

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

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



ADMINISTRATIVE APPLICATION CHECKLIST

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

Applicant: _____ **OGRID Number:** _____
Well Name: _____ **API:** _____
Pool: _____ **Pool Code:** _____

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

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
 A. Location – Spacing Unit – Simultaneous Dedication
 NSL NSP (PROJECT AREA) NSP (PRORATION UNIT) SD
- B. Check one only for [I] or [II]
 [I] Commingling – Storage – Measurement
 DHC CTB PLC PC OLS OLM
 [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR


- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
 A. Offset operators or lease holders
 B. Royalty, overriding royalty owners, revenue owners
 C. Application requires published notice
 D. Notification and/or concurrent approval by SLO
 E. Notification and/or concurrent approval by BLM
 F. Surface owner
 G. For all of the above, proof of notification or publication is attached, and/or,
 H. No notice required

FOR OCD ONLY
<input type="checkbox"/> Notice Complete
<input type="checkbox"/> Application Content Complete

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

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

 Print or Type Name



 Signature

 Date

 Phone Number

 e-mail Address



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

January 23, 2024

VIA ONLINE FILING

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

Re: Application of Matador Production Company for administrative approval to surface commingle (lease) oil and gas production from spacing units comprised of the N/2 of Section 6, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico (the "Lands")

Dear Mr. Fuge:

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

- (a) The 156.55-acre spacing unit comprised of the N/2 N/2 of Section 6, in the Legg, Bone Spring [37870] – currently dedicated to the **Coop 6 State #1H** (API. No. 30-025-41177);
- (b) The 156.38-acre spacing unit comprised of the S/2 N/2 of Section 6, in the Legg, Bone Spring [37870] – currently dedicated to the **Coop 6 State #2H** (API. No. 30-025-41981); and
- (c) Pursuant to 19.15.12.10.C(4)(g), *from all future additions of pools, leases or leases and pools to the Coop Central Tank Battery* with notice provided only to the owners of interests to be added.

Oil and gas production from these spacing units will be commingled and sold at the **Coop Central Tank Battery** ("CTB") located on the Section line between the NE/4 NE/4 of Section 6 and NW/4 NW/4 of Section 5, Township 22 South, Range 33 East. Each well is equipped with a three-phase separator and metered on lease before production is transferred to the CTB. Gas production from the separator will be individually metered with a calibrated orifice meter that is manufactured to AGA specifications. Oil production from the separator will be separately metered using turbine meters.



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

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

Exhibit 2 is a completed Application for Surface Commingling (Diverse Ownership) Form C-107-B, that includes a statement from Ryan Hernandez, Senior Facilities Engineer with Matador, identifying the facilities and the measurement devices to be utilized, a detailed schematic of the surface facilities (Exhibit A to the statement) and an example gas analysis (Exhibit B to the statement).

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

Exhibit 4 includes relevant communitization agreements.

Ownership is diverse between the above-described spacing units, each of which are either subject to a pooling agreement or a pooling order and are therefore considered “leases” as defined by 19.15.12.7(C) NMAC. **Exhibit 5** is a list of the interest owners (including any owners of royalty or overriding royalty interests) affected by this application, an example of the letters sent by certified mail advising the interest owners that any objections must be filed in writing with the Division within 20 days from the date the Division receives this application, and proof of mailing. A copy of this application has been provided to the State Land Office since state lands are involved.

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

Sincerely,

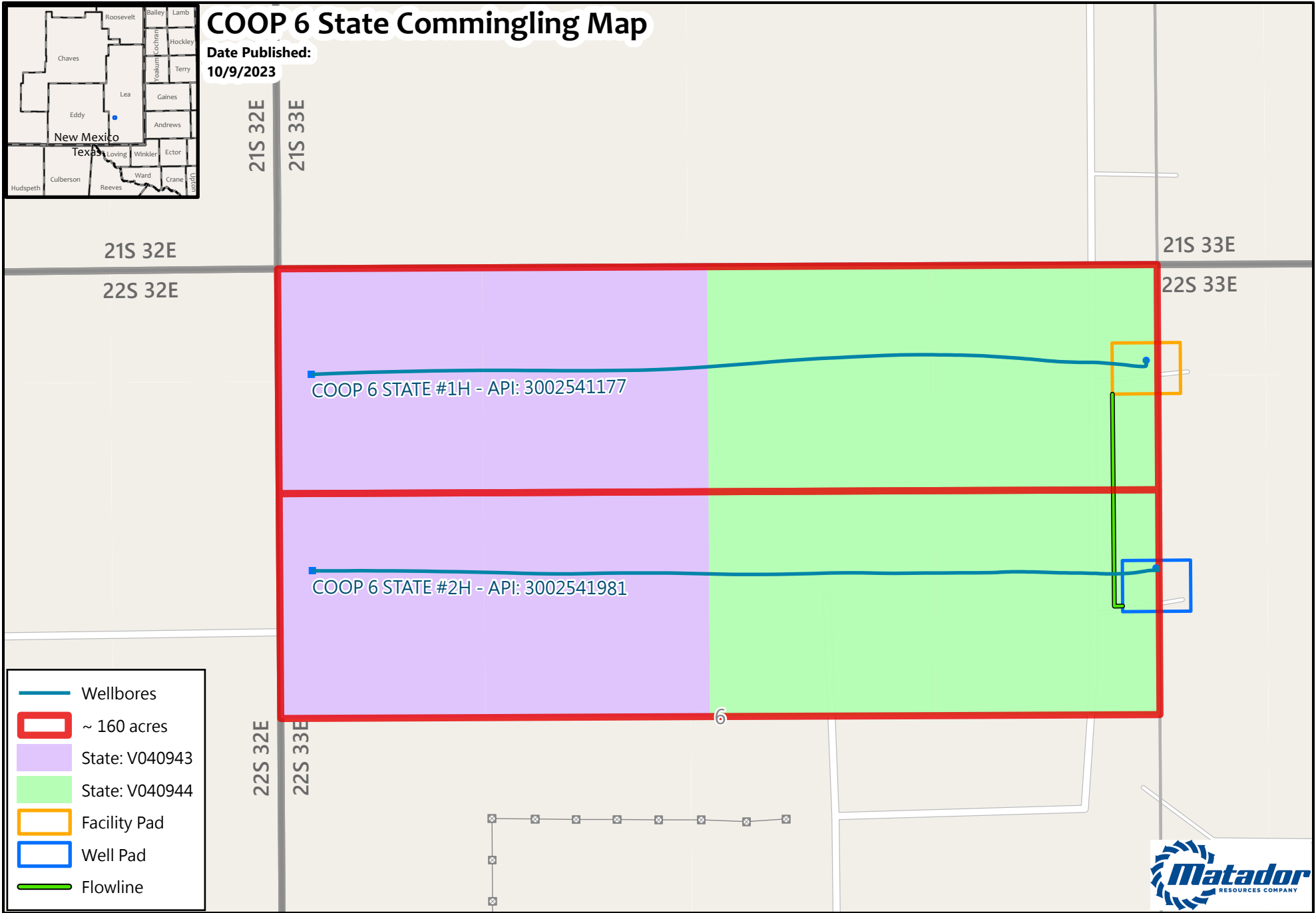
A handwritten signature in blue ink that reads 'Paula M. Vance'.








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



COOP 6 State Commingling Map

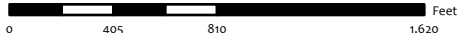
Date Published:
10/9/2023



-  Wellbores
-  ~ 160 acres
-  State: V040943
-  State: V040944
-  Facility Pad
-  Well Pad
-  Flowline



GIS Standard Map Disclaimer:
 This cartographic product is for informational purposes and may not have been prepared for, or be suitable for, legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information.



1:9,000
 1 inch equals 750 feet

EXHIBIT
1

Map Prepared by: americo.gamarral
 Date: October 9, 2023
 (americo.gamarral-temp)\20231005 COOP Commingling map\COOP Commingling map.aprx
 Spatial Reference: NAD 1983 StatePlane New Mexico East FIPS 3001 Feet
 Sources: IHS; ESRI; US DOI BLM Carlsbad, NM Field Office, GIS Department;
 Texas Cooperative Wildlife Collection, Texas A&M University;
 United States Census Bureau (TIGER);

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised August 1, 2011

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

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

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Matador Production Company
OPERATOR ADDRESS: 5400 LBJ Freeway Tower 1 Suite 1500 Dallas, TX 75240
APPLICATION TYPE:

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

LEASE TYPE: Fee State Federal

Is this an Amendment to existing Order? Yes No If "Yes", please include the appropriate Order No. _____
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
 Yes No

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

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production	Calculated Value of Commingled Production	Volumes

- (2) Are any wells producing at top allowables? Yes No
- (3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No
- (4) Measurement type: Metering Other (Specify)
- (5) Will commingling decrease the value of production? Yes No If "yes", describe why commingling should be approved

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

- (1) Pool Name and Code- LEGG; BONE SPRING [37870]
- (2) Is all production from same source of supply? Yes No
- (3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No
- (4) Measurement type: Metering Other (Specify)

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

- (1) Complete Sections A and E.

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

- (1) Is all production from same source of supply? Yes No
- (2) Include proof of notice to all interest owners.

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

- (1) A schematic diagram of facility, including legal location.
- (2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
- (3) Lease Names, Lease and Well Numbers, and API Numbers.

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


SIGNATURE:  TITLE: Sr. Facilities Engineer DATE: 10-4-23
TYPE OR PRINT NAME Ryan Hernandez TELEPHONE NO.: (972) 619-1276
E-MAIL ADDRESS: rhernandez@matadorresources.com

EXHIBIT
2

Matador Production Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240

Voice 972.371.5427 • Fax 972.371.5201

rhernandez@matadorresources.com

Ryan Hernandez
Senior Facilities Engineer

October 4, 2023

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

Re: Application of Matador Production Company for administrative approval to surface commingle (lease only) gas and oil production from the spacing units comprised of the N/2 of Section 6 , Township 22 South, Range 33 East, NMPM, Lea County, New Mexico (the "Lands").

To Whom This May Concern,

Matador Production Company ("Matador"), OGRID 228937, requests to commingle current oil and gas production from two (2) distinct wells located on the Lands and future production from the Lands as described herein. All wells will be metered through individual test separators with an oil turbine meter and gas orifice meter. The gas commingling will occur after individual measurement at each well. Gas exiting each well test flows into one gathering line, as depicted on **Exhibit A**, the Targa gathering line. Each well on the Lands will have its own test separator with an orifice meter manufactured and assembled in accordance with American Gas Association (AGA) specifications. All primary and secondary Electronic Flow Measurement (EFM) equipment is tested and calibrated by a reputable third party measurement company in accordance with industry specifications.

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

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

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

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

Very truly yours,

MATADOR PRODUCTION COMPANY

A handwritten signature in black ink, appearing to read 'R. Hernandez', with a long horizontal flourish extending to the right.

Ryan Hernandez
Senior Facilities Engineer

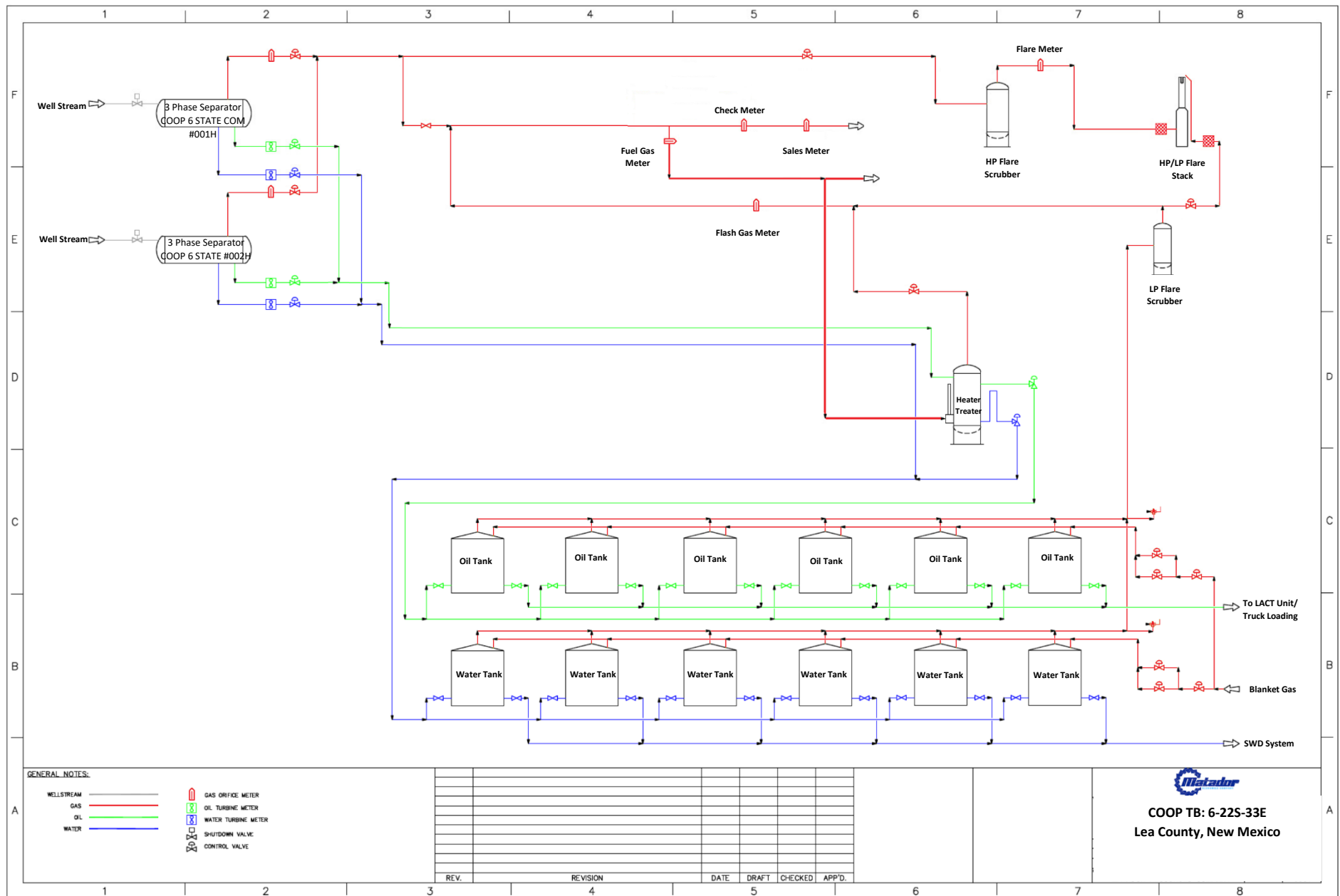


EXHIBIT
A

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

For: Matador Production Company
One Lincoln Centre
5400 LBJ Freeway, Suite 1500
Dallas, Texas 75240

Sample: Horshoe Federal COM No. 601H
First Stage Separator
Spot Gas Sample @ 175 psig & 106 °F

Date Sampled: 11/29/2022

Job Number: 222603.001

CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286

COMPONENT	MOL%	GPM
Hydrogen Sulfide*	< 0.001	
Nitrogen	1.982	
Carbon Dioxide	0.139	
Methane	68.063	
Ethane	14.962	4.102
Propane	7.932	2.240
Isobutane	0.945	0.317
n-Butane	2.520	0.814
2-2 Dimethylpropane	0.001	0.000
Isopentane	0.575	0.216
n-Pentane	0.718	0.267
Hexanes	0.710	0.300
Heptanes Plus	<u>1.453</u>	<u>0.642</u>
Totals	100.000	8.898

Computed Real Characteristics Of Heptanes Plus:

Specific Gravity ----- 3.553 (Air=1)
Molecular Weight ----- 102.37
Gross Heating Value ----- 5529 BTU/CF

Computed Real Characteristics Of Total Sample:

Specific Gravity ----- 0.853 (Air=1)
Compressibility (Z) ----- 0.9948
Molecular Weight ----- 24.58
Gross Heating Value
Dry Basis ----- 1469 BTU/CF
Saturated Basis ----- 1444 BTU/CF

*Hydrogen Sulfide tested on location by: Stain Tube Method (GPA 2377)
Results: <0.013 Gr/100 CF, <0.2 PPMV or <0.001 Mol %

Base Conditions: 15.025 PSI & 60 Deg F

Sampled By: (14) D. Turner
Analyst: KV
Processor: RG
Cylinder ID: T-5197



Certified: FESCO, Ltd. - Alice, Texas

Conan Pierce 361-661-7015

**CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286
TOTAL REPORT**

COMPONENT	MOL %	GPM	WT %
Hydrogen Sulfide*	< 0.001		< 0.001
Nitrogen	1.982		2.259
Carbon Dioxide	0.139		0.249
Methane	68.063		44.424
Ethane	14.962	4.102	18.304
Propane	7.932	2.240	14.230
Isobutane	0.945	0.317	2.235
n-Butane	2.520	0.814	5.959
2,2 Dimethylpropane	0.001	0.000	0.003
Isopentane	0.575	0.216	1.688
n-Pentane	0.718	0.267	2.108
2,2 Dimethylbutane	0.009	0.004	0.032
Cyclopentane	0.000	0.000	0.000
2,3 Dimethylbutane	0.070	0.029	0.245
2 Methylpentane	0.207	0.088	0.726
3 Methylpentane	0.118	0.049	0.414
n-Hexane	0.306	0.129	1.073
Methylcyclopentane	0.155	0.056	0.531
Benzene	0.051	0.015	0.162
Cyclohexane	0.180	0.063	0.616
2-Methylhexane	0.045	0.021	0.183
3-Methylhexane	0.053	0.025	0.216
2,2,4 Trimethylpentane	0.037	0.020	0.172
Other C7's	0.109	0.049	0.440
n-Heptane	0.120	0.057	0.489
Methylcyclohexane	0.174	0.072	0.695
Toluene	0.046	0.016	0.172
Other C8's	0.165	0.079	0.740
n-Octane	0.060	0.032	0.279
Ethylbenzene	0.007	0.003	0.030
M & P Xylenes	0.023	0.009	0.099
O-Xylene	0.006	0.002	0.026
Other C9's	0.105	0.055	0.539
n-Nonane	0.035	0.020	0.183
Other C10's	0.061	0.036	0.351
n-Decane	0.010	0.006	0.058
Undecanes (11)	<u>0.011</u>	<u>0.008</u>	<u>0.070</u>
Totals	100.000	8.898	100.000

Computed Real Characteristics of Total Sample

Specific Gravity -----	0.853	(Air=1)
Compressibility (Z) -----	0.9948	
Molecular Weight -----	24.58	
Gross Heating Value		
Dry Basis -----	1469	BTU/CF
Saturated Basis -----	1444	BTU/CF

FESCO, Ltd.

1100 Fesco Ave. - Alice, Texas 78332

Sample: Horshoe Federal COM No. 601H
 First Stage Separator
 Spot Gas Sample @ 175 psig & 106 °F

Date Sampled: 11/29/2022

Job Number: 222603.001

GLYCALC FORMAT

COMPONENT	MOL%	GPM	Wt %
Carbon Dioxide	0.139		0.249
Hydrogen Sulfide	< 0.001		< 0.001
Nitrogen	1.982		2.259
Methane	68.063		44.424
Ethane	14.962	4.102	18.304
Propane	7.932	2.240	14.230
Isobutane	0.945	0.317	2.235
n-Butane	2.521	0.815	5.962
Isopentane	0.575	0.216	1.688
n-Pentane	0.718	0.267	2.108
Cyclopentane	0.000	0.000	0.000
n-Hexane	0.306	0.129	1.073
Cyclohexane	0.180	0.063	0.616
Other C6's	0.404	0.171	1.417
Heptanes	0.482	0.208	1.859
Methylcyclohexane	0.174	0.072	0.695
2,2,4 Trimethylpentane	0.037	0.020	0.172
Benzene	0.051	0.015	0.162
Toluene	0.046	0.016	0.172
Ethylbenzene	0.007	0.003	0.030
Xylenes	0.029	0.011	0.125
Octanes Plus	<u>0.447</u>	<u>0.235</u>	<u>2.220</u>
Totals	100.000	8.898	100.000

Real Characteristics Of Octanes Plus:

Specific Gravity -----	4.235	(Air=1)
Molecular Weight -----	122.02	
Gross Heating Value -----	6499	BTU/CF

Real Characteristics Of Total Sample:

Specific Gravity -----	0.853	(Air=1)
Compressibility (Z) -----	0.9948	
Molecular Weight -----	24.58	
Gross Heating Value		
Dry Basis -----	1469	BTU/CF
Saturated Basis -----	1444	BTU/CF

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

HOBBS OCD

MAY 13 2013

RECEIVED

State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102

Revised August 1, 2011

Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-41177	Pool Code 37870	Pool Name Legg, Bone Spring
Property Code 39862	Property Name COOP 6 STATE	Well Number 1H
OGRID No. 000785	Operator Name AMTEX ENERGY, INC.	Elevation 3693.1'

Surface Location

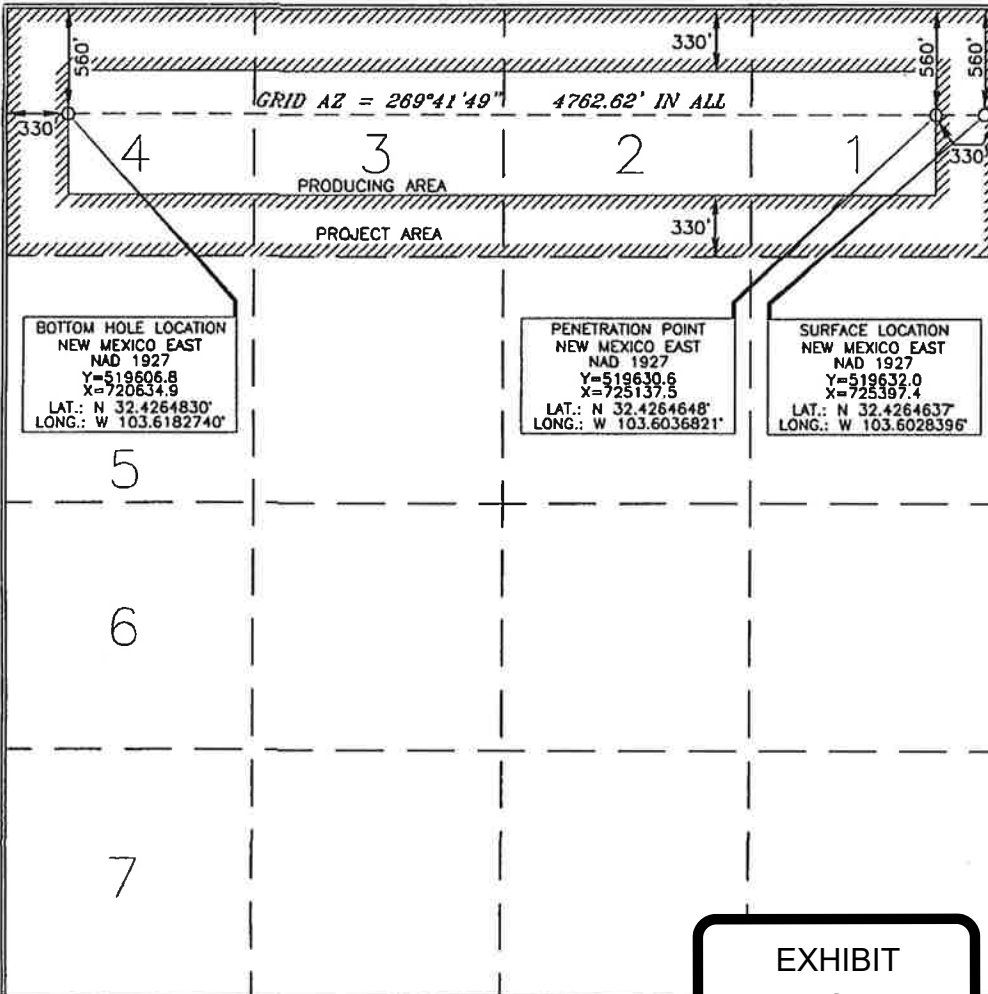
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	6	22 SOUTH	33 EAST, N.M.P.M.		560'	NORTH	70'	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	6	22 SOUTH	33 EAST, N.M.P.M.		560'	NORTH	330'	WEST	LEA

Dedicated Acres 156.55	Joint or Infill	Consolidation Code	Order No.
----------------------------------	-----------------	--------------------	-----------

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



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

William J. Savage 5-1-13
Signature Date

William J. Savage
Printed Name

bsavage@amtenergy.com
E-mail Address

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

TERRY J. ASH
PROFESSIONAL LAND SURVEYOR
15079

APR 25, 2013
Date of Survey

Terry J. Ash 4/1/2013
Signature and Seal of Professional Surveyor Certificate Number 15079

WO# 130325WL-b (KA)

EXHIBIT 3

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

HOBBS OCD
JUL 23 2014

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

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

AMENDED REPORT

RECEIVED
WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-41981	Pool Code 37870	Pool Name Leag Bene Spring
Property Code 39892	Property Name COOP 6 STATE	Well Number 2H
OGRID No. 785	Operator Name AMTEX ENERGY, INC.	Elevation 3674.5'

Surface Location

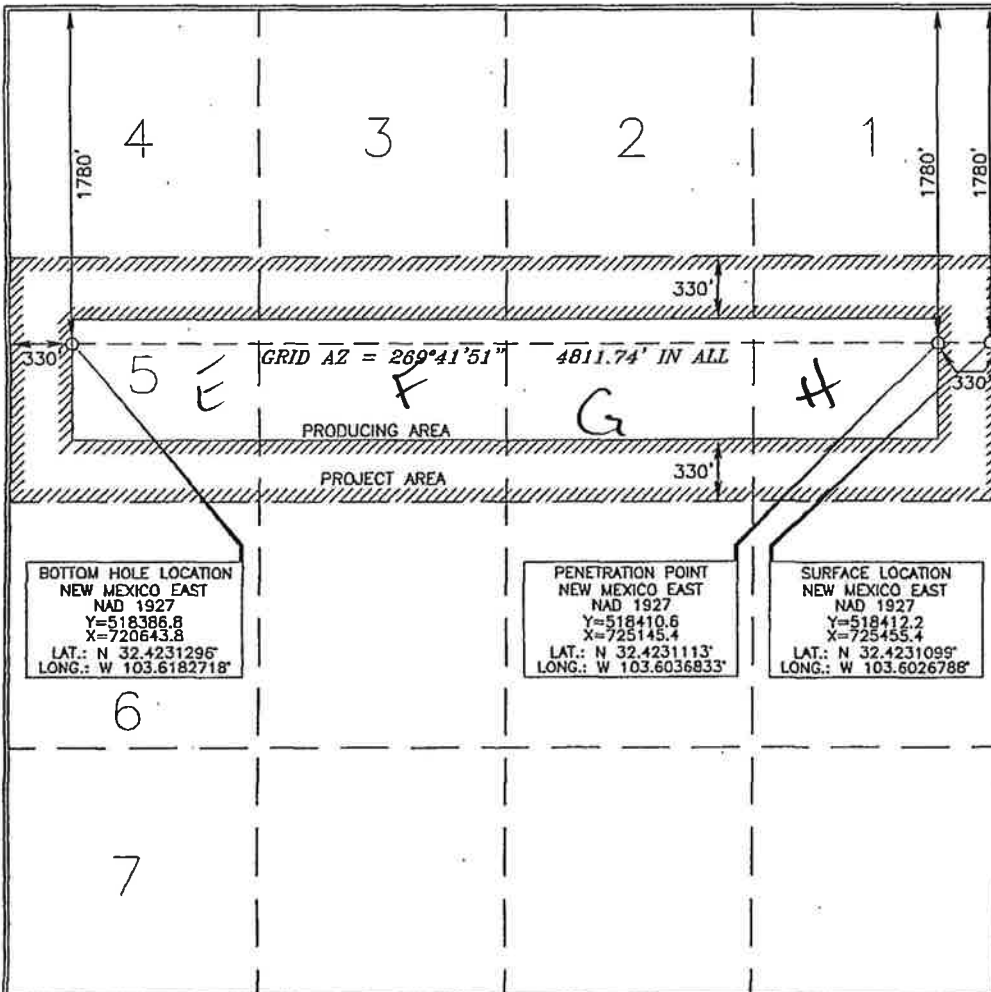
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	6	22 SOUTH	33 EAST, N.M.P.M.		1780'	NORTH	20'	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
5	6	22 SOUTH	33 EAST, N.M.P.M.		1780'	NORTH	330'	WEST	LEA

Dedicated Acres 156.38	Joint or Infill	Consolidation Code	Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either own a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.
Signature: William J. Savage Date: 7-22-14
Printed Name: William J. Savage
E-mail Address: bsavage@amtenergy.com

SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from the original actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.
Date of Survey: MAY 13 2014
Signature and Seal: Terry J. Asel
Certificate Number: 15079
Professional Surveyor

WO# 140513WL (KA)

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

Amtex Energy Inc
Coop 6 State Well No. 1H
Vertical Extent: Bone Spring
Township: 22 South, Range: 33 East, NMPM
Section 6 : N2N2
Lea County, New Mexico

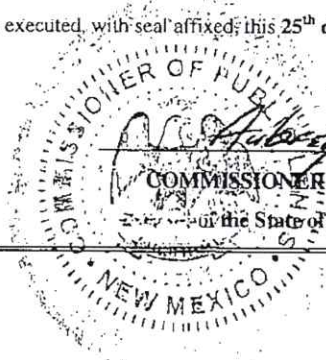
There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Consolidation Agreement for the development and operation of acreage which is described within the referenced Agreement dated February 14, 2014, which has been executed, or is to 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 25th day of February, 2015.

[Signature]
 COMMISSIONER OF PUBLIC LANDS
 of the State of New Mexico



NI-BLR-CON-047

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

04/23/14 08:48:5
OGSWVJ -TQH
PAGE NO: 1

Sec : 06 Twp : 22S Rng : 33E Section Type : NORMAL

4 36.39 CS V04094 0003 OXY USA INC. R 11/01/97	3 40.01 CS V04094 0003 OXY USA INC. 11/01/97	2 40.03 CS V04094 0002 AMTEX ENERGY INC 11/01/97	1 40.03 CS V04094 0002 AMTEX ENERGY INC 11/01/97 A
5 36.37 CS V04094 0003 OXY USA INC. R 11/01/97 A	F 40.00 CS V04094 0003 OXY USA INC. 11/01/97	G 40.00 CS V04094 0002 AMTEX ENERGY INC 11/01/97 A C	H 40.00 CS V04094 0002 AMTEX ENERGY INC 11/01/97
6 36.35 CS V04094 0002 AMTEX ENERGY INC C R 11/01/97	K 40.00 CS V04094 0002 AMTEX ENERGY INC C 11/01/97	J 40.00 CS V04094 0002 AMTEX ENERGY INC C 11/01/97	I 40.00 CS V08169 0000 AMTEX ENERGY INC C 12/01/12 A
7 36.33 CS V04094 0002 AMTEX ENERGY INC 11/01/97	N 40.00 CS V04094 0002 AMTEX ENERGY INC 11/01/97	O 40.00 CS V04094 0002 AMTEX ENERGY INC 11/01/97	P 40.00 CS V04094 0002 AMTEX ENERGY INC 11/01/97 C

OG5COMM	1	COMMUNITIZATION AGREEMENT				OGSWVJ
-TPMY						Page
No: 1						
Comm Agr Name	Coop 6 State Well No. 1H				COM NUM:	203289
Comm Location	Sec1: 6	Twp1: 22 South	Rng1: 33 East	STR-Loc1	M2N2	
	Sec2:	Twp2:	Rng2:	STR-Loc2		
Orig Operator						
Curr Operator	Amtex Energy Inc (OGRID = 785)					
First Production:	02/14/14	Spud:	09/03/13			
Effective Date:	2/14/14	Apprvl Date:	2/17/15	Status:	APP	
Rej/Termn Date	Rej/Termn Reason:					
County	Lea	Inst:	C.S.		OCD Order# :	
Remarks	CA covers the Bone Spring formation(s)					
Total Acreage	156.45	Fedral Acreage:	0	St Acreage:	156.45	
Fee Acreage	0	Indian Acreage:	0			
Leases in Comm	V0-4094-3	V0-4094-2				
Acres	75.4	80.06	0	0		
API	30-025-41177		SHL:	Pool: Legg; Bone Spring (37870)		

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

SHORT TERM
Revised Feb. 2013

COMMUNITIZATION AGREEMENT

Online Version

STATE OF NEW MEXICO

)

ss)

COUNTY OF)

KNOW ALL MEN BY THESE PRESENTS:

THAT THIS AGREEMENT (not to be used for helium or carbon dioxide) is entered into as of February 14 2014, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

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

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

WHEREAS, said leases, insofar as they cover the Legg; Bone Spring, specifically limited to the 2nd Bone Spring Sand formation (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

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

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

1. The lands covered by this agreement (hereinafter referred to as the "communitized area") are described as follows: Subdivisions Lots 1, 2, 3, 4

Section 6, Twp 22S, Rng 33E, NMPM, Lea _____ County,

New Mexico, containing 156.46 acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

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

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

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

2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.

3. Subject to Paragraph 4, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

4. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

5. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

6. The commencement, completion, and continued operation or production of a well or wells for communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

7. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

8. Amtext Energy, Inc. shall be the Operator of said communitized area and all matters of operation shall be determined and performed by Amtext Energy, Inc.

9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution and, upon approval by the Commissioner of Public Lands, shall remain in full force and effect until midnight, local time, August 14, 2014, (date) and as long thereafter as either: drilling operations are conducted upon the communitized area in accordance with the State of New Mexico oil and gas leases committed hereto, or communitized substances are produced from the communitized area in paying quantities; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such well is shut-in due to the inability of the operator to obtain a pipeline connection to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to

2015 FEB 17 PM 12 55

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

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

13. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

14. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.

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

OPERATOR: Amtex Energy, Inc.

By: William J. Savage
Amtex Energy, Inc.

LESSEES OF RECORD:

OXY USA INC.

Donna Harris

Acknowledgement in an Individual Capacity

State of _____)
)ss
County of _____)

This instrument was acknowledged before me this 14 day of February, 2014

by _____
Name(s) of Person(s)

(Notary Seal)

Signature of Notarial Officer

My Commission Expires

Acknowledgement in a Representative Capacity

State of Texas)
)ss
County of Midland)

This instrument was acknowledged before me this 14 day of February, 2014

by William J. Savage
Name(s) of Person(s)

as President of Amtext Energy, Inc.
Type of authority; e.g., officer, trustee, etc. Name of party on behalf of whom instrument was executed



Karol Ann Eads
Signature of Notarial Officer
1/28/18
My Commission expires

2015 FEB 17 PM 12 55

Acknowledgement in an Individual Capacity

State of _____)
County of _____)ss

This instrument was acknowledged before me this _____ day of _____ 20____

by _____
Name(s) of Person(s)

(Notary Seal)

Signature of Notarial Officer

My Commission Expires

Acknowledgement in a Representative Capacity

State of TEXAS)
County of HARRIS)ss

This instrument was acknowledged before me this 11th day of February, 2015

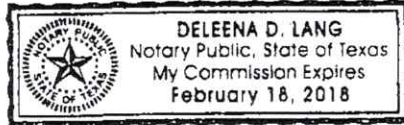
by Donna Havins
Name(s) of Person(s)

as Attorney-in-fact of OXY USA INC., a Delaware Corporation, on behalf of said corporation.

Type of authority; e.g., officer, trustee, etc.

Name of party on behalf of whom instrument was executed

(Seal)



[Signature]
Signature of Notarial Officer

February 18, 2018
My Commission expires

2015 FEB 17 PM 12 55

EXHIBIT "A"

Attached to and made a part of that Communitization Agreement dated February 14, 2014
 by and between Amtex Energy, Inc.,
 _____ Company covering
 Subdivisions Lots 1, 2, 3, 4
 Section 6, Twp 22S, Rng 33E NMPM Lea County, NM
 Operator of Communitized Area: Company Amtex Energy, Inc.

Description of Leases Committed:

Tract No. 1

Lessor: State of New Mexico acting by and through its Commissioner of Public Lands
 Lessee of Record: OXY USA, Inc.
 Serial No. of Lease: V0-4094-0003
 Date of Lease: 11/01/1992
 Description of Lands Committed: Subdivisions Lots 3, 4
 Sect 6 Twp 22S Rng 33E NMPM Lea County NM
 No. of Acres: 76.4

Tract No. 2

Lessor: State of New Mexico acting by and through its Commissioner of Public Lands
 Lessee of Record: Amtex Energy, Inc.
 Serial No. of Lease: V0-4094-0002
 Date of Lease: 11/01/1992
 Description of Lands Committed: Subdivisions Lots 1, 2
 Sect 6 Twp 22S Rng 33E NMPM Lea County NM
 No. of Acres: 80.06

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Tract No. 3

Lessor: State of New Mexico acting by and through its Commissioner of Public Lands

Lessee of Record: _____

Serial No. of Lease: _____

Date of Lease: _____

Description of Lands Committed: Subdivisions _____

Sect _____ Twp _____ Rng _____ NMPM _____ County NM

No. of Acres: _____

Tract No. 4

Lessor: State of New Mexico acting by and through its Commissioner of Public Lands

Lessee of Record: _____

Serial No. of Lease: _____

Date of Lease: _____

Description of Lands Committed: Subdivisions _____

Sect _____ Twp _____ Rng _____ NMPM _____ County NM

No. of Acres: _____

RECAPITULATION

TRACT NO.	NUMBER OF ACRES COMMITTED	PERCENTAGE OF INTEREST IN COMMUNITIZED AREA
No. 1	76.40	48.83037
No. 2	80.06	51.16963
No. 3	_____	_____
No. 4	_____	_____



AUBREY DUNN
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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

COMMISSIONER'S OFFICE

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

William J. Savage
Amtex Energy Inc
P.O. Box 3418
Midland, Texas 79702

February 25th, 2015

Re: Communitization Agreement Approval
Coop 6 State Well No. 1H
Vertical Extent: Bone Spring
Township: 22 South, Range 33 East, NMPM
Section: 6: N2N2
Lea County, New Mexico

Dear Mr. Savage,


The Commissioner of Public Lands has this date approved the Coop 6 State Well No. 1H Communitization Agreement for the Bone Spring formation effective 2/14/2014 Enclosed are three Certificates of Approval.

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

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

Sincerely,

AUBREY DUNN
COMMISSIONER OF PUBLIC LANDS

BY: 
TERRY G. WARNELL
Director – Oil, Gas, and Minerals Division
(505) 827-5745
AD/TGW/nkk

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO


Amtex Energy Inc
Coop 6 State Well No. 2H
Vertical Extent: Bone Spring
Township: 22 South, Range: 33 East, NMPM
Section 6 : S2N2
Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Consolidation Agreement for the development and operation of acreage which is described within the referenced Agreement dated **January 1, 2015**, 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 25th day of February, 2015.



Anthony Chiriquito
COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

N - BLR - COX - 048

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

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PAGE NO: 1

Sec : 06 Twp : 22S Rng : 33E Section Type : NORMAL

4 36.39 CS V04094 0003 OXY USA INC. C R 11/01/97	3 40.01 CS V04094 0003 OXY USA INC. C 11/01/97	2 40.03 CS V04094 0002 AMTEX ENERGY INC C 11/01/97	1 40.03 CS V04094 0002 AMTEX ENERGY INC C 11/01/97 A
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6 36.35 CS V04094 0002 AMTEX ENERGY INC C R 11/01/97	K 40.00 CS V04094 0002 AMTEX ENERGY INC C 11/01/97	J 40.00 CS V04094 0002 AMTEX ENERGY INC C 11/01/97	I 40.00 CS V08169 0000 AMTEX ENERGY INC C 12/01/12 A
7 36.33 CS V04094 0002 AMTEX ENERGY INC 11/01/97	N 40.00 CS V04094 0002 AMTEX ENERGY INC 11/01/97	O 40.00 CS V04094 0002 AMTEX ENERGY INC 11/01/97	P 40.00 CS V04094 0002 AMTEX ENERGY INC 11/01/97 C

Communitization Agreement										OGSRDS
Comm Agrmt Name	Coop 6 State Well No. 2H								ONGARD COM NUM:	203361
API	30-025-41981		SHL: Unit H of Sec 6		Pool: LEGG/BONE SPRING					
Comm Lands	Sec1:	6	Twp1:	22	South	Rng1:	33	East	STR-Loc1:	82N2
Comm Lands Ext.	Sec2+:		Twp2+:			Rng2+:			STR-Loc2+:	
Curr Operator	Amtext Energy Inc (OGRID = 785)									
First Production	01/01/15		Spud: 08/31/14							
Effective Date	01/01/15		Apprvl Date:		02/18/15		Status: APP			
County	Lee		Inst:		C.S.		OCD Order:			
Formations/Remarks	Signed CA covers the Bone Spring formation(s) or depths.									
Total Acreage	156.46		Federal Acreage:		0		State Acreage: 156.46			
Fee Acreage	0		Indian Acreage:		0					
State Leases	V0-4094-3		V0-4094-2							
State Acres	76.4		80.06							
Signed Comm Agreement								Current CA Status as of:	2/25/2015	
Signed - Completed										

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

Subdivisions Lot 5 and Units F, G, H
Of Sect 6 Twnshp 22S Rng 33E NMPM Lea County, NM

containing 156.37 acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

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

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

2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.

3. Subject to Paragraph 4, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

4. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

5. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

6. The commencement, completion, and continued operation or production of a well or wells for communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

7. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

8. Amtex Energy, Inc. shall be the Operator of said communitized area and all matters of operation shall be determined and performed by Amtex Energy, Inc.

9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this Agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are

thereafter conducted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

13. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

14. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.

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

OPERATOR Amtex Energy, Inc.
BY: *William R. Savage*
LESSEES OF RECORD: Amtex Energy, Inc.

OXY USA, Inc.
Donna Hauwa

(Attach additional pages if needed)

2015 FEB 17 PM 12 54

EXHIBIT A

Attached to and made a part of that Communitization Agreement dated
by and between OXY USA, Inc. , Amtex Energy, Inc.

Company covering

the Subdivisions Lot 5 and Units F, G, H ,
Sect 6 , Twnshp 22S , Rnge 33E , NMPM Lea County, NM

OPERATOR of Communitized Area:

DESCRIPTION OF LEASES COMMITTED:

TRACT NO. 1

Lessor: State of New Mexico acting by and through its Commissioner of Public Lands

Lessee of Record: OXY USA, Inc.

Serial No. of Lease: V0-4094-0003 Date of Lease: 11/01/1992

Description of Lands Committed:

Subdivisions: Lot 5, Unit F

Sect 6 Twnshp 22S Rng 33E NMPM Lea County NM

No. of Acres: 76.37

TRACT NO. 2

Lessor: State of New Mexico acting by and through its Commissioner of Public Lands

Lessee of Record: Amtex Energy, Inc.

Serial No. of Lease: V0-4094-0002 Date of Lease: 11/01/1992

Description of Lands Committed:

Subdivisions: Unit G, H

Sect 6 Twnshp 22S Rng 33E NMPM Lea County NM

No. of Acres: 80.0

ONLINE version
December 2014

State/State
State/Fee

2015 FEB 17 PM 12 54

TRACT NO. 3

Lessor: State of New Mexico acting by and through its Commissioner of Public Lands

Lessee of Record:

Serial No. of Lease: Date of Lease:

Description of Lands Committed:

Subdivisions:

Sect Twnshp Rng NMPM County NM

No. of Acres:

TRACT NO. 4

Lessor: State of New Mexico acting by and through its Commissioner of Public Lands

Lessee of Record:

Serial No. of Lease: Date of Lease:

Description of Lands Committed:

Subdivisions:

Sect Twnshp Rng NMPM County NM

No. of Acres:

RECAPITULATION

Tract number	Number of Acres Committed	Percentage of Interest In Communitized Area
No. 1	76.37	48.83926
No. 2	80.0	51.16071
No. 3		
No. 4		

Note: When you provide a check as payment, you authorize the State of New Mexico to either use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. Please be advised that payments will be drafted from your account immediately upon receipt.

ONLINE version
December 2014

State/State
State/Fee

2015 FEB 17 PM 12 54

Page: 1 Document Name: untitled

CMD : ONGARD 02/25/15 16:21:23
OG5COMM MAINTAIN COMMUNITIZATION AGREEMENT OGSNKK -TQEB
Page No: 1

Comm Agr Name : COOP 6 STATE WELL #2H COM NUM: 203381
Comm Location : Sec: 06 Twp: 22S Rng: 33E STR-Location: S2N2
Orig Operator : AMTEX ENERGY INC
Curr Operator : AMTEX ENERGY INC

Effective Date : 01-01-2015 Apprvl Date : 02-18-2015 Status : APP
Rej/Termn Date : Rej/Termn Reason :

County : Inst : OCD Order# :
Remarks :

Total Acreage : 156.37 Fedral Acreage : St Acreage : 156.37
Fee Acreage : Indian Acreage :

Leases in Comm : V04094 0002 V04094 0003*

M0015: Table update is successful.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 DELETE PF06 CONFIRM
PF07 PF08 PF09 PF10 REINST PF11 TERMN PF12

Date: 2/25/2015 Time: 4:21:45 PM

Aep Encap Holdco, Llc	9651 Katy Freeway Ste 600	Houston	TX	77024
AEPXCON Management LLC	2619 Robinhood St	Houston	TX	77005-2431
Charis Royalty F LP	P.O. Box 470158	Fort Worth	TX	76147
DG ROYALTY LLC	c/o Endeavor Energy	Midland	TX	79701-4412
EOG Y Resources, Inc	P.O. Box 840319	Dallas	TX	75284-0319
MRC Hat Mesa, LLC	5400 LBJ Freeway	Dallas	TX	75240
New Mexico State Land Office	P O Box 1148	Santa Fe	NM	87504
O'NEILL PROPERTIES LTD	POST OFFICE BOX 2840	Midland	TX	79702
OXY USA Inc.	PO Box 27570	Houston	TX	77227-7570
OXY Y-1 COMPANY	ATTN: Remittances	Dallas	TX	75284-1803
Texas Redhand Llc	PO Box 2840	Midland	TX	79702

EXHIBIT

5



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

January 23, 2024

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PARTIES

Re: Application of Matador Production Company for administrative approval to surface commingle (lease) oil and gas production from spacing units comprised of the N/2 of Section 6, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico (the "Lands")

Ladies and Gentlemen:

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

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

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

Sincerely,

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

MRC - Coop Commingling
Postal Delivery Report

9414811898765405783453	Aep Encap Holdco, Llc	9651 Katy Fwy Ste 600	Houston	TX	77024-1590
9414811898765405783460	AEPXCON Management LLC	2619 Robinhood St	Houston	TX	77005-2431
9414811898765405783408	Charis Royalty F LP	PO Box 470158	Fort Worth	TX	76147-0158
9414811898765405783491	Dg Royalty LLC c/o Endeavor Energy Resources LP	110 N Marienfeld St Ste 200	Midland	TX	79701-4412
9414811898765405783484	EOG Y Resources, Inc	PO Box 840319	Dallas	TX	75284-0319
9414811898765405783477	MRC Hat Mesa, LLC	5400 Lbj Fwy Ste 1500	Dallas	TX	75240-1000
9414811898765405783514	New Mexico State Land Office	PO Box 1148	Santa Fe	NM	87504-1148
9414811898765405783507	ONEILL Properties Ltd	PO Box 2840	Midland	TX	79702-2840
9414811898765405783590	OXY USA Inc.	PO Box 27570	Houston	TX	77227-7570
9414811898765405783545	OXY Y-1 Company	PO Box 841803 Attn Remittances	Dallas	TX	75284-1803
9414811898765405783583	Texas Redhand Llc	PO Box 2840	Midland	TX	79702-2840

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

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY MATADOR PRODUCTION COMPANY ORDER NO. CTB-1200**

ORDER

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

FINDINGS OF FACT

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

CONCLUSIONS OF LAW

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

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

ORDER

1. Applicant is authorized to surface commingle oil and gas production from the pools and leases as described in Exhibit A.

Applicant is authorized to surface commingle oil and gas production from the wells included in Exhibit A, provided that they produce from a pool and lease described in Exhibit A.

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

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

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

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

3. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling it with production from another well.
4. If Applicant recovers oil or gas production from produced water prior to Applicant injecting it or transferring custody of it, then that production shall be allocated to each well in the proportion that it contributed to the total produced water.
5. If Applicant recovers gas production using a vapor recovery unit (VRU), then that gas production shall be allocated to each well in the proportion that it contributed to the total oil production.
6. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15 NMAC or 19.15.23.8 NMAC.
7. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9 NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8(B) NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8(E) NMAC.
8. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10(C)(2) NMAC.
9. Applicant shall install and utilize vessels that are appropriately designed to ensure sufficient separation of the fluids and to accurately measure oil and gas production.
10. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
11. Applicant may submit an application to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by this Order by submitting a Form C-107-B in accordance with 19.15.12.10(C)(4)(g) NMAC, provided the pools, leases, and subsequently drilled wells are within the identified parameters included in the Application.
12. If a well is not included in Exhibit A but produces from a pool and lease as described in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form

C-103 shall reference this Order and identify the well, proposed method to determine the allocation of oil and gas production to it, and the location(s) that commingling of its production will occur.

13. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
14. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
15. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



Gerasimos Razatos for Albert Chang

**ALBERT C. S. CHANG
DIRECTOR**

DATE: 2/24/2026

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: CTB-1200

Operator: Matador Production Company (228937)

Central Tank Battery: Coop 6 State Central Tank Battery

Central Tank Battery Location: UL A, Section 6, UL D, Section 5, Township 22 South, Range 33 East

Gas Title Transfer Meter Location: UL A, Section 6, UL D, Section 5, Township 22 South, Range 33 East

Pools

Pool Name	Pool Code
LEGG;BONE SPRING	37870

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
CA Bone Spring SLO 203289 PUN 1338404	N2N2	06-22S-33E
CA Bone Spring SLO 203381 PUN 1343297	S2N2	06-22S-33E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-41177	COOP 6 STATE COM #001H	N2N2	06-22S-33E	37870
30-025-41981	COOP 6 STATE #002H	S2N2	06-22S-33E	37870

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 306786

CONDITIONS

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 306786
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
sarah.clelland	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please email us at OCD.Engineer@emnrd.nm.gov .	2/25/2026