energy, LLC
McCurdy Energy, LLC
Osprey Oil and Gas, LLC

Tract No. 4

Lease Serial Number: NMNM-141008
Description of Land Committed: Township 22 South, Range 32 East,
Section 10: SE/4NW/4
Number of Acres: 40.00
Current Lessee of Record: MRC Permian Company
Name of Working Interest Owners: MRC Permian Company

Tract No. 5

Lease Serial No.: NMNM-086147
Description of Land Committed: Township 22 South, Range 32 East,
Sec 10: E/2SW/4
Number of Acres: 80.00
Current Lessee of Record: MRC Permian Company
Name of Working Interest Owner(s): MRC Permian Company

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	79.92	24.98%
2	80.00	25.01%
3	40.00	12.50%
4	40.00	12.50%
5	80.00	25.01%
Total	319.92	100.00%

NM State Land Office
Oil, Gas, & Minerals Division

STATE/FEDERAL OR
STATE/FEDERAL/FEE

Revised June, 2022

ONLINE Version
COMMUNITIZATION AGREEMENT

API Initial Well: 30-0 _____ - _____

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

WITNESSETH:

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

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

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

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

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

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

Subdivisions Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10,

Sect(s) 3&10, T 22S, R 32E, NMPM Lea County, NM

containing 319.92 acres, more or less, and this agreement shall include only the

Wolfcamp Formation

or pool, underlying said lands and the oil and gas

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

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

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

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

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

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

Operator: Matador Production Company

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



Signature of Authorized Agent

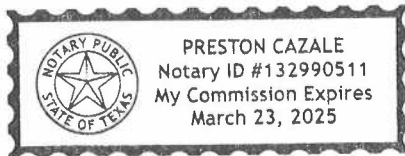


ACKNOWLEDGEMENT

STATE OF TEXAS §

COUNTY OF DALLAS §

This instrument was acknowledged before me on February 17th, 2023, by **Craig N. Adams, as Executive Vice President for Matador Production Company**, on behalf of said corporation.




Signature

Preston Cazale
Name (Print)
My commission expires 3/23/2025

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

MRC Permian Company

By: _____ *u pod*

Craig N. Adams

Print Name

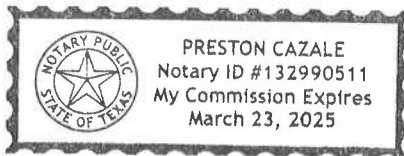
Date: 2/17/23

Acknowledgment in a Representative Capacity

STATE OF TEXAS §

COUNTY OF DALLAS §

This instrument was acknowledged before me on February 17th, 2023, by **Craig N. Adams**, as **Executive Vice President**, for **MRC Permian Company** on behalf of said corporation.



Preston Cazale
Signature

Preston Cazale
Name (Print)

My commission expires 3/23/2025

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

MRC Permian LKE Company, LLC

By: _____

Craig N. Adams

Print Name

Date: _____

2/17/23

Acknowledgment in a Representative Capacity

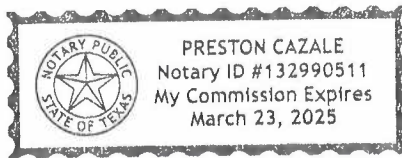
STATE OF TEXAS

§

COUNTY OF DALLAS

§

This instrument was acknowledged before me on February 17th, 2023, by **Craig N. Adams, as Executive Vice President**, for **MRC Permian LKE Company, LLC** on behalf of said corporation.



Signature

Name (Print)

My commission expires 3/23/2025

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

JSG Energy, LLC

By: [Signature]

Print Name JASON GROSS

Date: 3-10-2023

Acknowledgment in an Individual Capacity

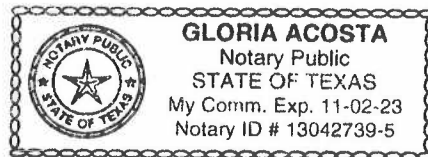
STATE OF TX §

COUNTY OF Midland §

This instrument was acknowledged before me on 10th of March, 2023, by
JASON GROSS

[Signature]
Signature

GLORIA ACOSTA
Name (Print)
My commission expires 11-2-2023



Acknowledgment in a Representative Capacity

STATE OF _____ §

COUNTY OF _____ §

This instrument was acknowledged before me on _____, 2023, by _____, as
_____, for _____ on
behalf of said corporation.

Signature

Name (Print)
My commission expires _____

WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORDMcCurdy Energy, LLCBy: [Signature]Mike McCurdy
Print NameDate: 3/2/2023

Acknowledgment in an Individual Capacity

STATE OF _____ §

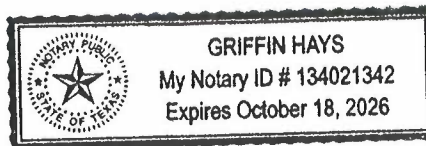
COUNTY OF _____ §

This instrument was acknowledged before me on _____, 2023, by

Signature_____
Name (Print)

My commission expires _____

Acknowledgment in a Representative Capacity

STATE OF Texas §COUNTY OF Midland §This instrument was acknowledged before me on March 2, 2023, by Mike McCurdy, as
President, for McCurdy Energy, LLC on
behalf of said corporation.[Signature]
SignatureGriffin Hays
Name (Print)My commission expires 10/18/2026

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

Charlotte West-Pietenpol

By: West-Pietenpol

Charlotte West-Pietenpol
Print Name

Date: West-Pietenpol

Acknowledgment in an Individual Capacity

STATE OF Colorado §

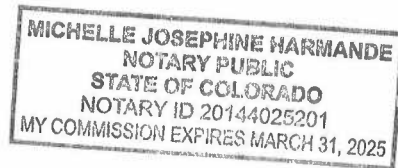
COUNTY OF LaSalle §

This instrument was acknowledged before me on March 16, 2023, by
Charlotte West-Pietenpol

Michelle Harmande
Signature

Michelle Harmande
Name (Print)

My commission expires March 31, 2025



Acknowledgment in a Representative Capacity

STATE OF _____ §

COUNTY OF _____ §

This instrument was acknowledged before me on _____, 2023, by _____, as
_____, for _____ on
behalf of said corporation.

Signature

Name (Print)

My commission expires _____

EXHIBIT "A"

Plat of communitized area covering **319.92** acres in the Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Nina Cortell Fed Com #202H

	Tract 1 NMNM- 135247 Acres 79.92		
			3
	Tract 2 VC-0075 Acres 80.00		
	Tract 3 NMNM- 055952 Acres 40.00		
	Tract 4 NMNM- 141008 Acres 40.00		
			10
	Tract 5 NMNM- 086147 Acres 80.00		

EXHIBIT "B"

Attached to and made a part of that certain Communitization Agreement Dated January 1, 2023, embracing the following described land in the Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10, Township 22 South, Range 32 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:	NMNM-135247
Description of Land Committed:	Township 22 South, Range 32 East, Section 3: Lot 3, SE/4NW/4
Number of Acres:	79.92
Current Lessee of Record:	MRC Permian LKE Company, LLC
Name of Working Interest Owners:	MRC Permian LKE Company, LLC

Tract No. 2

Lease Serial No.:	VC-0075
Lease Date:	4/1/2017
Lease Term:	5 Years
Lessor:	State of New Mexico
Present Lessee:	MRC Permian Company
Description of Land Committed:	Township 22 South, Range 32 East, Section 3: E/2SW/4
Subdivisions:	
Number of Acres:	80.00
Royalty Rate:	1/5 th
Name and WI Owners:	MRC Permian Company

Tract No. 3

Lease Serial Number: NMNM-055952
Description of Land Committed: Township 22 South, Range 32 East,
Section 10: NE/4NW/4
Number of Acres: 40.00
Current Lessee of Record: David Pietenpol
Name of Working Interest Owners: MRC Permian Company
JSG Energy, LLC
McCurdy Energy, LLC
Osprey Oil and Gas, LLC

Tract No. 4

Lease Serial Number: NMNM-141008
Description of Land Committed: Township 22 South, Range 32 East,
Section 10: SE/4NW/4
Number of Acres: 40.00
Current Lessee of Record: MRC Permian Company
Name of Working Interest Owners: MRC Permian Company

Tract No. 5

Lease Serial No.: NMNM-086147
Description of Land Committed: Township 22 South, Range 32 East,
Sec 10: E/2SW/4
Number of Acres: 80.00
Current Lessee of Record: MRC Permian Company
Name of Working Interest Owner(s): MRC Permian Company

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	79.92	24.98%
2	80.00	25.01%
3	40.00	12.50%
4	40.00	12.50%
5	80.00	25.01%
Total	319.92	100.00%



COMMISSIONER

Stephanie Garcia Richard

State of New Mexico
Commissioner of Public Lands

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

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

Preston Cazale
MRC Permian Company
5400 LBJ Freeway, Suite 1500
Dallas, TX 75240

February 7th, 2024

Re: Communitization Agreement Approval
Nina Cortell Federal Com #211H
Vertical Extent: Wolfcamp
Township: 22 South, Range 32 East, NMPM
Section 10: W2W2

Lea County, New Mexico

Dear Mr. Cazale,

The Commissioner of Public Lands has this date approved the Nina Cortell Federal Com #211H Communitization Agreement for the Wolfcamp formation effective 1-1-2024. Enclosed are three Certificates of Approval.

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

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

If we may be of further service, please contact Joseph Thompson at (505) 827-5750.

Sincerely,

Joseph Thompson

Joseph Thompson
Petroleum Specialist

NEW MEXICO STATE LAND OFFICE**CERTIFICATE OF APPROVAL****COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

**Matador Production Company
Nina Cortell Federal Com #211H
Wolfcamp**

**Township: 22 South, Range: 32 East, NMPM
Section 10: W2W2**

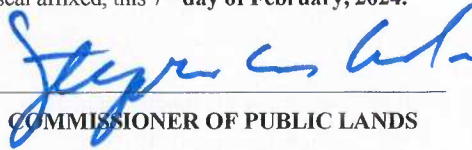
Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **January 1, 2024**, 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 7th day of February, 2024.


COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

**Matador Production Company
Nina Cortell Federal Com #211H
Wolfcamp
Township: 22 South, Range: 32 East, NMPM
Section 10: W2W2**

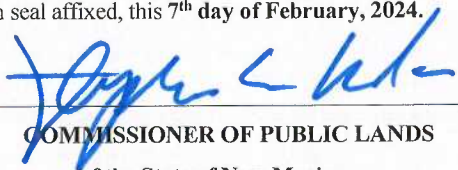
Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **January 1, 2024**, 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 7th day of February, 2024.


COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

NEW MEXICO STATE LAND OFFICE**CERTIFICATE OF APPROVAL****COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

**Matador Production Company
Nina Cortell Federal Com #211H
Wolfcamp**

**Township: 22 South, Range: 32 East, NMPM
Section 10: W2W2**

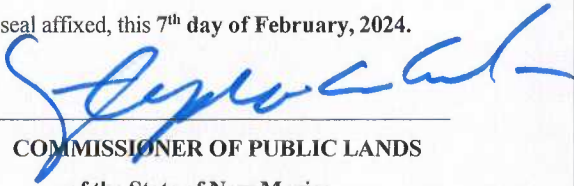
Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **January 1, 2024**, 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 7th day of February, 2024.


COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

NM State Land Office
Oil, Gas, & Minerals Division

STATE/FEDERAL OR
STATE/FEDERAL/FEE

Revised June, 2022

ONLINE Version
COMMUNITIZATION AGREEMENT

API Initial Well: 30-0_____ - _____

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

WITNESSETH:

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

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

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

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

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

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

Subdivisions W2W2,

Sect(s) 10, T 22S, R 32E, NMPM Lea County, NM

containing 160.00 acres, more or less, and this agreement shall include only the

Wolfcamp Formation

or pool, underlying said lands and the oil & gas

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

2024 JAN 30 AM 10:49
64-0144-OC-NM-4202

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

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

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

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

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

2024 JAN 30 AM 10:49

Operator: Matador Production Company

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


Signature of Authorized Agent



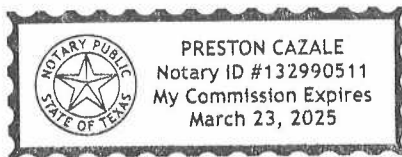
ACKNOWLEDGEMENT

STATE OF TEXAS §

COUNTY OF DALLAS §

This instrument was acknowledged before me on February 17th, 2023, by **Craig N. Adams**, as **Executive Vice President for Matador Production Company**, on behalf of said corporation.


Signature



Preston Cazale
Name (Print)
My commission expires 3/23/2025

2024 JAN 30 AM 10:49

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD****MRC Permian Company**

By: _____

Craig N. Adams

Print Name

Date: _____

2/17/23

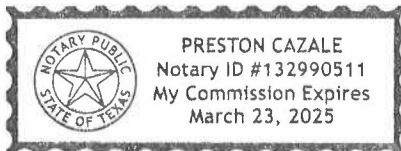
Acknowledgment in a Representative Capacity**STATE OF TEXAS**

§

COUNTY OF DALLAS

§

This instrument was acknowledged before me on February 17th, 2023, by **Craig N. Adams, as Executive Vice President**, for **MRC Permian Company** on behalf of said corporation.



Signature

Name (Print)

My commission expires 3/23/2025

2024 JAN 30 AM 10:49

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

MRC Permian LKE Company, LLC

By: _____ cc *add*

Craig N. Adams

Print Name

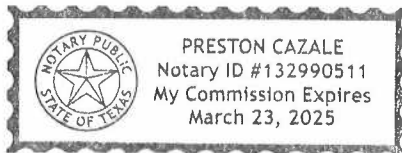
Date: 2/17/23

Acknowledgment in a Representative Capacity

STATE OF TEXAS §

COUNTY OF DALLAS §

This instrument was acknowledged before me on February 17th, 2023, by **Craig N. Adams, as Executive Vice President**, for **MRC Permian LKE Company, LLC** on behalf of said corporation.



Preston Cazale
Signature

Preston Cazale
Name (Print)

My commission expires 3/23/2025

2024 JAN 30 AM 10:49

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

JSG Energy, LLC

By: *[Signature]*

Jason Goss

Print Name

Date: 3-10-23

Acknowledgment in an Individual Capacity

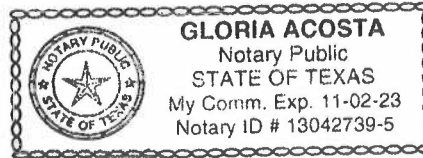
STATE OF Texas §

COUNTY OF Midland §

This instrument was acknowledged before me on 10th of March, 2023, by
JASON GOSS

[Signature]
Signature

GLORIA ACOSTA
Name (Print)
My commission expires 11-2-2023



Acknowledgment in a Representative Capacity

STATE OF _____ §

COUNTY OF _____ §

This instrument was acknowledged before me on _____, 2023, by _____, as
_____, for _____ on
behalf of said corporation.

Signature

Name (Print)
My commission expires _____

2024 JAN 30 AM 10:49

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

McCurdy Energy, LLC

By: _____

Mike McCurdy

Print Name

Date: 3/2/2023

Acknowledgment in an Individual Capacity

STATE OF _____ §

COUNTY OF _____ §

This instrument was acknowledged before me on _____, 2023, by

Signature

Name (Print)

My commission expires _____

Acknowledgment in a Representative Capacity

STATE OF Texas §

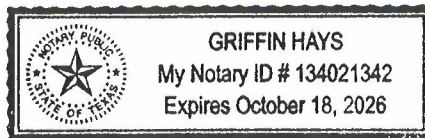
COUNTY OF midland §

This instrument was acknowledged before me on march 2, 2023, by Mike McCurdy, as
President, for McCurdy Energy, LLC on
behalf of said corporation.

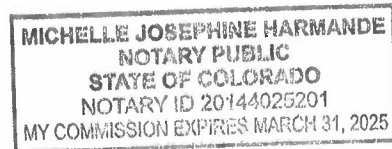
Griffin Hays
Signature

Griffin Hays
Name (Print)

My commission expires 10/18/2026



2024 JUN 30 AM 10:49

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD****Charlotte West-Pietenpol**By: Charlotte West-Pietenpol
Charlotte West-Pietenpol
Print NameDate: 3/16/23**Acknowledgment in an Individual Capacity**STATE OF Colorado §COUNTY OF Larimer §This instrument was acknowledged before me on March 16, 2023, by
Charlotte West-PietenpolMichelle Harmande
SignatureMichelle Harmande
Name (Print)My commission expires March 31, 2025**Acknowledgment in a Representative Capacity**STATE OF Colorado §COUNTY OF Larimer §This instrument was acknowledged before me on March 16, 2023, by Charlotte West-Pietenpol as_____, for _____ on
behalf of said corporation._____
Signature_____
Name (Print)

My commission expires _____

2024 JAN 30 AM 10:49

EXHIBIT "A"

Plat of communitized area covering 160 acres in the W2W2 of Section 10, Township 22S, Range 32E, Lea County, New Mexico.

Nina Cortell Fed Com #211H

Tract 1 NMNM 055952 Acres: 80.00			
Tract 2 VC-0225 Acres: 40.00	10		
Tract 3 NMNM 086147 Acres: 40.00			

EXHIBIT B

Attached to and made a part of that certain Communitization Agreement Dated January 1, 2023 embracing the following described land in the W2W2 of Section 10, Township 22S, Range 32E, Lea County, New Mexico.

Operator of Communitized Area: Matador Production Company

DESCRIPTION OF LEASES COMMITTED**TRACT NO. 1**

Lease Serial No.:	NMMN-055952
Lessor:	Bureau Land Management
Present Lessee:	David Pietenpol
Description of Land Committed: Subdivisions:	Township 22 South, Range 32 East, Section 10: W/2NW/4
Number of Acres:	80.00
Name and WI Owners:	MRC Permian Company JSG Energy, LLC McCurdy Energy, LLC Osprey Oil & Gas, LLC

TRACT NO. 2

Lease Serial No.:	VC-0225
Lease Date:	9/1/2017
Lease Term:	5 Years
Lessor:	State of New Mexico
Present Lessee:	MRC Permian Company
Description of Land Committed: Subdivisions:	Township 22 South, Range 32 East, Section 10: NW/4SW/4
Number of Acres:	40.00
Royalty Rate:	1/5 th
Name and WI Owners:	MRC Permian Company

TRACT NO. 3

Lease Serial No.: NMNM-086147
Lessor: Bureau Land Management
Present Lessee: MRC Permian Company
Description of Land Committed: Subdivisions: Township 22 South, Range 32 East,
Sec 10: SW/4SW/4
Number of Acres: 40.00
Name and WIOwners: MRC Permian Company

RECAPITULATION

Tract Numbers	Numbers of Acres	Percentage of Interest in Communitied Area
Tract 1	80.00	50%
Tract 2	40.00	25%
Tract 3	40.00	25%
Total Acreage	160.00	100%

NM State Land Office
Oil, Gas, & Minerals Division

STATE/FEDERAL OR
STATE/FEDERAL/FEE

Revised June, 2022

ONLINE Version
COMMUNITIZATION AGREEMENT

API Initial Well: 30-0_____ - _____

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

WITNESSETH:

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

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

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

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

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

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

Subdivisions W2W2,

Sect(s) 10, T 22S, R 32E, NMPM Lea County, NM

containing 160.00 acres, more or less, and this agreement shall include only the

Wolfcamp Formation

or pool, underlying said lands and the oil & gas

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

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

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

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

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

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

Operator: Matador Production Company

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


Signature of Authorized Agent

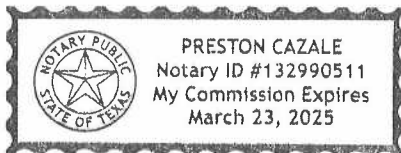
u
pod

ACKNOWLEDGEMENT

STATE OF TEXAS §

COUNTY OF DALLAS §

This instrument was acknowledged before me on February 17th, 2023, by **Craig N. Adams, as Executive Vice President for Matador Production Company**, on behalf of said corporation.




Signature

Preston Cazale
Name (Print)
My commission expires 3/23/2025

2024 JAN 30 AM 10:49
67-0147 OC NW 4202

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

MRC Permian Company

By: _____

Craig N. Adams

Print Name

Date: _____

Acknowledgment in a Representative Capacity

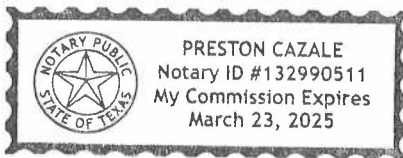
STATE OF TEXAS

§

COUNTY OF DALLAS

§

This instrument was acknowledged before me on February 17th, 2023, by **Craig N. Adams, as Executive Vice President**, for **MRC Permian Company** on behalf of said corporation.



Signature

Preston Cazale
Name (Print)

My commission expires 3/23/2025

2024 JAN 30 AM 10:49

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

MRC Permian LKE Company, LLC

By:  

Craig N. Adams

Print Name

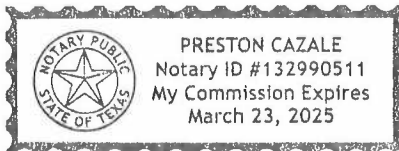
Date: 2/17/23

Acknowledgment in a Representative Capacity

STATE OF TEXAS §

COUNTY OF DALLAS §

This instrument was acknowledged before me on February 17th, 2023, by **Craig N. Adams, as Executive Vice President**, for **MRC Permian LKE Company, LLC** on behalf of said corporation.




Signature

Preston Cazale
Name (Print)
My commission expires 3/23/2025

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

JSG Energy, LLC

By: _____

Print Name

Date: 3-10-23

Acknowledgment in an Individual Capacity

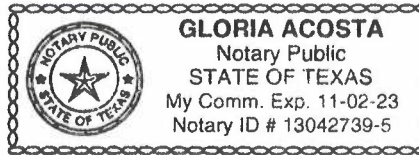
STATE OF Texas §

COUNTY OF Midland §

This instrument was acknowledged before me on 10th of March, 2023, by
JASON GROSS

Gloria Acosta
Signature

Gloria Acosta
Name (Print)
My commission expires 11-2-2023



Acknowledgment in a Representative Capacity

STATE OF _____ §

COUNTY OF _____ §

This instrument was acknowledged before me on _____, 2023, by _____, as
_____, for _____ on
behalf of said corporation.

Signature

Name (Print)
My commission expires _____

2024 JAN 30 AM 10:49

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

McCurdy Energy, LLC

By: _____

Mike McCurdy
Print Name

Date: 3/2/2023

Acknowledgment in an Individual Capacity

STATE OF _____ §

COUNTY OF _____ §

This instrument was acknowledged before me on _____, 2023, by _____

Signature

Name (Print)

My commission expires _____

Acknowledgment in a Representative Capacity

STATE OF Texas §

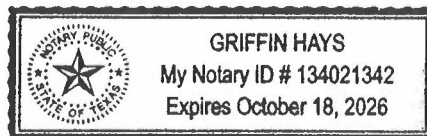
COUNTY OF midland §

This instrument was acknowledged before me on March 2, 2023, by Mike McCurdy, as President, for McCurdy Energy, LLC. on behalf of said corporation.

Signature

Griffin Hays
Name (Print)

My commission expires 10/18/2026



2024 JAN 30 AM 10:49

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

Charlotte West-Pietenpol

By: [Signature]

Charlotte West-Pietenpol
Print Name

Date: 3/14/23

Acknowledgment in an Individual Capacity

STATE OF Colorado §

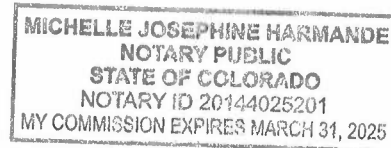
COUNTY OF Salome §

This instrument was acknowledged before me on March 16, 2023, by
Charlotte West-Pietenpol

[Signature]
Signature

Michelle Harmande
Name (Print)

My commission expires March 31, 2025



Acknowledgment in a Representative Capacity

STATE OF _____ §

COUNTY OF _____ §

This instrument was acknowledged before me on _____, 2023, by _____, as
_____, for _____ on
behalf of said corporation.

Signature

Name (Print)

My commission expires _____

2024 JAN 30 AM 10:49

EXHIBIT “A”

Plat of communitized area covering 160 acres in the W2W2 of Section 10, Township 22S, Range 32E, Lea County, New Mexico.

Nina Cortell Fed Com #211H

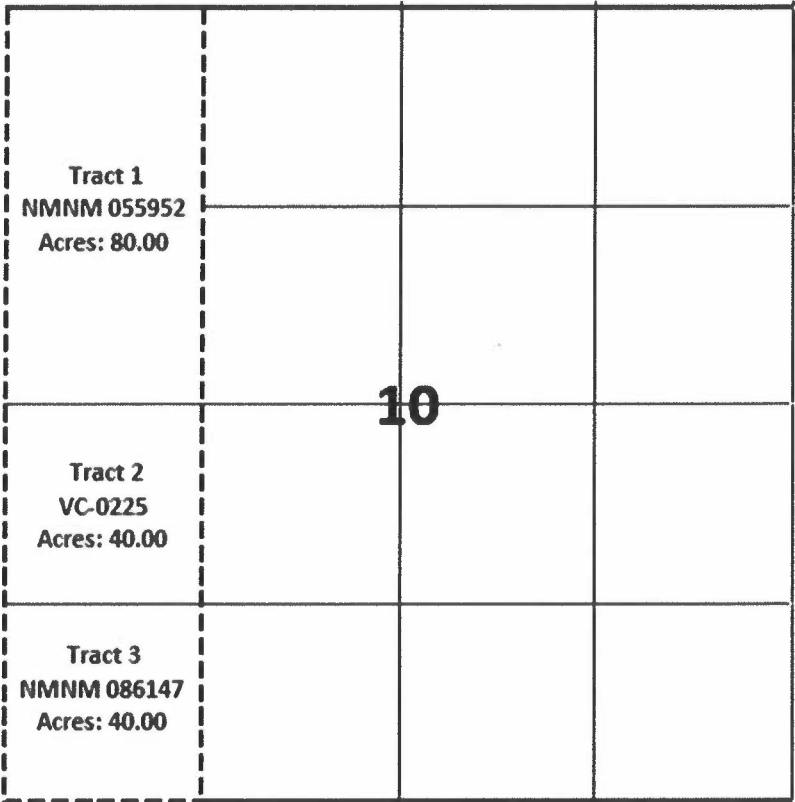


EXHIBIT B

Attached to and made a part of that certain Communitization Agreement Dated January 1, 2023 embracing the following described land in the W2W2 of Section 10, Township 22S, Range 32E, Lea County, New Mexico.

Operator of Communitized Area: Matador Production Company

DESCRIPTION OF LEASES COMMITTED**TRACT NO. 1**

Lease Serial No.: NMNM-055952
Lessor: Bureau Land Management
Present Lessee: David Pietenpol
Description of Land Committed: Subdivisions: Township 22 South, Range 32 East,
Section 10: W/2NW/4
Number of Acres: 80.00
Name and WI Owners: MRC Permian Company
JSG Energy, LLC
McCurdy Energy, LLC
Osprey Oil & Gas, LLC

TRACT NO. 2

Lease Serial No.: VC-0225
Lease Date: 9/1/2017
Lease Term: 5 Years
Lessor: State of New Mexico
Present Lessee: MRC Permian Company
Description of Land Committed: Subdivisions: Township 22 South, Range 32 East,
Section 10: NW/4SW/4
Number of Acres: 40.00
Royalty Rate: 1/5th
Name and WI Owners: MRC Permian Company

TRACT NO. 3

Lease Serial No.: NMNM-086147
Lessor: Bureau Land Management
Present Lessee: MRC Permian Company
Description of Land Committed: Subdivisions: Township 22 South, Range 32 East,
Sec 10: SW/4SW/4
Number of Acres: 40.00
Name and WI Owners: MRC Permian Company

RECAPITULATION

Tract Numbers	Numbers of Acres	Percentage of Interest in Communitied Area
Tract 1	80.00	50%
Tract 2	40.00	25%
Tract 3	40.00	25%
Total Acreage	160.00	100%

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

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/oed/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 431779

CONDITIONS

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 431779
	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