

RECEIVED: 3/12/2018	REVIEWER: DM	TYPE: PLC	APP NO: pMAM1807228769
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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: <u>Matador Production Company</u>	OGRID Number: <u>228937</u>
Well Name: <u>Zach McCormick Fed Com 121H & 122H</u>	API: <u>30-015-44244 & 30-015-44255</u>
Pool: <u>Purple Sage; Wolfcamp (Gas) Pool -and- Pierce Crossing Bone Spring Pool</u>	Pool Code: <u>98220 - and - 50371</u>

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

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

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

FOR OCD ONLY

- ☐ 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.

Michael H. Feldewert

Print or Type Name

Signature

March 12, 2018

Date

505-988-4421

Phone Number

mfeldewert@hollandhart.com

e-mail Address



Michael H. Feldewert
Recognized Specialist in the
Area of Natural Resources - Oil
and Gas Law - New Mexico
Board of Legal Specialization
mfeldewert@hollandhart.com

March 12, 2018

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PARTIES

Re: Application of Matador Production Company to Amend Administrative Order CTB-838 to authorize pool commingling, off-lease storage and off-lease marketing of production from 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 Sherri Gore at Matador Production Company (972-371-5467; SGore@matadorresources.com).

Sincerely,

Michael H. Feldewert
ATTORNEY FOR
MATADOR PRODUCTION COMPANY



Michael H. Feldewert
 Recognized Specialist in the
 Area of Natural Resources - Oil
 and Gas Law - New Mexico
 Board of Legal Specialization
 mfeldewert@hollandhart.com

March 12, 2018

VIA HAND DELIVERY

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

Re: Application of Matador Production Company to Amend Administrative Order CTB-838 to authorize pool commingling, off-lease storage and off-lease marketing of production from the N/2 of Section 18, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico.

Dear Ms. Riley:

Administrative Order CTB-838 authorizes the off-lease storage and off-lease "marketing" of production from the Purple Sage; Wolfcamp (Gas) Pool (98220)) from all existing and future wells drilled in the 319.28-acre standard spacing and proration unit pooled under Division Order R-14283. This standard spacing unit (or "lease")¹ is comprised of the N/2 of Section 18, Township 24 South, Range 28 East, NMPM, in Eddy County, New Mexico and currently contains the following horizontal wells producing from the Wolfcamp formation:

- Zach McCormick Fed No. 201H (API No. 30-015-44247);
- Zach McCormick Fed No. 202H (API No. 30-015-44254);
- Zach McCormick Fed No. 205H (API No. 30-015-44242);
- Zach McCormick Fed No. 206H (API No. 30-015-44246);
- Zach McCormick Fed No. 221H (API No. 30-015-44241)
- Zach McCormick Fed No. 222H (API No. 30-015-44243);
- Zach McCormick Fed No. 205H (API No. 30-015-44245); and
- Zach McCormick Fed No. 226H (API No. 30-015-44251).

Production from these wells is measure before it leaves the spacing unit and is stored and sold at the authorized Zach McCormick Federal Slot 2 Central Tank Battery located in the SE/4 NW/4 (Unit H) of Section 13, Township 23 South, Range 28 East, NMPM.

¹ Under NMAC 19.15.12.7, individual spacing and proration units are considered separate "leases" for commingling purposes.



Matador Production Company (OGRID No. 228937) seeks to amend Order CTB-838 to authorize the off-lease storage, off-lease marketing and pool commingling at the Zach McCormick Federal Slot 2 Central Tank Battery of production from the Purple Sage; Wolfcamp (Gas) Pool (98220)) *and* production from the Pierce Crossing Bone Spring Pool (Pool Code 50371) from *all existing and future wells* drilled in the following additional “leases” in the N/2 of Section 18:

A. The 159.60 non-standard spacing and proration unit consisting of the N/2 N/2 of Section 18, Township 24 South, Range 29 East, NMPM, approved under Division Order R-14464 and currently dedicated to the Zach McCormick Federal Com Well No. 121H (API No. 30-015-44244); and

B. The 159.68 non-standard spacing and proration unit consisting of the S/2 N/2 of Section 18, Township 24 South, Range 29 East, NMPM, approved under Division Order R-14465 and currently dedicated to the Zach McCormick Federal Com Well No. 122H (API No. 30-015-44255).

Prior to commingling at the Zach McCormick Federal Slot 2 Central Tank Battery, the gas production from each well or lease will be separately metered using individual test separators with calibrated orifice meters that are manufactured to AGA specifications and oil production from each well or lease will be separately metered using a turbine meter. Included with this application are the following:

Exhibit 1 is a land plat showing Matador’s current development plan, the flow lines and the Central Tank Battery in the subject area.

Exhibit 2 contains the C-102s for each well currently planned or drilled for the two subject leases in the Pierce Crossing Bone Spring Pool along with any available six-month production reports.

Exhibit 3 contains a completed Application for Surface Commingling (Diverse Ownership) Form C-107-B that includes a statement from Benjamin D. Peterson, P.E. identifying the facilities and the measurement devices to be utilized, a detailed schematic of the surface facilities (attachment A to the statement) and a referenced gas sample (attachment B to the statement).

Exhibit 4 is a list of all mineral owners (including owners of royalty and overriding royalty interests) affected by this application, a copy of the letters sent by certified mail advising them that if they have an objection it must file it in writing with the division within 20 days from the date the Division receives this application, and proof of mailing.

HOLLAND & HART^{LLP}



Please let me know if you need anything further to process this application, and thank you for your prompt attention to this matter.

Sincerely,

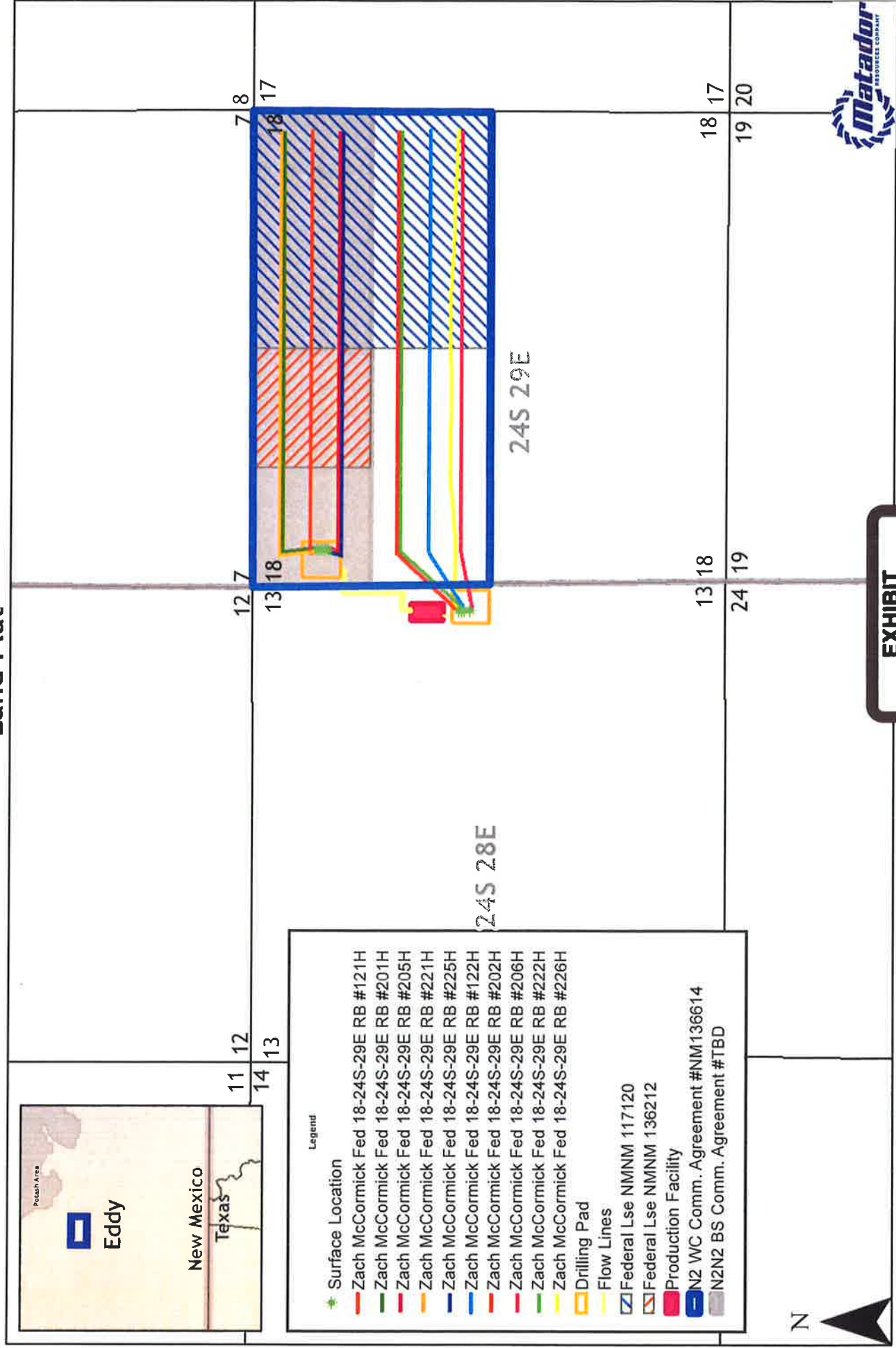
Michael H. Feldewert

ATTORNEY FOR

MATADOR PRODUCTION COMPANY

cc: Bureau of Land Management – Carlsbad
620 E. Greene Street
Carlsbad, NM 88220
9214 8901 9403 8304 8985 34

Zach McCormick Land Plat



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.
Sante Fe, NM 87505

FORM C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

RECEIVED

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT 2nd Bone Spring sand

¹ API Number 30015 44255	² Pool Code 50371	³ Pool Name PIERCE CROSSING BONE SPRING
⁴ Property Code 317797	⁵ Property Name ZACH MCCORMICK FED COM	⁶ Well Number #122H
⁷ GRID No. 228937	⁸ Operator Name MATADOR PRODUCTION COMPANY	⁹ Elevation 2956'

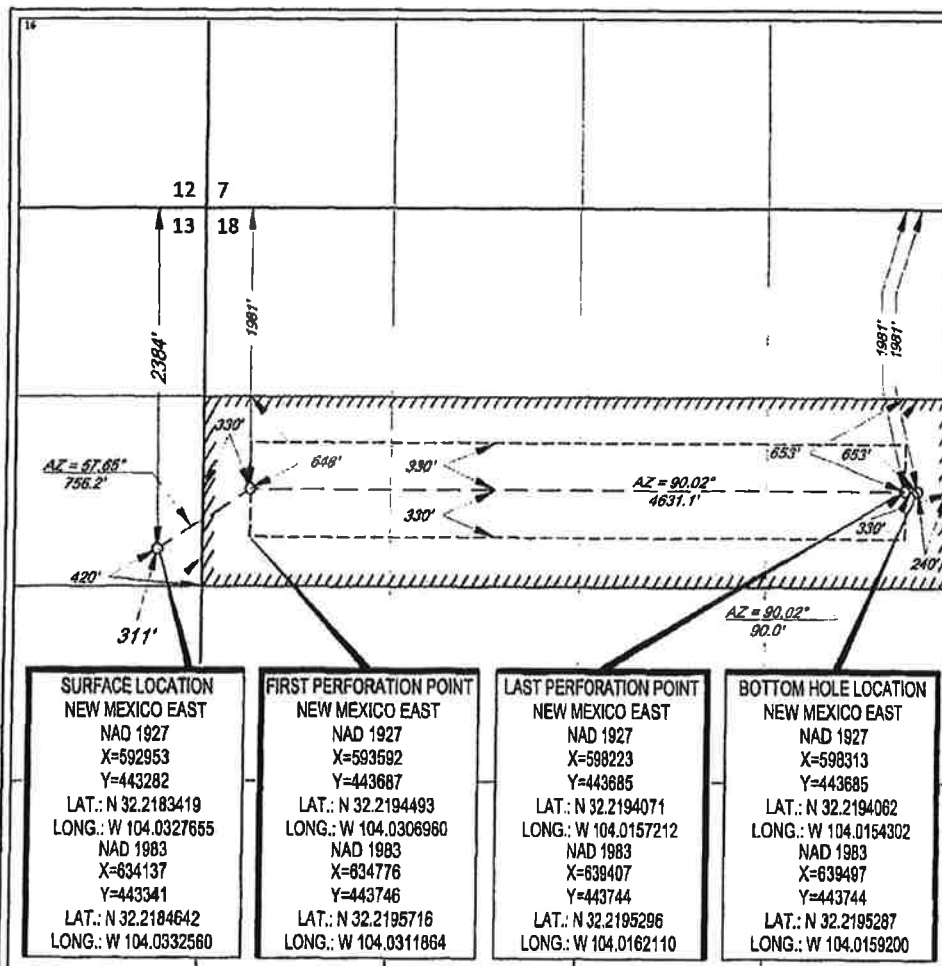
¹⁰Surface Location

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	-	2384'	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	-	1981'	NORTH	240'	EAST	EDDY

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
159.68			

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
8/11/16

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 Professional Surveyor

MICHAEL P. BROWN
NEW MEXICO
18329
PROFESSIONAL SURVEYOR
Certificate Number

Production Summary Report

API: 30-015-44244

ZACH MCCORMICK FEDERAL COM #121H

Printed On: Monday, March 12 2018

		Production					Injection				
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure

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 2nd Bone Spring sand

API Number 30 015 44244	Pool Code 50371	Pool Name PIERCE CROSSING BONE SPRING' ✓
Property Code 317797	Property Name ZACH MCCORMICK FED COM	Well Number #121H
GRID No. 228937	Operator Name MATADOR PRODUCTION COMPANY	Elevation 2953'

10 Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
91	18	24-S	29-E	-	712'	NORTH	351'	WEST	EDDY

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	18	24-S	29-E	-	661'	NORTH	240'	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
159.60		C	

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 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: <i>Brian Wood</i> Date: 8/12/16 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. 05/05/2016 Date of Survey: 05/05/2016 Signature and Seal of Professional Surveyor: <i>Michael B. Brown</i> Professional Surveyor: MICHAEL B. BROWN 18329 Certificate Number: 44244				<table border="1"> <tr> <td> SURFACE LOCATION NEW MEXICO EAST NAD 1927 X=593607 Y=444956 LAT.: N 32.2229376 LONG.: W 104.0306372 NAD 1983 X=634790 Y=445014 LAT.: N 32.2230598 LONG.: W 104.0311277 </td> <td> FIRST PERFORATION POINT NEW MEXICO EAST NAD 1927 X=593586 Y=445007 LAT.: N 32.2230780 LONG.: W 104.0307043 NAD 1983 X=634769 Y=445065 LAT.: N 32.2232002 LONG.: W 104.0311949 </td> <td> LAST PERFORATION POINT NEW MEXICO EAST NAD 1927 X=598214 Y=445005 LAT.: N 32.2230358 LONG.: W 104.0157378 NAD 1983 X=639398 Y=445063 LAT.: N 32.2231582 LONG.: W 104.0162275 </td> <td> BOTTOM HOLE LOCATION NEW MEXICO EAST NAD 1927 X=598304 Y=445005 LAT.: N 32.2230349 LONG.: W 104.0154466 NAD 1983 X=639488 Y=445063 LAT.: N 32.2231574 LONG.: W 104.0159365 </td> </tr> </table>		SURFACE LOCATION NEW MEXICO EAST NAD 1927 X=593607 Y=444956 LAT.: N 32.2229376 LONG.: W 104.0306372 NAD 1983 X=634790 Y=445014 LAT.: N 32.2230598 LONG.: W 104.0311277	FIRST PERFORATION POINT NEW MEXICO EAST NAD 1927 X=593586 Y=445007 LAT.: N 32.2230780 LONG.: W 104.0307043 NAD 1983 X=634769 Y=445065 LAT.: N 32.2232002 LONG.: W 104.0311949	LAST PERFORATION POINT NEW MEXICO EAST NAD 1927 X=598214 Y=445005 LAT.: N 32.2230358 LONG.: W 104.0157378 NAD 1983 X=639398 Y=445063 LAT.: N 32.2231582 LONG.: W 104.0162275	BOTTOM HOLE LOCATION NEW MEXICO EAST NAD 1927 X=598304 Y=445005 LAT.: N 32.2230349 LONG.: W 104.0154466 NAD 1983 X=639488 Y=445063 LAT.: N 32.2231574 LONG.: W 104.0159365
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Production Summary Report

API: 30-015-44255

ZACH MCCORMICK FEDERAL COM #122H

Printed On: Monday, March 12 2018

		Production					Injection				
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1220 S. St. Francis Dr., Santa Fe, NM 87505
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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

RECEIVED

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 301115 44255	² Pool Code 50371	³ Pool Name PIERCE CROSSING BONE SPRING
⁴ Property Code 317797	⁵ Property Name ZACH MCCORMICK FED COM	⁶ Well Number #122H
⁷ GRID No. 228937	⁸ Operator Name MATADOR PRODUCTION COMPANY	⁹ Elevation 2956'

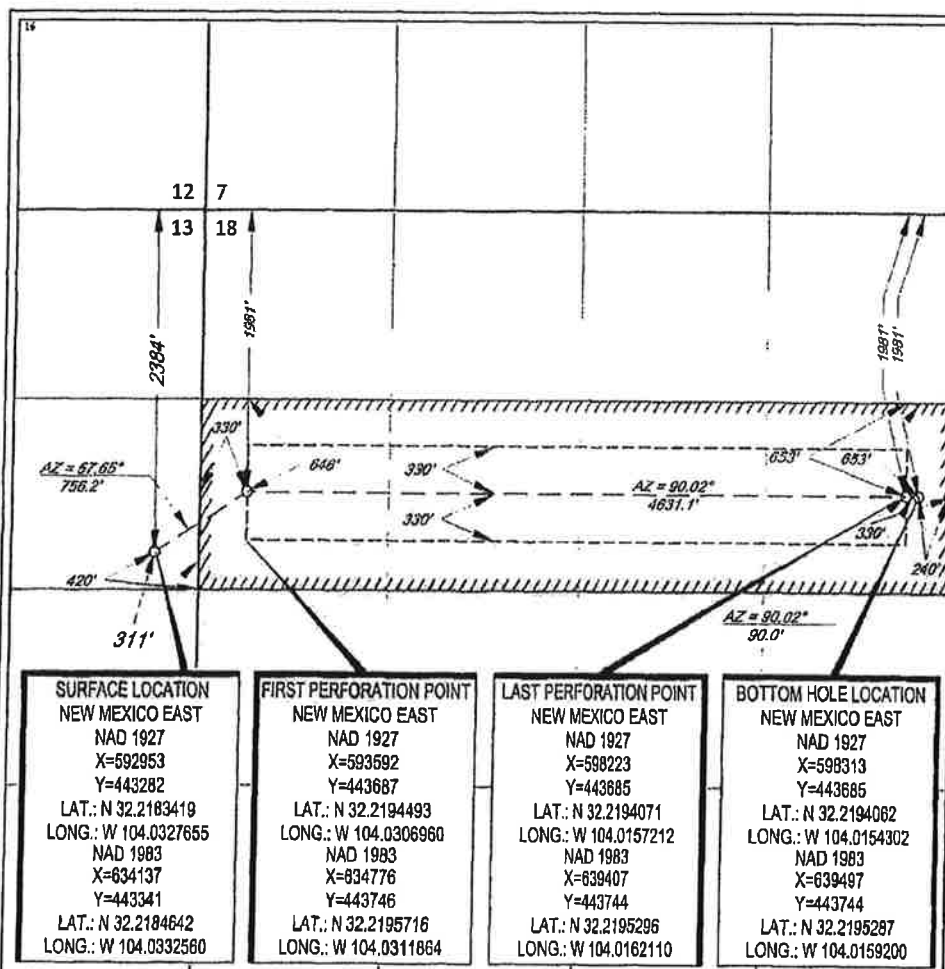
¹⁰Surface Location

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	-	2384'	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	-	1981'	NORTH	240'	EAST	EDDY

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
159.68			

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 undrained 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
8/11/16

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 Professional Surveyor

MICHAEL C. BROWN
NEW MEXICO
18329
PROFESSIONAL SURVEYOR
Certificate Number

District I
1625 N. French Drive, Hobbs, NM 88240
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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, STE 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. CTB-838
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
Pierce Crossing; Bone Spring (50391)	1,242 BTU/scf	1,242 BTU/scf	\$3.48 (as of Jan 2018 pricing)	1,500 mcf/d
Purple Sage; Wolfcamp (Gas) (98220)	1,267 BTU/scf			
				34,100 mcf/d

- (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.- See Above
(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: Ben Peterson TITLE: Senior Production Engineer DATE: 3-8-18

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

E-MAIL ADDRESS: bpeterson@matadorresources.com

EXHIBIT

3

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

March 8, 2018

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

Re: Application of Matador Production Company

To Whom This May Concern,

Matador Production Company ("Matador"), OGRID: 228937, requests to commingle current oil and gas production from multiple well locations located on the Lands and future production from the Lands as described herein. All wells will be metered through individual test separators with an oil turbine meter and gas orifice meter. 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 Line. Each well on the Lands will have its own test separator with an orifice meter manufactured and assembled in accordance with American Gas Association (AGA) specifications. All primary and secondary Electronic Flow Measurement (EFM) equipment is tested and calibrated by a reputable third party measurement company in accordance with industry specifications.

The orifice meter is the preferred measurement device utilized by midstream and E&P companies in natural gas measurement. The gas samples are obtained at the time of the meter testing/calibration and the composition and heating value are determined by a laboratory in accordance with American Petroleum Institute (API) specifications to ensure accurate volume and Energy (MMBTU) determinations. See example from Fesco 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 in accordance with industry specifications by a third party measurement company for accuracy. The gas is measured on a volume and MMBTU basis by an orifice meter and supporting EFM equipment in accordance with American Petroleum 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 Gathering 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", written over a horizontal line.

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

COMPONENT	MOL%	GPM
Hydrogen Sulfide*	< 0.001	
Nitrogen	0.865	
Carbon Dioxide	0.087	
Methane	75.620	
Ethane	12.995	3.469
Propane	6.221	1.711
Isobutane	0.862	0.282
n-Butane	1.861	0.586
2-2 Dimethylpropane	0.015	0.006
Isopentane	0.400	0.146
n-Pentane	0.443	0.160
Hexanes	0.302	0.124
Heptanes Plus	<u>0.329</u>	<u>0.135</u>
Totals	100.000	6.619

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

Zach McCormick
Mineral Owners - Affected Parties

Company	Address	City	State	Zip
AllDale Minerals, LP	2100 Ross Avenue, Suite 1870	Dallas	TX	75201
Charles M. Farrell	119 Seabell Rd.	Belen	NM	87002-7912
Jane S. Bailey	36 Will Scarlett	Mayhill	NM	88339
Lynda S. Stokum	1107 E. Harris	Brownfield	TX	79316
Thomas A. Farrell	8203 Louisville Ave.	Lubbock	TX	79464
R.F. Fort, a/k/a Raymond F. Fort	P.O. Box 853	Tahoka	TX	79373
Laurie B. Barr Family Trust	P.O. Box 1959	Midland	TX	79702
Steven C. Barnes	P.O. Box 10505	Midland	TX	79702
Christy B. Motycka	P.O. Box 10505	Midland	TX	79702
V. Elaine Barnes	P.O. Box 10505	Midland	TX	79702
Julie Ellen Barnes	P.O. Box 10505	Midland	TX	79702
Ricky D. Raindl	P.O. Box 142454	Irving	TX	75014-2454
Debra Kay Primera	P.O. Box 142454	Irving	TX	75014-2454
Robin E. Birnie	14435 Benefit St., Apt 2	Sherman Oaks	CA	91423
Allison L. Birnie	14435 Benefit St., Apt 2	Sherman Oaks	CA	91423
Jason Bond	902 Hall Drive	Roswell	NM	88201
Cindy Bond Kochi	P.O. Box 3179	Redondo Beach	CA	90277
Cameron Birnie	1066 Del Robles Place	Simi	CA	93063
Robin Marie Lawless	10 Sand Pointe	Laguna Nigel	CA	92677
Calvin Robert Graef, III	8387 Briar Trace Way	Castle Rock	CO	80108
Taylor L. Barr	P.O. Box 505	Midland	TX	79702
Jeff Morris Graef	4904 Haley Dr.	Flower Mound	TX	75028
Zachariah J. Reid	P.O. Box 505	Midland	TX	79702
Craig W. Barr	1031 NW 43rd Ave.	Camas	WA	98607
Thomas R. Barr	P.O. Box 39225	Charlotte	NC	28278
Kyle Jenkins, PR of the Estate of Betty J. Rynearson	2504 Escudo Rd.	Rio Rancho	NM	87124
Calvin Robert Graef, Jr.	2909 Girard Street	Leavenworth	KS	66048
Hold the Door LP	6824 Island Cir.	Midland	TX	79707
RSC Resources, LP	6824 Island Cir.	Midland	TX	79707
MRC Permian Company	5400 LBJ Freeway, Suite 1500	Dallas	TX	75240
The United States of America	P.O. Box 25627	Denver	CO	80225
COG Operating LLC	600 West Illinois Ave.	Midland	TX	79701
Concho Oil and Gas LLC	600 West Illinois Ave.	Midland	TX	79701
Nestegg Energy Corporation	2308 Sierra Vista	Artesia	NM	88210
Bureau of Land Management - Carlsbad	620 E. Greene Street	Carlsbad	NM	88220





Shipment Confirmation Acceptance Notice

A. Mailer Action

Note to Mailer: The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

2018-03-12 MRC/Zach McCormick Fed No. 201H
Admin App

Shipment Date: 03/12/2018

Shipped From:

Name: HOLLAND & HART LLP

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®*	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	34
Total	34

*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0007 5314 90



Firm Mailing Book For Accountable Mail

Name and Address of Sender		Check type of mail or service		Affix Stamp Here (if issued as an international certificate of mailing or for additional copies of this receipt). Postmark with Date of Receipt.												
USPS Tracking/Article Number		Addressee (Name, Street, City, State, & ZIP Code™)		Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee
1. 9214 8901 9403 8304 8964 48		Alldale Minerals LP 2100 Ross Avenue Suite 1870 Dallas TX 75201		1.63	3.45								1.50			
2. 9214 8901 9403 8304 8964 55		Charles M Farrell 119 Seabell Rd Beem NM 87002-7912		1.63	3.45								1.50			
3. 9214 8901 9403 8304 8964 62		Jane S Bailey 36 Will Scarlett Mayhill NM 88339		1.63	3.45								1.50			
4. 9214 8901 9403 8304 8964 79		Lynda S Sickum 1107 E Harris Brownfield TX 79316		1.63	3.45											
5. 9214 8901 9403 8304 8964 86		Thomas A Farrell 8203 Louisville Ave Lubbock TX 79464		1.63	3.45											
6. 9214 8901 9403 8304 8964 93		R F Fort alkia Raymond F Fort PO BOX 653 Tahoka TX 79373		1.63	3.45								1.50			
7. 9214 8901 9403 8304 8965 09		Laurie B Barr Family Trust PO BOX 1959 Midland TX 79702		1.63	3.45								1.50			
8. 9214 8901 9403 8304 8965 16		Steven C Barnes PO BOX 10505 Midland TX 79702		1.63	3.45								1.50			
Total Number of Pieces Listed by Sender 34		Total Number of Pieces Received at Post Office		Postmaster, Per (Name of receiving employee)												



Firm Mailing Book For Accountable Mail

Name and Address of Sender Holland & Hart LLP 110 N Guadalupe St # 1 Santa Fe NM 87501		Check type of mail or service ☐ Adult Signature Required ☐ Adult Signature Restricted Delivery ☒ Certified Mail ☐ Certified Mail Restricted Delivery ☐ Collect on Delivery (COD) ☐ Insured Mail ☐ Priority Mail ☐ Priority Mail Express ☐ Registered Mail ☐ Return Receipt for Merchandise ☐ Signature Confirmation ☐ Signature Confirmation Restricted Delivery										Affix Stamp Here (if issued as an international certificate of mailing or for additional copies of this receipt). Postmark with Date of Receipt.													
USPS Tracking/Article Number		Addressee (Name, Street, City, State, & ZIP Code™)										Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee	
9. 9214 8901 9403 8304 8965 23		Christy B Molycka 20 BOX 10505 Midland TX 79702										1.63	3.45							1.50					
10. 9214 8901 9403 8304 8965 30		V Elaine Barnes PO BOX 10505 Midland TX 79702										1.63	3.45							1.50					
11. 9214 8901 9403 8304 8965 47		Julie Ellen Barnes PO BOX 10505 Midland TX 79702										1.63	3.45							1.50					
12. 9214 8901 9403 8304 8965 54		Ricki D Raindl PO BOX 142454 Irving TX 75014-2454										1.63	3.45												
13. 9214 8901 9403 8304 8965 61		Debra Kay Primera PO BOX 142454 Irving TX 75014-2454										1.63	3.45												
14. 9214 8901 9403 8304 8965 78		Robin E Birnie 14435 Benafit St Apt 2 Sherman Oaks CA 91423										1.63	3.45							1.50					
15. 9214 8901 9403 8304 8965 85		Allison L Birnie 14435 Benafit St Apt 2 Sherman Oaks CA 91423										1.63	3.45							1.50					
16. 9214 8901 9403 8304 8965 92		Jason Bond 902 Hall Drive Roswell NM 88201										1.63	3.45							1.50					
Total Number of Pieces Listed by Sender 34		Total Number of Pieces Received at Post Office		Postmaster, Per (Name of receiving employee)																					



Firm Mailing Book For Accountable Mail

Name and Address of Sender Holland & Hart LLP 110 N Guadalupe St # 1 Santa Fe NM 87501		Check type of mail or service ☐ Adult Signature Required ☐ Adult Signature Restricted Delivery ☒ Certified Mail ☐ Certified Mail Restricted Delivery ☐ Collect on Delivery (COD) ☐ Insured Mail ☐ Priority Mail ☐ Adult Signature Required ☐ Priority Mail Express ☐ Registered Mail ☐ Return Receipt for Merchandise ☐ Signature Confirmation ☐ Signature Confirmation Restricted Delivery		Affix Stamp Here (if issued as an international certificate of mailing or for additional copies of this receipt). Postmark with Date of Receipt.												
USPS Tracking/Article Number		Addressee (Name, Street, City, State, & ZIP Code™)		Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee
17.	9214 8901 9403 8304 8966 08	Cindy Bond Kochi PO BOX 3179 Redondo Beach CA 90277		1.63	3.45								1.50			
18.	9214 8901 9403 8304 8966 15	Cameron Birnie 1066 Del Robles Place Simi CA 93063		1.63	3.45								1.50			
19.	9214 8901 9403 8304 8966 22	Robin Marie Lawless 10 Sand Pointe Laguna Nigel CA 92677		1.63	3.45								1.50			
20.	9214 8901 9403 8304 8966 39	Calvin Robert Graef III 8387 Briar Trace Way Castle Rock CO 80108		1.63	3.45								1.50			
21.	9214 8901 9403 8304 8966 46	Taylor L Barr PO BOX 505 Midland TX 79702		1.63	3.45								1.50			
22.	9214 8901 9403 8304 8966 53	Jeff Morris Graef 4904 Haley Dr Flower Mound TX 75028		1.63	3.45								1.50			
23.	9214 8901 9403 8304 8966 60	Zachariah J Reid PO BOX 505 Midland TX 79702		1.63	3.45								1.50			
24.	9214 8901 9403 8304 8966 77	Craig W Barr 1031 NW 43rd Ave Camas WA 98607		1.63	3.45								1.50			
Total Number of Pieces Listed by Sender 34		Postmaster, Per (Name of receiving employee)														



Firm Mailing Book For Accountable Mail

Name and Address of Sender Holland & Hart LLP 110 N Guadalupe St # 1 Santa Fe NM 87501		Check type of mail or service ☐ Adult Signature Required ☐ Adult Signature Restricted Delivery ☐ Certified Mail ☒ Certified Mail Restricted Delivery ☐ Collect on Delivery (COD) ☐ Insured Mail ☐ Priority Mail ☐ Priority Mail Express ☐ Registered Mail ☐ Return Receipt for Merchandise ☐ Signature Confirmation ☐ Signature Confirmation Restricted Delivery		Affix Stamp Here (if issued as an international certificate of mailing or for additional copies of this receipt). Postmark with Date of Receipt.												
USPS Tracking/Article Number		Addressee (Name, Street, City, State, & ZIP Code™)		Postage	(Extra Service) Fee	Handling Charge - if Registered and over \$50,000 in value	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SRD Fee	SH Fee
25.	9214 8901 9403 8304 8966 84	Thomas R Barr PO BOX 39225 Charlotte NC 28278		1.63	3.45								1.50			
26.	9214 8901 9403 8304 8966 91	Kyle Jenkins PR of the Estate of Betty J Rynearson 2504 Escudo Rd Rio Rancho NM 87124		1.63	3.45								1.50			
27.	9214 8901 9403 8304 8967 07	Calvin Robert Graef Jr 2303 Gland Street Leavenworth KS 66048		1.63	3.45								1.50			
28.	9214 8901 9403 8304 8967 14	Hold the Door LP 6824 Island Cir Midland TX 79707		1.63	3.45								1.50			
29.	9214 8901 9403 8304 8967 21	RSC Resources LP 6824 Island Cir Midland TX 79707		1.63	3.45								1.50			
30.	9214 8901 9403 8304 8967 38	MRC Permian Company 5400 LBJ Freeway Suite 1500 Dallas TX 75240		1.63	3.45								1.50			
31.	9214 8901 9403 8304 8967 45	The United States of America PO BOX 25627 Denver CO 80225		1.63	3.45								1.50			
32.	9214 8901 9403 8304 8967 52	COS Operating LLC 600 West Illinois Ave Midland TX 79701		1.63	3.45								1.50			
Total Number of Pieces Listed by Sender 34		Postmaster, Per (Name of receiving employee)														



Firm Mailing Book For Accountable Mail

Name and Address of Sender	Check type of mail or service ☐ Adult Signature Required ☐ Priority Mail Express ☐ Adult Signature Restricted Delivery ☐ Registered Mail ☒ Certified Mail ☐ Return Receipt for Merchandise ☐ Certified Mail Restricted Delivery ☐ Signature Confirmation ☐ Collect on Delivery (COD) ☐ Signature Confirmation Restricted Delivery ☐ Insured Mail ☐ Priority Mail	Affix Stamp Here <i>(if issued as an international certificate of mailing or for additional copies of this receipt).</i> Postmark with Date of Receipt.												
USPS Tracking/Article Number	Addressee (Name, Street, City, State, & ZIP Code™)	Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee
33. 9214 8901 9403 8304 8967 69	Concho Oil and Gas LLC 600 West Illinois Ave Midland TX 79701	1.63	3.45								1.50			
34. 9214 8901 9403 8304 8967 76	Nestegg Energy Corporation 2308 Sierra Vista Artesia NM 88210	1.63	3.45								1.50			
Total Number of Pieces Listed by Sender	Total Number of Pieces Received at Post Office													
34														



Shipment Confirmation Acceptance Notice

A. Mailer Action

Note to Mailer: The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

2018-03-12 MRC/Zach McCormick Fed No. 201H
Admin App - Addl Party - BLM

Shipment Date: 03/12/2018

Shipped From:

Name: HOLLAND & HART LLP

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	1
Total	1

*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

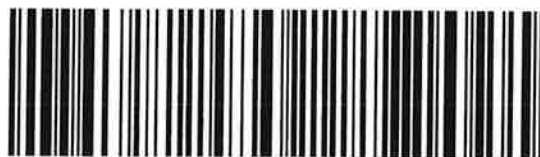
B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0007 5328 62



Firm Mailing Book For Accountable Mail

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