



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 E. Greene
Carlsbad, New Mexico 88220-6292
www.nm.blm.gov



In Reply Refer to
NM136614
3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NM136614

Date of Completion: 06/07/2016
Date of First Production: 06/07/2016
Field: Pierce Crossing
Operator, Well Name & No, API Number: Matador Production Co.; Zach McCormick 182429
Fed Com 1; 30-015-43654
Surface Location: sec. 18, Lot 1, T.24 S., R.29 E.
Bottom Location: sec. 18, Lot 1, T.24 S., R.29 E.
Total Depth: 11,189 MD; 9,665 TVD
Surface Elevation: 2,953 GR
Producing Formation: Wolfcamp (10,070 – 10,520)
Well Capable of Production in Paying Quantities: Yes
Initial Daily Production: Oil 66 BBL; Gas 359 MCF; Water 220 BBL
Current Status: Producing Gas Well

Remarks: CA NM136614, effective 02/02/2016, communitizes production of all gas and fluid hydrocarbons in the Wolfcamp formation beneath sec. 18, NW, T. 24 S., R. 29 E., NMPM, and comprises 119.28 acres of Fee land and 40 acres of Unleased Federal land in unleased lands account, Serial Number NMNM136616, for a 159.28 acre well spacing unit. The unleased Federal lands account will be replaced with currently pending Federal lease NMNM136212 when it is approved and authorized.

If you have any questions regarding this memorandum, please call Deborah Ham at (575) 234-5965.

/S/ Deborah Ham

04/04/2017

cc:

ONRR-MS 63230B

First Production File

LLNM (P0220, File Room)



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Pecos District
Carlsbad Field Office
620 E. Greene
Carlsbad, New Mexico 88220-6292
www.blm.gov/nm



IN REPLY REFER TO:
NM136616
3105.2 (P0220)

January 04, 2017

NOTICE

Matador Production Co.
5400 LBJ Fwy., Suite 1500
Dallas, TX 75240

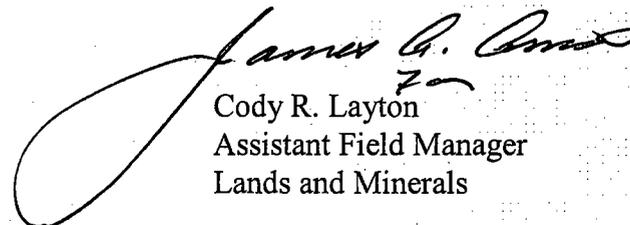
ESTABLISHMENT OF UNLEASED LANDS ACCOUNT FOR RECEIPT OF PRODUCTION PAYMENTS DUE FROM UNLEASED LAND IN AN AGREEMENT

The Bureau of Land Management, Carlsbad Field Office established an unleased lands account, Serial Number NMNM136616, to facilitate the collection of production payments due for unleased Federal lands in Communitization Agreement NMNM136614. The unleased Federal land within the agreement is identified as Tract 2 of the agreement containing 40.00 acres. The unleased lands account was determined to be producing on June 07, 2016, and will remain in force until the lands are leased or the agreement terminates, whichever is earlier.

Please direct questions regarding royalty payments and production reports to the Office of Natural Resources Revenue, at 1-800-525-0309 (royalties) or 1-800-525-7922 (production reports), or write to:

Office of Natural Resources Revenue
P.O. Box 25627
Denver, CO 80225-0627

If you have questions regarding this letter, please contact Deborah Ham at (575) 234-5965 or dham@blm.gov


Cody R. Layton
Assistant Field Manager
Lands and Minerals

Cc:
NMSO
ONRR
CA File



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Pecos District

Carlsbad Field Office

620 E. Greene

Carlsbad, New Mexico 88220-6292

www.blm.gov/nm



IN REPLY REFER TO:

NM136614

3105.2 (P0220)

Reference:

01/04/2017

Communitization Agreement

Zach McCormick 182429 Federal Com 1

Section 18: NW

T. 24 S., R. 29 E.

Eddy County, NM

Matador Production Co.

5400 LBJ Freeway, Suite 1500

Dallas, TX 75240

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM136614 involving 119.28 acres of Fee land and 40 acres of Unleased Federal land, unleased lands account Serial Number NMNM136616, Eddy County, New Mexico, which comprise a 159.28 acre well spacing unit.

The agreement communitizes all rights to all gas and producible hydrocarbons from the Wolfcamp formation beneath the NW of Sec. 18, T. 24 S., R. 29 E., NMPM, Eddy County, NM, and is effective 02/02/2016. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

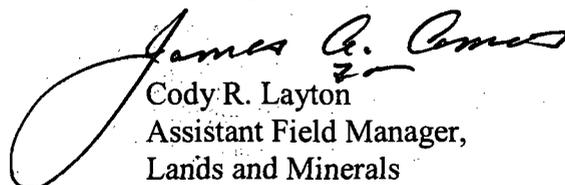
Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is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

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

If you have any questions regarding this approval, please contact Chris Walls at (575) 234-2234 or Deborah Ham at (575) 234-5965.

Please furnish all interested principals with appropriate evidence of this approval.

Sincerely,


Cody R. Layton
Assistant Field Manager,
Lands and Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver

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

NMOCD

NM (9200)

NM (P0220-CFO, File Room)

NM State Land Comm.

Determination - Approval - Certification

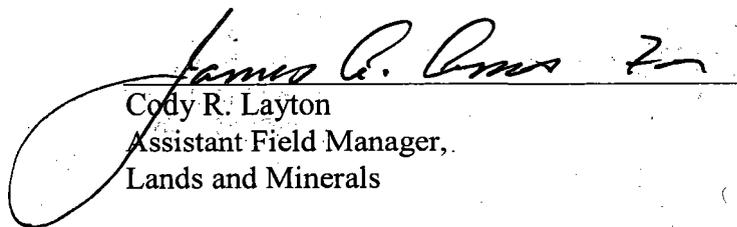
Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.

- B. Approve the attached Communitization Agreement covering the NW of sec. 18, T. 24 S., R. 29 E., NMPM, as to all producible gas and hydrocarbons from the Wolfcamp formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) are not met.

- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved: 01/04/2017


Cody R. Layton
Assistant Field Manager,
Lands and Minerals

Effective: 02/02/2016

Contract No.: Com. Agr. NM136614