



United States Department of the Interior



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

In Reply Refer To:
NMNM106725406
3105.2 (NM920)

OCT 20 2023

Reference:
Communityization Agreement
John Callahan Fed Com 217H
Section 21: E2
Section 28: NWNE
T. 24 S., R. 35 E., N.M.P.M.
Lea County, NM

Matador Production Company
5400 Lyndon B Johnson Fwy
Suite 1500
Dallas, TX 75240

Enclosed is an approved copy of Communityization Agreement (CA) NMNM106725406 involving 160 acres of Federal land in lease NMNM0001228A, 120 acres of Federal land in lease NMNM138889, and 80 acres of Federal land in lease NMNM0001228, Lea County, New Mexico, which comprise a 360-acre well spacing unit. **This CA is limited to the wellbore of the John Callahan Fed Com 217H (3002554299).**

The agreement communityizes all rights to oil, natural gas, and associated liquid hydrocarbons from the Wolfbone formation beneath the E2 of Sec. 21 and NWNE of Sec. 28, T. 24 S., R. 35 E., Lea County, NM, and is effective June 1, 2024. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

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

Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue. Please direct questions regarding royalty payments and production reports to your primary contacts at the Office of Natural Resources Revenue

INTERIOR REGION 5 - MISSOURI BASIN
Kansas, Most of Montana, North Dakota,
Nebraska, South Dakota

**INTERIOR REGION 6 - ARKANSAS-
RIO GRANDE-TEXAS GULF**
Oklahoma, Texas

**INTERIOR REGION 7 - UPPER
COLORADO BASIN**
Colorado, New Mexico, Utah, Wyoming

(ONRR). If unknown, please use ONRR's website, <https://onrr.gov/about/contact>, to identify the correct contact for your company or to find a general contact to get started.

To ensure the BLM ties the wells to the correct associated agreements, the BLM requires you to submit a letter to the relevant Field Office providing a list of associated producing wells (well name and number, US Well Number, and first production date), which matches each pending Federal oil and gas agreements. **For the Carlsbad Field Office, please submit this information to BLM_NM_CFO_ADJ@blm.gov**

As a reminder, you must also submit a completion report for each well (Federal, State, or private), which will allocate to the pending oil and gas agreement. You cannot report production or royalties or pay royalties until this information is submitted to the BLM in writing.

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

Sincerely,

KYLE
PARADIS

Digitally signed
by KYLE PARADIS
Date: 2025.10.29
14:38:56 -06'00'

Kyle Paradis
Branch Chief of Reservoir Management
Division of Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver

NM Taxation & Revenue Dept. (Revenue Processing Div.)

NMOCD

NM (P0220-CFO, File Room)

NMSO (NM925, File)

DETERMINATION - APPROVAL - CERTIFICATION

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

- A. Determine and certify that the plan of development and operation contemplated in the attached Communitization Agreement is necessary, advisable, and in the public interest for the purpose of more properly conserving the natural resources.
- B. Approve the attached Communitization Agreement NMNM106725406 involving Federal Lease(s) NMNM0001228A, NMNM138889, and NMNM0001228. This Communitization Agreement is in Sec. 21 and 28, T. 24 S., R. 35 E., NMPM, Lea County, New Mexico, for production of oil, natural gas, and associated liquid hydrocarbons producible from the Wolfbone Formation.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said Communitization Agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the Communitization Agreement.

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

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

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

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

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

**KYLE
PARADIS**

Digitally signed by
KYLE PARADIS
Date: 2025.10.29
14:39:27 -06'00'

Kyle Paradis
Branch Chief of Reservoir Management
Division of Minerals

Effective: June 1, 2024
Contract No.: NMNM106725406



United States Department of the Interior



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

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14:37:47 -06'00'

Kyle Paradis
Branch Chief of Reservoir Management
Division of Minerals

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KYLE
PARADIS

Digitally signed by
KYLE PARADIS
Date: 2025.10.29
14:38:16 -06'00'

Kyle Paradis
Branch Chief of Reservoir Management
Division of Minerals

Effective: June 1, 2024
Contract No.: NMNM106725404

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

General Information
Phone: (505) 629-6116

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

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

CONDITIONS

Action 542820

CONDITIONS

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 542820
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
sarah.clelland	None	1/13/2026