

CASE NOS. 22301, 22302, 22305, and 22306

**APPLICATIONS OF
MATADOR PRODUCTION COMPANY FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

EXHIBITS

1. Applications and Proposed Notices
2. Landman's Affidavit
- 3.. Affidavit of Notice
4. Affidavit of Publication.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**APPLICATION OF MATADOR PRODUCTION
COMPANY TO REOPEN CASE NO. 20904 FOR
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.**Case No. 22301**APPLICATION**

Matador Production Company applies for an order to reopen Case No. 20904 to pool additional parties in the Bone Spring formation underlying a horizontal spacing unit comprised of the N/2N/2 of Section 21 and the N/2N/2 of Section 22, Township 20 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an operator in the N/2N/2 of Section 21 and the N/2N/2 of Section 22, and has the right to drill a well thereon.
2. Applicant proposes to drill the Michael K&B 2122 Fed. Com. Well No. 121H to a depth sufficient to test the Bone Spring formation, and dedicate the N/2N/2 of Section 21 and the N/2N/2 of Section 22 to the well. The well has a first take point in the NW/4NW/4 of Section 21 and a last take point in the NE/4NE/4 of Section 22.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the N/2N/2 of Section 21 and the N/2N/2 of Section 22 for the purposes set forth herein.
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Bone Spring

EXHIBIT **1**

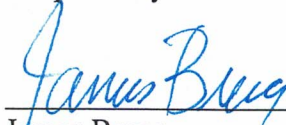
formation underlying the N/2N/2 of Section 21 and the N/2N/2 of Section 22, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests in the Bone Spring formation underlying the N/2N/2 of Section 21 and the N/2N/2 of Section 22 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interests in the Bone Spring formation underlying the N/2N/2 of Section 21 and the N/2N/2 of Section 22;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the costs among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Matador Production Company

Application of Matador Production Company to Reopen Case No. 20904 for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order to reopen Case No. 20904 to pool additional parties in the Bone Spring formation underlying a horizontal spacing unit comprised of the N/2N/2 of Section 21 and the N/2N/2 of Section 22, Township 20 South, Range 29 East, NMPM. The unit will be dedicated to the Michael K&B 2122 Fed. Com. Well No. 121H, with a first take point in the NW/4NW/4 of Section 21 and a last take point in the NE/4NE/4 of Section 22. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 13-1/2 miles northeast of Carlsbad, New Mexico.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**APPLICATION OF MATADOR PRODUCTION
COMPANY TO REOPEN CASE NO. 20905 FOR
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.**Case No. 22302**APPLICATION**

Matador Production Company applies for an order to reopen Case No. 20905 to pool additional parties in the Bone Spring formation underlying a horizontal spacing unit comprised of the S/2N/2 of Section 21 and the S/2N/2 of Section 22, Township 20 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an operator in the S/2N/2 of Section 21 and the S/2N/2 of Section 22, and has the right to drill a well thereon.
2. Applicant proposes to drill the Michael K&B 2122 Fed. Com. Well No. 122H to a depth sufficient to test the Bone Spring formation, and dedicate the S/2N/2 of Section 21 and the S/2N/2 of Section 22 to the well. The well has a first take point in the SW/4NW/4 of Section 21 and a last take point in the SE/4NE/4 of Section 22.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the S/2N/2 of Section 21 and the S/2N/2 of Section 22 for the purposes set forth herein.
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Bone Spring

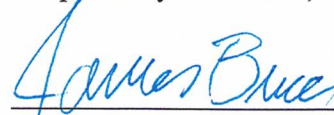
formation underlying the S/2N/2 of Section 21 and the S/2N/2 of Section 22, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests in the Bone Spring formation underlying the S/2N/2 of Section 21 and the S/2N/2 of Section 22 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interests in the Bone Spring formation underlying the S/2N/2 of Section 21 and the S/2N/2 of Section 22;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the costs among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Matador Production Company

Application of Matador Production Company to Reopen Case No. 20905 for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order to reopen Case No. 20905 to pool additional parties in the Bone Spring formation underlying a horizontal spacing unit comprised of the S/2N/2 of Section 21 and the S/2N/2 of Section 22, Township 20 South, Range 29 East, NMPM. The unit will be dedicated to the Michael K&B 2122 Fed. Com. Well No. 122H, with a first take point in the SW/4NW/4 of Section 21 and a last take point in the SE/4NE/4 of Section 22. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 13-1/2 miles northeast of Carlsbad, New Mexico.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**APPLICATION OF MATADOR PRODUCTION
COMPANY TO REOPEN CASE NO 20908 FOR
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.**Case No. 22305**APPLICATION**

Matador Production Company applies for an order to reopen Case No. 20908 to pool additional parties in the Wolfcamp formation underlying a horizontal spacing unit comprised of the N/2N/2 of Section 21 and the N/2N/2 of Section 22, Township 20 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an operator in the N/2N/2 of Section 21 and the N/2N/2 of Section 22, and has the right to drill a well thereon.
2. Applicant proposes to drill the Michael K&B 2122 Fed. Com. Well No. 201H to a depth sufficient to test the Wolfcamp formation, and dedicate the N/2N/2 of Section 21 and the N/2N/2 of Section 22 to the well. The well has a first take point in the NW/4NW/4 of Section 21 and a last take point in the NE/4NE/4 of Section 22.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the N/2N/2 of Section 21 and the N/2N/2 of Section 22 for the purposes set forth herein.
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Wolfcamp

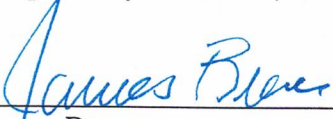
formation underlying the N/2N/2 of Section 21 and the N/2N/2 of Section 22, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests in the Wolfcamp formation underlying the N/2N/2 of Section 21 and the N/2N/2 of Section 22 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interests in the Wolfcamp formation underlying the N/2N/2 of Section 21 and the N/2N/2 of Section 22;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the costs among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Matador Production Company

Application of Matador Production Company to Reopen Case No. 20908 for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order to reopen Case No. 20908 to pool additional parties in the Wolfcamp formation underlying a horizontal spacing unit comprised of the N/2N/2 of Section 21 and the N/2N/2 of Section 22, Township 20 South, Range 29 East, NMPM. The unit will be dedicated to the Michael K&B 2122 Fed. Com. Well No. 201H, with a first take point in the NW/4NW/4 of Section 21 and a last take point in the NE/4NE/4 of Section 22. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 13-1/2 miles northeast of Carlsbad, New Mexico.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**APPLICATION OF MATADOR PRODUCTION
COMPANY TO REOPEN CASE NO. 20909 FOR
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.**Case No. 22306**APPLICATION**

Matador Production Company applies for an order to reopen Case No. 20909 to pool additional parties in the Wolfcamp formation underlying a horizontal spacing unit comprised of the S/2N/2 of Section 21 and the S/2N/2 of Section 22, Township 20 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an operator in the S/2N/2 of Section 21 and the S/2N/2 of Section 22, and has the right to drill a well thereon.
2. Applicant proposes to drill the Michael K&B 2122 Fed. Com. Well No. 202H to a depth sufficient to test the Wolfcamp formation, and dedicate the S/2N/2 of Section 21 and the S/2N/2 of Section 22 to the well. The well has a first take point in the SW/4NW/4 of Section 21 and a last take point in the SE/4NE/4 of Section 22.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the S/2N/2 of Section 21 and the S/2N/2 of Section 22 for the purposes set forth herein.
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Wolfcamp

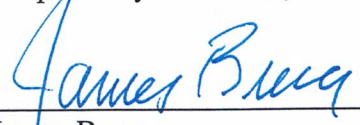
formation underlying the S/2N/2 of Section 21 and the S/2N/2 of Section 22, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests in the Wolfcamp formation underlying the S/2N/2 of Section 21 and the S/2N/2 of Section 22 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interests in the Wolfcamp formation underlying the S/2N/2 of Section 21 and the S/2N/2 of Section 22;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the costs among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Matador Production Company

Application of Matador Production Company to Reopen Case No. 20909 for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order to reopen Case No. 20909 to pool additional parties in the Wolfcamp formation underlying a horizontal spacing unit comprised of the S/2N/2 of Section 21 and the S/2N/2 of Section 22, Township 20 South, Range 29 East, NMPM. The unit will be dedicated to the Michael K&B 2122 Fed. Com. Well No. 202H, with a first take point in the SW/4NW/4 of Section 21 and a last take point in the SE/4NE/4 of Section 22. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 13-1/2 miles northeast of Carlsbad, New Mexico.

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

**APPLICATIONS OF MATADOR
PRODUCTION COMPANY FOR
COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NOS. 22301, 22302, 22305 and 22306

AFFIDAVIT OF SAM PRYOR

Sam Pryor, of lawful age and being first duly sworn, declares as follows:

1. My name is Sam Pryor. I work for MRC Energy Company, an affiliate of Matador Production Company ("Matador"), as a Vice President of Land.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of record.
3. I am familiar with the applications filed by Matador in this case, and I am familiar with the status of the lands in the subject area.
4. In these consolidated cases, Matador is seeking an Order pooling all uncommitted interests in the following standard horizontal spacing units underlying the N/2 of Sections 21 and 22, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico:
 - In **Case No. 22301**, a 320-acre, more or less, horizontal spacing unit in the Bone Spring formation comprised of the N/2 N/2 of Sections 21 and 22 to be dedicated to the proposed **Michael K&B 2122 Fed Com #121H**, which will be horizontally drilled from a surface location in the NW/4 NW/4 of Section 21, Township 20 South, Range 29 East to bottom hole location in the NE/4 NE/4 of Section 22.

- In **Case No. 22302**, a 320-acre, more or less, horizontal spacing unit in the Bone Spring formation comprised of the S/2 N/2 of Sections 21 and 22 to be dedicated to the proposed **Michael K&B 2122 Fed Com #122H**, which will be horizontally drilled from a surface location in the NW/4 NW/4 of Section 21, Township 20 South, Range 29 East to bottom hole location in the SE/4 NE/4 of Section 22.
- In **Case No. 22305**, a 320-acre, more or less, horizontal spacing unit in the Wolfcamp formation comprised of the N/2 N/2 of Sections 21 and 22 to be dedicated to the proposed **Michael K&B 2122 Fed Com #201H**, which will be horizontally drilled from a surface location in the NW/4 NW/4 of Section 21, Township 20 South, Range 29 East to bottom hole location in the NE/4 NE/4 of Section 22.
- In **Case No. 22306**, a 320-acre, more or less, horizontal spacing unit in the Wolfcamp formation comprised of the S/2 N/2 of Sections 21 and 22 to be dedicated to the proposed **Michael K&B 2122 Fed Com #202H**, which will be horizontally drilled from a surface location in the NE/4 NE/4 of Section 20, Township 20 South, Range 29 East to bottom hole location in the SE/4 NE/4 of Section 22.

5. Matador has previously received an Order from the Division force pooling each of these spacing units under Division Orders Nos. R-21267, R-21268, R-21271, and R-21272. Matador has filed the current applications to force pool three additional working interest owners in these units.

6. **Matador Exhibit A-1** contains a draft Form C-102 for each of the four proposed initial wells. The land in the proposed spacing unit is comprised of federal lease lands.

- a. **For Case Nos. 22301 and 22302**, Matador understands that these wells will be assigned to the Getty; Bone Spring pool (Pool Code 27470).

b. **For Case Nos. 22305 and 22306**, Matador understands that these wells will be assigned to the Burton Flat; Wolfcamp, East Oil pool (Pool Code 98315).

7. The completed intervals for the proposed wells will remain within the standard offset required by the statewide rules set forth in 19.15.16.15 NMAC.

8. **Matador Exhibit A-2** identifies the tracts of land comprising the proposed horizontal spacing units. The proposed wellbores are marked in blue inside the proposed horizontal spacing units which are outlined in red. These spacing units are comprised of federal acreage.

9. **Matador Exhibit A-3** identifies the three additional working interest owners that Matador is seeking to pool along with their ownership interest in each of the proposed horizontal spacing units.

10. There are no depth severances within the working interest in the Bone Spring formation for this acreage.

11. There are no depth severances within the working interest in the Wolfcamp formation for this acreage.

12. **Matador Exhibit A-4** contains a copy of the well proposal letter and AFEs sent to the additional working interest owners that Matador seeks to pool in each of these cases. The costs reflected in the AFE are consistent with what other operators have incurred for drilling similar horizontal wells in the area.

13. In addition to sending well proposal letters and AFEs, Matador has been able to contact and has had discussions with each of the working interest owners we seek to pool in these cases in an effort to reach voluntary joinder. In my opinion, Matador has made a good faith effort to reach an agreement with each of the working interest owners that Matador seeks to pool.

14. Matador has made an estimate of overhead and administrative costs for drilling and producing the proposed wells. It is \$8,000/month while drilling, and \$800/month while producing. These costs are consistent with what other operators are charging in this area for these types of wells. Matador respectfully requests that these administrative and overhead costs be incorporated into any orders entered by the Division in these consolidated cases.

15. In my opinion, Matador has made good faith efforts to reach an agreement with the working interest owner it is seeking to pool. If Matador reaches an agreement with any of the proposed pooled parties before the Division enters an order, I will let the Division know that Matador is no longer seeking to pool those parties.

16. Matador provided Matador's outside counsel, Jim Bruce, a list of names and addresses for the parties that Matador is seeking to pool. As mentioned above, Matador has been able to contact each of the parties we seek to pool in this application.

17. **Matador Exhibits A-1 through A-4** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

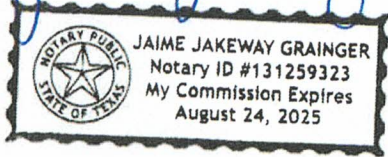


Sam Pryor

STATE OF TEXAS)
COUNTY OF Dallas)

SUBSCRIBED and SWORN to before me this 29th day of October 2021 by
Sam Pryor.

Jaime Jakeway Grainger
NOTARY PUBLIC



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

My Commission Expires:

8/24/2025

EXHIBIT A-1

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

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

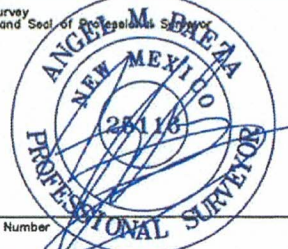
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name					
⁴ Property Code		⁵ Property Name MICHAEL K 2122 FED COM						⁶ Well Number 121H	
⁷ GRID No.		⁸ Operator Name MATADOR PRODUCTION COMPANY						⁹ Elevation 3270'	
¹⁰ Surface Location									
UL or lot no. D	Section 21	Township 20-S	Range 29-E	Lot Idn -	Feet from the 907'	North/South line NORTH	Feet from the 510'	East/West line WEST	County EDDY
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. A	Section 22	Township 20-S	Range 29-E	Lot Idn -	Feet from the 330'	North/South line NORTH	Feet from the 60'	East/West line EAST	County EDDY
¹² Dedicated Acres 320		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ 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.

¹⁶ FIRST PERFORATION POINT NEW MEXICO EAST NAD 1927 X=575648 Y=569407 LAT.: N 32.5657683 LONG.: W 104.0877857 NAD 1983 X=616828 Y=569469 LAT.: N 32.5652868 LONG.: W 104.0882899		9 10 16 15		¹⁷ LAST PERFORATION POINT NEW MEXICO EAST NAD 1927 X=586021 Y=569436 LAT.: N 32.5651760 LONG.: W 104.0541173 NAD 1983 X=627201 Y=569497 LAT.: N 32.5652949 LONG.: W 104.0546206		11 14	
NAD 27 X=575547.20 Y=569736.97 NAD 83 X=616727.62 Y=569798.49		NAD 27 X=578189.47 Y=569748.40 NAD 83 X=619369.90 Y=569809.94		NAD 27 X=580831.85 Y=569758.56 NAD 83 X=622012.29 Y=569820.13		NAD 27 X=583476.59 Y=569762.12 NAD 83 X=624657.04 Y=569823.71	
NAD 27 X=575550.33 Y=568416.20 NAD 83 X=616730.78 Y=568477.70		NAD 27 X=580835.07 Y=568437.33 NAD 83 X=622015.53 Y=568498.87		NAD 27 X=586122.05 Y=568445.16 NAD 83 X=627302.53 Y=568506.74		NAD 27 X=586119.99 Y=569765.96 NAD 83 X=627300.45 Y=569827.57	
SURFACE LOCATION NEW MEXICO EAST NAD 1927 X=576060 Y=568832 LAT.: N 32.5635833 LONG.: W 104.0864542 NAD 1983 X=617240 Y=568893 LAT.: N 32.5637018 LONG.: W 104.0869584		22 27		BOTTOM HOLE LOCATION NEW MEXICO EAST NAD 1927 X=586061 Y=569436 LAT.: N 32.5651760 LONG.: W 104.0539875 NAD 1983 X=627241 Y=569497 LAT.: N 32.5652949 LONG.: W 104.0544908		¹⁸ 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 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 _____ Date _____ Printed Name _____ E-mail Address _____ ¹⁸ 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 to the best of my belief. 06/06/2020 Date of Survey Signature and Seal of Professional Surveyor  Certificate Number _____	

S:\SURVEY\MATADOR_RESOURCES\MICHAEL_K&B_2122_20-20S-28E\FINAL_PRODUCTS\ILO_MICHAEL_K_2122_FED_COM_121H_OPT1_REV4.DWG 7/1/2020 10:35:53 AM adisabell

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

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

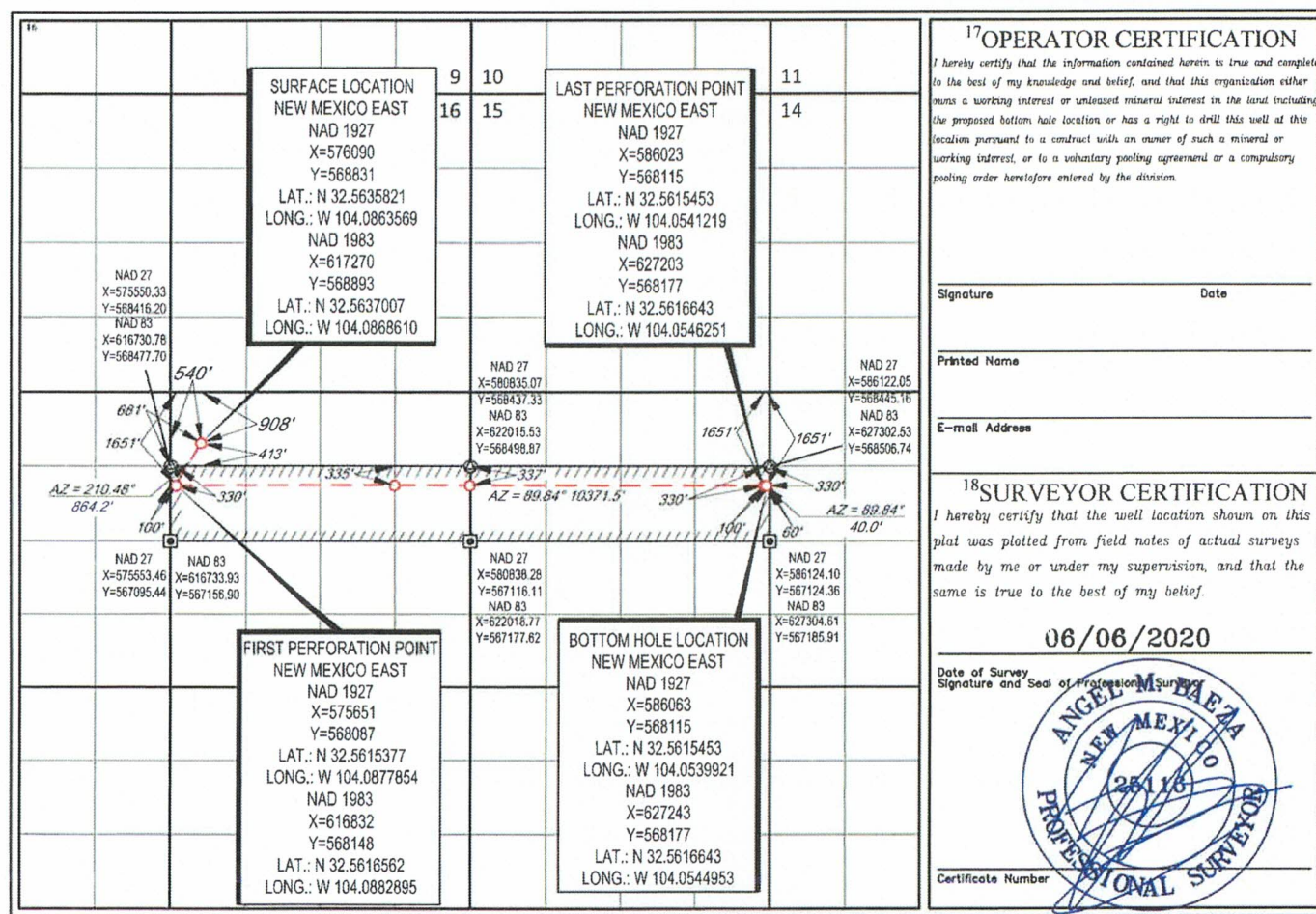
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name					
⁴ Property Code		⁵ Property Name MICHAEL K 2122 FED COM						⁶ Well Number 122H	
⁷ GRID No.		⁸ Operator Name MATADOR PRODUCTION COMPANY						⁹ Elevation 3270'	
¹⁰ Surface Location									
UL or lot no. D	Section 21	Township 20-S	Range 29-E	Lot Idn -	Feet from the 908'	North/South line NORTH	Feet from the 540'	East/West line WEST	County EDDY
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. H	Section 22	Township 20-S	Range 29-E	Lot Idn -	Feet from the 1651'	North/South line NORTH	Feet from the 60'	East/West line EAST	County EDDY
¹² Dedicated Acres 320		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ 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.



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District I
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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

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

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name MICHAEL K 2122 FED COM	
⁷ GRID No.	⁸ Operator Name MATADOR PRODUCTION COMPANY	⁶ Well Number 201H
		⁹ Elevation 3270'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	21	20-S	29-E	-	937'	NORTH	510'	WEST	EDDY

¹¹Bottom 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
A	22	20-S	29-E	-	330'	NORTH	60'	EAST	EDDY

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.

¹⁶ FIRST PERFORATION POINT NEW MEXICO EAST NAD 1927 X=575648 Y=569407 LAT.: N 32.5657683 LONG.: W 104.0877857 NAD 1983 X=616828 Y=569469 LAT.: N 32.5652868 LONG.: W 104.0882899		¹⁷ 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. Signature _____ Date _____ Printed Name _____ E-mail Address _____	
¹⁸ 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 to the best of my belief. 06/06/2020 Date of Survey Signature and Seal of Professional Surveyor ANGEL M. BAEZA NEW MEXICO PROFESSIONAL SURVEYOR 28116 Certificate Number		¹⁹ LAST PERFORATION POINT NEW MEXICO EAST NAD 1927 X=586021 Y=569436 LAT.: N 32.5651760 LONG.: W 104.0541173 NAD 1983 X=627201 Y=569497 LAT.: N 32.5652949 LONG.: W 104.0546206	
SURFACE LOCATION NEW MEXICO EAST NAD 1927 X=576059 Y=568802 LAT.: N 32.5635008 LONG.: W 104.0864556 NAD 1983 X=617240 Y=568863 LAT.: N 32.5636194 LONG.: W 104.0869597		BOTTOM HOLE LOCATION NEW MEXICO EAST NAD 1927 X=586061 Y=569436 LAT.: N 32.5651760 LONG.: W 104.0539875 NAD 1983 X=627241 Y=569497 LAT.: N 32.5652949 LONG.: W 104.0544908	

S:\SURVEY\MATADOR_RESOURCES\MICHAEL_K_2122_20-20S-29E\FINAL_PRODUCTS\ILO_MICHAEL_K_2122_FED_COM_201H_OPT1_REV3.DWG 6/12/2020 9:46:09 AM adisabel

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

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

¹ API Number 30-015-44765	² Pool Code 98315	³ Pool Name Burton Flat East; Upper Wolfcamp
⁴ Property Code	⁵ Property Name MICHAEL K 2122 FED COM	⁶ Well Number 202H
⁷ GRID No. 228937	⁸ Operator Name MATADOR PRODUCTION COMPANY	⁹ Elevation 3270'

¹⁰Surface Location

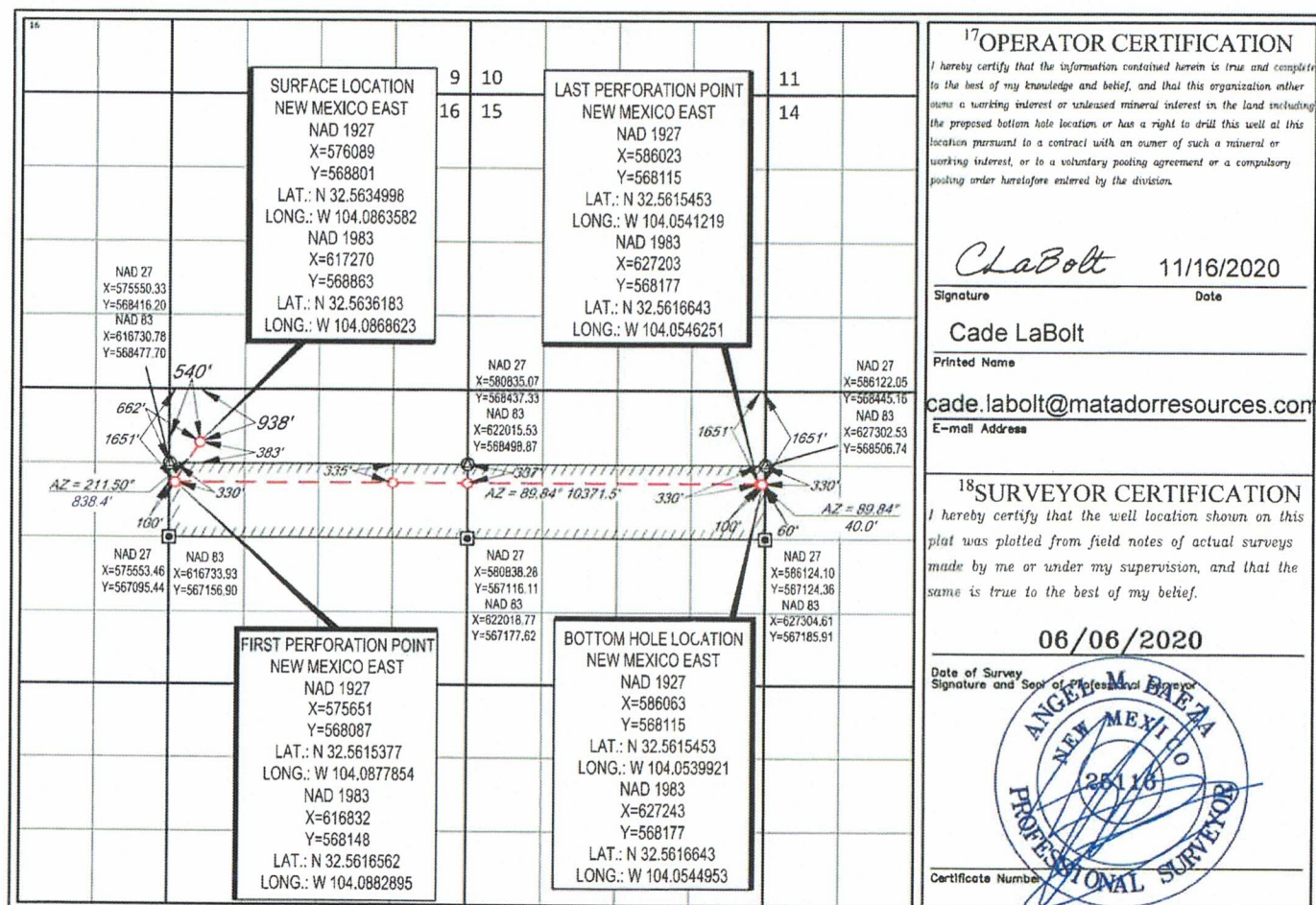
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	21	20-S	29-E	-	938'	NORTH	540'	WEST	EDDY

¹¹Bottom 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
H	22	20-S	29-E	-	1651'	NORTH	60'	EAST	EDDY

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.



S:\SURVEY\MATADOR_RESOURCES\MICHAEL_K_2122_20-205-29\FINAL_PRODUCTS\LO_MICHAEL_K_2122_FED_COM_202H_OPT1_REV2.DWG 7/1/2020 10:29:50 AM adnabella

EXHIBIT A-2

~320 Acre Spacing Unit

Federal Lease NMNM 0003677

Federal Lease NMNM 081929

Federal Lease NMNM 116571

Federal Lease NMNM 119270

Matador
RESOURCES COMPANY



0 1,250 2,500 5,000 Feet

Southwest New Mexico

Map Prepared by: agreeen
Project: ForcedPooling
Date: 10/27/2021
Coordinate System:

EXHIBIT A-3

**Matador
Exhibit A-3**

**Summary of Interests
Case Nos. 22301 and 22305**

MRC Permian Company Working Interest			33.69509202%
Voluntary Joinder			0.59109452%
Previously Compulsory Pool Interest Total:			56.15710746%
Interest Currently being Compulsory Pooled Total:			9.55670600%
Interest Owner:	Description:	Interest:	
Bryan W. Welch	Uncommitted Working Interest Owner		0.00230300%
Becky Welch Kitto	Uncommitted Working Interest Owner		0.00230300%
Oxy Y-1 Company	Uncommitted Working Interest Owner		9.55210000%



**Matador
Exhibit A-3**

**Summary of Interests
Case Nos. 22302 and 22306**

MRC Permian Company Working Interest		46.19509202%
Voluntary Joinder		0.59109452%
Previously Compulsory Pooled Interest		43.65710746%
Interest Currently being Compulsory Pooled		9.55670600%
Interest Owner:	Description:	Interest:
Bryan W. Welch	Uncommitted Working Interest Owner	0.00230300%
Becky Welch Kitto	Uncommitted Working Interest Owner	0.00230300%
Oxy Y-1 Company	Uncommitted Working Interest Owner	9.55210000%



EXHIBIT A-4

MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
Voice 972-629-2158 • Fax 214.866.4946
cade.labolt@matadorresources.com

Cade LaBolt
Landman

March 5, 2021

VIA CERTIFIED RETURN RECEIPT MAIL

Oxy Y-1 Company
P.O. Box 27570
Houston, TX 77227-9930

Re: Michael K 2122 Fed Com #121H, #122H, #123H, #124H, #201H, #202H, #203H, & #204H
(the "Wells")
Participation Proposal
Sections 21 & 22, Township 20 South, Range 29 East
Eddy County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Michael K 2122 Fed Com #121H, Michael K 2122 Fed Com #122H, Michael K 2122 Fed Com #123H, Michael K 2122 Fed Com #124H, Michael K 2122 Fed Com #201H, Michael K 2122 Fed Com #202H, Michael K 2122 Fed Com #203H and Michael K 2122 Fed Com #204H wells, located in Sections 31 & 36, Township 21 South, Range 27 East, Eddy County, New Mexico.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping of each Well is itemized on the eight (8) enclosed Authority for Expenditures ("AFE") dated November 3, 2020 and February 10, 2021.
- **Michael K 2122 Fed Com #121H:** to be drilled from a legal location with a proposed surface hole location in the NE/4 of Section 20-20S-29E and a proposed bottom hole location in the NE/4 of Section 22-20S-29E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~7,715' TVD) to a Measured Depth of approximately 17,969'.
- **Michael K 2122 Fed Com #122H:** to be drilled from a legal location with a proposed surface hole location in the NE/4 of Section 20-20S-29E and a proposed bottom hole location in the NE/4 of Section 22-20S-29E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~7,815' TVD) to a Measured Depth of approximately 17,969'.
- **Michael K 2122 Fed Com #123H:** to be drilled from a legal location with a proposed surface hole location in the SE/4 of Section 20-20S-29E and a proposed bottom hole location in the SE/4 of Section 22-20S-29E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~7,815' TVD) to a Measured Depth of approximately 17,969'.

- **Michael K 2122 Fed Com #124H:** to be drilled from a legal location with a proposed surface hole location in the SE/4 of Section 20-20S-29E and a proposed bottom hole location in the SE/4 of Section 22-20S-29E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~7,815' TVD) to a Measured Depth of approximately 17,969'.
- **Michael K 2122 Fed Com #201H:** to be drilled from a legal location with a proposed surface hole location in the NE/4 of Section 20-20S-29E and a proposed bottom hole location in the NE/4 of Section 22-20S-29E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~9,645' TVD) to a Measured Depth of approximately 19,995'.
- **Michael K 2122 Fed Com #202H:** to be drilled from a legal location with a proposed surface hole location in the NE/4 of Section 20-20S-29E and a proposed bottom hole location in the NE/4 of Section 22-20S-29E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~9,645' TVD) to a Measured Depth of approximately 19,995'.
- **Michael K 2122 Fed Com #203H:** to be drilled from a legal location with a proposed surface hole location in the SE/4 of Section 20-20S-29E and a proposed bottom hole location in the SE/4 of Section 22-20S-29E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~9,645' TVD) to a Measured Depth of approximately 19,995'.
- **Michael K 2122 Fed Com #204H:** to be drilled from a legal location with a proposed surface hole location in the SE/4 of Section 20-20S-29E and a proposed bottom hole location in the SE/4 of Section 22-20S-29E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~9,645' TVD) to a Measured Depth of approximately 19,995'.

MRC reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. MRC will advise you of any such modifications.

MRC requests that you indicate your election to participate in the drilling and completion of the Wells in the space provided below, sign and return one (1) copy of this letter to the undersigned.

MRC is proposing to drill the Wells under the terms of the modified 1989 AAPL form of Operating Agreement, which is enclosed for your review. The proposed Operating Agreement dated August 16, 2019, by and between Matador Production Company, as Operator and MRC Permian Company et al as Non-Operators, covering all of Sections 21 and 22, Township 20 South, Range 29 East, Eddy County, New Mexico, and has the following general provisions:

- 100/300/300 Non-consenting penalty
- \$8,000/\$800 Drilling and Producing rate
- Matador Production Company named as Operator

If your election is to participate in the drilling and completion of the Wells, please sign and return a copy of the enclosed AFEs within thirty (30) days of receipt of this notice. Please be aware that the enclosed AFEs are only an estimate of costs to be incurred and by electing to participate in the Wells, each working interest owner shall be responsible for its proportionate share of all costs incurred.

Thank you for your consideration of this proposal. Please contact me if you have any questions.

Sincerely,

MRC PERMIAN COMPANY



Cade LaBolt

Oxy Y-1 Company hereby elects to:

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Michael K 2122 Fed Com #121H** well.
_____ Not to participate in the **Michael K 2122 Fed Com #121H**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Michael K 2122 Fed Com #122H** well.
_____ Not to participate in the **Michael K 2122 Fed Com #122H**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Michael K 2122 Fed Com #123H** well.
_____ Not to participate in the **Michael K 2122 Fed Com #123H**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Michael K 2122 Fed Com #124H** well.
_____ Not to participate in the **Michael K 2122 Fed Com #124H**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Michael K 2122 Fed Com #201H** well.
_____ Not to participate in the **Michael K 2122 Fed Com #201H**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Michael K 2122 Fed Com #202H** well.
_____ Not to participate in the **Michael K 2122 Fed Com #202H**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Michael K 2122 Fed Com #203H** well.
_____ Not to participate in the **Michael K 2122 Fed Com #203H**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Michael K 2122 Fed Com #204H** well.
_____ Not to participate in the **Michael K 2122 Fed Com #204H**

Oxy Y-1 Company

By: _____

Title: _____

Date: _____

Contact Number: _____

MATADOR PRODUCTION COMPANY
 ONE LINCOLN CENTRE • 5400 LBJ FREEWAY • SUITE 1500 • DALLAS, TEXAS 75246
 Phone (972) 371-5200 • Fax (972) 371-5201

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	August 19, 2019	APE NO.:	
WELL NAME:	Michael K and B 2122 Fed Com #121H	FIELD:	
LOCATION:	Sections 21 & 22 T20S-R29E	MU/TVU:	18344/6044
COUNTY/STATE:	Eddy County New Mexico	LATERAL LENGTH:	9,800
MRC WI:			
GEOLOGIC TARGET:	2nd Bone Spring		
REMARKS:	Drill, complete and equip a horizontal 2nd Bone Spring well		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Land / Legal / Regulatory	\$ 101,500				\$ 101,500
Location, Surveys & Damages	216,800	15,000	45,000	30,000	306,800
Drilling	932,750				932,750
Counting & Float Equip	214,000				214,000
Logging / Formation Evaluation		6,500			6,500
Flowback - Labor			4,500		4,500
Flowback - Surface Rentals			95,000		95,000
Flowback - Rental Living Quarters					
Flowback Chemicals					
Mud Logging	30,150				30,150
Mud Circulation System	43,350				43,350
Mud & Chemicals	240,000	85,000			325,000
Mud / Wastewater Disposal	150,000				150,000
Freight / Transportation	10,000	39,000			49,000
Rig Supervision / Engineering	131,100	115,800	7,000	15,000	268,900
Drill Bits	89,500				89,500
Fuel & Power	118,125				118,125
Water	42,500	833,000			875,500
Drig & Completion Overhead	15,750	25,000			40,750
Plugging & Abandonment					
Directional Drilling, Surveys	245,000				245,000
Completion Unit, Slew, CTU		235,000	12,500		247,500
Perforating, Wireline, Slickline		232,000			232,000
High Pressure Pump Truck		92,400	3,000		95,400
Stimulation		2,652,000			2,652,000
Stimulation Flowback & Disp		12,400	240,000		252,400
Insurance	32,328				32,328
Labor	136,000	35,750			171,750
Rental - Surface Equipment	60,735	293,250			353,985
Rental - Downhole Equipment	64,400	10,000		3,600	78,000
Rental - Living Quarters	41,360	45,305		1,000	87,665
Contingency	145,677	214,849	7,000	4,900	372,426
MaxCom	24,188				24,188
TOTAL INTANGIBLES >	3,681,313	5,015,334	414,100	53,500	8,465,146
TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	\$ 51,442				\$ 51,442
Intermediate Casing	64,304				64,304
Drilling Liner	89,900				89,900
Production Casing	401,160				401,160
Production Liner					
Tubing			52,000		52,000
Wellhead	76,000		18,000		94,000
Packers, Liner Hangers	9,000	112,800			121,800
Tanks				85,000	85,000
Production Vessels			100,000	26,750	126,750
Flow Lines			75,000		75,000
Rod string					
Artificial Lift Equipment			172,200		172,200
Compressor				15,000	15,000
Installation Costs			35,000	95,000	130,000
Surface Pumps				2,500	2,500
Non-controllable Surface					
Non-controllable Downhole					
Downhole Pumps					
Measurement & Meter Installation			17,000	42,000	59,000
Gas Conditioning / Dehydration					
Interconnecting Facility Piping				70,000	70,000
Gathering / Bulk Lines				20,000	20,000
Valves, Pumps, Controllers				8,000	8,000
Tank / Facility Containment				7,500	7,500
Flare Stack				7,500	7,500
Electrical / Grounding			40,000	10,000	50,000
Communications / SCADA			10,000		10,000
Instrumentation / Safety			10,000	27,000	37,000
TOTAL TANGIBLES >	691,806	112,800	527,200	386,250	1,718,056
TOTAL COSTS >	3,773,119	5,128,134	941,300	440,150	10,163,202

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Tyler Brackley	Team Lead - WTX/NM	
Completion Engineer:	Mark Red		
Production Engineer:	Rakesh Patel		

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, COO/CFO	VP - Res Engineering	VP - Mining
Executive VP, Legal	Chief Geologist	VP - Production
President		

NON OPERATING PARTNER APPROVAL:

Company Name:	Working Interest (%)	Tax ID
Signed by:	Date:	
Title:	Approval: Yes	No (mark one)

This document is prepared by MATADOR PRODUCTION COMPANY and is not to be used for any other purpose. It is the property of MATADOR PRODUCTION COMPANY and is not to be distributed outside of the company. It is not to be used for any other purpose. It is the property of MATADOR PRODUCTION COMPANY and is not to be distributed outside of the company.

APE - Version 3

MATADOR PRODUCTION COMPANY

ONE LINCOLN CENTRE • 5400 LBJ FREEWAY • SUITE 1500 • DALLAS, TEXAS 75248
Phone (972) 371-5200 • Fax (972) 371-5281

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE: August 19, 2019 AFE NO.:
WELL NAME: Michael K and B 2122 Fed Com #122H FIELD:
LOCATION: Sections 21 & 22, T20S-R29E MDYVD: 1834478044
COUNTY/STATE: Eddy County, New Mexico LATERAL LENGTH: 9,800
MRC WI:
GEOLOGIC TARGET: 2nd Bone Spring
REMARKS: Drill, complete and equip a horizontal 2nd Bone Spring well

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Land / Legal / Regulatory	\$ 101,500				\$ 101,500
Location, Surveys & Damages	216,000	13,000	45,000	30,000	304,500
Drilling	932,750				932,750
Cementing & Float Equip	214,000				214,000
Logging / Formation Evaluation		6,500			6,500
Flowback - Labor			4,500		
Flowback - Surface Rentals			95,000		
Flowback - Rental Living Quarters					
Flowback Chemicals					
Med Logging	30,150				30,150
Med Circulation System	43,350				43,350
Med & Chemicals	240,000	65,000			305,000
Med / Wastewater Disposal	150,000				150,000
Freight / Transportation	10,000	38,000			48,000
Rig Supervision / Engineering	131,100	116,800	7,000	15,000	269,900
Drill Bits	85,500				85,500
Fuel & Power	118,125				118,125
Water	42,500	833,000			875,500
Drig & Completion Overhead	15,750	25,000			40,750
Plugging & Abandonment					
Directional Drilling, Surveys	245,000				245,000
Completion Unit, Swab, CTU		285,000	12,600		297,600
Perforating, Wireline, Slickline		282,000			282,000
High Pressure Pump Truck		95,400	3,000		98,400
Stimulation		2,682,000			2,682,000
Stimulation Flowback & Dip		12,400	240,000		252,400
Insurance	32,328				32,328
Labor	136,000	35,750			171,750
Rental - Surface Equipment	60,735	293,250			353,985
Rental - Downhole Equipment	64,400	70,000		3,000	137,400
Rental - Living Quarters	41,360	45,385		1,000	87,745
Contingency	145,577	214,649	7,000	4,800	372,326
MatCom	24,188				24,188
TOTAL INTANGIBLES >	3,681,313	5,015,334	414,100	53,900	8,665,146
TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	\$ 51,442				\$ 51,442
Intermediate Casing	64,304				64,304
Drilling Liner	89,900				89,900
Production Casing	401,160				401,160
Production Liner					
Tubing			52,000		52,000
Wellhead	76,500		16,000		92,500
Packers, Liner Hangers	8,500	112,800			121,300
Tanks				85,000	85,000
Production Vessels			100,000	28,750	128,750
Flow Lines			75,000		75,000
Rod string					
Artificial Lift Equipment			172,200		172,200
Compressor				15,000	15,000
Installation Costs			35,000	65,000	100,000
Surface Pumps				2,500	2,500
Non-controllable Surface					
Non-controllable Downhole					
Downhole Pumps					
Measurement & Meter Installation			17,000	42,000	59,000
Gas Conditioning / Dehydration					
Interconnecting Facility Piping				70,000	70,000
Gathering / Bulk Lines				30,000	30,000
Valves, Dumps, Controllers				8,000	8,000
Tank / Facility Containment				7,500	7,500
Flare Stack				7,500	7,500
Electrical / Grounding			40,000	10,000	50,000
Communications / SCADA			10,000		10,000
Instrumentation / Safety			10,000	27,000	37,000
TOTAL TANGIBLES >	691,006	112,800	527,200	386,250	1,718,056
TOTAL COSTS >	3,772,319	5,128,134	941,300	440,150	10,183,202

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer: Tyler Brooking Team Lead - WTX/NM
 Completions Engineer: Matt Bell
 Production Engineer: Rakesh Patel

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, COO/CFO: DEL VP - Res Engineering: BMR VP - Drilling: REG
 Executive VP, Legal: CA Chief Geologist: NLF VP - Production: TWO
 President: MVH

NON OPERATING PARTNER APPROVAL:

Company Name: Working Interest (%): Tax ID:
 Signed by: Date:
 Title: Approval: Yes No (mark one)

This AFE is an estimate only and may not be used as a basis for any other estimate or budget. The AFE is prepared by the AFE owner and is not a contract. The AFE owner is not responsible for the accuracy of the AFE. The AFE owner is not responsible for the accuracy of the AFE. The AFE owner is not responsible for the accuracy of the AFE.

AFE - Version 3

MATADOR PRODUCTION COMPANY

ONE LINCOLN CENTRE • 6400 LBJ FREEWAY • SUITE 1500 • DALLAS, TEXAS 75240

Phone (972) 371-5200 • Fax (972) 371-5201

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	August 19, 2019	AFE NO.:	
WELL NAME:	Michael K and B 2122 Fed Com #201H	FIELD:	
LOCATION:	Sections 21 & 22, T20S-R29E	MD/UTM:	19675/9375
COUNTY/STATE:	Eddy County, New Mexico	LATERAL LENGTH:	9,800
MRC Wt:			
GEOLOGIC TARGET:	Upper Wolfcamp		
REMARKS:	Drill complete and acquire a horizontal Upper Wolfcamp well		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Land / Legal / Regulatory	\$ 101,000				\$ 101,000
Location, Surveys & Damages	266,000	13,000	45,000	30,000	384,000
Drilling	1,068,750				1,068,750
Cementing & Float Equip	239,000				239,000
Logging / Formation Evaluation	-	6,500			6,500
Flowback - Labor			4,500		
Flowback - Surface Rentals			93,000		
Flowback - Rental Living Quarters					
Flowback Chemicals					
Mud Logging	34,550				34,550
Mud Circulation System	51,450				51,450
Mud & Chemicals	260,000	65,000			325,000
Mud / Wastewater Disposal	150,000	-			150,000
Freight / Transportation	10,000	39,000			49,000
Rig Supervision / Engineering	158,700	115,800	7,000	15,000	296,500
Drill Bits	86,500				86,500
Fuel & Power	129,375	-			129,375
Water	47,500	633,000			680,500
Drig & Completion Overhead	17,250	25,000			42,250
Plugging & Abandonment					
Directional Drilling, Surveys	305,000				305,000
Completion Unit, Swab, CTU	-	220,000	12,600		232,600
Perforating, Wireline, Slickline	-	262,000			262,000
High Pressure Pump Truck	-	92,400	3,000		95,400
Stimulation	-	2,652,000			2,652,000
Stimulation Flowback & Disposal	-	12,400	240,000		252,400
Insurance	32,328				32,328
Labor	136,000	35,750			171,750
Rental - Surface Equipment	61,885	293,250			355,135
Rental - Downhole Equipment	78,600	70,000		3,000	151,600
Rental - Living Quarters	44,490	45,385		1,000	90,875
Contingency	187,702	214,849	7,600	4,900	394,451
MaxCom	28,488				28,488
TOTAL INTANGIBLES >	3,550,238	5,015,334	414,100	53,900	8,934,671
TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	\$ 51,442				\$ 51,442
Intermediate Casing	64,304				64,304
Drilling Liner	89,900				89,900
Production Casing	479,688				479,688
Production Liner	-				
Tubing	-		52,000		52,000
Wellhead	106,000		16,000		122,000
Packers, Liner Hangers	18,000	112,800			130,800
Tanks	-			85,000	85,000
Production Vessels	-		100,000	28,750	128,750
Flow Lines	-		75,000		75,000
Rod string	-				
Artificial Lift Equipment	-		172,200		172,200
Compressor	-			15,000	15,000
Installation Costs	-		35,000	65,000	100,000
Surface Pumps	-			2,500	2,500
Non-controllable Surface	-				
Non-controllable Downhole	-				
Downhole Pumps	-				
Measurement & Meter Installation	-		17,000	42,000	59,000
Gas Conditioning / Dehydration	-				
Interconnecting Facility Piping	-				
Gathering / Bulk Lines	-			70,000	70,000
Valves, Dumps, Controllers	-			20,000	20,000
Tank / Facility Containment	-			8,000	8,000
Flare Stack	-			7,500	7,500
Electrical / Grounding	-		40,600	10,000	50,600
Communications / SCADA	-		10,000		10,000
Instrumentation / Safety	-		10,000	27,000	37,000
TOTAL TANGIBLES >	809,334	112,800	527,200	396,250	1,835,584
TOTAL COSTS >	4,359,572	5,128,134	941,300	440,150	10,788,855

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	<u>Tyler Brookings</u>
Completions Engineer:	<u>Matt Bell</u>
Production Engineer:	<u>Rakesh Patel</u>

Team Lead - WTX/NM

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, COO/CFO _____ DEL
Executive VP, Legal _____ CA
President _____

VP - Res Engineering _____ **DAWR**
Chief Geologist _____ **MR**

VP - Drilling _____ BEG

VP - Production _____ TWO

NON OPERATING PARTNER APPROVAL:

Company Name: _____ Working Interest (%): _____ Tax ID: _____
Signed by: _____ Date: _____
Title: _____ Amount: Yes No (mark one)

[illegible]

AfE - Version 3

ONE LINCOLN CENTRE • 5400 LBJ FREEWAY • SUITE 1500 • DALLAS, TEXAS 75240

Phone (972) 371-5200 • Fax (972) 371-5201

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	\$ 51,442		\$	\$	\$ 51,442
Intermediate Casing	64,304				64,304
Drilling Liner	89,900				89,900
Production Casing	479,688				479,688
Production Liner	-				-
Tubing	-		52,000		52,000
Wellhead	106,000		16,000		122,000
Packers, Liner Hangers	18,000	112,800	-		130,800
Tanks	-		-	85,000	85,000
Production Vessels	-		100,000	26,750	126,750
Flow Lines	-		75,000	-	75,000
Rod string	-		-	-	-
Artificial Lift Equipment	-		172,200		172,200
Compressor	-		-	15,000	15,000
Installation Costs	-		35,000	65,000	100,000
Surface Pumps	-		-	2,500	2,500
Non-controllable Surface	-		-	-	-
Non-controllable Downhole	-		-	-	-
Downhole Pumps	-		-	-	-
Measurement & Meter Installation	-		17,000	42,000	59,000
Gas Conditioning / Dehydration	-		-	-	-
Interconnecting Facility Piping	-		-	70,000	70,000
Gathering / Bulk Lines	-		-	20,000	20,000
Valves, Dumps, Controllers	-		-	8,000	8,000
Tank / Facility Containment	-		-	7,500	7,500
Flare Stack	-		-	7,500	7,500
Electrical / Grounding	-		40,000	10,000	50,000
Communications / SCADA	-		10,000	-	10,000
Instrumentation / Safety	-		10,000	27,000	37,000
TOTAL TANGIBLES >	809,334	112,800	527,200	1,835,540	2,259,874
TOTAL COSTS >	4,359,572	5,128,134	\$41,300	440,150	10,769,156

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer: Tyler Brooking
 Completions Engineer: Matt Bell
 Production Engineer: Rakesh Patel

Team Lead - WTX/NM  TG

MATADOR RESOURCES COMPANY APPROVAL: _____

Executive VP, COO/CFO	VP - Res Engineering	VP - Drilling
DEI	SMA	SEG
Executive VP, Legal	Chief Geologist	VP - Production
CA	NLF	TWO
President		

NON OPERATING PARTNER APPROVAL:

Company Name: _____ Working Interest (%): _____ Tax ID: _____
Signed by: _____ Date: _____
Title: _____ Approval: Yes _____ No (mark one)

[illegible]

AFE - Version 3

From: KPerkins@matadorresources.com,
To: jamesbruc@aol.com,
Subject: Re: Michael K&B 123H, 124H, 203H, and 204H
Date: Wed, Oct 27, 2021 1:43 pm

Just sent you a note. We are continuing these cases.

We are still going forward on the N/2 4 applications

Sent from my iPhone

On Oct 27, 2021, at 2:41 PM, Aol. <jamesbruc@aol.com> wrote:

****EXTERNAL EMAIL****

Kyle: I was notified that Devon may intervene in these cases because they affect its Tiger Paw wells. I told them that these well units have been pooled for over 1-1/2 years.

Do you have any more info you can give me. This seems stupid.

Jim

This message is strictly confidential and is for the sole use of the intended recipient. If you are not the intended recipient of this message, you may not disclose, print, copy, disseminate or otherwise use this message or the information included herein. If you are not the intended recipient, please reply and notify the sender (only) and promptly delete the message.

El. Special
Don't
to

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

**APPLICATIONS OF MATADOR PRODUCTION
COMPANY FOR COMPULSORY POOLING, EDDY
COUNTY, NEW MEXICO.**

Case Nos. 22301 - 22308

SELF-AFFIRMED STATEMENT OF NOTICE

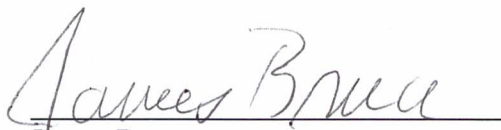
COUNTY OF SANTA FE)
) ss.
STATE OF NEW MEXICO)

James Bruce deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am an attorney for Matador Production Company.
3. Matador Production Company has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the applications filed herein.
4. Notice of the applications was provided to the interest owners, at their last known addresses, by certified mail. Copies of the notice letter and certified return receipts are attached hereto as Attachment A.
5. Matador Production has complied with the notice provisions of Division Rules.
6. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 5 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date: _____

11/2/21


James Bruce

EXHIBIT

3

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

October 14, 2021

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed are copies of eight (8) applications for compulsory pooling, filed with the New Mexico Oil Conservation Division by Matador Production Company, seeking orders pooling all mineral interest owners in the Bone Spring and Wolfcamp formations underlying well units collectively covering all of Sections 21 and 22, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico. The well units will be dedicated to the Michael K&B Well Nos. 121H – 124H and 201H – 204H, as further described in the applications.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, November 4, 2021. During the COVID-19 Public Health Emergency, state buildings are closed to the public and the hearing will be conducted remotely. To determine the location of the hearing or to participate in an electronic hearing, go to emnrd.state.nm.us/OCD/hearings or see the instructions posted on the Division's website, <http://emnrd.state.nm.us/OCD/announcements.html>. You are not required to attend this hearing, but as an owner of an interest who may be affected by the applications, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting these matters at a later date.

Very truly yours,


James Bruce

Attorney for Matador Production Company

ATTACHMENT



EXHIBIT A

Bryan W. Welch
1764 S. Paige Creek Place
Tucson, AZ 85748

Becky Welch Kitto
2707 N. Flanwill
Tucson, AZ 85716

Oxy Y-1 Company
P.O. Box 27570
Houston, TX 77227-9930

SENDER: COMPLETE THIS SECTION

■ Complete items 1, 2, and 3.
■ Print your name and address on the reverse so that we can return the card to you.
■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Bryan W. Welch
1764 S. Paige Creek Place
Tucson, AZ 85748

2. Article Number (Transfer from carrier label)

7021 0350 0001 3337 5420

PS Form 3811, July 2020 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent ☐ Addressee

B. Received by (Printed Name) Craig Welch C. Date of Delivery 10/18

D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type

☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☐ Adult Signature
☒ Certified Mail®
☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery

Tricted Delivery

Postmark Here

9590 9402 6769 1074 5697 65

PS Form 3811, July 2020 PSN 7530-02-000-9053

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OFFICIAL USE

Certified Mail Fee \$

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postage \$

Total Postage and Fees \$

Sent To Oxy Y-1 Company
P.O. Box 27570
Houston, TX 77227-9930

Street and Apt. No., P.O. Box, or PO
City, State, Zip+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

■ Complete items 1, 2, and 3.
■ Print your name and address on the reverse so that we can return the card to you.
■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Oxy Y-1 Company
P.O. Box 27570
Houston, TX 77227-9930

2. Article Number (Transfer from carrier label)

7021 0350 0001 3337 5406

PS Form 3811, July 2020 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent ☐ Addressee

B. Received by (Printed Name) COVID 19 C. Date of Delivery 10/18/2021

D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type

☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☐ Adult Signature
☒ Certified Mail®
☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery

Tricted Delivery

Postmark Here

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PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

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Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postage \$

Total Postage and Fees \$

Sent To Bryan W. Welch
1764 S. Paige Creek Place
Tucson, AZ 85748

Street and Apt. No., P.O. Box, or PO
City, State, Zip+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

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OFFICIAL USE

Certified Mail Fee
\$ _____

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy)	\$ _____
☐ Return Receipt (electronic)	\$ _____
☐ Certified Mail Restricted Delivery	\$ _____
☐ Adult Signature Required	\$ _____
☐ Adult Signature Restricted Delivery	\$ _____

Postage
\$ _____

Total Postage and Fees
\$ _____

Postmark
Here

Sent To
Becky Welch Kitto
2707 N. Flanwill
Tucson, AZ 85716

Street and Apt. No.,
City, State, ZIP+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0004970706

This is not an invoice

JAMES BRUCE ATTORNEY AT LAW
POBOX 1056

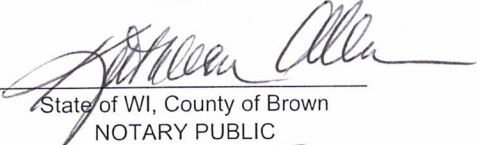
SANTA FE, NM 87504

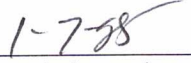
I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

10/23/2021

Legal Clerk

Subscribed and sworn before me this October 23,
2021:


State of WI, County of Brown
NOTARY PUBLIC


My commission expires

KATHLEEN ALLEN
Notary Public
State of Wisconsin

Ad # 0004970706
PO #: Case No. 22301+
of Affidavits 1

This is not an invoice

EXHIBIT

4

NOTICE

To: Bryan W. Welch, Becky Welch Kitto, and OXY Y-1 Company, or your heirs, devisees, successors, or assigns: Matador Production Company has filed eight compulsory pooling applications with the New Mexico Oil Conservation Division, as follows:

(a) Case No. 22301, for an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the N/2N/2 of Section 21 and the N/2N/2 of Section 22, Township 20 South, Range 29 East, NMPM. The unit will be dedicated to the Michael K&B 2122 Fed. Com. Well No. 121H;

(b) Case No. 22302, for an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the S/2N/2 of Section 21 and the S/2N/2 of Section 22, Township 20 South, Range 29 East, NMPM. The unit will be dedicated to the Michael K&B 2122 Fed. Com. Well No. 122H;

(c) Case No. 22303, for an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the N/2S/2 of Section 21 and the N/2S/2 of Section 22, Township 20 South, Range 29 East, NMPM. The unit will be dedicated to the Michael K&B 2122 Fed. Com. Well No. 123H; and

(d) Case No. 22304, for an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the S/2S/2 of Section 21 and the S/2S/2 of Section 22, Township 20 South, Range 29 East, NMPM. The unit will be dedicated to the Michael K&B 2122 Fed. Com. Well No. 124H;

(e) Case No. 22305, for an order pooling all uncommitted mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the N/2N/2 of Section 21 and the N/2N/2 of Section 22, Township 20 South, Range 29 East, NMPM. The unit will be dedicated to the Michael K&B 2122 Fed. Com. Well No. 201H;

(f) Case No. 22306, for an order pooling all uncommitted mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the S/2N/2 of Section 21 and the S/2N/2 of Section 22, Township 20 South, Range 29 East, NMPM. The unit will be dedicated to the Michael K&B 2122 Fed. Com. Well No. 202H;

(g) Case No. 22307, for

an order pooling an uncommitted mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the N/2S/2 of Section 21 and the N/2S/2 of Section 22, Township 20 South, Range 29 East, NMPM. The unit will be dedicated to the Michael K&B 2122 Fed. Com. Well No. 203H; and

(h) Case No. 202308, for an order pooling all uncommitted mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the S/2S/2 of Section 21 and the S/2S/2 of Section 22, Township 20 South, Range 29 East, NMPM. The unit will be dedicated to the Michael K&B 2122 Fed. Com. Well No. 204H.

Also to be considered will be the cost of drilling, completing, and equipping the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling, completing, and equipping the wells. This matter is scheduled for hearing at 8:15 a.m. on Thursday, November 4, 2021. During the COVID-19 Public Health Emergency, state buildings are closed to the public and the hearing will be conducted remotely. To determine the location of the hearing or to participate in an electronic hearing, go to emnrd.state.nm.us/OCD/hearings or see the instructions posted on the Division's website, <http://emnrd.state.nm.us/OCD/announcements.html>. You are not required to attend this hearing, but as an owner of an interest who may be affected by the application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting this matter at a later date. The attorney for applicant is James Bruce, P.O. Box 1056, Santa Fe, New Mexico 87504. The units are located approximately 13-1/2 miles northeast of Carlsbad, New Mexico. #4970706, Current Argus, October 23, 2021