

CPH0C-200828-C-107B CTB-970

Revised March 23, 2017

RECEIVED: 8/28/20	REVIEWER: DM	TYPE: CTB	APP NO: pDM2024157364
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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: Ranger State, 1H, 122H, 123H wells **API:** 30-025-41113, -42353, -44012
Pool: Grama Ridge; Bone Spring, North **Pool Code:** 28434

**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 holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☒ Notification and/or concurrent approval by SLOE. ☐ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☒ 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.

Kaitlyn A. Luck

Print or Type Name

Signature

08/28/20

Date

505-954-7286

Phone Number

kaluck@hollandhart.com

e-mail Address



Kaitlyn A. Luck
Phone (505) 954-7286
kaluck@hollandhart.com

August 28, 2020

VIA ONLINE FILING

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

Re: Application of Matador Production Company to authorize lease commingling, off-lease storage, off lease measurement, and off-lease marketing at the Ranger Tank Battery located in the NW/4 NW/4 (Unit D) of Section 33, Township 20 South, Range 35 East, NMPM, Lea County, New Mexico.

Dear Ms. Sandoval:

Pursuant to 19.15.12.10.B NMAC, Matador Production Company (OGRID No. 228937) seeks administrative approval for lease commingling, off-lease storage, off-lease measurement, and off-lease marketing at the Ranger Tank Battery of production from the Grama Ridge; Bone Spring, North pool (Pool code 28434) from the following existing and future infill wells located in a "lease" with "identical ownership" as those terms are defined in 19.15.12.7 NMAC:

- (a) The **Ranger 33 State Com #1H well** (API No. 30-025-41113) in the Grama Ridge; Bone Spring, North pool (28434) underlying the W/2 W/2 of Section 33;
- (b) The **Ranger State 33 20 35 RN #122H well** (API No. 30-025-42353) in the Grama Ridge; Bone Spring, North pool (28434) underlying the E/2 W/2 of Section 33; and
- (c) The **Ranger 33 State Com #123H well** (API No. 30-025-44012) in the Grama Ridge; Bone Spring, North pool (28434) underlying the W/2 E/2 of Section 33;
- (d) Future spacing units connected to this central tank battery.

Oil and gas production from these wells will be commingled and sold at the Ranger Tank Battery located in the NW/4 NW/4 (Unit D) of Section 33. Prior to commingling, 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 turbine meters.

Exhibit 1 is a land plat showing Matador's current development plan, flow lines, and central tank battery ("production facility") in the subject area. The plat identifies the wellbores, the existing spacing units, and the common surface facilities located in the NW/4 NW/4 (Unit D) of Section 33.

Exhibit 2 includes Form C-102s for each of the wells currently permitted or drilled within the existing spacing units. There are no available production reports for these wells.

Exhibit 3 includes Form C-103s for each of the wells along with a statement from Nicholas Weeks, Landman, certifying that the mineral ownership of the lands subject to this application is identical. Exhibit 3 also includes a statement from Ryan Hernandez, Operations Engineer with Matador, 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).

Because this application involves identical ownership as that term is defined in 19.15.12 NMAC, **Exhibit 4** reflects that a copy of this application was provided only to the New Mexico State Land Office since state acreage is involved. Finally, the communitization agreements for the subject wells are attached as **Exhibit 5**.

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Kaitlyn Luck", written over a horizontal line.

Kaitlyn A. Luck
ATTORNEY FOR MATADOR PRODUCTION
COMPANY



Kaitlyn A. Luck
Phone (505) 954-7286
kaluck@hollandhart.com

August 28, 2020

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: New Mexico State Land Office

Re: Application of Matador Production Company to authorize lease commingling, off-lease storage, off lease measurement, and off-lease marketing at the Ranger Tank Battery located in the NW/4 NW/4 (Unit D) of Section 33, Township 20 South, Range 35 East, NMPM, Lea County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced amended 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 amended application, please contact the following:

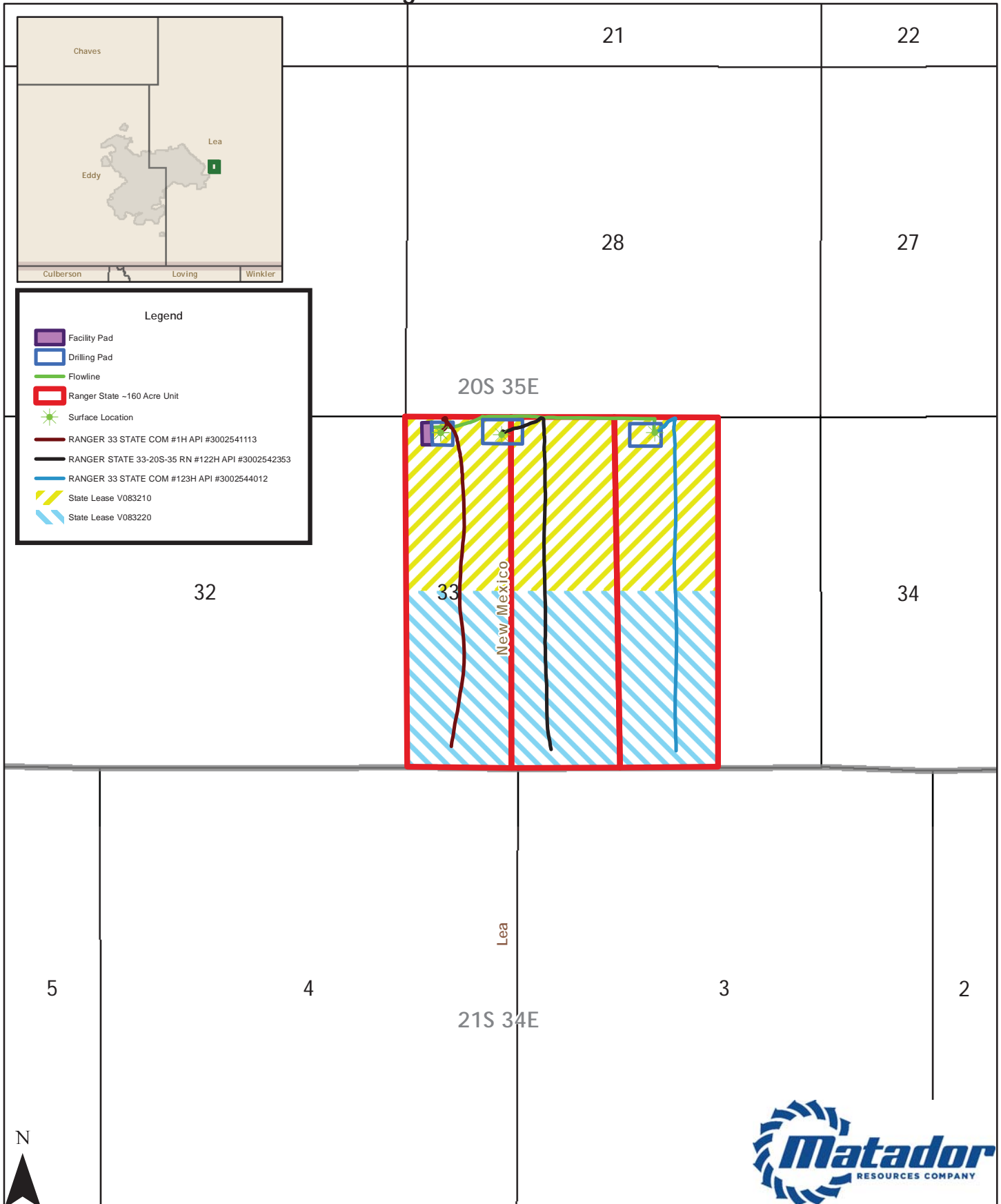
Brian Fancher
Matador Production Company
972-371-5242
bfancher@matadorresources.com

Sincerely,

A handwritten signature in blue ink, appearing to read "Kaitlyn Luck", written over a horizontal line.

Kaitlyn A. Luck
ATTORNEY FOR MATADOR PRODUCTION
COMPANY

Ranger State Land Plat



Southeast New Mexico

0 750 1,500 3,000 Feet

EXHIBIT 1

Date: 8/28/2020
Document Name: RangerState_Commingling
Coordinate System: GCS WGS 1984

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

EXHIBIT 2

FORM C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

¹ API Number 30-025-41113	² Pool Code 28434	³ Pool Name Grama Ridge; Bone Spring N
⁴ Property Code 39819	⁵ Property Name RANGER 33 STATE COM	⁶ Well Number #1H
⁷ OGRFD No. 228937	⁸ Operator Name MATADOR PRODUCTION COMPANY	⁹ Elevation 3716'

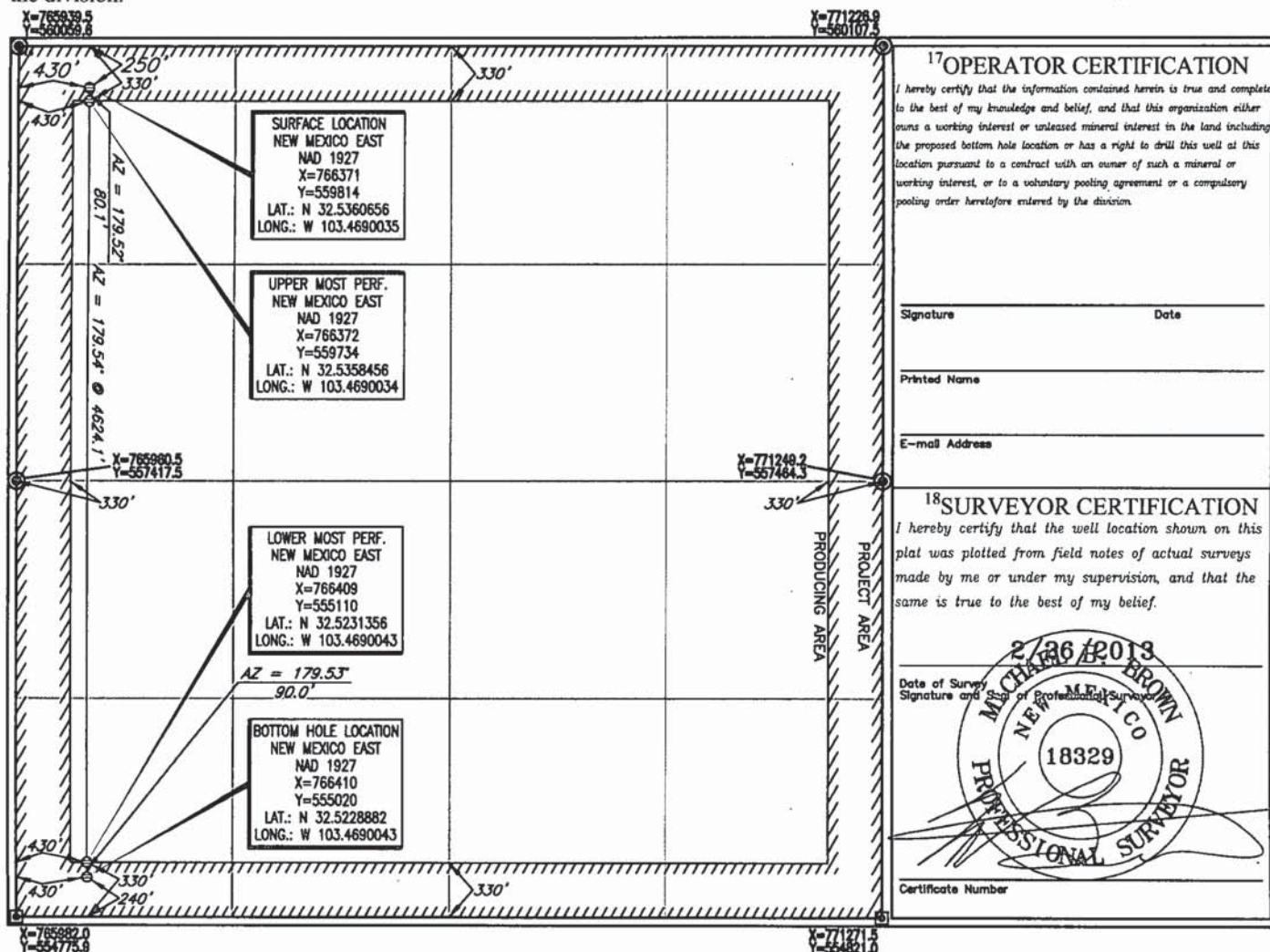
¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	33	20-S	35-E	-	250'	NORTH	430'	WEST	LEA

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	33	20-S	35-E	-	240'	SOUTH	430'	WEST	LEA

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

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



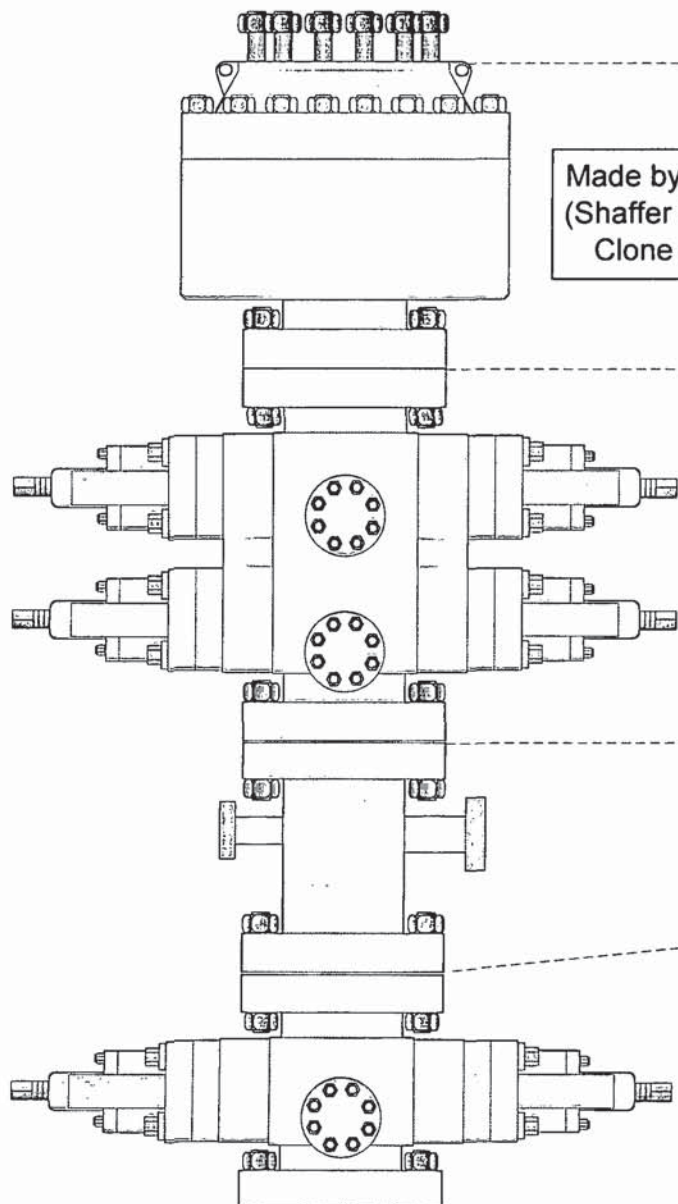
APR 15 2013



PATTERSON-UTI

Well Control

RIG: 203



Made by Cameron
(Shaffer Spherical)
Clone Annular

PATTERSON-UTI # PS2-628

STYLE: New Shaffer Spherical

BORE 13 5/8" PRESSURE 5,000

HEIGHT: 48 1/2" WEIGHT: 13,800 lbs

PATTERSON-UTI # PC2-128

STYLE: New Cameron Type U

BORE 13 5/8" PRESSURE 10,000

RAMS: TOP 5" Pipe BTM Blinds

HEIGHT: 66 5/8" WEIGHT: 24,000 lbs

Length 40" Outlets 4" 10M

DSA 4" 10M x 2" 10M

PATTERSON-UTI # PC2-228

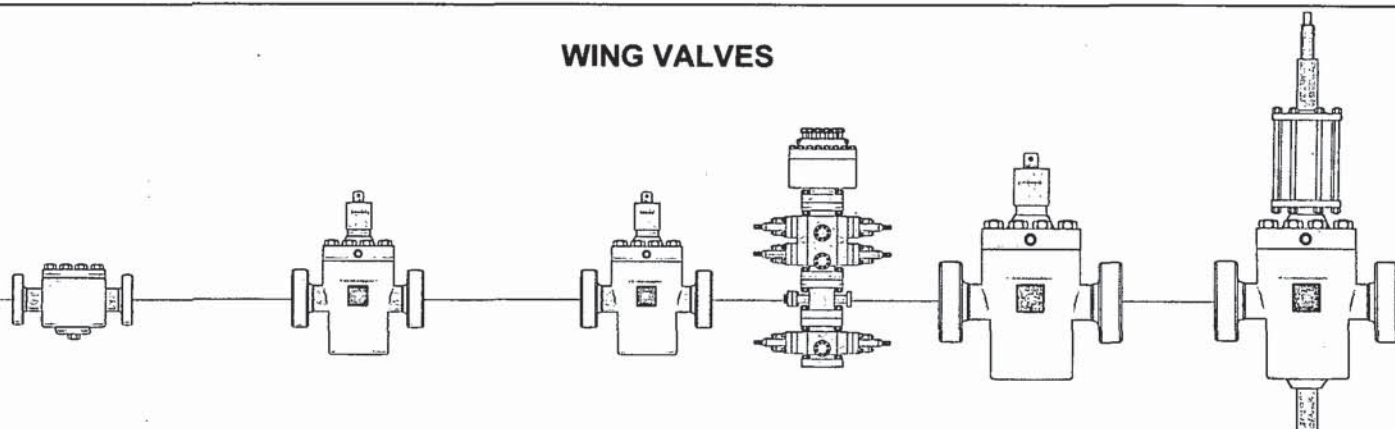
STYLE: New Cameron Type U

BORE 13 5/8" PRESSURE 10,000

RAMS: 5" Pipe

HEIGHT: 41 5/8" WEIGHT: 13,000 lbs

WING VALVES



2" Check Valve

2" Manual Valve

2" Manual Valve

4" Manual Valve

4" Hydraulic Valve

Production Summary Report API: 30-025-41113 RANGER 33 STATE COM #001H Printed On: Thursday, August 20 2020												
Year	Pool	Production					Injection					
		Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure	
2013	[28434] GRAMA RIDGE;BONE SPRING, NORTH	Jul	0	0	0	0	0	0	0	0	0	0
2013	[28434] GRAMA RIDGE;BONE SPRING, NORTH	Aug	0	0	0	0	0	0	0	0	0	0
2013	[28434] GRAMA RIDGE;BONE SPRING, NORTH	Sep	0	0	0	0	0	0	0	0	0	0
2013	[28434] GRAMA RIDGE;BONE SPRING, NORTH	Oct	1112	328	18023	11	0	0	0	0	0	0
2013	[28434] GRAMA RIDGE;BONE SPRING, NORTH	Nov	7832	3154	18755	27	0	0	0	0	0	0
2013	[28434] GRAMA RIDGE;BONE SPRING, NORTH	Dec	15154	4964	16783	31	0	0	0	0	0	0
2014	[28434] GRAMA RIDGE;BONE SPRING, NORTH	Jan	15548	8221	13116	31	0	0	0	0	0	0
2014	[28434] GRAMA RIDGE;BONE SPRING, NORTH	Feb	11973	6650	8204	28	0	0	0	0	0	0
2014	[28434] GRAMA RIDGE;BONE SPRING, NORTH	Mar	14950	7856	10516	30	0	0	0	0	0	0
2014	[28434] GRAMA RIDGE;BONE SPRING, NORTH	Apr	13663	7518	7466	30	0	0	0	0	0	0
2014	[28434] GRAMA RIDGE;BONE SPRING, NORTH	May	12005	5789	7060	31	0	0	0	0	0	0
2014	[28434] GRAMA RIDGE;BONE SPRING, NORTH	Jun	11441	6374	6826	30	0	0	0	0	0	0
2014	[28434] GRAMA RIDGE;BONE SPRING, NORTH	Jul	9025	4727	14776	31	0	0	0	0	0	0

2014	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Aug	10760	6249	5530	31	0	0	0	0	0	0
2014	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Sep	9618	5554	6549	30	0	0	0	0	0	0
2014	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Oct	9071	5400	4435	31	0	0	0	0	0	0
2014	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Nov	8359	4053	4354	30	0	0	0	0	0	0
2014	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Dec	8427	9704	3959	31	0	0	0	0	0	0
2015	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Jan	7768	9372	3620	31	0	0	0	0	0	0
2015	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Feb	6126	9110	3136	25	0	0	0	0	0	0
2015	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Mar	6227	10146	3144	26	0	0	0	0	0	0
2015	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Apr	2917	8053	2724	21	0	0	0	0	0	0
2015	[28434] GRAMA RIDGE; BONE SPRING, NORTH	May	3639	1830	5494	31	0	0	0	0	0	0
2015	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Jun	4275	1661	5419	30	0	0	0	0	0	0
2015	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Jul	5640	2028	5777	31	0	0	0	0	0	0
2015	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Aug	5496	1802	4906	31	0	0	0	0	0	0
2015	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Sep	4607	5687	3132	26	0	0	0	0	0	0
2015	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Oct	3763	1527	2388	28	0	0	0	0	0	0
2015	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Nov	4140	2429	2532	29	0	0	0	0	0	0

2017	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Apr	2014	692	1276	27	0	0	0	0	0	0
2017	[28434] GRAMA RIDGE; BONE SPRING, NORTH	May	2294	1400	1361	30	0	0	0	0	0	0
2017	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Jun	1498	891	899	19	0	0	0	0	0	0
2017	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Jul	2382	1083	1446	26	0	0	0	0	0	0
2017	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Aug	2823	1076	1857	31	0	0	0	0	0	0
2017	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Sep	2448	2608	1628	30	0	0	0	0	0	0
2017	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Oct	2413	2329	1653	30	0	0	0	0	0	0
2017	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Nov	1059	282	1397	23	0	0	0	0	0	0
2017	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Dec	1904	609	1340	31	0	0	0	0	0	0
2018	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Jan	1899	345	1327	30	0	0	0	0	0	0
2018	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Feb	1676	381	1045	28	0	0	0	0	0	0
2018	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Mar	2215	1097	1279	31	0	0	0	0	0	0
2018	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Apr	2147	580	1152	30	0	0	0	0	0	0
2018	[28434] GRAMA RIDGE; BONE SPRING, NORTH	May	2155	1329	1048	31	0	0	0	0	0	0
2018	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Jun	2010	1143	841	30	0	0	0	0	0	0
2018	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Jul	2093	1261	1077	31	0	0	0	0	0	0

2018	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Aug	1943	790	904	29	0	0	0	0	0	0
2018	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Sep	2284	1093	734	30	0	0	0	0	0	0
2018	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Oct	2002	129	752	31	0	0	0	0	0	0
2018	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Nov	1769	604	880	30	0	0	0	0	0	0
2018	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Dec	1555	925	751	31	0	0	0	0	0	0
2019	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Jan	1779	0	809	31	0	0	0	0	0	0
2019	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Feb	2022	2012	1139	28	0	0	0	0	0	0
2019	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Mar	2315	1636	1239	31	0	0	0	0	0	0
2019	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Apr	2318	1946	986	29	0	0	0	0	0	0
2019	[28434] GRAMA RIDGE; BONE SPRING, NORTH	May	2737	2093	571	31	0	0	0	0	0	0
2019	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Jun	2526	1946	885	30	0	0	0	0	0	0
2019	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Jul	2299	2148	907	31	0	0	0	0	0	0
2019	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Aug	2214	1794	761	31	0	0	0	0	0	0
2019	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Sep	2079	1920	806	30	0	0	0	0	0	0
2019	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Oct	1922	208	707	31	0	0	0	0	0	0
2019	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Nov	1685	0	1041	30	0	0	0	0	0	0

2019	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Dec	1591	706	787	29	0	0	0	0	0	0
2020	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Jan	1554	60	1225	28	0	0	0	0	0	0
2020	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Feb	1010	80	526	22	0	0	0	0	0	0
2020	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Mar	1361	1091	525	26	0	0	0	0	0	0
2020	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Apr	754	572	532	16	0	0	0	0	0	0
2020	[28434] GRAMA RIDGE; BONE SPRING, NORTH	May	1347	970	848	26	0	0	0	0	0	0
2020	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Jun	1403	1353	896	30	0	0	0	0	0	0

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

HOBBS OCD

Submit one copy to appropriate

District Office

JUN 24 2015

☐ **AMENDED REPORT**

RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-42353	² Pool Code 28434	³ Pool Name Grama Ridge; Bone Spring, North
⁴ Property Code 314002	⁵ Property Name RANGER STATE 33 20 35 RN	⁶ Well Number #122H
⁷ OGRID No. 228937	⁸ Operator Name MATADOR PRODUCTION COMPANY	⁹ Elevation 3699'

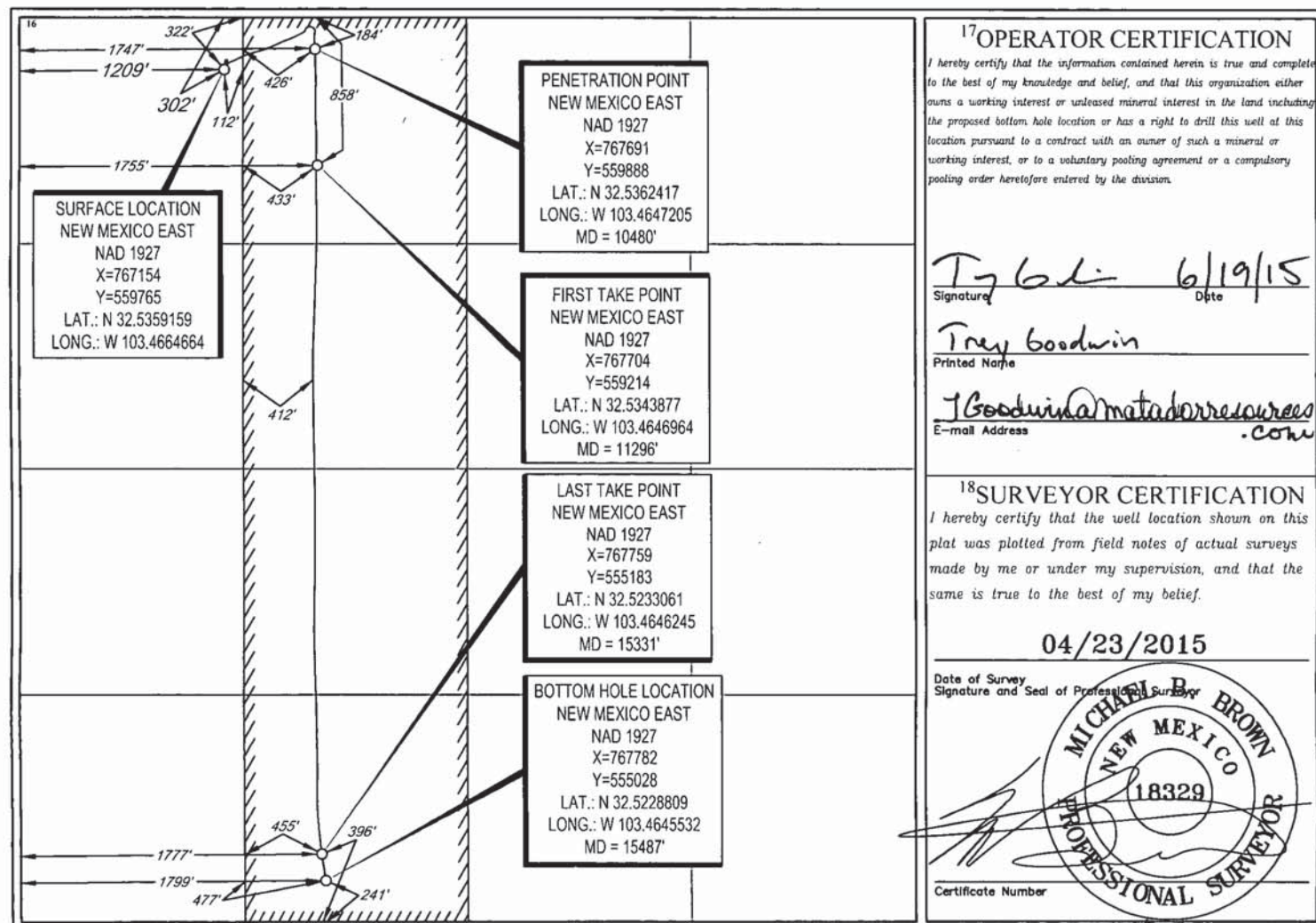
¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	33	20-S	35-E	-	302'	NORTH	1209'	WEST	LEA

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	33	20-S	35-E	-	241'	SOUTH	1799'	WEST	LEA

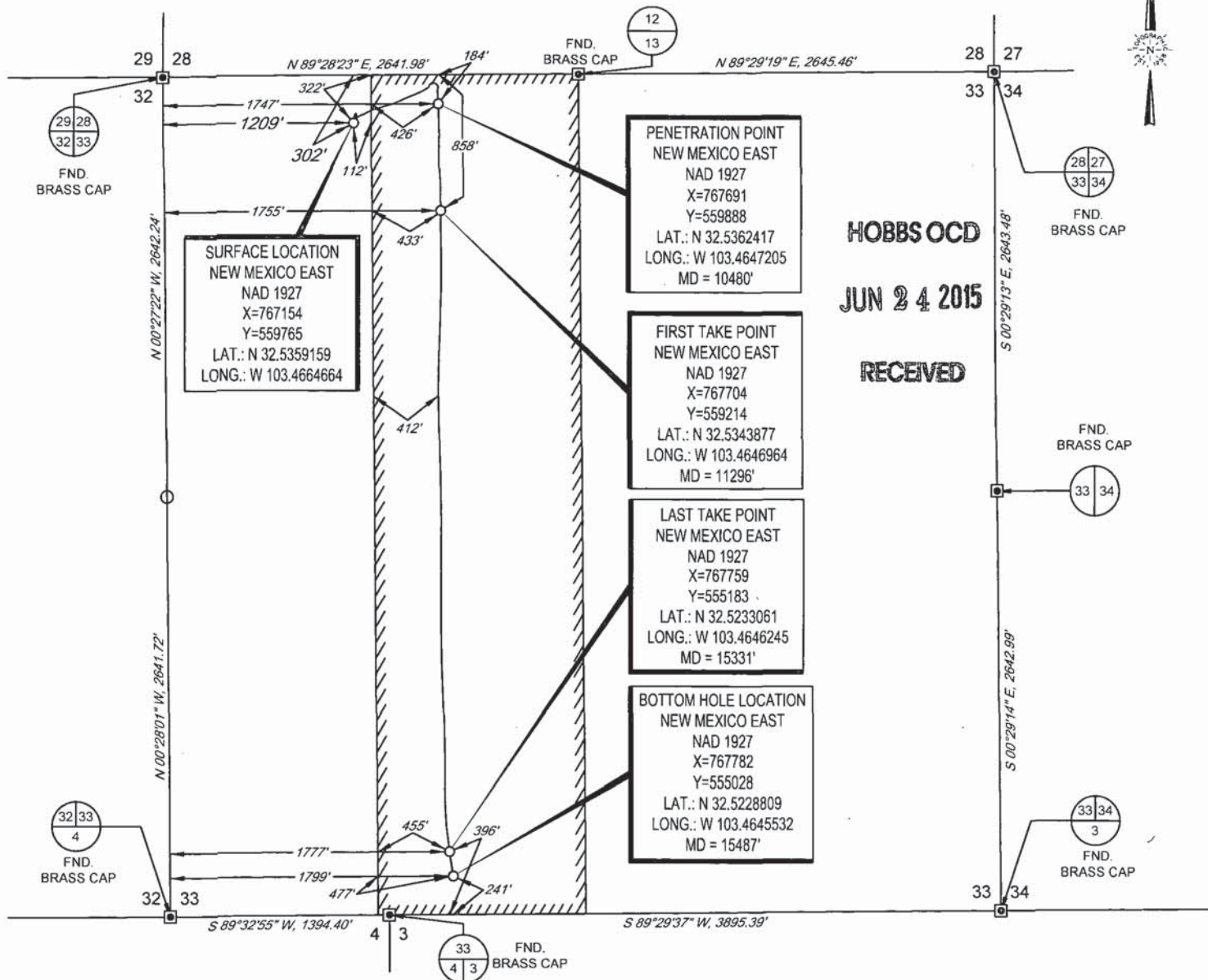
¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.

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



SCALE: 1" = 1000'
0' 500' 1000'

SECTION 33, TOWNSHIP 20-S, RANGE 35-E, N.M.P.M.
LEA COUNTY, NEW MEXICO



LEASE NAME & WELL NO.: RANGER STATE 33 20 35 RN #122H
SECTION 33 TWP 20-S RGE 35-E SURVEY N.M.P.M.
COUNTY LEA STATE NM ELEVATION 3699'
DESCRIPTION 302' FNL & 1209' FWL



TOPOGRAPHIC
LOYALTY INNOVATION LEGACY

1400 EVERMAN PARKWAY, Ste. 197 • FT. WORTH, TEXAS 76140
TELEPHONE: (817) 744-7512 • FAX (817) 744-7548
2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705
TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743
WWW.TOPOGRAPHIC.COM



Michael Blake Brown, P.S. No. 18329

JUNE 19, 2015

RANGER STATE 33 20 35 RN #122H AS-COMPLETED	REVISION:	
	INT	DATE
DATE: 06/19/15		
FILE: AD_RANGER_STATE_33_20_35_RN_122H		
DRAWN BY: S.V.		
SHEET: 1 OF 1		

NOTES:

1. ORIGINAL DOCUMENT SIZE: 8.5" X 11"
2. ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREIN ARE GRID BASED UPON THE NEW MEXICO STATE PLANE COORDINATE SYSTEM, EAST ZONE, U.S. SURVEY FEET, NORTH AMERICAN DATUM 1927.
3. CERTIFICATION IS MADE ONLY TO THE LOCATION OF THIS EASEMENT, IN RELATION TO THE EVIDENCE FOUND DURING A FIELD SURVEY, MADE ON THE GROUND, UNDER MY SUPERVISION, AND USING DOCUMENTATION PROVIDED BY MATADOR PRODUCTION COMPANY. ONLY UTILITIES/EASEMENTS THAT WERE VISIBLE ON THE DATE OF THIS SURVEY, WITHIN/ADJOINING THIS EASEMENT, HAVE BEEN LOCATED AS SHOWN HEREON OF WHICH I HAVE KNOWLEDGE. THIS CERTIFICATION IS LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE, AND MADE FOR THIS TRANSACTION ONLY.

Production Summary Report API: 30-025-42353 RANGER STATE 33 20 35 RN #122H Printed On: Thursday, August 20 2020														
		Production					Injection							
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure			
2015	[28434] GRAMA RIDGE;BONE SPRING, NORTH	May	6382	12527	8990	31		0	0	0	0			
2015	[28434] GRAMA RIDGE;BONE SPRING, NORTH	Jun	8314	12943	5042	30		0	0	0	0			
2015	[28434] GRAMA RIDGE;BONE SPRING, NORTH	Jul	8222	5978	4260	31		0	0	0	0			
2015	[28434] GRAMA RIDGE;BONE SPRING, NORTH	Aug	6944	4628	3273	31		0	0	0	0			
2015	[28434] GRAMA RIDGE;BONE SPRING, NORTH	Sep	5808	2962	2482	26		0	0	0	0			
2015	[28434] GRAMA RIDGE;BONE SPRING, NORTH	Oct	5486	3479	3639	29		0	0	0	0			
2015	[28434] GRAMA RIDGE;BONE SPRING, NORTH	Nov	6074	3631	3432	30		0	0	0	0			
2015	[28434] GRAMA RIDGE;BONE SPRING, NORTH	Dec	5299	2188	2764	28		0	0	0	0			
2016	[28434] GRAMA RIDGE;BONE SPRING, NORTH	Jan	5369	3878	2944	31		0	0	0	0			
2016	[28434] GRAMA RIDGE;BONE SPRING, NORTH	Feb	5222	3185	2825	31		0	0	0	0			
2016	[28434] GRAMA RIDGE;BONE SPRING, NORTH	Mar	4842	4187	2830	31		0	0	0	0			
2016	[28434] GRAMA RIDGE;BONE SPRING, NORTH	Apr	4300	2494	2722	31		0	0	0	0			
2016	[28434] GRAMA RIDGE;BONE SPRING, NORTH	May	4864	3159	3048	31		0	0	0	0			

2016	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Jun	4618	2940	2213	30		0	0	0	0	0	0
2016	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Jul	4708	3090	2527	31		0	0	0	0	0	0
2016	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Aug	4474	3231	2486	31		0	0	0	0	0	0
2016	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Sep	4180	2353	2585	30		0	0	0	0	0	0
2016	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Oct	4200	3275	2477	31		0	0	0	0	0	0
2016	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Nov	3802	2704	2696	30		0	0	0	0	0	0
2016	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Dec	3514	1426	2341	27		0	0	0	0	0	0
2017	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Jan	3418	0	1857	26		0	0	0	0	0	0
2017	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Feb	3498	589	1926	22		0	0	0	0	0	0
2017	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Mar	3503	785	2315	31		0	0	0	0	0	0
2017	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Apr	3102	689	1859	27		0	0	0	0	0	0
2017	[28434] GRAMA RIDGE; BONE SPRING, NORTH	May	3437	2711	2153	30		0	0	0	0	0	0
2017	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Jun	2029	1735	1410	19		0	0	0	0	0	0
2017	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Jul	2054	580	2854	26		0	0	0	0	0	0
2017	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Aug	3153	2343	2886	31		0	0	0	0	0	0
2017	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Sep	3167	1290	2246	30		0	0	0	0	0	0

2017	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Oct	3241	1375	2352	30	0	0	0	0	0	0
2017	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Nov	220	0	95	20	0	0	0	0	0	0
2017	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Dec	480	14	2842	23	0	0	0	0	0	0
2018	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Jan	1203	546	1275	30	0	0	0	0	0	0
2018	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Feb	1280	687	2185	28	0	0	0	0	0	0
2018	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Mar	1306	730	1778	31	0	0	0	0	0	0
2018	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Apr	1151	843	1244	30	0	0	0	0	0	0
2018	[28434] GRAMA RIDGE; BONE SPRING, NORTH	May	1138	1051	1151	31	0	0	0	0	0	0
2018	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Jun	1046	1394	849	30	0	0	0	0	0	0
2018	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Jul	1088	1394	982	31	0	0	0	0	0	0
2018	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Aug	991	1459	782	29	0	0	0	0	0	0
2018	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Sep	1217	1437	704	30	0	0	0	0	0	0
2018	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Oct	1071	1111	714	31	0	0	0	0	0	0
2018	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Nov	631	760	718	30	0	0	0	0	0	0
2018	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Dec	1040	898	912	31	0	0	0	0	0	0
2019	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Jan	1078	146	869	31	0	0	0	0	0	0

2019	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Feb	1145	112	796	28	0	0	0	0	0	0
2019	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Mar	1104	1031	792	31	0	0	0	0	0	0
2019	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Apr	1064	648	903	29	0	0	0	0	0	0
2019	[28434] GRAMA RIDGE; BONE SPRING, NORTH	May	1221	902	1164	31	0	0	0	0	0	0
2019	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Jun	1128	825	838	30	0	0	0	0	0	0
2019	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Jul	920	849	814	31	0	0	0	0	0	0
2019	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Aug	909	1118	850	31	0	0	0	0	0	0
2019	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Sep	863	867	782	30	0	0	0	0	0	0
2019	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Oct	878	953	957	31	0	0	0	0	0	0
2019	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Nov	782	625	916	30	0	0	0	0	0	0
2019	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Dec	801	281	1177	29	0	0	0	0	0	0
2020	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Jan	829	1005	1178	29	0	0	0	0	0	0
2020	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Feb	649	1799	608	25	0	0	0	0	0	0
2020	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Mar	989	790	977	31	0	0	0	0	0	0
2020	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Apr	927	538	931	30	0	0	0	0	0	0
2020	[28434] GRAMA RIDGE; BONE SPRING, NORTH	May	704	548	624	26	0	0	0	0	0	0

2020	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Jun	931	606	777	30	0	0	0	0	0	0
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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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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

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DEC 01 2017
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FORM C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-44012	² Pool Code 28434	³ Pool Name GRAMA RIDGE; BONE SPRING, NORTH
⁴ Property Code 39819	⁵ Property Name RANGER 33 STATE COM	⁶ Well Number #123H
⁷ GRID No. 228937	⁸ Operator Name MATADOR PRODUCTION COMPANY	⁹ Elevation 3697'

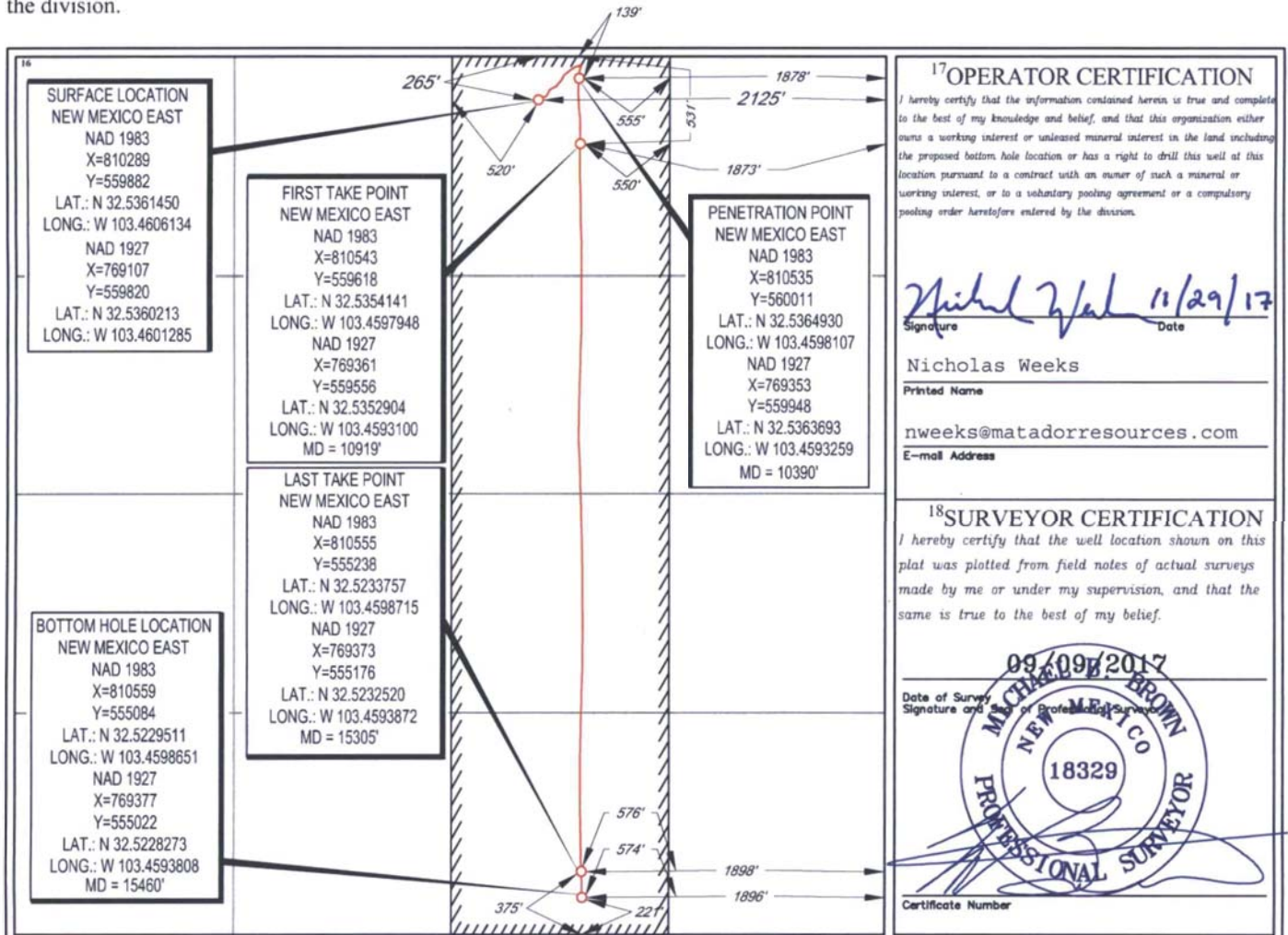
¹⁰Surface Location

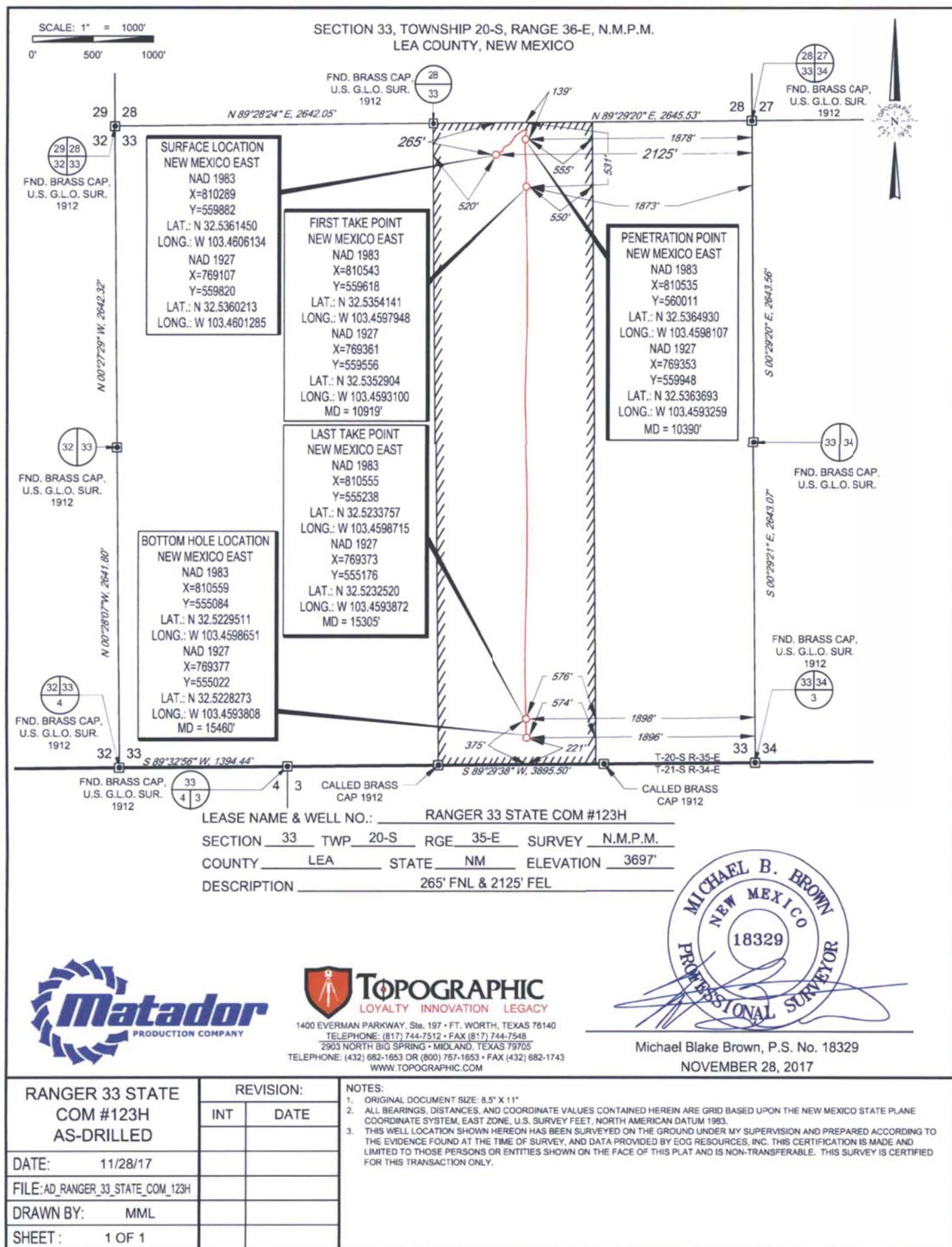
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	33	20-S	35-E	-	265'	NORTH	2125'	EAST	LEA

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	33	20-S	35-E	-	221'	SOUTH	1896'	EAST	LEA

¹¹ Dedicated Acres 160.51	¹² Joint or Infill	¹³ Consolidation Code	¹⁴ 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.





Production Summary Report API: 30-025-44012 RANGER 33 STATE COM #123H Printed On: Thursday, August 20 2020												
		Production					Injection					
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure	
2018	[28434] GRAMA RIDGE;BONE SPRING, NORTH	Jan	10746	4876	12360	30	0	0	0	0	0	0
2018	[28434] GRAMA RIDGE;BONE SPRING, NORTH	Feb	10408	4067	9152	28	0	0	0	0	0	0
2018	[28434] GRAMA RIDGE;BONE SPRING, NORTH	Mar	9637	3641	7201	31	0	0	0	0	0	0
2018	[28434] GRAMA RIDGE;BONE SPRING, NORTH	Apr	10263	3809	6441	30	0	0	0	0	0	0
2018	[28434] GRAMA RIDGE;BONE SPRING, NORTH	May	10248	3982	6499	31	0	0	0	0	0	0
2018	[28434] GRAMA RIDGE;BONE SPRING, NORTH	Jun	9228	3271	6087	30	0	0	0	0	0	0
2018	[28434] GRAMA RIDGE;BONE SPRING, NORTH	Jul	8834	3086	5382	31	0	0	0	0	0	0
2018	[28434] GRAMA RIDGE;BONE SPRING, NORTH	Aug	7376	2597	4353	29	0	0	0	0	0	0
2018	[28434] GRAMA RIDGE;BONE SPRING, NORTH	Sep	7694	2928	5262	30	0	0	0	0	0	0
2018	[28434] GRAMA RIDGE;BONE SPRING, NORTH	Oct	7086	3453	4350	31	0	0	0	0	0	0
2018	[28434] GRAMA RIDGE;BONE SPRING, NORTH	Nov	7373	3397	3910	30	0	0	0	0	0	0
2018	[28434] GRAMA RIDGE;BONE SPRING, NORTH	Dec	6922	1723	3788	31	0	0	0	0	0	0
2019	[28434] GRAMA RIDGE;BONE SPRING, NORTH	Jan	6313	3602	3402	31	0	0	0	0	0	0

2019	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Feb	6017	2649	3475	28	0	0	0	0	0	0	0
2019	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Mar	6368	3519	3830	31	0	0	0	0	0	0	0
2019	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Apr	5786	3563	3681	29	0	0	0	0	0	0	0
2019	[28434] GRAMA RIDGE; BONE SPRING, NORTH	May	5603	3947	4162	31	0	0	0	0	0	0	0
2019	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Jun	5042	3292	3590	30	0	0	0	0	0	0	0
2019	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Jul	5478	3210	3642	31	0	0	0	0	0	0	0
2019	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Aug	5416	3396	3679	31	0	0	0	0	0	0	0
2019	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Sep	4935	2861	3201	30	0	0	0	0	0	0	0
2019	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Oct	4745	3068	3650	31	0	0	0	0	0	0	0
2019	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Nov	4914	2728	2837	30	0	0	0	0	0	0	0
2019	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Dec	4502	1342	2861	29	0	0	0	0	0	0	0
2020	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Jan	3704	141	1952	26	0	0	0	0	0	0	0
2020	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Feb	3185	249	2051	29	0	0	0	0	0	0	0
2020	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Mar	3783	3143	2516	31	0	0	0	0	0	0	0
2020	[28434] GRAMA RIDGE; BONE SPRING, NORTH	Apr	2479	2259	1566	24	0	0	0	0	0	0	0
2020	[28434] GRAMA RIDGE; BONE SPRING, NORTH	May	1	14	2	1	0	0	0	0	0	0	0

Office

District I – (575) 393-6161

1625 N. French Dr., Hobbs, NM 88240

District II – (575) 748-1283

811 S. First St., Artesia, NM 88210

District III – (505) 334-6178

1000 Rio Brazos Rd., Aztec, NM 87410

District IV – (505) 476-3460

1220 S. St. Francis Dr., Santa Fe, NM

87505

State of New Mexico
Energy, Minerals and Natural ResourcesOIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505**EXHIBIT 3**Form C-103
Page 26 of 67

Revised July 18, 2013

WELL API NO. 30-025-41113	
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No. N/A	
7. Lease Name or Unit Agreement Name N/A	
8. Well Number Ranger 33 State Com #1H well	
9. OGRID Number 322998	
10. Pool name or Wildcat Grama Ridge; Bone Spring, North (28434)	
4. Well Location Unit Letter D: 250 feet from the north line and 430 feet from the west line, Section 33, Township 20 South, Range 35 East, NMPM, Lea County, New Mexico.	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3716'	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
 TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
 PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
 DOWNHOLE COMMINGLE ☐
 CLOSED-LOOP SYSTEM ☐
 OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
 COMMENCE DRILLING OPNS. ☐ P AND A ☐
 CASING/CEMENT JOB ☐
 OTHER: ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Please see application for surface commingling filed pursuant to 19.15.10.12.B NMAC in which Matador Production Company (OGRID No. 228937) seeks administrative approval for lease commingling, off-lease storage, off-lease measurement, and off-lease marketing at the Ranger Tank Battery of production from the Grama Ridge; Bone Spring, North pool (28434) from the following existing and future infill wells located in a "lease" with "identical ownership" as those terms are defined in 19.15.12.7 NMAC:

- (a) The **Ranger 33 State Com #1H well** (API No. 30-025-41113) in the Grama Ridge; Bone Spring, North pool (28434) underlying the W/2 W/2 of Section 33;
- (b) The **Ranger State 33 20 35 RN #122H well** (API No. 30-025-42353) in the Grama Ridge; Bone Spring, North pool (28434) underlying the E/2 W/2 of Section 33;
- (c) The **Ranger 33 State Com #123H well** (API No. 30-025-44012) in the Grama Ridge; Bone Spring, North pool (28434) underlying the W/2 E/2 of Section 33; and
- (d) Future spacing units connected to this central tank battery.

Oil and gas production from these wells will be commingled and sold at the Ranger Tank Battery located in the **NW/4 NW/4 (Unit D) of Section 33**. Prior to commingling, 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 turbine meters.

Exhibit 1 is a land plat showing Matador's current development plan, flow lines, and central tank battery ("production facility") in the subject area. The plat identifies the wellbores, the existing spacing units, and the common surface facilities located in the **NW/4 NW/4 (Unit D) of Section 33**.

Exhibit 2 includes Form C-102s for each of the wells currently permitted or drilled within the existing spacing units. There are no available production reports for these wells.

Exhibit 3 includes Form C-103s for each of the wells along with a statement from Nicholas Weeks, Landman, certifying that the mineral ownership of the lands subject to this application is identical. Exhibit 3 also includes a statement from Ryan Hernandez, Operations Engineer with Matador, 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).

Because this application involves identical ownership as that term is defined in 19.15.12 NMAC, **Exhibit 4** reflects that a copy of this application was provided only to the New Mexico State Land Office since state acreage is involved. Finally, the communitization agreements for the subject wells are attached as **Exhibit 5**.

Spud Date:

6/3/13

Rig Release Date:

10/21/13

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

SIGNATURE

TITLE AttorneyDATE 8/28/2020

Type or print name _____

E-mail address: _____

PHONE: _____

For State Use Only

APPROVED BY: _____

TITLE _____

DATE _____

Conditions of Approval (if any): _____

Submit a Copy To Appropriate District:

Office
 District I – (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II – (575) 748-1283
 811 S. First St., Artesia, NM 88210
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 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV – (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM
 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised July 18, 2013

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) 1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		WELL API NO. 30-025-42353 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> 6. State Oil & Gas Lease No. N/A
2. Name of Operator Matador Production Company		7. Lease Name or Unit Agreement Name N/A
3. Address of Operator 5400 LBJ Freeway, Ste. 1500, Dallas, Texas 75240		8. Well Number Ranger 33 State Com #122H well
4. Well Location Unit Letter D: 302 feet from the north line and 1209 feet from the west line, Section 33, Township 20 South, Range 35 East, NMPM, Lea County, New Mexico.		9. OGRID Number 322998
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3699'		10. Pool name or Wildcat Grama Ridge; Bone Spring, North (28434)

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input checked="" type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

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- (a) The **Ranger 33 State Com #1H well** (API No. 30-025-41113) in the Grama Ridge; Bone Spring, North pool (28434) underlying the W/2 W/2 of Section 33;
- (b) The **Ranger State 33 20 35 RN #122H well** (API No. 30-025-42353) in the Grama Ridge; Bone Spring, North pool (28434) underlying the E/2 W/2 of Section 33;
- (c) The **Ranger 33 State Com #123H well** (API No. 30-025-44012) in the Grama Ridge; Bone Spring, North pool (28434) underlying the W/2 E/2 of Section 33; and
- (d) Future spacing units connected to this central tank battery.

Oil and gas production from these wells will be commingled and sold at the Ranger Tank Battery located in the **NW/4 NW/4 (Unit D) of Section 33**. Prior to commingling, 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 turbine meters.

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Because this application involves identical ownership as that term is defined in 19.15.12 NMAC, **Exhibit 4** reflects that a copy of this application was provided only to the New Mexico State Land Office since state acreage is involved. Finally, the communitization agreements for the subject wells are attached as **Exhibit 5**.

Spud Date:

1/6/15

Rig Release Date:

5/1/15

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

SIGNATURE

TITLE AttorneyDATE 8/28/2020

Type or print name _____

E-mail address: _____

PHONE: _____

For State Use Only

APPROVED BY: _____

TITLE _____

DATE _____

Conditions of Approval (if any): _____

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

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised July 18, 2013

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-025-44012
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. N/A
7. Lease Name or Unit Agreement Name N/A
8. Well Number Ranger 33 State Com #123H well
9. OGRID Number 322998
10. Pool name or Wildcat Grama Ridge; Bone Spring, North (28434)
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3697'

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator
 Matador Production Company

3. Address of Operator
 5400 LBJ Freeway, Ste. 1500, Dallas, Texas 75240

4. Well Location
 Unit Letter B: 265 feet from the north line and 2125 feet from the east line, Section 33, Township 20 South, Range 35 East, NMPM, Lea County, New Mexico.

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
 TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
 PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
 DOWNHOLE COMMINGLE ☐
 CLOSED-LOOP SYSTEM ☐
 OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
 COMMENCE DRILLING OPNS. ☐ P AND A ☐
 CASING/CEMENT JOB ☐
 OTHER: ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Please see application for surface commingling filed pursuant to 19.15.10.12.B NMAC in which Matador Production Company (OGRID No. 228937) seeks administrative approval for lease commingling, off-lease storage, off-lease measurement, and off-lease marketing at the Ranger Tank Battery of production from the Grama Ridge; Bone Spring, North pool (28434) from the following existing and future infill wells located in a "lease" with "identical ownership" as those terms are defined in 19.15.12.7 NMAC:

- (a) The **Ranger 33 State Com #1H well** (API No. 30-025-41113) in the Grama Ridge; Bone Spring, North pool (28434) underlying the W/2 W/2 of Section 33;
- (b) The **Ranger State 33 20 35 RN #122H well** (API No. 30-025-42353) in the Grama Ridge; Bone Spring, North pool (28434) underlying the E/2 W/2 of Section 33;
- (c) The **Ranger 33 State Com #123H well** (API No. 30-025-44012) in the Grama Ridge; Bone Spring, North pool (28434) underlying the W/2 E/2 of Section 33; and
- (d) Future spacing units connected to this central tank battery.

Oil and gas production from these wells will be commingled and sold at the Ranger Tank Battery located in the NW/4 NW/4 (Unit D) of Section 33. Prior to commingling, 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 turbine meters.

Exhibit 1 is a land plat showing Matador's current development plan, flow lines, and central tank battery ("production facility") in the subject area. The plat identifies the wellbores, the existing spacing units, and the common surface facilities located in the NW/4 NW/4 (Unit D) of Section 33.

Exhibit 2 includes Form C-102s for each of the wells currently permitted or drilled within the existing spacing units. There are no available production reports for these wells.

Exhibit 3 includes Form C-103s for each of the wells along with a statement from Nicholas Weeks, Landman, certifying that the mineral ownership of the lands subject to this application is identical. Exhibit 3 also includes a statement from Ryan Hernandez, Operations Engineer with Matador, 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).

Because this application involves identical ownership as that term is defined in 19.15.12 NMAC, **Exhibit 4** reflects that a copy of this application was provided only to the New Mexico State Land Office since state acreage is involved. Finally, the communitization agreements for the subject wells are attached as **Exhibit 5**.

Spud Date:

9/25/17

Rig Release Date:

10/15/17

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

SIGNATURE

TITLE AttorneyDATE 8/28/2020

Type or print name

E-mail address:

PHONE:

For State Use Only

APPROVED BY:

TITLE

DATE

Conditions of Approval (if any):

Matador Production Company

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

Voice 972.371.5481 • Fax 972.371.5201

nweeks@matadorresources.com

Nicholas Weeks
Senior Landman

August 20, 2020

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

Re: Statement as to Ownership Specific to the Application of Matador Production Company for Administrative Approval to Surface Commingle (Pool and Lease Commingle) Production from the Spacing Units Comprising W2W2, E2W2 and W2E2 of Section 33, Township 20 South, Range 35 East, NMPM, Lea County, New Mexico (the "Lands")

Dear NMOCD Staff Member:

The purpose of this letter is to certify that the mineral ownership in the Lands that are the subject of Matador's application is identical, as defined in 19.15.12.7 NMAC, under the applicable communitization and/or consolidation agreements.

Very truly yours,



Nicholas Weeks
Senior Landman

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised August 1, 2011

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

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

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

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

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

LEASE TYPE: ☐ Fee ☒ State ☐ Federal

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

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

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

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

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

- (1) Pool Name and Code - Gram Ridge; Bone Spring, North [28434]
(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: Operations Engineer DATE: 8/20/20
TYPE OR PRINT NAME Ryan Hernandez TELEPHONE NO.: (817) 374-9992
E-MAIL ADDRESS: rhernandez@matadorresources.com

Matador Production Company

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

Voice 972.619.1276 • Fax 972.371.5201

rhernandez@matadorresources.com

Ryan Hernandez
Operations Engineer

August 20, 2020

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

Re: Application of Matador Production Company for administrative approval to surface commingle (lease commingle) production from the spacing units comprised of Section 33, Township 20 South, Range 35 East, NMPM, Lea County, New Mexico (the “Lands”)

To Whom This May Concern,

Matador Production Company (“Matador”), OGRID: 228937, requests to commingle oil and gas production from three distinct wells located on the Lands and future production from the Lands as described herein. All wells will be metered through individual test separators with an oil turbine meter and gas orifice meter. The gas commingling will occur after individual measurement at each well. Gas exiting each well test flows into one gathering line, as depicted on **Exhibit A**, the Versado Gas Processing, LLC 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 Association (API) Chapter 21.1. The gas is then sent into a gathering line where it is commingled with each of

the other wells' metered gas. 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. Versado Gas Processing, LLC 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.

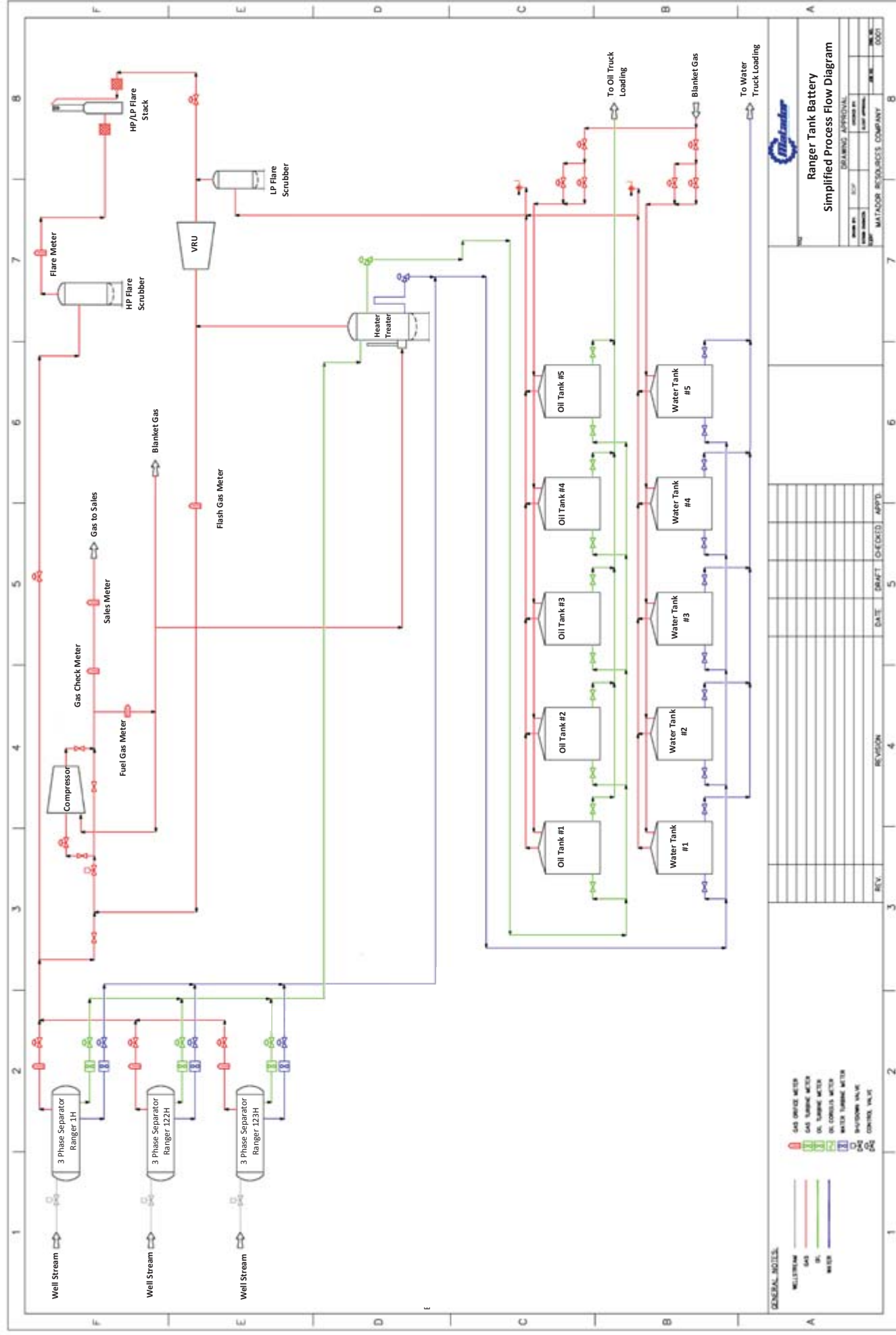
Very truly yours,

MATADOR PRODUCTION COMPANY

A handwritten signature in blue ink, appearing to read 'Ryan Hernandez', is positioned above the printed name.

Ryan Hernandez
Operations Engineer

RH/bkf
Enclosures



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

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

Sample: Ranger 33 State COM No. 123H
First Stage Separator Gas
Sampled @ 88 psig & 88 °F

Date Sampled: 12/06/2017

Job Number: 74172.001

CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286

COMPONENT	MOL%	GPM
Hydrogen Sulfide*	< 0.001	
Nitrogen	2.335	
Carbon Dioxide	0.516	
Methane	68.120	
Ethane	15.273	4.186
Propane	8.234	2.325
Isobutane	0.913	0.306
n-Butane	2.297	0.742
2-2 Dimethylpropane	0.012	0.005
Isopentane	0.521	0.195
n-Pentane	0.516	0.192
Hexanes	0.373	0.157
Heptanes Plus	<u>0.890</u>	<u>0.358</u>
Totals	100.000	8.465

Computed Real Characteristics Of Heptanes Plus:

Specific Gravity ----- 3.346 (Air=1)
Molecular Weight ----- 96.43
Gross Heating Value ----- 5027 BTU/CF

Computed Real Characteristics Of Total Sample:

Specific Gravity ----- 0.827 (Air=1)
Compressibility (Z) ----- 0.9952
Molecular Weight ----- 23.84
Gross Heating Value
Dry Basis ----- 1411 BTU/CF
Saturated Basis ----- 1387 BTU/CF

*Hydrogen Sulfide tested on location b; Stain Tube Method (GPA 2377)
Results: 0.314 Gr/100 CF, 5.0 PPMV or 0.0005 Mol%

Base Conditions: 15.025 PSI & 60 Deg F

Sampled By: (16) Albert A.
Analyst: RR
Processor: RG
Cylinder ID: A-859

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	2.335		2.744
Carbon Dioxide	0.516		0.953
Methane	68.120		45.852
Ethane	15.273	4.186	19.267
Propane	8.234	2.325	15.233
Isobutane	0.913	0.306	2.226
n-Butane	2.297	0.742	5.601
2,2 Dimethylpropane	0.012	0.005	0.036
Isopentane	0.521	0.195	1.577
n-Pentane	0.516	0.192	1.562
2,2 Dimethylbutane	0.003	0.001	0.011
Cyclopentane	0.000	0.000	0.000
2,3 Dimethylbutane	0.059	0.025	0.213
2 Methylpentane	0.115	0.049	0.416
3 Methylpentane	0.068	0.028	0.246
n-Hexane	0.128	0.054	0.463
Methylcyclopentane	0.096	0.034	0.339
Benzene	0.121	0.035	0.397
Cyclohexane	0.125	0.044	0.441
2-Methylhexane	0.018	0.009	0.076
3-Methylhexane	0.026	0.012	0.109
2,2,4 Trimethylpentane	0.000	0.000	0.000
Other C7's	0.070	0.031	0.291
n-Heptane	0.041	0.019	0.172
Methylcyclohexane	0.091	0.037	0.375
Toluene	0.087	0.030	0.336
Other C8's	0.077	0.037	0.356
n-Octane	0.022	0.012	0.105
Ethylbenzene	0.017	0.007	0.076
M & P Xylenes	0.015	0.006	0.067
O-Xylene	0.005	0.002	0.022
Other C9's	0.044	0.023	0.233
n-Nonane	0.007	0.004	0.038
Other C10's	0.021	0.013	0.124
n-Decane	0.002	0.001	0.012
Udcanes (11)	<u>0.005</u>	<u>0.003</u>	<u>0.031</u>
Totals	100.000	8.465	100.000

Computed Real Characteristics of Total Sample

Specific Gravity ----- 0.827 (Air=1)
Compressibility (Z) ----- 0.9952
Molecular Weight ----- 23.84

Gross Heating Value

Dry Basis ----- 1411 BTU/CF
Saturated Basis ----- 1387 BTU/CF

FESCO, Ltd.**1100 Fesco Ave. - Alice, Texas 78332****Sample:** Ranger 33 State COM No. 123H

First Stage Separator Gas

Sampled @ 88 psig & 88 °F

Date Sampled: 12/06/2017

Job Number: 74172.001

GLYCALC FORMAT

COMPONENT	MOL%	GPM	Wt %
Carbon Dioxide	0.516		0.953
Hydrogen Sulfide	< 0.001		< 0.001
Nitrogen	2.335		2.744
Methane	68.120		45.852
Ethane	15.273	4.186	19.267
Propane	8.234	2.325	15.233
Isobutane	0.913	0.306	2.226
n-Butane	2.309	0.747	5.637
Isopentane	0.521	0.195	1.577
n-Pentane	0.516	0.192	1.562
Cyclopentane	0.000	0.000	0.000
n-Hexane	0.128	0.054	0.463
Cyclohexane	0.125	0.044	0.441
Other C6's	0.245	0.103	0.886
Heptanes	0.251	0.105	0.987
Methylcyclohexane	0.091	0.037	0.375
2,2,4 Trimethylpentane	0.000	0.000	0.000
Benzene	0.121	0.035	0.397
Toluene	0.087	0.030	0.336
Ethylbenzene	0.017	0.007	0.076
Xylenes	0.020	0.008	0.089
Octanes Plus	<u>0.178</u>	<u>0.092</u>	<u>0.899</u>
Totals	100.000	8.465	100.000

Real Characteristics Of Octanes Plus:

Specific Gravity -----	4.179	(Air=1)
Molecular Weight -----	120.44	
Gross Heating Value -----	6387	BTU/CF

Real Characteristics Of Total Sample:

Specific Gravity -----	0.827	(Air=1)
Compressibility (Z) -----	0.9952	
Molecular Weight -----	23.84	
Gross Heating Value		
Dry Basis -----	1411	BTU/CF
Saturated Basis -----	1387	BTU/CF



Kaitlyn A. Luck
Phone (505) 954-7286
kaluck@hollandhart.com

August 28, 2020

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: New Mexico State Land Office

Re: Application of Matador Production Company to authorize lease commingling, off-lease storage, off lease measurement, and off-lease marketing at the Ranger Tank Battery located in the NW/4 NW/4 (Unit D) of Section 33, Township 20 South, Range 35 East, NMPM, Lea County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced amended 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 amended application, please contact the following:

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Kaitlyn Luck", written over a horizontal line.

Kaitlyn A. Luck
ATTORNEY FOR MATADOR PRODUCTION
COMPANY

EXHIBIT 4



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.

MRC - Ranger State _PLC C107B- NMSLO Only
CM# 83379.0001

Shipment Date: 08/28/2020

Shipped From:

Name: HOLLAND & HART LLP (1)

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	2
Total	2

*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 0023 8451 99



PS Form 3877, January 2017 (Page 1 of 1) Complete in Ink
PSN 7530-02-000-9098 JobId: 2240396
Privacy Notice: For more information on USPS privacy policies, visit usps.com/privacypolicy



AUBREY DUNN
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

Diane Strickling
Matador Production Company
5400 LBJ Freeway, Suite 1500
Dallas, TX 75240

February 11th, 2015

Re: Consolidation Agreement Approval
Ranger State 33 20 35 RN Well No. 122H
Vertical Extent: Bone Spring
Township: 20 South, Range 35 East, NMPM
Section: 33: E2W2
Lea County, New Mexico

Dear Ms. Strickling,

The Commissioner of Public Lands has this date approved the Ranger State 33 20 35 RN Well No. 122H Consolidation Agreement for the Bone Spring formation effective 1/17/2014 Enclosed are three Certificates of Approval.

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

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

Sincerely,

AUBREY DUNN
COMMISSIONER OF PUBLIC LANDS

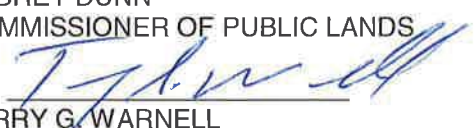
BY: 
TERRY G. WARNELL
Director – Oil, Gas, and Minerals Division
(505) 827-5745
AD/TGW/nkk

EXHIBIT 5

NEW MEXICO STATE LAND OFFICE**CERTIFICATE OF APPROVAL****COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**


Matador Production Company
Ranger State 33 20 35 RN Well No. 122H
Vertical Extent: Bone Spring
Township: 20 South, Range: 35 East, NMPM
Section 33 : E2W2
Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Consolidation Agreement for the development and operation of acreage which is described within the referenced Agreement dated **January 17, 2014**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **11th** day of **February, 2015**.


COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

NEW MEXICO STATE LAND OFFICE**CERTIFICATE OF APPROVAL****COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**


Matador Production Company
Ranger State 33 20 35 RN Well No. 122H
Vertical Extent: Bone Spring
Township: 20 South, Range: 35 East, NMPM
Section 33 : E2W2
Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Consolidation Agreement for the development and operation of acreage which is described within the referenced Agreement dated **January 17, 2014**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 11th day of February, 2015.


COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

NEW MEXICO STATE LAND OFFICE**CERTIFICATE OF APPROVAL****COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**


**Matador Production Company
Ranger State 33 20 35 RN Well No. 122H
Vertical Extent: Bone Spring
Township: 20 South, Range: 35 East, NMPM
Section 33 : E2W2
Lea County, New Mexico**

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Consolidation Agreement for the development and operation of acreage which is described within the referenced Agreement dated **January 17, 2014**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 11th day of February, 2015.


COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

CONSOLIDATION OF STATE OIL AND GAS LEASES

Revised March 2003

MRC Permian Company, Lessee, record title owner of State Oil and Gas Leases numbered V083210000 & V083220000, requests approval of lease consolidation affecting: Subdivisions "None" Sect 33, T 20S, R 35E, NMPM Lea County NM to establish a 160 acre proration unit in the 2nd Bone Springs formation.

Lessee submits a plat, Exhibit A, showing the subject area, leases involved and the requested consolidation. This plat also delineates the proration unit and locates and designates the completed well and consolidated horizon.

Lessee states that the State of New Mexico, for the assigned beneficiaries, owns the royalty interest under these leases and agrees that the state, at its own election, is entitled to delivery in-kind of its share of all communitized substances produced from the leased area.

Approval is requested pursuant to authority granted by applicable statutes. Approval will promote conservation and is in the best interest of the State.

This consolidation, if approved by the Commissioner of Public Lands, shall be effective 1/17/2014 (date), and shall continue in effect for 5 years and as long thereafter as communitized substances are produced from the consolidated area in paying quantities; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the consolidated area, if such well is shut-in due to the inability of the operator to obtain a pipeline connection or to market the gas therefrom, and if either:

(a) a shut-in royalty has been timely and properly paid pursuant to the provision of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or

(b) each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or is in its primary or secondary term (if a ten-year lease), or is held by production from another well.

Provided further, however, that prior to production in paying quantities from the consolidated area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the consolidated area, this Consolidation may be terminated at any time by the Lessee. This consolidation shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the consolidated area are commenced and are thereafter conducted and prosecuted with reasonable diligence. Intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

Matador Production CompanyBy: Craig N. AdamsExecutive Vice President – Land & Legal
LVC
DRA**Acknowledgment in an Individual Capacity:**State of _____)
County of _____) ss)This instrument was acknowledged before me on _____ Date
by _____
Name(s) of Person(s)

(Notary Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in a Representative Capacity:State of Texas)
County of Dallas) ss)This instrument was acknowledged before me on 1-21-2015 Date
by Craig N. Adams
Name(s) of Person(s)as Executive Vice President of MRC Permian Company
Type of authority, e.g., officer, trustee, etc. Name of party on behalf of whom this instrument was executed

(Notary Seal)

Signature of Notarial Officer

My commission expires: 2-14-2018

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

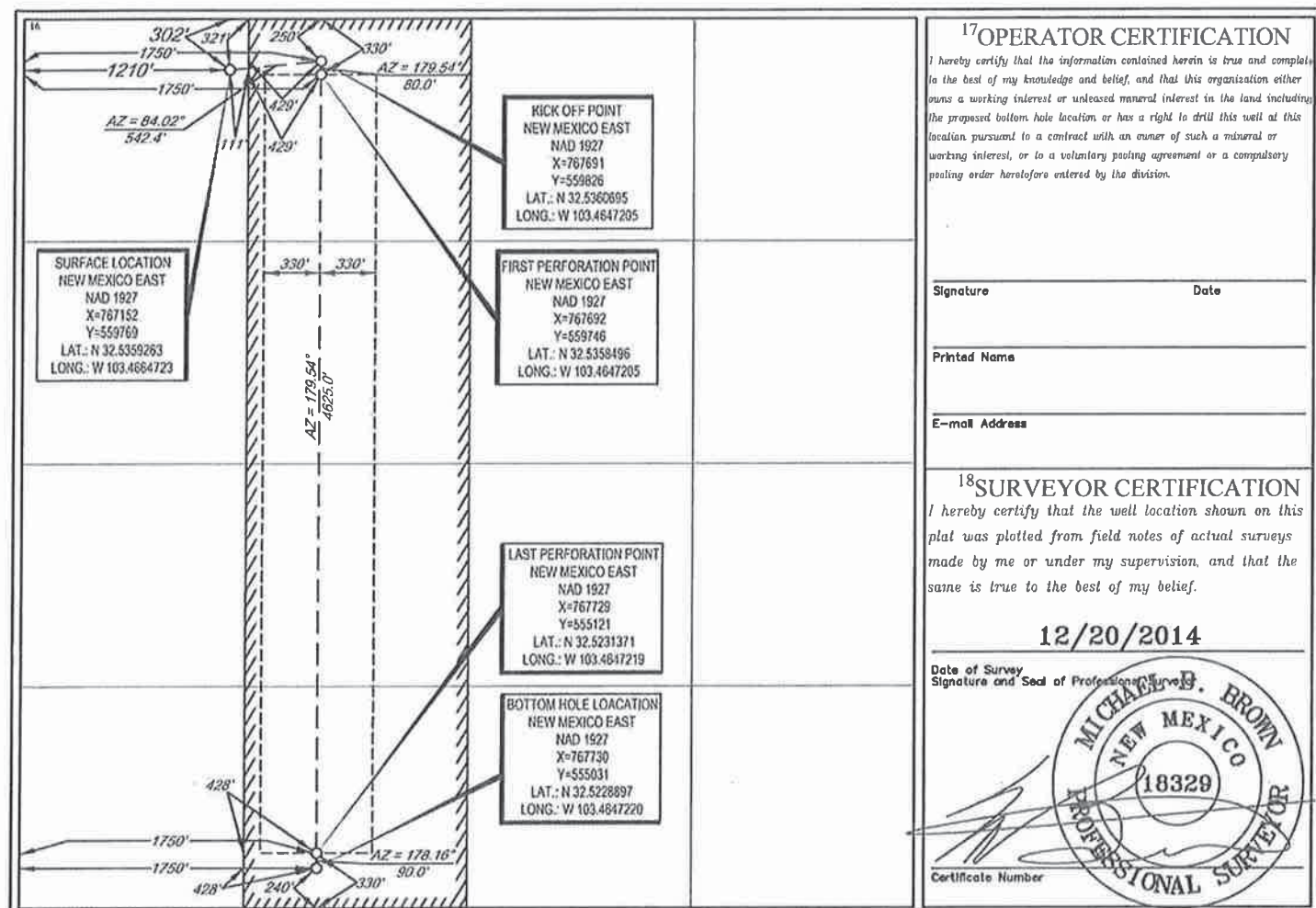
¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name RANGER 33 STATE COM 20 35 RN	⁶ Well Number #122H
⁷ OGRID No.	⁸ Operator Name MATADOR PRODUCTION COMPANY	⁹ Elevation 3703'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	33	20-S	35-E	-	302'	NORTH	1210'	WEST	LEA

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	33	20-S	35-E	-	240'	SOUTH	1750'	WEST	LEA
¹² Dedicated Acres 160.00	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

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





RECEIVED

JUL 08 2013

Ray Powell, M.S., D.V.M.
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

June 28, 2013

Matador Production Company
One Lincoln Center
5400 LBJ Freeway, Suite 1500
Dallas, TX 75240

Attn: Jonathan Filbert

Re: Communitization Agreement Approval (Bone Spring)
Ranger 33 State Com Well No. 1H
W2W2, Section 33, Township 20 South, Range 35 East, NMPM
Lea County, New Mexico

Dear Mr. Filbert:

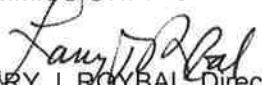
The Commissioner of Public Lands has this date approved the Ranger 33 State Com Well No. 1H Communitization Agreement for the Bone Spring formation, effective June 24, 2013. Enclosed are three Certificates of Approval.

The agreement shall remain in full force and effect until midnight, August 1, 2013, and as long thereafter as drilling operations are conducted, or communitized substances are produced from the communitized area in paying quantities.

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

Sincerely,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 
LARRY J. ROYBAL, Director
Oil, Gas & Minerals Division
(505) 827-5744
RP/LJR/wvj

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

**Matador Production Company
Ranger 33 State Com Well No. 1H
W2W2, Section 33, Township 20 South, Range 35 East, Lea County, New Mexico
Bone Spring**

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement, dated **June 24, 2013**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **28th day of June, 2013**.



COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

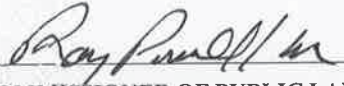
**Matador Production Company
Ranger 33 State Com Well No. 1H
W2W2, Section 33, Township 20 South, Range 35 East, Lea County, New Mexico
Bone Spring**

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement, dated **June 24, 2013**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **28th day of June, 2013**.



COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

NEW MEXICO STATE LAND OFFICE**CERTIFICATE OF APPROVAL****COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

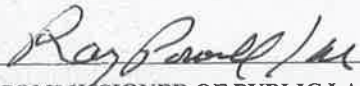
**Matador Production Company
Ranger 33 State Com Well No. 1H
W2W2, Section 33, Township 20 South, Range 35 East, Lea County, New Mexico
Bone Spring**

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement, dated **June 24, 2013**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **28th day of June, 2013**.



COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

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

SHORT TERM
Revised Feb. 2013

COMMUNITIZATION AGREEMENT
Online Version

STATE OF NEW MEXICO)
COUNTY OF LEA)

KNOW ALL MEN BY THESE PRESENTS:

THAT THIS AGREEMENT (not to be used for helium or carbon dioxide) is entered into as of June 24, 2013, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

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

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

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

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

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

1. The lands covered by this agreement (hereinafter referred to as the "communitized area") are described as follows: Subdivisions "None"

Section 33, Twp 20S, Rng 35E, NMPM, Lea County,

New Mexico, containing 640 acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

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

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

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

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

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

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

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

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

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

8. Matador Production Company shall be the Operator of said communitized area and all matters of operation shall be determined and performed by Matador Production Company.

9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution and, upon approval by the Commissioner of Public Lands, shall remain in full force and effect until midnight, local time, September 1, 2013, (date) and as long thereafter as either: drilling operations are conducted upon the communitized area in accordance with the State of New Mexico oil and gas leases committed hereto, or communitized substances are produced from the communitized area in paying quantities; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such well is shut-in due to the inability of the operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to

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

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

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

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

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

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

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

OPERATOR: Matador Production Company

By: Craig N. Adams, Vice President


_____ JF
ekr

LESSEES OF RECORD: MRC Permian Company

Acknowledgement in an Individual CapacityState of Texas)County of Dallas)ss

)

This instrument was acknowledged before me this 26th day of June 20 13by Craig N. Adams, Vice-President
Name(s) of Person(s)

(Notary Seal)

Diane E Strickling

Signature of Notarial Officer

2-13-2014

My Commission Expires



EXHIBIT "A"

Attached to and made a part of that Communitization Agreement dated June 24, 2013
by and between MRC Permian Company covering
Subdivisions "None"
Section 33, Twp 20S, Rng 35E NMPM Lea County, NM
Operator of Communitized Area: Company Matador Production Company

Description of Leases Committed:**Tract No. 1**

Lessor: State of New Mexico acting by and through its Commissioner of Public Lands
Lessee of Record: MRC Permian Company
Serial No. of Lease: V083220000
Date of Lease: August 1st, 2008

Description of Lands Committed: Subdivisions "None"
Sect 33 Twp 20S Rng 35E NMPM Lea County NM
No. of Acres: 320

Tract No. 2

Lessor: State of New Mexico acting by and through its Commissioner of Public Lands
Lessee of Record: MRC Permian Company
Serial No. of Lease: V03210000
Date of Lease: August 1st, 2008

Description of Lands Committed: Subdivisions "None"
Sect 33 Twp 20S Rng 35E NMPM Lea County NM
No. of Acres: 320

RECAPITULATION

TRACT NO.	NUMBER OF ACRES COMMITTED	PERCENTAGE OF INTEREST IN COMMUNITIZED AREA
No. 1	<u>320</u>	<u>50%</u>
No. 2	<u>320</u>	<u>50%</u>



AUBREY DUNN
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

Sam Pryor
Matador Production Company
5400 LBJ Freeway, Suite 1500
Dallas, TX 75240

April 9th, 2018

Re: Communitization Agreement Approval
Ranger State 33 Com Well #123H
Vertical Extent: Bone Spring
Township: 20 South, Range 35 East, NMPM
Section 33: W2E2
Lea County, New Mexico

Dear Mr. Pryor,

The Commissioner of Public Lands has this date approved the Ranger State 33 20 35 RN Well #123H Communitization Agreement for the Bone Spring formation effective 11/1/2017. Enclosed are three Certificates of Approval.

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

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

Sincerely,

A handwritten signature in black ink, appearing to be "Aubrey Dunn", is written over the printed name and title.

AUBREY DUNN
COMMISSIONER OF PUBLIC LANDS

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

**Matador Production Company
Ranger State 33 Com Well #123H
Vertical Extent: Bone Spring
Township: 20 South, Range: 35 East, NMPM
Section 33 : W2E2
Lea County, New Mexico**

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **November 1, 2017**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **9th Day of April, 2018**.



COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

**NM State Land Office
Oil, Gas, & Minerals Division**

Ranger 33 State Com #123H

**STATE/STATE OR
STATE/FEE**

Revised March 2017

API # 30-025-44012

COMMUNITIZATION AGREEMENT

ONLINE Version

KNOW ALL MEN BY THESE PRESENTS:

STATE OF NEW MEXICO)

COUNTY OF LEA)

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of November 1, 2017, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 33-20S-35E, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized area on an acreage or other basis found by the Commissioner to be fair and equitable.

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

WHEREAS, said leases, insofar as they cover the Bone Spring formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

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

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

Ranger 33 State Com #123H

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

Township 20 South, Range 35 East, N.M.P.M.
Section 33: W2E2
Lea County, New Mexico

Containing 160.0 acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

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

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

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

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

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

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

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

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

8. Matador Production Company shall be the Operator of said communitized area and all matters of operation shall be determined and performed by Matador Production Company.

9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the operator to obtain a pipeline connection or to market the gas therefrom, and if either: **(a)** a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or **(b)** each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this Agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such production, and a

report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

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

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

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

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

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

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

OPERATOR:

MATADOR PRODUCTION COMPANY

Date: _____

By: _____

Craig N. Adams

Title: Executive Vice President – Land, Legal
and Administration




MATADOR PERMIAN COMPANY

Date: _____

By: _____

Craig N. Adams

Title: Executive Vice President – Land, Legal
and Administration**CORPORATE ACKNOWLEDGEMENT**

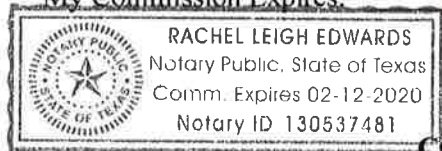
STATE OF TEXAS)

)

COUNTY OF DALLAS)

)

The foregoing instrument was acknowledged before me this 22 day of March, 2018 by Craig N. Adams, Executive Vice President – Land, Legal and Administration of **Matador Production Company**, a Texas corporation, on behalf of said corporation.

My Commission Expires: 2/12/20
Rachel Edwards
Notary Public
CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS)

)

COUNTY OF DALLAS)

)

The foregoing instrument was acknowledged before me this 22 day of March, 2018 by Craig N. Adams, Executive Vice President – Land, Legal and Administration of **Matador Permian Company**, a Texas corporation, on behalf of said corporation.

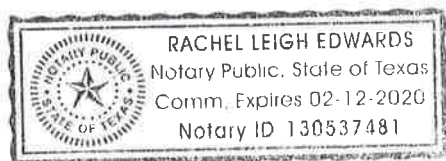
My Commission Expires: 2/12/20
Rachel Edwards
Notary Public

EXHIBIT "A"

Attached to and made part of the Communitization Agreement dated November 1, 2017, by and between Matador Production Company and the State of New Mexico, covering the W½E½ of Section 33, Township 20S, Range 35E, N.M.P.M., Lea County, New Mexico.

Operator of Communitized Area: Matador Production Company

DESCRIPTION OF LEASES COMMITTED**TRACT NO. 1:**

Lessor: State of New Mexico acting by and through its Commissioner of Public Lands
Lessee of Record: MRC Permian Company
Lease Serial No: V0-8321-0000
Date of Lease: August 1, 2008
Description of
Lands Committed: Township 20 South, Range 35 East, N.M.P.M.
Section 33: W2NE/4
Lea County, New Mexico
Number of Acres: 80.00 acres

TRACT NO. 2:

Lessor: State of New Mexico acting by and through its Commissioner of Public Lands
Lessee of Record: MRC Permian Company
Lease Serial No: V0-8322-0000
Date of Lease: August 1, 2008
Description of
Lands Committed: Township 20 South, Range 35 East, N.M.P.M.
Section 33: W2SE/4
Lea County, New Mexico
Number of Acres: 80.00 acres

RECAPITULATION

Tract number	Number of Acres Committed	Percentage of Interest In Communitized Area
No. 1	80.0	50.000000%
No. 2	80.0	50.000000%
Total:	160.0	100.000000%