

CTB
duh

RECEIVED: 10/30/2017	REVIEWER: MAM	TYPE: ETB	APP NO: PMAM1730353455
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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: Matador Production Company **OGRID Number:** 228937
Well Name: Zach McCormick Fed No. 202H, 206H, 222H, and 226H **API:** 30-15-44254, 44246, 44243, and 44251
Pool: Purple Sage; Wolfcamp (Gas) Pool **Pool Code:** 98220

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

CTB
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RECEIVED OCT 30 2017

- 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

Notice Complete

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.

Jordan L. Kessler

 Print or Type Name

JL Kessler

 Signature

October 30 2017

 Date

505-988-4421

 Phone Number

jlkessler@hollandhart.com

 e-mail Address



Jordan L. Kessler
Associate
Phone (505) 988-4421
Fax (505) 983-6043
jlkessler@hollandhart.com

October 30, 2017

VIA HAND DELIVERY

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

RECEIVED OCT 31 2017
NEW MEXICO DEPT OF ENERGY

Re: Application of Matador Production Company for administrative approval for off-lease measurement and storage for the spacing unit comprised of the N/2 of Section 18, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico.

Dear Mr. Catanach:

Matador Production Company (OGRID No. 228937) seeks administrative approval for off-lease measurement and storage pursuant to 19.15.23.9(A) for *all existing and future wells* drilled in the following area in Township 24 South, Range 28 East, NMPM, in Eddy County, New Mexico:

(a) The 320-acre standard spacing unit comprised of the N/2 of Section 18. The spacing unit is currently dedicated to the following horizontal wells:

- Zach McCormick Fed No. 202H (API No. 30-015-44254);
- Zach McCormick Fed No. 206H (API No. 30-015-44246);
- Zach McCormick Fed No. 222H (API No. 30-015-44243); and
- Zach McCormick Fed No. 226H (API No. 30-015-44251).

These wells produce from the Purple Sage; Wolfcamp (Gas) Pool (98220)). Gas production from each well will be separately metered using individual test separators with calibrated orifice meters that are manufactured to AGA specifications. Oil production from each well will also be separately metered using a turbine meter.

Exhibit 1 is a land plat showing Matador's current development, sales point, and gathering system in the subject area. The plat identifies the wellbores, the spacing unit, and the off-lease surface facility located in the SE/4 NW/4 (Unit H) of Section 13. The lands in the N/2 of Section 18 are fee lands.



Exhibit 2 is a completed Application for Off-Lease Measurement Form C-107-B with attachments.

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

Exhibit 4 is a diagram of the surface facilities.

Exhibit 5 is an affidavit of publication directed to interest owners without known addresses.

Exhibit 6 is a list of the interest owners affected by this request for approval of off-lease measurement and storage. A copy of this application with all attachments has been sent by certified mail to all affected parties advising them that if they have an objection they must file it in writing with the division within 20 days from the date the Division receives Matador's application.

Your attention to this matter is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jordan L. Kessler'.

Jordan L. Kessler

**ATTORNEY FOR
MATADOR PRODUCTION COMPANY**

HOLLAND & HART^{LLP}



Jordan L. Kessler
Associate
Phone (505) 988-4421
Fax (505) 983-6043
jlkessler@hollandhart.com

October 30, 2017

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PARTIES

Re: Application of Matador Production Company for administrative approval for off-lease measurement and storage for the spacing unit comprised of the N/2 of Section 18, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico.

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 this date at 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:

Brian Fancher
Matador Production Company
972-371-5242
bfancher@matadorresources.com

Sincerely,

Jordan L. Kessler
ATTORNEY FOR
MATADOR PRODUCTION COMPANY

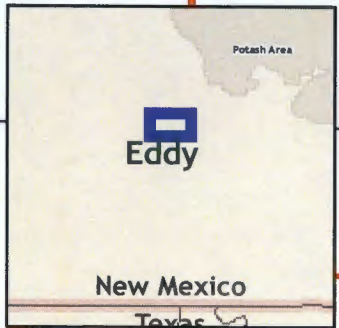
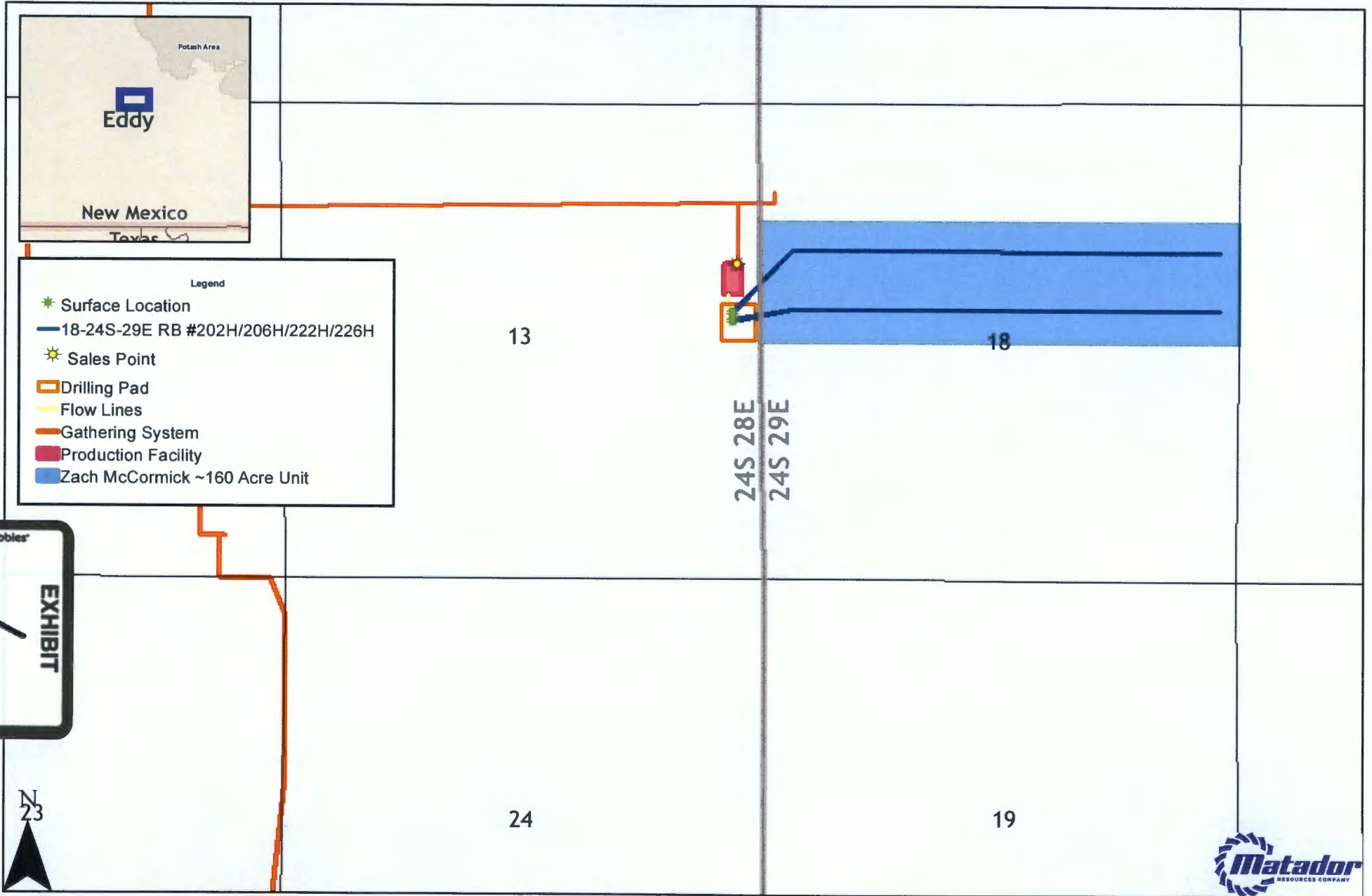
Holland & Hart LLP

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

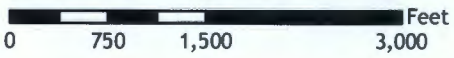
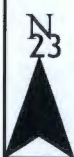
Aspen Boulder Carson City Colorado Springs Denver Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C. ♻

Zach McCormick Land Plat



Legend

- ★ Surface Location
- 18-24S-29E RB #202H/206H/222H/226H
- ☀ Sales Point
- ▭ Drilling Pad
- Flow Lines
- Gathering System
- ▭ Production Facility
- ▭ Zach McCormick ~160 Acre Unit



Southeast New Mexico

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 I 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

(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)

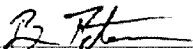
Please attach sheets with the following information

(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.

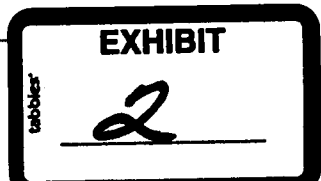
(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE:  TITLE: Senior Production Engineer DATE: 9/28/17

TYPE OR PRINT NAME Ben Peterson TELEPHONE NO.: (972) 371-5427

E-MAIL ADDRESS: bpeterson@matadorresources.com



Matador Production Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
Voice 972.371.5427 • Fax 972.371.5201
bpeterson@matadorresources.com

Benjamin D. Peterson, P.E.
Senior Production Engineer

September 28, 2017

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

Re: Application of Matador Production Company for administrative approval for off-lease measurement from the spacing units comprised of the N/2 of Section 18, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico (the “Lands”)

To Whom This May Concern,

Matador Production Company (“Matador”), OGRID: 228937, requests approval for off-lease measurement of oil and gas production from the Zach McCormick Fed Com. No. 202H, No. 206H, No. 222H, and No. 226H located on the Lands and future production from the Lands as described herein. Each well will be metered through a test separator with an oil turbine meter and gas orifice meter. Future gas commingling will occur after individual measurement at the current and future wells. Gas exiting each well test flows into one gathering line, as depicted on **Exhibit A**, the Longwood Gathering. 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 Laboratory attached as **Exhibit B** hereto.

The flow stream from each wellhead is demonstrated in the Process Flow Diagram (PFD) attached as **Exhibit A** hereto. The PFD shows that the water, oil, and gas leave the wellbore and flow into a wellhead test separator which separates the oil, gas, and water. The oil is measured via turbine meter which is calibrated periodically 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 Institute (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. 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. Longwood has its own orifice meter that measures the gas for custody transfer. These meters are also calibrated periodically to ensure the measurement accuracy.

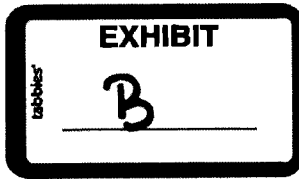
In conclusion, all the oil and gas produced on the Lands is and will be metered at each wellhead and allocated correctly using the same measurement equipment as the pipeline sales measurement specifications accepted by API as industry standard.

Very truly yours,

MATADOR PRODUCTION COMPANY

A handwritten signature in black ink, appearing to read "B. Peterson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Benjamin D. Peterson, P.E.
Sr. Production Engineer



September 28, 2016

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

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

Sample: Zach McCormick Fed Com 18 24S 29E No. 1
First Stage Separator
Spot Gas Sample @ 124 psig & 84 °F

Date Sampled: 09/22/2016

Job Number: 63247.001

CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286

Table with 3 columns: COMPONENT, MOL%, GPM. Lists various hydrocarbons and their percentages and gas production rates.

Computed Real Characteristics Of Heptanes Plus:

Specific Gravity ----- 3.375 (Air=1)
Molecular Weight ----- 97.38
Gross Heating Value ----- 5057 BTU/CF

Computed Real Characteristics Of Total Sample:

Specific Gravity ----- 0.757 (Air=1)
Compressibility (Z) ----- 0.9961
Molecular Weight ----- 21.85
Gross Heating Value
Dry Basis ----- 1305 BTU/CF
Saturated Basis ----- 1284 BTU/CF

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

Base Conditions: 14.650 PSI & 60 Deg F

Sampled By: (24) Amiot
Analyst: MR
Processor: NG
Cylinder ID: T-1864

Certified: FESCO, Ltd. - Alice, Texas

David Dannhaus 361-661-7015

CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286
TOTAL REPORT

COMPONENT	MOL %	GPM	WT %
Hydrogen Sulfide*	< 0.001		< 0.001
Nitrogen	0.865		1.109
Carbon Dioxide	0.087		0.175
Methane	75.620		55.537
Ethane	12.995	3.469	17.887
Propane	6.221	1.711	12.557
Isobutane	0.862	0.282	2.293
n-Butane	1.861	0.586	4.951
2,2 Dimethylpropane	0.015	0.006	0.050
Isopentane	0.400	0.146	1.321
n-Pentane	0.443	0.160	1.463
2,2 Dimethylbutane	0.007	0.003	0.028
Cyclopentane	0.000	0.000	0.000
2,3 Dimethylbutane	0.030	0.012	0.118
2 Methylpentane	0.096	0.040	0.379
3 Methylpentane	0.050	0.020	0.197
n-Hexane	0.119	0.049	0.469
Methylcyclopentane	0.049	0.017	0.189
Benzene	0.006	0.002	0.021
Cyclohexane	0.051	0.017	0.196
2-Methylhexane	0.015	0.007	0.069
3-Methylhexane	0.016	0.007	0.073
2,2,4 Trimethylpentane	0.000	0.000	0.000
Other C7's	0.043	0.019	0.195
n-Heptane	0.032	0.015	0.147
Methylcyclohexane	0.045	0.018	0.202
Toluene	0.008	0.003	0.034
Other C8's	0.033	0.015	0.166
n-Octane	0.010	0.005	0.052
Ethylbenzene	0.000	0.000	0.000
M & P Xylenes	0.004	0.002	0.019
O-Xylene	0.000	0.000	0.000
Other C9's	0.011	0.006	0.064
n-Nonane	0.002	0.001	0.012
Other C10's	0.002	0.001	0.013
n-Decane	0.001	0.001	0.007
Undecanes (11)	<u>0.001</u>	<u>0.001</u>	<u>0.007</u>
Totals	100.000	6.619	100.000

Computed Real Characteristics Of Total Sample:

Specific Gravity -----	0.757	(Air=1)
Compressibility (Z) -----	0.9961	
Molecular Weight -----	21.85	
Gross Heating Value		
Dry Basis -----	1305	BTU/CF
Saturated Basis -----	1284	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., Sante Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

JUN 06 2017
RECEIVED

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*Wolfcamp Y

¹ API Number 30-015-44246	² Pool Code 9674299220	³ Pool Name PIERCE CROSSING; WOLFCAMP, NW (GAS)*
⁴ Property Code 317797	⁵ Property Name ZACH McCORMICK FED COM	
⁷ OGRID No. 228937	⁸ Operator Name MATADOR PRODUCTION COMPANY	⁶ Well Number #206H ⁹ Elevation 2954'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	13	24-S	28-E	-	2444'	NORTH	311'	EAST	EDDY

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	18	24-S	29-E	-	2311'	NORTH	240'	EAST	EDDY

¹² Dedicated Acres 319.28	¹³ Joint or Infill	¹⁴ Consolidation Code C	¹⁵ 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.

¹⁷OPERATOR 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.

Brian Wood 8-14-16
Signature Date
BRIAN WOOD
Printed Name
brian@permitswest.com
E-mail Address

¹⁸SURVEYOR 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.

05/05/2016
Date of Survey
Signature and Seal of Registered Surveyor
MICHAEL BROWN
NEW MEXICO
18328
PROFESSIONAL SURVEYOR
Certificate Number

SURFACE LOCATION	
NEW MEXICO EAST	NAD 1927
X=592953	Y=443222
LAT.: N 32.2181772	LONG.: W 104.0327661
NAD 1983	X=634137
Y=443281	LAT.: N 32.2182995
LONG.: W 104.0332565	

FIRST PERFORATION POINT	
NEW MEXICO EAST	NAD 1927
X=593594	Y=443357
LAT.: N 32.2185421	LONG.: W 104.0306939
NAD 1983	X=634778
Y=443416	LAT.: N 32.2186644
LONG.: W 104.0311843	

LAST PERFORATION POINT	
NEW MEXICO EAST	NAD 1927
X=598225	Y=443355
LAT.: N 32.2184999	LONG.: W 104.0157171
NAD 1983	X=639409
Y=443414	LAT.: N 32.2186224
LONG.: W 104.0162068	

BOTTOM HOLE LOCATION	
NEW MEXICO EAST	NAD 1927
X=598315	Y=443355
LAT.: N 32.2184990	LONG.: W 104.0154261
NAD 1983	X=639499
Y=443414	LAT.: N 32.2186215
LONG.: W 104.0159158	

EXHIBIT 3

NM OIL CONSERVATION
ARTESIA DISTRICT

FORM C-102

State of New Mexico
Energy, Minerals & Natural Resources

JUL 24 2017

Revised August 1, 2011

Department
OIL CONSERVATION DIVISION

RECEIVED

Submit one copy to appropriate
District Office

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

AMENDED REPORT

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
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Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Sante Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-44251		² Pool Code 98220		³ Pool Name PURPLE SAGE; WOLFCAMP (GAS)	
⁴ Property Code 317797	⁵ Property Name ZACH MCCORMICK FED				⁶ Well Number #226H
⁷ OGRID No. 228937	⁸ Operator Name MATADOR PRODUCTION COMPANY				⁹ Elevation 2956'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	13	24-S	28-E	-	2325'	NORTH	311'	EAST	EDDY

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	18	24-S	29-E	-	2311'	NORTH	240'	EAST	EDDY

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

The diagram shows a survey plat with bearings and distances. Key bearings include AZ = 88.69° (640.7'), AZ = 90.02° (90.0'), and AZ = 90.02° (4631.8'). Distances shown include 2325', 2311', 311', 330', 345', 355', 462', and 240'. The well location is marked with a star and labeled '226H'.

¹⁷OPERATOR 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.

Tammy R. Link 6/29/2017
Signature Date

TAMMY R. LINK
Printed Name

tlink@matadorresources.com
E-mail Address

¹⁸SURVEYOR 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.

Date of Survey: 05/05/15
Signature and Seal of Professional Surveyor: [Seal]
Certificate Number: 18329

SURFACE LOCATION	FIRST PERFORATION POINT	LAST PERFORATION POINT	BOTTOM HOLE LOCATION
NEW MEXICO EAST NAD 1927 X=592953 Y=443342 LAT.: N 32.2185068 LONG.: W 104.0327650 NAD 1983 X=634137 Y=443401 LAT.: N 32.2186290 LONG.: W 104.0332555	NEW MEXICO EAST NAD 1927 X=593594 Y=443357 LAT.: N 32.2185421 LONG.: W 104.0306939 NAD 1983 X=634777 Y=443415 LAT.: N 32.2186644 LONG.: W 104.0311842	NEW MEXICO EAST NAD 1927 X=598225 Y=443355 LAT.: N 32.2184999 LONG.: W 104.0157171 NAD 1983 X=639409 Y=443413 LAT.: N 32.2186224 LONG.: W 104.0162088	NEW MEXICO EAST NAD 1927 X=598315 Y=443355 LAT.: N 32.2184990 LONG.: W 104.0154261 NAD 1983 X=639499 Y=443413 LAT.: N 32.2186216 LONG.: W 104.0159158

District I
1625 N. French Dr., Hobbs, NM 88240
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1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Sante Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

FORM C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

JUN 07 2017

RECEIVED

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*Wolfcamp Y

¹ API Number 30-015-44254	² Pool Code 967198220	³ Pool Name PURPLE STAGE PIERCE CROSSING, WOLFCAMP, NW (GAS)*
⁴ Property Code 317797	⁵ Property Name ZACH MCCORMICK FED COM	
⁷ OGRID No. 228937	⁸ Operator Name MATADOR PRODUCTION COMPANY	⁶ Well Number #202H ⁹ Elevation 2956'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	13	24-S	28-E	-	2325'	NORTH	311'	EAST	EDDY

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	18	24-S	29-E	-	1651'	NORTH	240'	EAST	EDDY

¹² Dedicated Acres 319.28	¹³ Joint or Infill <input checked="" type="checkbox"/>	¹⁴ Consolidation Code C	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.

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: *Brian Wood* Date: 8-13-16

Printed Name: BRIAN WOOD

E-mail Address: brian@permitswest.com

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.

Date of Survey: 05/05/2016

Signature and Seal of Professional Surveyor

Certificate Number: _____

SURFACE LOCATION NEW MEXICO EAST	FIRST PERFORATION POINT NEW MEXICO EAST	LAST PERFORATION POINT NEW MEXICO EAST	BOTTOM HOLE LOCATION NEW MEXICO EAST
NAD 1927 X=592953 Y=443342 LAT.: N 32.2185068 LONG.: W 104.0327650	NAD 1927 X=593590 Y=444017 LAT.: N 32.2203565 LONG.: W 104.0306980	NAD 1927 X=598221 Y=444015 LAT.: N 32.2203142 LONG.: W 104.0157253	NAD 1927 X=598311 Y=444015 LAT.: N 32.2203134 LONG.: W 104.0154343
NAD 1983 X=634137 Y=443401 LAT.: N 32.2186291 LONG.: W 104.0332555	NAD 1983 X=634774 Y=444076 LAT.: N 32.2204788 LONG.: W 104.0311884	NAD 1983 X=639405 Y=444074 LAT.: N 32.2204367 LONG.: W 104.0162151	NAD 1983 X=639495 Y=444074 LAT.: N 32.2204359 LONG.: W 104.0159241

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., Sante Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico **OIL CONSERVATION**
Energy, Minerals & Natural Resources DISTRICT
Department JUN 06 2017
OIL CONSERVATION DIVISION
1220 South St. Francis Dr. RECEIVED
Sante 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

*Wolfcamp B

¹ API Number 30-015-44243	² Pool Code 96712-98220	³ Pool Name Purple Sage PIERCE CROSSING; WOLFCAMP, NM (GAS)*
⁴ Property Code 317797	⁵ Property Name ZACH McCORMICK FED COM	
⁷ Well Number #222H	⁶ Operator Name MATADOR PRODUCTION COMPANY	
⁸ OGRID No. 228937	⁹ Elevation 2956'	

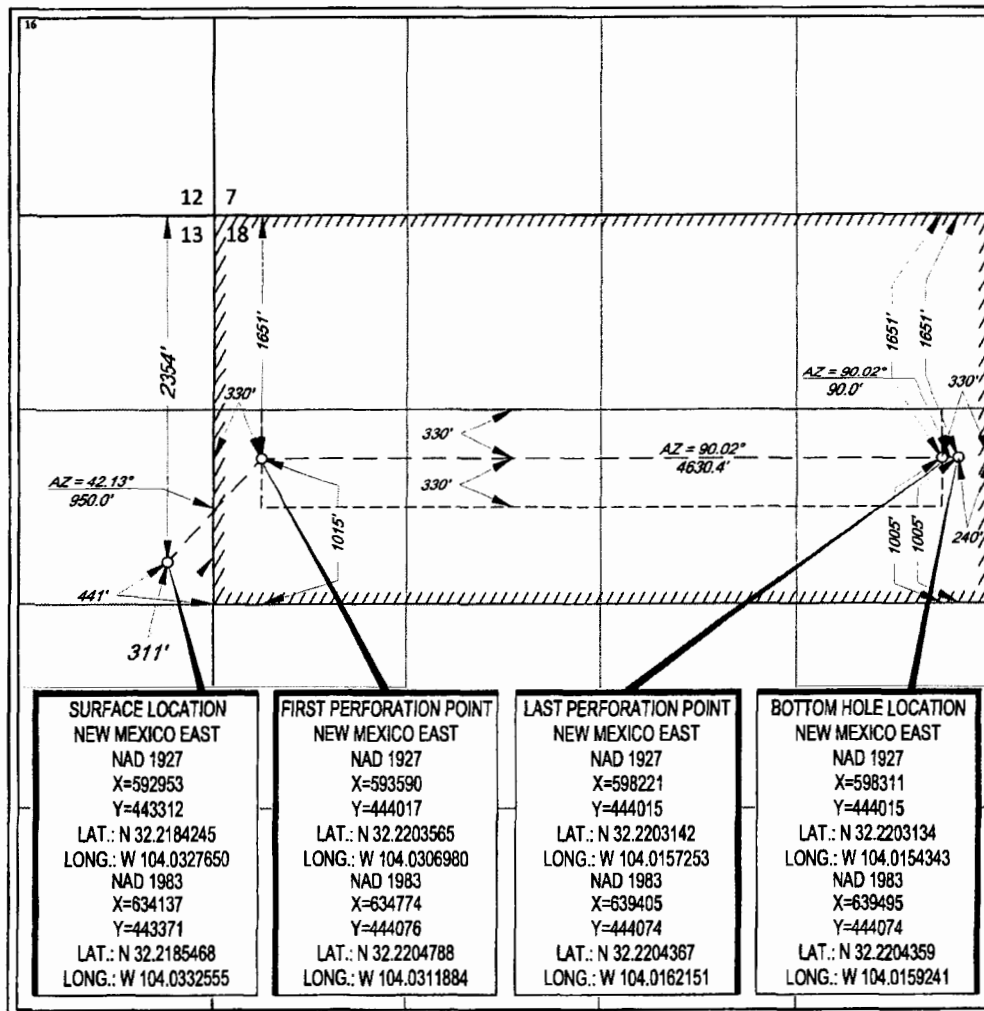
¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	13	24-S	28-E	-	2354'	NORTH	311'	EAST	EDDY

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	18	24-S	29-E	-	1651'	NORTH	240'	EAST	EDDY

¹² Dedicated Acres 319.28	¹³ Joint or Infill	¹⁴ Consolidation Code C	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.



¹⁷OPERATOR 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.

Brian Wood
Signature
8-14-16
Date

BRIAN WOOD
Printed Name

brian@permitswest.com
E-mail Address

¹⁸SURVEYOR 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.

05/05/2016

Date of Survey
Signature and Seal of Professional Surveyor

MICHAEL BROWN
NEW MEXICO
18329
PROFESSIONAL SURVEYOR
Certificate Number

Legal Notice

To: AllDale Minerals, LP, Ricky D. Raindl, his heirs and devisees, Charles M. Farrell, his heirs and devisees, Debra Kay Primera, her heirs and devisees, Jane S. Bailey, her heirs and devisees, Robin E. Birnie, their heirs and devisees, Lynda S. Stokum, her heirs and devisees, Allison L. Birnie, her heirs and devisees, Thomas A. Farrell, his heirs and devisees, Jason Bond, his heirs and devisees, R.F. Fort, aka Raymond F. Fort, his heirs and devisees, Cindy Bond Kochi, her heirs and devisees, Laurie B. Barr Family Trust, Cameron Birnie, his heirs and devisees, Steven C. Barnes, his heirs and devisees, Robin Marie Lawless, her heirs and devisees, Christy B. Motychka, her heirs and devisees, Calvin Robert Graef, II, his heirs and devisees, V. Elaine Barnes, her heirs and devisees, Taylor L. Barr, their heirs and devisees, Julie Ellen Barnes, her heirs and devisees, Jeff Morris Graef, his heirs and devisees, Zachariah J. Reid, his heirs and devisees, Craig W. Barr, his heirs and devisees, Kyle Jenkins, PR of the estate of Betty J. Rynearson, Calvin Robert Graef Jr., his heirs and devisees, Hold the Door LP, RSC Resources, LP, MRC Permian Company, COG Operating, LLC, Concho Oil and Gas, LLC, Nestegg Energy Corporation, and any other interest owners in the N/2 of Section 18, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico.

Application of Matador Production Company for administrative approval to off-lease measure and store production from the Purple Sage; Wolfcamp (Gas) Pool (98220)) in the N/2 of Section 18, Township 24 South, Range 28 East, NMPM, in Eddy County, New Mexico pursuant to 19.15.23.9(A). Any objection to this application must be filed in writing within twenty days from date of publication with the applicant and the New Mexico Oil Conservation Division, 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 Dana R. Arnold, 5400 LBJ Freeway, Suite 1500, Dallas, TX 75240, (972) 371-5284, darnold@matadorresources.com.

EXHIBIT

5

INTEREST OWNERS:

AllDale Minerals, LP
2100 Ross Avenue, Suite 1870
Dallas, TX 75201
7017145000027576

Charles M. Farrell
119 Seabell Rd.
Belen, NM 87002-7912
70171450000276971689

Jane S. Bailey
36 Will Scarlett
Mayhill, NM 88339
70171450000216971672

Lynda S. Stokum
1107 E. Harris
Brownfield, TX 79316
70171450000216971665

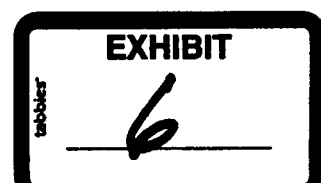
Thomas A. Farrell
8203 Louisville Ave.
Lubbock, TX 79464
70171450000216971658

R. F. Fort, a/k/a Raymond F. Fort
P.O. Box 853
Tahoka, TX 79373
70171450000216971641

Laurie B. Barr Family Trust
P.O. Box 1959
Midland, TX 79702
70171450000216971634

Steven C. Barnes
P.O. Box 10505
Midland, TX 79702
70171450000216971627

Christy B. Motycka
P.O. Box 10505
Midland, TX 79702
70171450000216971610



V. Elaine Barnes
P.O. Box 10505
Midland, TX 79702
70171450000216971603

Julie Ellen Barnes
P.O. Box 10505
Midland, TX 79702
70171450000216971597

Ricky D. Raindl
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Irving, TX 75014-2454
70171450000216971580

Debra Kay Primera
P.O. Box 142454
Irving, TX 75014-2454
70171450000216971573

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70171450000216971566

Allison L. Birnie
14435 Benefit St., Apt 2
Sherman Oaks, CA 91423
70171450000216971559

Jason Bond
902 Hall Drive
Roswell, NM 88201
70171450000216971542

Cindy Bond Kochi
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Redondo Beach, CA 90277
70171450000216971535

Cameron Birnie
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Simi, CA 93063
70171450000216971528

Robin Marie Lawless
10 Sand Pointe
Laguna Niguel, CA 92677
7017145000216971511

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7017145000216971504

Taylor L. Barr
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7017145000216971498

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Flower Mound, TX 75028
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Zachariah J. Reid
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Midland, TX 79702
7017145000216971474

Craig W. Barr
1031 NW 43rd Ave.
Camas, WA 98607
7017145000216971467

Thomas R. Barr
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Charlotte, NC 28278
7017145000216971450

Kyle Jenkins PR of the Estate of Betty J. Rynearson
2504 Escudo Rd.
Rio Rancho, NM 87124
7017145000216971443

Calvin Robert Graef, Jr.
2909 Girard Street
Leavenworth, KS 66048
7017145000216971436

Hold the Door LP
6824 Island Cir.
Midland, TX 79707
70171450000216971429

RSC Resources, LP
6824 Island Cir.
Midland, TX 79707
70171450000216971412

MRC Permian Company
5400 LBJ Freeway
Suite 1500
Dallas, TX 75240
70171450000216971405

The United States of America
P.O. Box 25627
Denver, CO 80225
70171450000216971399

COG Operating LLC
600 West Illinois Ave.
Midland, TX 79701
70171450000216971383

Concho Oil and Gas LLC
600 West Illinois Ave.
Midland, TX 79701
70171450000216971375

Nestegg Energy Corporation
2308 Sierra Vista
Artesia, NM 88210
70171450000216971368

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

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

**CASE NO. 15591
ORDER NO. R-14283**

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

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on December 1, 2016, at Santa Fe, New Mexico, before Examiner William V. Jones.

NOW, on this 23rd day of January, 2017, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given and the Division has jurisdiction of this case and the subject matter.

(2) Matador Production Company (the "Applicant") seeks an order pooling all uncommitted interests within a standard 319.28-acre, more or less, gas spacing unit (the "Unit") within the Wolfcamp formation, Pierce Crossing; Wolfcamp, NW (Gas) Pool (Pool code 96712), comprising the N/2 of Section 18, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico.

(3) The Unit will be dedicated to Applicant's Zach McCormick Federal Com Well No. 226H (the "proposed well"; API No. 30-015-Pending), a horizontal well to be drilled from a surface location 2414 feet from the North line and 311 feet from the East line (Unit H) of Section 13, Township 24 South, Range 28 East to a bottom-hole location 2311 feet from the North line and 240 feet from the East line (Unit H) of Section 18, Township 24 South, Range 29 East, NMPM. The location of the completed interval will be non-standard for gas production within the Unit.

(4) The proposed gas well is within the Pierce Crossing; Wolfcamp, NW (Gas) Pool and is subject to Division Rule 19.15.15.10 NMAC, which provides for 660-foot setbacks from the unit boundaries and standard 320-acre units each comprising a governmental half section.

(5) Applicant appeared through counsel and presented the following land and geologic evidence:

- (a) the Wolfcamp formation in this area is suitable for development by horizontal drilling;
- (b) the proposed orientation of the horizontal well from west to east is appropriate for horizontal wells drilled in this area within the Wolfcamp formation;
- (c) all separately owned tracts within the Unit are expected to be productive in the Wolfcamp formation;
- (d) Applicant will pursue approval of the non-standard gas well location through the administrative process;
- (e) notice was provided to all interest owners subject to pooling proceedings as affected parties of the proposed compulsory pooling within the Unit; and
- (f) to ensure notice was proper and to present delays, notice of this proceeding was published in a newspaper of general circulation in this county containing the names of all affected parties.

(6) COG Operating LLC entered an appearance and appeared at the hearing through counsel. No other party entered an appearance or otherwise opposed this application.

The Division concludes as follows:

(7) Two or more separately owned tracts are embraced within the Unit, and/or there are royalty interests and/or undivided interests in oil and gas minerals in one or more tracts included in the Unit that are separately owned.

(8) Applicant is owner or affiliate of an owner of an oil and gas working interest within the Unit. Applicant has the right to drill and proposes to drill the proposed well to a common source of supply within the Unit at the proposed location.

(9) There are interest owners in the Unit that have not agreed to pool their interests.

(10) To avoid the drilling of unnecessary wells, protect correlative rights, prevent waste and afford to the owner of each interest in the Unit the opportunity to recover or receive without unnecessary expense a just and fair share of hydrocarbons, this application should be approved by pooling all uncommitted interests, whatever they may be, in the oil and gas within the Unit.

(11) Matador Production Company should be designated the operator of the proposed well and the Unit.

(12) Any pooled working interest owner who does not pay its share of estimated well costs should have withheld from production its share of reasonable well costs plus an additional 200% thereof as a reasonable charge for the risk involved in drilling the proposed well.

(13) Reasonable charges for supervision (combined fixed rates) should be fixed at \$7000 per month while drilling and \$700 per month while producing, provided that these rates should be adjusted annually pursuant to Section III.1.A.3. of the COPAS form titled "Accounting Procedure-Joint Operations."

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the application of Matador Production Company, all uncommitted interests, whatever they may be, in a standard 319.28-acre gas spacing unit in the Wolfcamp formation, Pierce Crossing; Wolfcamp, NW Gas Pool (Pool code 96712), comprising the N/2 of Section 18, Township 24 South, Range 29 East NMPM, Eddy County, New Mexico, are hereby pooled.

(2) The Unit shall be dedicated to Applicant's Zach McCormick Federal Com Well No. 226H (the "proposed well"; API No. 30-015-Pending), a horizontal well to be drilled from a surface location 2414 feet from the North line and 311 feet from the East line (Unit H) of Section 13, Township 24 South, Range 28 East to a bottom-hole location 2311 feet from the North line and 240 feet from the East line (Unit H) of Section 18, Township 24 South, Range 29 East, NMPM.

(3) The location of the completed interval will be non-standard for gas production within the Unit in the Pierce Crossing; Wolfcamp, NW Gas Pool. The well shall not be produced until a non-standard location exception is obtained from the Division after proper notice and opportunity for hearing or the named pool changes to a pool in which the well's location is standard.

(4) The operator of the Unit shall commence drilling the proposed well on or before January 31, 2018, and shall thereafter continue drilling the proposed well with due diligence to test the Wolfcamp formation.

(5) In the event the operator does not commence drilling the proposed well on or before January 31, 2018, Ordering Paragraph (1) shall be of no effect, unless the operator obtains a time extension from the Division Director for good cause demonstrated by satisfactory evidence.

(6) Should the proposed well not be drilled and completed within 120 days after commencement thereof, then Ordering Paragraph (1) shall be of no further effect, and the Unit and project area created by this order shall terminate, unless operator appears before

the Division Director and obtains an extension of the time for completion of the proposed well for good cause shown by satisfactory evidence.

(7) Upon final plugging and abandonment of the proposed well and any other well drilled on the Unit pursuant to Division Rule 19.15.13.9 NMAC, the pooled Unit created by this order shall terminate, unless this Order has been amended to authorize further operations.

(8) Matador Production Company (OGRID 228937) is hereby designated the operator of the well and the Unit.

(9) After pooling, uncommitted working interest owners are referred to as pooled working interest owners. ("Pooled working interest owners" are owners of working interests in the Unit, including unleased mineral interests, who are not parties to an operating agreement governing the Unit.) After the effective date of this order, the operator shall furnish the Division and each known pooled working interest owner in the Unit an itemized schedule of estimated costs of drilling, completing and equipping the proposed well ("well costs").

(10) Within 30 days from the date the schedule of estimated well costs is furnished, any pooled working interest owner shall have the right to pay its share of estimated well costs to the operator in lieu of paying its share of reasonable well costs out of production as hereinafter provided, and any such owner who pays its share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges. Pooled working interest owners who elect not to pay their share of estimated well costs as provided in this paragraph shall thereafter be referred to as "non-consenting working interest owners."

(11) The operator shall furnish the Division and each known pooled working interest owner (including non-consenting working interest owners) an itemized schedule of actual well costs within 90 days following completion of the proposed well. If no objection to the actual well costs is received by the Division, and the Division has not objected, within 45 days following receipt of the schedule, the actual well costs shall be deemed to be the reasonable well costs. If there is an objection to actual well costs within the 45-day period, the Division will determine reasonable well costs after public notice and hearing.

(12) Within 60 days following determination of reasonable well costs, any pooled working interest owner who has paid its share of estimated costs in advance as provided above shall pay to the operator its share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator the amount, if any, that the estimated well costs it has paid exceed its share of reasonable well costs.

(13) The operator is hereby authorized to withhold the following costs and charges from production from each well:

- (a) The proportionate share of reasonable well costs attributable to each non-consenting working interest owner; and
- (b) As a charge for the risk involved in drilling the well, 200% of the above costs.

(14) The operator shall distribute the costs and charges withheld from production, proportionately, to the parties who advanced the well costs.

(15) Reasonable charges for supervision (combined fixed rates) for the well are hereby fixed at \$7000 per month while drilling and \$700 per month while producing, provided that these rates shall be adjusted annually pursuant to Section III.1.A.3. of the COPAS form titled "*Accounting Procedure-Joint Operations*." The operator is authorized to withhold from production the proportionate share of both the supervision charges and the actual expenditures required for operating the well, not more than what are reasonable, attributable to pooled working interest owners.

(16) Except as provided in Paragraphs (13) and (15) above, all proceeds from production from the proposed well that are not disbursed for any reason shall be held for the account of the person or persons entitled thereto pursuant to the Oil and Gas Proceeds Payment Act (NMSA 1978 Sections 70-10-1 through 70-10-6, as amended). If not disbursed, such proceeds shall be turned over to the appropriate authority as and when required by the Uniform Unclaimed Property Act (NMSA 1978 Sections 7-8A-1 through 7-8A-31, as amended).

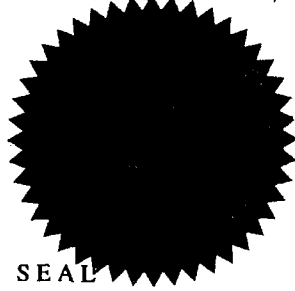
(17) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for the purpose of allocating costs and charges under this Order. Any well costs or charges that are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(18) Should all the parties to this compulsory pooling order reach voluntary agreement after entry of this order, this order shall thereafter be of no further effect.

(19) The operator of the well and the Unit shall notify the Division in writing of the subsequent voluntary agreement of parties subject to the compulsory pooling provisions of this order.

(20) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

David R. Catanach

DAVID R. CATANACH
Director