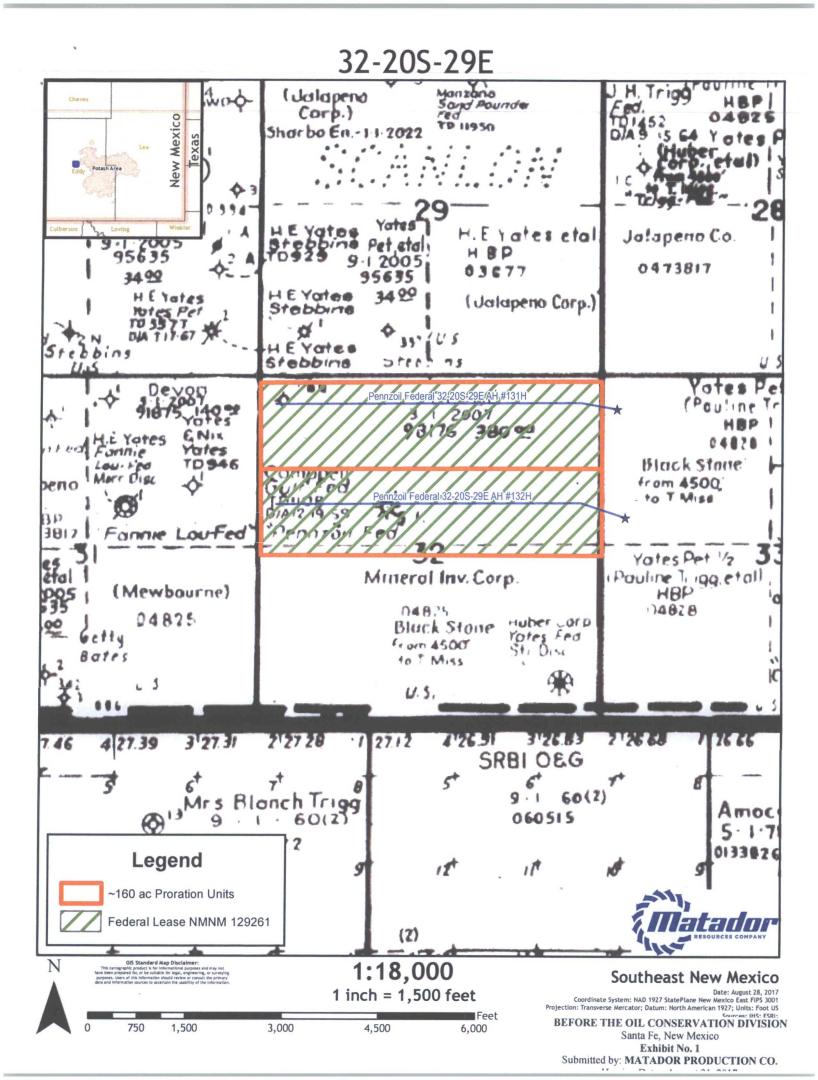
BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING AUGUST 31, 2017

CASE NO. 15794 AND 15795

PENNZOIL 32 FED NO. 131H WELL ~AND~ PENNZOIL 32 FED NO. 132H WELL







District 1 1625 N. French Dr., Hohbs, NM 88240 Phone: (373) 393-6161 Fax: (375) 393-0720 District 11 811 S. First St., Artesia, NM 88210 Phone: (375) 748-1283 Fax: (375) 748-9720 District 111 1000 Rio Brazos Rond, Aziec, NM 87410 Phone: (305) 334-617R Fax: (305) 334-6170 District IV 1220 S. & Francis Dr., Same Fc, NM 87505 Phone: (305) 476-3460 Fax: (305) 476-3462 State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Sante Fe, NM 87505 FORM C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

		27470		G	³ Pool Nam ETTY; BONE	-	
		F	• •				il Number 131H
	M	ATADOR	•		Y		levation 264'
			¹⁰ Surface Lo	ation			
1 · ·	Range 29-E	Lot Idn —	Feet from the 390'	North/South line	Feet from the 220'	East/West line WEST	EDDY Count
Section Township	Range	Lot Ida	Fect from the	North/South line	Feet from the	East/West line	Coun
2 20-S	29-E	-	330'	NORTH	240'	WEST	EDDY
	Section Township 3 20-S Section Township 2 20-S Solut or Infill 1120	Section Township Range 20-S 29-E Section Township Range 22-S 29-E	MATADOR Section Township Range Lot Idn 20-S 29-E - Section Township Range Lot Idn 20-S 29-E -	PENNZOIL 3 "Operator Na MATADOR PRODUCT 10 Surface Loo Section 20-S 29-E - 390' Section Township Range Lot Idn Feet from the 3 20-S 29-E - 390' Section 12 20-S 29-E - 330'	10 Surface Location Section Section Township Range Lot Idn Feet from the North/South line 13 20-S 29-E - 390' NORTH Section Township Range Lot Idn Feet from the North/South line Section Township Range Lot Idn Feet from the North/South line 12 20-S 29-E - 330' NORTH	PENNZOIL 32 FED "Operator Name MATADOR PRODUCTION COMPANY 10 Surface Location Section North/South line Feet from the North/South line Feet from the 3 20-S 29-E - 390' NORTH 220' Section Township Range Lot Idn Feet from the North/South line Feet from the Section Township Range Lot Idn Feet from the NoRTH 240'	PENNZOIL 32 FED ⁸ Operator Name MATADOR PRODUCTION COMPANY 3 10 Surface Location Section Township Range Lot Idn Feet from the North/South line Feet from the Rast/West line 33 20-S 29-E - 390' NORTH 220' WEST Section 12 20-S 29-E - 330' NORTH 240' WEST

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.

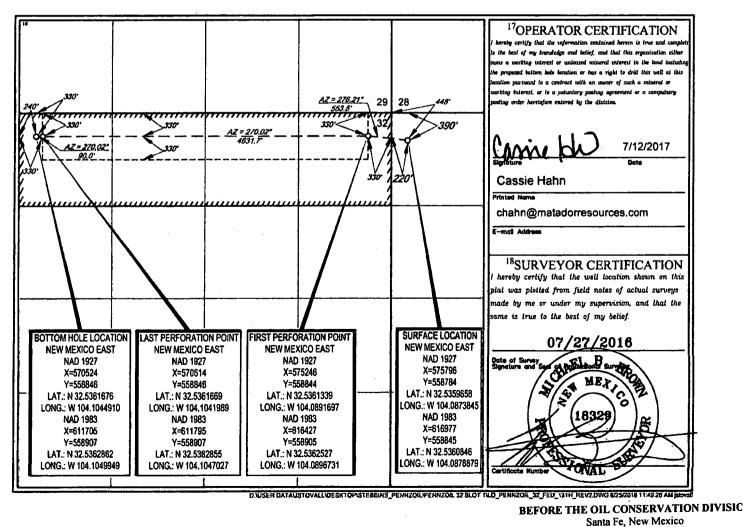


Exhibit No. 2 Submitted by:MATADOR PRODUCTION CO. District 1 1625 N. French Dr., Łlobbs, NM 88240 Phone: (575) 393-6161 Fsx: (575) 393-0720 District 11 811 S. First SL, Artesia, NM 88210 Phone: (575) 748-7283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aziec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. SL. Francis Dr., Sante Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

¹²Dedicated Acres

160

³ Joint or Infili

Consolidation Code

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Sante Fe, NM 87505 FORM C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

	³ API Number	r .		² Pool Code 27470		G	Pool Name SETTY; BONE		
Property	Code			F	³ Property Na PENNZOIL				Vell Number #132H
OGRID	No.	·	M	IATADOF	¹ Operator Na R PRODUCT	ime ION COMPAN	Y		'Elevation 3283'
					¹⁰ Surface Lo	cation		· · · · · ·	
UL or lot no.	Section	Township	Range	· Lot Idn	Feet from the	North/South line	Feet from the	Rast/West line	County
E	33	20-S	29-E	-	2060'	NORTH	348'	WEST	EDDY
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	Count
E	32	20-S	29-E	-	1870'	NORTH	240'	WEST	EDDY

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.

Order No.

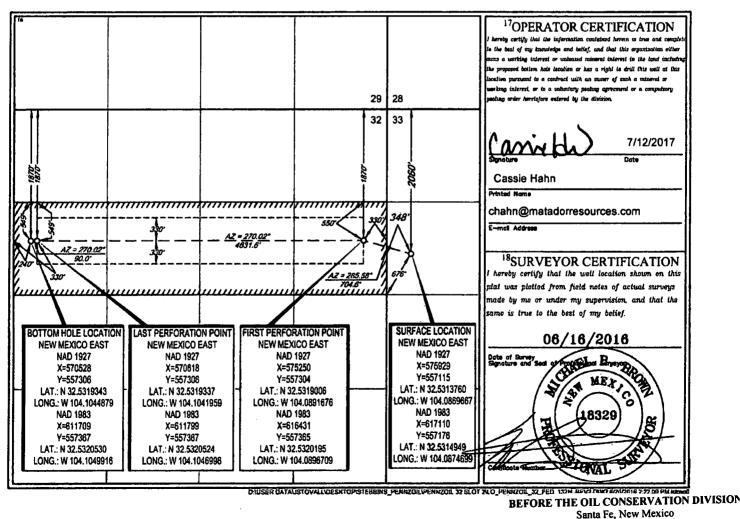


Exhibit No. 3 Submitted by:MATADOR PRODUCTION CO. Hearing Date: August 31, 2017

MRC Delaware Resources, LLC Working Interest			40.00%
Compulsory Pool Interest Total:			60.00%
Interest Owner:	Description:	Interest:	
Marathon Oil Corporation	Working Interest Owner		60.00%

BEFORE THE Submitted by:MAT Hearing Di 0 Ć **NSERVATION DIVISION** t PRODUCTION CO. 1gust 31, 2017 Mexico

atado

Pennzoil 32 Fed #131H & 132H *The Summary of Interests was calculated based on a 160 acre unit and is subject to the final surveyed perimeter

MRC Delaware Resources, LLC

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240 Voice 972.371.5241 • Fax 214.866.4883 spryor@matadorresources.com

Sam Pryor Senior Staff Landman

May 1, 2017

VIA CERTIFIED RETURN RECEIPT MAIL

Nadel and Gussman Delaware, LLC 15 East 5th Street Ste 3300 Tulsa, OK 74103

Re: Pennzoil 32 Fed #131H Participation Proposal SHL: Section 33 - NW4NW4; BHL: Section 32 - NW4NW4 Section 32, Township 20 South, Range 29 East Eddy County, New Mexico

Nadel and Gussman Delaware, LLC,

MRC Delaware Resources, LLC and its operating company Matador Production Company (collectively "MRC") propose the drilling of the Pennzoil 32 Federal #131H well (the "Well"), located in the N2N2 of Section 32, Township 20 South, Range 29 East, Eddy County, New Mexico, to test the Bone Spring formation. The estimated cost of drilling, testing, completing, and equipping the Well is \$6,574,417 as itemized on the enclosed Authority for Expenditure ("AFE") dated March 27, 2017.

The Well will be drilled to a total vertical depth of 9,230' and a total measured depth of 14,436', producing a treatable lateral of approximately 4,653' within the Bone Spring formation to be completed with 15 stages.

MRC is proposing to drill the Well under the terms of a modified 1989 AAPL form of Operating Agreement ("OA") covering 320 acres, being the N2 of Section 32, Township 20 South, Range 29 East, Eddy County, New Mexico from the surface to the base of the Bone Spring formation ("Contract Area") pursuant to the following terms:

- 100/300/300% Non-consent penalty
- \$7,000/\$700 Drilling and Producing overhead rate

MRC requests that you indicate your election to participate in the drilling and completion of the Well in the space provided below, sign and return one (1) copy of this letter along with your geological well requirements, the AFE, and the OA to the undersigned.

Nadel and Gussman Delaware, LLC will own approximately 0.21000000% working interest in the Well, subject to title verification.

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. 5 Submitted by:MATADOR PRODUCTION CO. Hearing Date: August 31, 2017 If your election is to participate in the drilling and completion of the Well, please sign and return a copy of the enclosed AFE within thirty (30) days of receipt of this notice. Please be aware that the enclosed AFE is only an estimate of costs to be incurred and by electing to participate in the Well, each working interest owner shall be responsible for its proportionate share of all costs incurred.

Please contact me if you have any questions.

Sincerely,

MRC Delaware Resources, LLC

Sam Pryor

Enclosure(s)

Please elect one of the following and return to sender.

Party hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Pennzoil 32 Federal #131H.

Party hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Pennzoil 32 Federal #131H.

I / We are interested in selling our interest in the Contract Area, please contact us to discuss.

Nadel and Gussman Delaware, LLC

By: _____

Title: ______

Date: _____

MRC Delaware Resources, LLC

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240 Voice 972.371.5241 • Fax 214.866.4883 <u>spryor@matadorresources.com</u>

Sam Pryor Senior Staff Landman

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Crown Oil Partners V, LP PO Box 50820 Midland, TX 79710

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Crown Oil Partners V, LP will own approximately 0.19500000% working interest in the Well, subject to title verification.

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Sam Pryor

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Title: _____

Date: _____

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Sam Pryor Senior Staff Landman

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Crump Energy Partners II, LLC

By: _____

Title: ______

Date: _____

MATADOR PRODUCTION COMPANY

CHE LINCOLN CENTRE - 6440 LEJ FREEWAY - SUITE 1600 - DALLAS, TEXAS 78240 Phone (972) 371-6200 - Fax (972) 371-6201

-. N EOR EX

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITORE					
DATE:	March 27, 2017	AFE NO.:			
WELL NAME:	Pennzoil 32 Fed #131H	FIELD:	Bone Spring		
LOCATION:	N/2N/2 Sec. 32, T20S-R29E	MD/TVD:	14,436' / 9,230'		
COUNTY/STATE:	Eddy	LATERAL LENGTH:	4,653		
MIRC WI:					
GEOLOGIC TARGET:	3rd Bone Spring				
REMARKS:	Drill, complete, and equip a horizontal 3rd Bone \$	Spring well with 15 stages.			

Drill, complete, and equip a horizontal 3rd Bone Spring well with 15 stages.

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	DRILLING	COMPLETION	PRODUCTION	. ,	TOTAL
INTANGIBLE COSTS	COST8	COSTS	COSTS	FACILITY COSTS	COSTS
Land / Legal / Regulatory \$	51,700	\$	\$ -	š - "	51,700
Location, Surveys & Damages	151,500	13,000	5,000	58,000	227,500
Drilling	654,200		······		654,200
Cementing & Flost Equip	201,000			<u> </u>	201,000
Logging / Formation Evaluation	•	6,000	•		6,000
Nud Logging	19,450	·,			19,450
Mud Circulation System	37,370				\$7,370
Mud & Chemicals	51,600	20,000			71,800
Mud / Wastewater Disposal	155,000				155,000
Freight / Transportation	15,000	12,000			27,000
Rig Supervision / Engineering	92,400	57,500	3,200	19,500	172,600
Orill Bits	72,000	مستواجي الكالات الترسينيا النقاد			72,000
Fuel & Power	69,300				69,300
Water	37,000	450,000			487,000
Drig & Completion Overhead	9,000	6,500			15,500
Plugging & Abandonment	•				
Directional Drilling, Surveys	190,000				190,000
Completion Unit, Swab, CTU		40,000	12,000		52,000
Perforeting, Wireline, Slickline	•	97,000			97,000
High Pressure Pump Truck	· ·	42,000	10,500	<u> </u>	52,500
Stimulation	·······	1,710,000			1,710,000
Stimulation Flowback & Disp	· · ·	180,500	4,500		185,000
Insurance	24,943				24,943
Labor	87,500	9,000	6,000		102,500
Rental - Surface Equipment	40,050	103,055	1,000	3,900	148,005
Rental - Downhole Equipment	37,000	28,000	·		65,000
Rental - Living Quarters	44,570	25,570	1,000	1,300	72,440
Contingency	102,039	260,013	2,620	8,270	393,142
TOTAL INTANGIBLES >	2,142,822	3,080,138	48.020	90,970	5,359,949
	DRILLING	COMPLETION	PRODUCTION		TOTAL
TANGIBLE COSTS	COSTS	COSTS	COSTS	FACILITY COSTS	COSTS
Surface Casing \$	35,450	\$	\$	\$	35,450
Intermediate Casing	43,515			·	43,515
Drilling Liner	85,450				85,450
Production Casing	234,778				234,778
Production Liner	•				•
Tubing	· ·		40,075		40,076
Wellhead	41,000		40,000		81,000
Packers, Liner Hangers	8,000	25,200	•	······	33,200
Tanks	•			120,000	120,000
Production Vessets	•		40,000	45,000	85,000

Flow Lines			46,000	· ·	46,000
Rod string			.		•
Artificial Lift Equipment			45,000		45,000
Compressor				·	•
Installation Costs			30,000	58,500	88,500
Surface Pumps			5,000	·	5,000
Non-controllable Surface		••••••	·	40,000	40,000
Non-controllable Downhole					·
Downhole Pumpa					-
Measurement & Meter Installation	·		65,500	14,000	79,500
Gas Conditioning / Dehydration				·	•
Interconnecting Facility Piping			<u> </u>	·	•
Gathering / Bulk Lines				30,000	30,000
Valves, Dumps, Controllers			· · · · ·	·	
Tank / Facility Containment				30,000	30,000
Flare Stack				20,000	20,000
Electrical / Grounding			30,000	7,000	37,000
Communications / SCADA					•
instrumentation / Safety			10,000	25,000	35,000
TOTAL TANGIBLES	3 > 448,193	25,200	351,575	389,500	1,214,468
TOTAL COSTS	3> 2.691,015	3,105,338	\$97,595	480,470	6,574,417

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer: Patrick Water Completions Engineer: Matt Bett Production Engineer: Retark Patel

Team Lead - WTX/NM 4 C лG

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, COO/CFO	VP - Res Engineering	VP - Drilling
06	EL. BMR	BG
Executive VP, Legal	Exec Dir - Exploration	VP - Production
C	A	TWG
President	<u></u>	
- · · · Miv	M	

NON OPERATING PARTNER APPROVAL:

Company Name:	Working Interest (%):	<u> </u>	Tax ID:
Signed by:	Date:		
Title:	Approval:	Yes	No (mark one)
The cases on this AFE are estimates only and may out to excel	innet as callings an acy specific have as the lang cast of the project. Taking installan approved under the AFE way be delayed up to	a year after the smill has been considered. In proceeding the AFE, the Participant spreas to	the property property of a class works internet.

The cases in the relative extension way and may not an extension to carrys in the spectrum and including, legal, cardine, modeling, industry and will estimate and the spectra of the spectration and an evaluation at the non-increasing in the carry extension in the Question by the test of spectration and and and the evaluation of the non-increasing interaction of the two of sectors of the test of spectra of the test of test of the test of the test of the test of test of test of the test of test -

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MRC Delaware Resources, LLC -

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240 Voice 972.371.5241 • Fax 214.866.4883 <u>spryor@matadorresources.com</u>

Sam Pryor Senior Staff Landman

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BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. 6 Submitted by:MATADOR PRODUCTION CO. Hearing Date: August 31, 2017 If your election is to participate in the drilling and completion of the Well, please sign and return a copy of the enclosed AFE within thirty (30) days of receipt of this notice. Please be aware that the enclosed AFE is only an estimate of costs to be incurred and by electing to participate in the Well, each working interest owner shall be responsible for its proportionate share of all costs incurred.

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MRC Delaware Resources, LLC

Sam Pryor

Enclosure(s)

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I / We are interested in selling our interest in the Contract Area, please contact us to discuss.

Nadel and Gussman Delaware, LLC

By: _____

Date:

MRC Delaware Resources, LLC

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Crown Oil Partners V, LP

By: _____

Title: _____

Date: _____

MRC Delaware Resources, LLC

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- 100/300/300% Non-consent penalty
- \$7,000/\$700 Drilling and Producing overhead rate

MRC requests that you indicate your election to participate in the drilling and completion of the Well in the space provided below, sign and return one (1) copy of this letter along with your geological well requirements, the AFE, and the OA to the undersigned.

Crump Energy Partners II, LLC will own approximately 0.19500000% working interest in the Well, subject to title verification.

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

.

Please contact me if you have any questions.

Sincerely,

MRC Delaware Resources, LLC

Sam Pryor

Enclosure(s)

Please elect one of the following and return to sender.

Party hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Pennzoil 32 Federal #132H.

Party hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Pennzoil 32 Federal #132H.

I / We are interested in selling our interest in the Contract Area, please contact us to discuss.

Crump Energy Partners II, LLC

By: _____

Title: ______

Date: _____

MATADOR PRODUCTION COMPANY

. _ .

ONE LINCOLN CENTRE · 6400 LBJ FREEWAY · SUITE 1600 · DALLAS, TEXAS 76240

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

DATE:	March 27, 2017	AFE NO.:	
WELL NAME:	Pennzoil 32 Fed #132H	FIELD:	Bone Spring
LOCATION:	S/2N/2 Sec. 32, T20S-R29E	MD/TVD:	14,435 / 9,230
COUNTY/STATE:	Eddy	LATERAL LENGTH:	4,649
WRC WI:			
GEOLOGIC TARGET:	3rd Bone Spring		

ARGET: 3rd Bone Spring Drill, complete, and equip a horizontal 3rd Bone Spring well with 15 stages.

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REMARKS:

	DRILLING	COMPLETION	PRODUCTION		TOTAL
INTANGIBLE COSTS	COSTS	COSTS	COSTS	FACILITY COSTS	COSTS
Land / Legal / Regulatory	\$ 51,700	\$	š -	S -	\$ 51,70
Location, Surveys & Damages	151,500	13,000	5,000	58,000	227,50
Driving	654,200				654.20
Cementing & Float Equip	201,000				201,00
Logging / Formation Evaluation		6,000			6.00
Mud Logging	19,450				19,45
Nud Circulation System	37,370			·	37,37
Nud & Chemiceia	51,800	20.000			
		20,000			71,80
Mud / Wastewater Disposal	155,000			<u></u>	155,00
Freight / Transportation	15,000	12,000		<u> </u>	27,00
Rig Supervision / Engineering	92,400	57,500	3,200	19,500	172,60
Drill Bits	72,000				72,00
Fuel & Power	69,300			•	69,30
Water	37,000	450,000			487,00
Drig & Completion Overhead	9,000	6,500			15,50
Plugging & Abandonment	•				
Directional Ortiling, Surveys	190,000			·	190.000
Completion Unit, Swab, CTU		40.000	12,000	······································	52.000
Perforating, Wireline, Slickline		97,000			.97,000
High Pressure Pump Truck		42,000	10,500		52,50
Stimulation		1.710.000	10,000	<u> </u>	1.710.000
Stimulation Flowback & Disp	_	180,500	4,500		185.000
Insurance		180,800	4,800		
	24,943			·	24,94
Labor	87,500	9,000	6,000	<u> </u>	102,500
Rental - Surface Equipment	40,050	103,055	1,000	3,900	148,00
Rental - Downhole Equipment	37,000	28,000			65,000
Rental - Living Quarters	44,570	25,570	1,000	1,300	72,440
Contingency	102,039	280,013	2,820	8,270	393,142
TOTAL INTANGIBL	.E8 > 2,142,822	3,080,138	46,020	90,970	5,359,94
	DRILLING	COMPLETION	PRODUCTION		TOTAL
TANGIBLE COSTS	COSTS	COSTS	COSTS	FACILITY COSTS	COSTS
Surface Casing	\$ 35,450				\$ 35,450
Intermediate Casing	43,515	•	•	•	43.515
Drilling Liner	65,450		·		
	234,778				85,450
Production Casing Production Liner					234,778
	<u> </u>				· · · · ·
Tubing			40,075		40,075
Weilhead	41,000		40,000		61,000
Packers, Liner Hangers	8,000	25,200	<u> </u>		33,200
Tanks	•			120,000	120,000
Production Vessels			40,000	45,000	85,000
Flow Lines	·····		46,000		46,000
Rodistring			· · ·		
Artificial Lift Equipment			45,000		45,000
Compressor					
installation Costs	<u>-</u>		30,000	58,500	88.500
Surface Pumps			5,000		5,000
	-			40.000	
			-	40,000	40,000
Ion-controltable Surface	<u>.</u>		`		
Non-controllable Surface Non-controllable Downhole					
Non-controlizble Surface Non-controlizble Downhole Downhole Pumps			;-		•
ton-controlizble Surface Non-controlizble Downhole Downhole Pumps Measurement & Meter Installation				14,000	
Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installation Sas Conditioning / Dehydration			;-	14,000	•
Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installation Sas Conditioning / Dehydration			65,500	<u> </u>	•
Non-controlizble Surface Non-controlizble Downhole Downhole Pumps Weasurement & Meter Installation Bas Conditioning / Dehydration Interconnecting Facility Piping			65,500		79,500
Non-controllable Surface Non-controllable Sournhole Downhole Pumps Measurement & Meter Installation 3as Conditioning / Dehydration merconnecting Facility Pipting Sattwering / Buik Lines			65,500	<u> </u>	79,500
Non-controliable Surface Non-controliable Downhole Downhole Pumps Measuremant & Meter Installation Bas Conditioning / Dehydration Interconnecting Facility Piping Sathering / Buik Lines Alves, Durgs, Controllers			65,500	30,000	79,500 30,000
Non-controltable Surface Ion-controltable Surface Sownhole Pumps Measurement & Meter Installation Bas Conditioning / Dehydration Interconnecting Facility Piping Sattwring / Buik Lines /aives, Dumps, Controllers Enk / Fecility Containment			<u>65,600</u> 	30,000	79,500 30,000
Non-controliable Surface Non-controliable Surface Downhole Pumpa Measurement & Meter Installation 3as Conditioning / Dehydration merconnecting Facility Pipting Sathering / Bulk Lines /sives, Dumps, Controliens Fank / Fecility Containment Tare Stack			65,500	30,000 30,000 20,000	79,500 30,000 30,000 20,000
Non-controllable Surface Non-controllable Surface Downhole Pumps Measurement & Meter Installation Jas Conditioning / Dehydration interconnecting Facility Piping Sattering / Sutik Lines Sattering / Sutik Lines Sattering / Sutik Lines Fare / Facility Containment Flare Stack Electrical / Grounding			<u>65,600</u> 	30,000	79,500 30,000 30,000 20,000
Non-controllable Surface Non-controllable Surface Non-controllable Sownhole Downhole Pumps Measurement & Meter Installation Bas Conditioning / Dehydration Interconnecting Facility Pipting Sattwaring / Buik Lines Faires, Lumps, Controllers Faire Stack Electrical / Grounding Communications / SCADA			65,500 	30,000 30,000 20,000 7,000	79,500 30,000 30,000 20,000 37,000
Non-controltable Surface Ion-controltable Surface Jownhole Pumpa Measurement & Meter Installation 3as Conditioning / Dehydration merconnecting Facility Piping Sathering / Bulk Lines falves, Dumps, Controllers Fank / Pecility Containment Tare Stack Electrical / Grounding Communications / Safety			65,500 	30,000 30,000 20,000 7,000 25,000	79,500 30,000 20,000 37,000 35,000
ton-controltable Surface Ion-controltable Surface Jownhole Pumps Reasurement & Meter Installation Jass Conditioning / Dehydration Interconnecting Facility Pipting Bathering / Bulk Lines Fahve, Dumps, Controllers Fahve, Dumps, Controllers Tark / Facility Containment Tare Stack Liectrical / Grounding Communications / SCADA	E8 > 446,193		65,500 	30,000 30,000 20,000 7,000	79,500 30,000 30,000 20,000

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer: Petrick Watsh Completions Engineer: Matt Bell Production Engineer: Rekesh Patel Team Lead - WTX/NM

MATADOR RESOURCES COMPANY APPROVAL:

Signed by:

Company Name:		Warking Interest (%):	Tax ID:	
NON OPERATING PARTNER APPRO	VAL:			
President	MVH			
	CA	NLF		TWG
Executive VP, Legal	Exec Dir - Ex	ploration	VP - Production	
Executive VP, COO/CFO	VP - Res Eng	gincering	VP - Dribby	BG

Date:

Titis: ______ Approval: ____Yes _____No (mark one)

. ...

Jordan L. Kessler

From:	Sam Pryor <spryor@matadorresources.com></spryor@matadorresources.com>	
Sent:	Tuesday, August 22, 2017 7:43 AM	
To:	Brown, Matthew D. (MRO)	
Cc:	Tate, Matthew S. (MRO); Gorman, Jessica (MRO)	
Subject:	Re: [External] RE: Pennzoil 32 Fed #131H, 132H and 201H, Eddy NM	

Thanks, Matt. I am out of the office but available by cell if you need to discuss.

214-435-5918

Sam

Sent from my iPhone

On Aug 22, 2017, at 8:00 AM, Brown, Matthew D. (MRO) <<u>mbrown3@marathonoil.com</u>> wrote:

EXTERNAL EMAIL Sam,

Sorry for the delayed response. Our Subsurface team has been swamped with 2018 budget work and other projects. I'll try and get final decision this week so that you can avoid having to go to hearing.

Regards,

Matt Brown, CPL Marathon Oil Corporation Land – Permian Ph# 713.296.3408 / Cell# 281.468.8833 5555 San Felipe St. / Houston, TX 77056

From: Sam Pryor [mailto:spryor@matadorresources.com] Sent: Monday, August 21, 2017 11:09 AM To: Brown, Matthew D. (MRO) <<u>mbrown3@marathonoil.com</u>> Cc: Tate, Matthew S. (MRO) <<u>matthewstate@marathonoil.com</u>>; Gorman, Jessica (MRO) <<u>jgorman1@marathonoil.com</u>> Subject: RE: [External] RE: Pennzoil 32 Fed #131H, 132H and 201H, Eddy NM

Matt,

I wanted to follow up on the proposed terms for our Pennzoil 32 term assignment. The force pool hearing is scheduled for next week and I would like to be able to come to terms this week and potentially close prior to the hearing next week. Let me know if you have any questions or concerns.

Thanks, Sam

From: Sam Pryor Sent: Wednesday, August 09, 2017 12:53 PM

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. 7 Submitted by:MATADOR PRODUCTION CO. Hearing Date: August 31, 2017

1

To: 'Brown, Matthew D. (MRO)' **Cc:** Tate, Matthew S. (MRO); Gorman, Jessica (MRO) **Subject:** RE: [External] RE: Pennzoil 32 Fed #131H, 132H and 201H, Eddy NM

Matt,

Below is a WI breakdown per our title opinion. It is my understanding that Marathon has acquired each of the below interests. Please let me know if Marathon has not acquired some or all of these interests. The WI % is based on a 320 acre contractual unit.

Net Acres	WI	
	• <u>-</u>	Leased
67.2000	0.21000000	Nadel and Gussman Delaware, LLC (WI)
62.4000	0.19500000	Crown Oil Partners V, LP (WI)
62.4000	0.19500000	Crump Energy Partners II, LLC (WI)

Let me know if you have any questions.

Sam

From: Brown, Matthew D. (MRO) [mailto:mbrown3@marathonoil.com]
Sent: Wednesday, August 02, 2017 11:59 AM
To: Sam Pryor
Cc: Tate, Matthew S. (MRO); Gorman, Jessica (MRO)
Subject: RE: [External] RE: Pennzoil 32 Fed #131H, 132H and 201H, Eddy NM

Sam,

I apologize in advance if I have already asked this question. However, what is the background on the 60/40% WI split? Our records show that we own 160 net acres. However, I seem to recall that a JV Agreement defined contractual interests as 60/40%. Thanks in advance for any background you can provide.

Regards,

Matt Brown, CPL Marathon Oil Corporation Land – Permian Ph# 713.296.3408 / Cell# 281.468.8833 5555 San Felipe St. / Houston, TX 77056

From: Sam Pryor [mailto:spryor@matadorresources.com] Sent: Monday, July 31, 2017 12:28 PM To: Brown, Matthew D. (MRO) <<u>mbrown3@marathonoil.com</u>> Cc: Tate, Matthew S. (MRO) <<u>matthewstate@marathonoil.com</u>>; Chris Carleton <<u>ccarleton@matadorresources.com</u>> Subject: RE: [External] RE: Pennzoil 32 Fed #131H, 132H and 201H, Eddy NM

Matt,

2

I apologize for the delay. Please find below proposed terms for the term assignment.

- Term: 2 Years
- Acres: ~ 192 NMA
- Bonus: \$6,000 / NMA (\$1,152,000.00)
- NRI: All
- Depths: All
- CDC: 180 Days

Let me know if you have any questions.

Sam

From: Brown, Matthew D. (MRO) [mailto:mbrown3@marathonoil.com]
Sent: Tuesday, July 25, 2017 6:25 PM
To: Sam Pryor
Cc: Tate, Matthew S. (MRO); Chris Carleton
Subject: RE: [External] RE: Pennzoil 32 Fed #131H, 132H and 201H, Eddy NM

Sam,

Can you submit a proposal containing the key terms (i.e. Term, Bonus, NRI to deliver, etc.) so that we can review with the asset team? The proposal can be a simple bullet point list. Of course any proposal submitted would be non-binding until execution of a final Agreement. Let me know if this path forward works for Matador.

From: Sam Pryor <<u>spryor@matadorresources.com</u>> Date: July 25, 2017 at 17:37:34 CDT To: Brown, Matthew D. (MRO) <<u>mbrown3@marathonoil.com</u>> Cc: Tate, Matthew S. (MRO) <<u>matthewstate@marathonoil.com</u>>, Chris Carleton <<u>ccarleton@matadorresources.com</u>> Subject: RE: [External] RE: Pennzoil 32 Fed #131H, 132H and 201H, Eddy NM

Matt,

It was nice to put a face to a name. We do plan to pursue a term assignment route for the Pennzoil 32 prospect. My A&D attorneys are pretty swamped at the moment and I think it would be more timely for both of us if we could come to an understanding on terms and tailor an agreement to fit the terms.

I recall that you may be handing item off to another. Who would you prefer me to discuss terms with? Alternatively, I can prepare an e-mail with proposed terms to get the gears started.

Let me know what works best for your group.

Sam

From: Brown, Matthew D. (MRO) [mailto:mbrown3@marathonoil.com]
Sent: Tuesday, July 25, 2017 4:44 PM
To: Sam Pryor
Cc: Chris Carleton; Tate, Matthew S. (MRO)
Subject: RE: [External] RE: Pennzoil 32 Fed #131H, 132H and 201H, Eddy NM

Sam,

It was good to meet you face-to-face in Santa Fe last week. I wanted to follow up with you on Matador's proposed Pennzoil Unit and Well Proposals. Is Matador still considering making a Term Assignment proposal for Marathon's interest in the Pennzoil Unit? Thanks in advance for the update.

Regards,

Matt Brown, CPL Marathon Oil Corporation Land – Permian Ph# 713.296.3408 / Cell# 281.468.8833 5555 San Felipe St. / Houston, TX 77056

From: Sam Pryor [mailto:spryor@matadorresources.com] Sent: Tuesday, July 11, 2017 6:25 PM To: Brown, Matthew D. (MRO) <<u>mbrown3@marathonoil.com</u>> Cc: Chris Carleton <<u>ccarleton@matadorresources.com</u>>; Tate, Matthew S. (MRO) <<u>matthewstate@marathonoil.com</u>> Subject: RE: [External] RE: Pennzoil 32 Fed #131H, 132H and 201H, Eddy NM

Thanks, Matt. I look forward to the call.

From: Brown, Matthew D. (MRO) [mailto:mbrown3@marathonoil.com]
Sent: Tuesday, July 11, 2017 6:23 PM
To: Sam Pryor
Cc: Chris Carleton; Tate, Matthew S. (MRO)
Subject: Re: [External] RE: Pennzoil 32 Fed #131H, 132H and 201H, Eddy NM

Sam,

Sam

Sorry I missed your call. I am traveling to Midland today but will call you tomorrow afternoon to discuss our options with respect to the Pennzoil proposals.

Matt Brown mbrown3@marathonoil.com (281) 468-8833

From: Sam Pryor <<u>spryor@matadorresources.com</u>> Sent: Tuesday, July 11, 2017 4:20:16 PM To: Brown, Matthew D. (MRO) Cc: Chris Carleton; Tate, Matthew S. (MRO); Cassie Hahn; Neal, Lane E. (MRO) Subject: RE: [External] RE: Pennzoil 32 Fed #131H, 132H and 201H, Eddy NM

Matt,

I left a voicemail for you and wanted to respond to your note as well. We are open to either of these deal structures as a concept and would ask that you give me a call discuss in more detail at your convenience. If you prefer, I can put some additional thoughts together via e-mail later this week.

5

Sam

From: Brown, Matthew D. (MRO) [mailto:mbrown3@marathonoil.com]
Sent: Monday, July 10, 2017 7:48 AM
To: Sam Pryor
Cc: Chris Carleton; Tate, Matthew S. (MRO); Cassie Hahn; Neal, Lane E. (MRO)
Subject: RE: [External] RE: Pennzoil 32 Fed #131H, 132H and 201H, Eddy NM

Thank you for the update Sam. Certainly executing a mutually agreeable acreage trade is our preference. However, in the event we are unable to execute an acreage trade would Matador be interested acquiring all or a portion of Marathon's interest via a Farmout or Term Assignment? Please advise.

Regards,

Matt Brown, CPL Marathon Oil Corporation Land – Permian Ph# 713.296.3408 / Cell# 281.468.8833 5555 San Felipe St. / Houston, TX 77056

From: Sam Pryor [mailto:spryor@matadorresources.com] Sent: Sunday, July 09, 2017 11:29 AM To: Brown, Matthew D. (MRO) <<u>mbrown3@marathonoil.com</u>> Cc: Chris Carleton <<u>ccarleton@matadorresources.com</u>>; Tate, Matthew S. (MRO) <<u>matthewstate@marathonoil.com</u>>; Cassie Hahn <<u>CHahn@matadorresources.com</u>> Subject: RE: [External] RE: Pennzoil 32 Fed #131H, 132H and 201H, Eddy NM

Matt,

We had an issue arise on my asset area's rig schedule last week. This asset area is running thin on desirable back up locations and we are being asked to bring the Pennzoil 32 prospect forward for a potential October spud date. If possible, let's push these trade discussions forward next week and see what we have to work with.

Please note that I will have to file for force pooling by the end of next week to get a hearing date scheduled that could allow enough time for the OCD to turn around an order prior to spud. We prefer to execute on a trade or come to another arrangement and appreciate your help on bringing it forward.

6

Please let me know when you are ready to discuss or if you have any questions.

Sam

From: Brown, Matthew D. (MRO) [mailto:mbrown3@marathonoil.com]
Sent: Friday, July 07, 2017 1:58 PM
To: Sam Pryor
Cc: Chris Carleton; Tate, Matthew S. (MRO); Cassie Hahn
Subject: RE: [External] RE: Pennzoil 32 Fed #131H, 132H and 201H, Eddy NM

Thanks Sam.

Matt Brown, CPL Marathon Oil Corporation Land – Permian Ph# 713.296.3408 / Cell# 281.468.8833 5555 San Felipe St. / Houston, TX 77056

From: Sam Pryor [mailto:spryor@matadorresources.com] Sent: Friday, July 07, 2017 9:13 AM To: Brown, Matthew D. (MRO) <<u>mbrown3@marathonoil.com</u>> Cc: Chris Carleton <<u>ccarleton@matadorresources.com</u>>; Tate, Matthew S. (MRO) <<u>matthewstate@marathonoil.com</u>>; Cassie Hahn <<u>CHahn@matadorresources.com</u>> Subject: RE: [External] RE: Pennzoil 32 Fed #131H, 132H and 201H, Eddy NM

Matt,

I have put in a request to our Land Admin group for confirmation but our GIS map is showing that Matador owns 5.21 NMA in the N/2 NE/4 of Sec. 30 - 23S-28E, Eddy County.

Thanks,

Sam

From: Brown, Matthew D. (MRO) [mailto:mbrown3@marathonoil.com]
Sent: Friday, July 07, 2017 7:14 AM
To: Sam Pryor
Cc: Chris Carleton; Tate, Matthew S. (MRO)
Subject: RE: [External] RE: Pennzoil 32 Fed #131H, 132H and 201H, Eddy NM

Sam,

Reference is made to the email below. Can you confirm Matador's ownership in the tract described in the email?

Thanks,

Matt Brown, CPL Marathon Oil Corporation Land – Permian Ph# 713.296.3408 / Cell# 281.468.8833 5555 San Felipe St. / Houston, TX 77056

From: Brown, Matthew D. (MRO) Sent: Thursday, June 29, 2017 3:11 PM To: 'Sam Pryor' <<u>spryor@matadorresources.com</u>> Cc: Chris Carleton <<u>ccarleton@matadorresources.com</u>>; Matthew S. Tate (MRO) (<u>MATTHEWSTATE@MARATHONOIL.COM</u>) <<u>MATTHEWSTATE@MARATHONOIL.COM</u>> Subject: RE: [External] RE: Pennzoil 32 Fed #131H, 132H and 201H, Eddy NM

Sam,

I am still in the process of trying to put together an accurate map of Matador's acreage so I can review potential acreage trades. Based on an initial version of a Matador acreage map it appears

8

Matador owns interest in the N/2 NE/4 of Sec. 30 - 23S-28E, Eddy County. Can you verify whether or not Matador owns any interest in this 80 acre tract?

Thanks,

Matt Brown, CPL Marathon Oil Corporation Land – Permian Ph# 713.296.3408 / Cell# 281.468.8833 5555 San Felipe St. / Houston, TX 77056

From: Sam Pryor [mailto:spryor@matadorresources.com]
Sent: Friday, June 23, 2017 11:26 AM
To: Gorman, Jessica (MRO) <jgorman1@marathonoil.com>
Cc: Brown, Matthew D. (MRO) <<u>mbrown3@marathonoil.com</u>>; Chris Carleton
<ccarleton@matadorresources.com>
Subject: [External] RE: Pennzoil 32 Fed #131H, 132H and 201H, Eddy NM

Beware of links/attachments.

Jessica,

Chris Carleton informed me that you have had difficulties contacting me. I am in receipt of your voicemail from Tuesday and your e-mail from Wednesday. I apologize for the delayed response as I have been in the field.

Matador may file for a force pooling hearing in the near future but my recent discussion with Matt Brown indicated that Marathon is preparing to propose an acreage trade to Matador. I wanted to allow a reasonable amount of time for a mutually agreeable trade to develop before pushing forward with a hearing. With regards to the proposed OA, we have not revised the exhibits to the Pennzoil 32-OA due to the anticipation of an acreage trade. I am happy to revise the Exhibit "A" to reflect Marathon's interest in this proposed contract area and will provide to you next week.

I anticipate that you are following your internal process as it related to non-op well proposals but please let me know if Marathon now desires to participate in these Pennzoil 32 wells as opposed to trading out.

Best regards,

Sam

Sam Pryor

Senior Staff Landman

Matador Resources Company

One Lincoln Centre

5400 LBJ Freeway

Suite 1500

Dallas, Texas 75240

Phone: 972-371-5241

Fax: 972-371-5201

Cell: 214-435-5918

spryor@matadorresources.com



From: Gorman, Jessica (MRO) [mailto:jgorman1@marathonoil.com] Sent: Wednesday, June 21, 2017 8:59 AM To: Sam Pryor Subject: Pennzoil 32 Fed #131H, 132H and 201H, Eddy NM Importance: High

Morning Sam,

Does Matador plan to file a pooling or non-standard spacing unit application for the subject wells? Since Marathon has acquired Nadel and Gussman, Crown and Crump's working interest in the Permian could you provide at your convenience a revised Exhibit A and signature pages reflecting Marathon Oil Permian LLC as a working interest owner.

Also, the AFE proposals are showing 3 listed wells for Nadel and Gussman's working interest but I did not locate anything for Crown or Crump's working interest which is indicated in the Proposed JOA. So I was hoping to see if you have any documents or a DOTO showing the breakdown of the WI's?

I appreciate your help on all the my question and I look forward to hear from you.

Respectfully,

Jessica Gorman

×	

- Land Technician - Permian

Telephone: 713-296-3024

5555 San Felipe St.

Houston, Texas 77056

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

APPLICATION OF MATADOR PRODUCTION COMPANY FOR A NON-STANDARD SPACING AND PRORATION UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 15794

APPLICATION OF MATADOR PRODUCTION COMPANY FOR A NON-STANDARD SPACING AND PRORATION UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 15795

AFFIDAVIT

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

Jordan L. Kessler, attorney in fact and authorized representative of Matador Production

Company, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced

Applications have been provided under the notice letters and proof of receipts attached hereto.

Jordan L. Kessler

SUBSCRIBED AND SWORN to before me this 30th day of August, 2017 by Jordan L.

Kessler.

Au

Notary Public

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. 8 Submitted by:MATADOR PRODUCTION CO. Hearing Date: August 31, 2017 HOLLAND&HART.

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

August 11, 2017

VIA CERTIFIED MAIL CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. <u>Pennzoil 32 Fed No. 131H Well</u>

Ladies & Gentlemen:

This letter is to advise you that Matador Production Company has filed the enclosed application with the New Mexico Oil Conservation Division. This application will be set for hearing before a Division Examiner at 8:15 a.m. on August 31, 2017. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter please contact Cassie Hahn, at (972) 371-5440 or chan@matadorresources.com.

Sincerely.

Jordan L. Kessler ATTORNEY FOR MATADOR PRODUCTION COMPANY



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

August 11, 2017

<u>VIA CERTIFIED MAIL</u> <u>CERTIFIED RECEIPT REQUESTED</u>

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. <u>Pennzoil 32 Fed No. 132H Well</u>

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This letter is to advise you that Matador Production Company has filed the enclosed application with the New Mexico Oil Conservation Division. This application will be set for hearing before a Division Examiner at 8:15 a.m. on August 31, 2017. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

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Jordan L. Kessler ATTORNEY FOR MATADOR PRODUCTION COMPANY

HOLLAND&HART.

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

August 11, 2017

<u>VIA CERTIFIED MAIL</u> <u>RETURN RECEIPT REQUESTED</u>

TO: OFFSETTING LESSEES AND OPERATORS

Re: Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. <u>Pennzoil 32 Fed No. 131H Well</u>

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Sincerely.

Jordan L. Kessler ATTORNEY FOR MATADOR PRODUCTION COMPANY

Holland & Hart up

110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208 Aspen Boulder Carson City Colorado Springs Denver Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C. O



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

August 11, 2017

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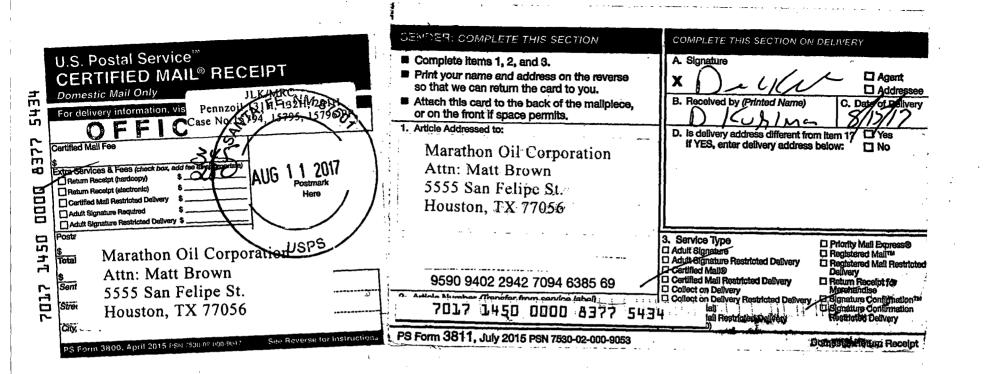
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Sincerely,

Jordan L. Kessler Attorney for Matador Production Company

Pennzoil Fed No. 131H, 132H, 201H – Pooled Party- Case No. 15794, Case No. 15795, Case No. 15796

Marathon Oil Corporation Attn: Matt Brown 5555 San Felipe St. Houston, TX 77056



Pennzoil 32 Fed No. 131H, 132H – Offset Parties- Case No. 15794 & Case No. 15795

Black Stone Energy Co, LLC 1001 Fannin St, Suite 2020 Houston, TX 77002

Cibola Land Corp. P.O. Box 1608 Albuquerque, NM 87103

David Petroleum Corp. 116 W. 1st St. Roswell, NM 88201

EOG A Resources, Inc. 105 S. 4th St. Artesia, NM 88210

Jalapeno Corp. P.O. Box 1608 Albuquerque, NM 87103

Colin R. McMillan 118 W. 1st St. Roswell, NM 88201

McMillan Production Co, Inc. 118 W. 1st St. Roswell, NM 88201

Mineral Investment Corp. 3000 Wilcrest #145 Houston, TX 77042

MRC Delaware Resources, LLC 5400 Lyndon B. Johnson Fwy, Suite 1500 Dallas, TX 75240

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

Permian Exploration Corp. 116 W. 1st St. Roswell, NM 88201

Santo Legado, LLC

P.O. Box 1020 Artesia, NM 88211

Sharbro Energy, LLC P.O. Box 840 Artesia, NM 88211

Yates Energy Corp. P.O. Box 2323 Roswell, NM 88202

Roper Family Properties, Ltd. 4607 W. Industrial Ave. Midland, TX 79703

Angela Brown Management Trust P. O. Box 226270 Dallas, TX 75222

Don G. Furr 1904 Vicksburg Ave. Lubbock TX, 79407

Roy K. Furr 1904 Vicksburg Ave. Lubbock TX, 79407

Rose Shelley Furr Hall 1904 Vicksburg Ave. Lubbock TX, 79407

Trigg Oil & Gas, LP P.O. Box 520 Roswell, NM 88202

EOG Resources Assets, LLC 105 S. 4th St. Artesia, NM 88210

EOG Y Resources, Inc. 105 S. 4th St. Artesia, NM 88210

Jetta X-2, LP 777 Taylor St, Suite P1 Fort Worth TX, 76102

Jetta Operating Co, Inc. 777 Taylor St, Suite P1 Fort Worth TX, 76102

Explorers Petroleum Corp. P.O. Box 1933 Roswell, NM 88202

Spiral Inc. P.O. Box 1933 Roswell, NM 88202

Mewbourne Oil Co. P.O. Box 7698 Tyler, TX 75711

COG Operating, LLC 600 W. Illinois Ave Midland, TX 79701

Concho Oil & Gas, LLC 600 W. Illinois Ave Midland, TX 79701

Mewbourne Development Corp. P.O. Box 7698 Tyler, TX 75711

CWM 2000-B II, Ltd. P.O. Box 7698 Tyler, TX 75711

3MG Corp. P.O. Box 7698 Tyler, TX 75711

Mewbourne Energy Partners 04-A, LP P.O. Box 7698 Tyler, TX 75711

Read & Stevens, Inc. P. O. Box 1518 Roswell, NM 88202

Stelaron, Inc. 500 S. Taylor St. Unit 234 Amarillo, TX 79101

Devon Energy Production Co, LP 333 W. Sheridan Ave. Oklahoma City, OK 73102 Cimarex Energy Co. 600 N. Marienfield St, Suite 600 Midland, TX 79701 · · ·

EOG M Resources, Inc. 105 S. 4th St. Artesia, NM 88210

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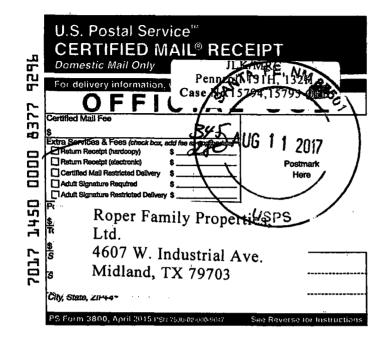




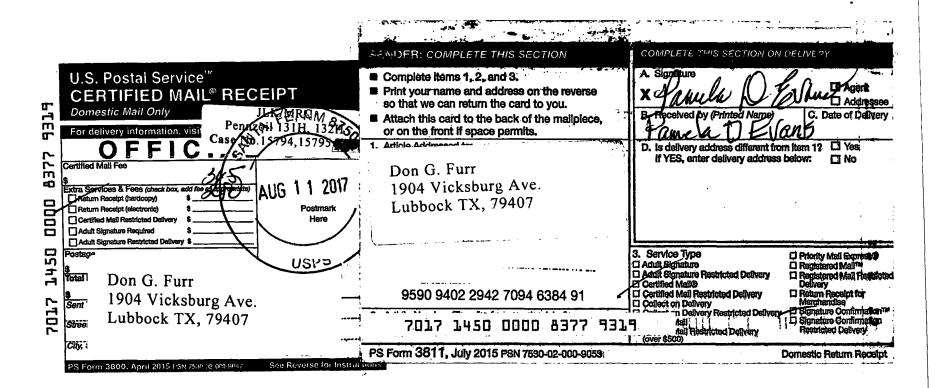








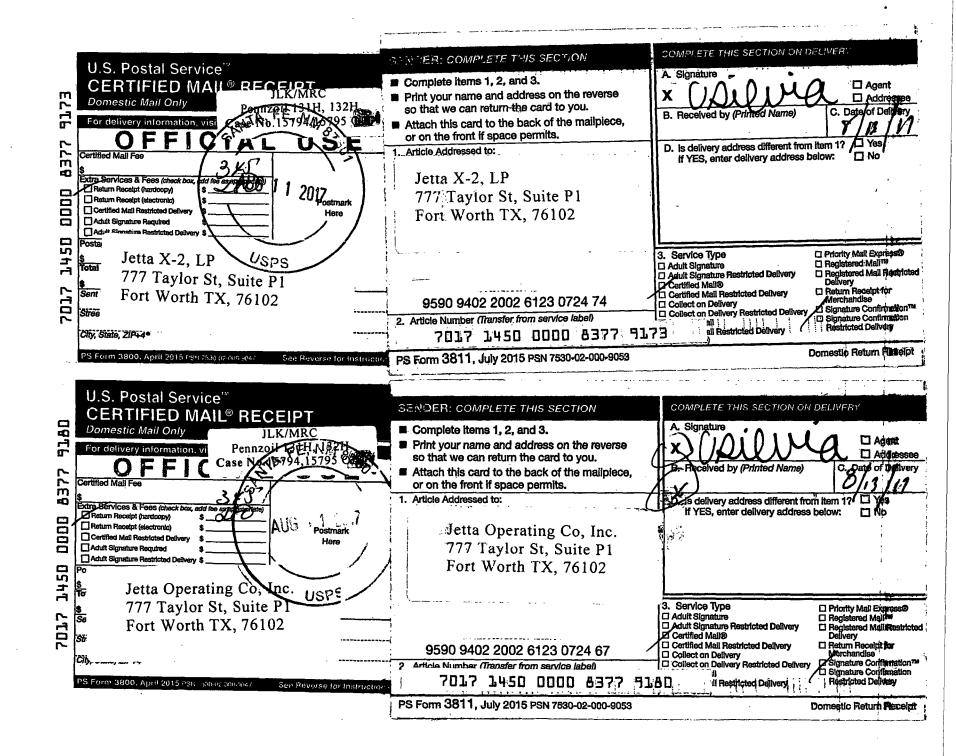








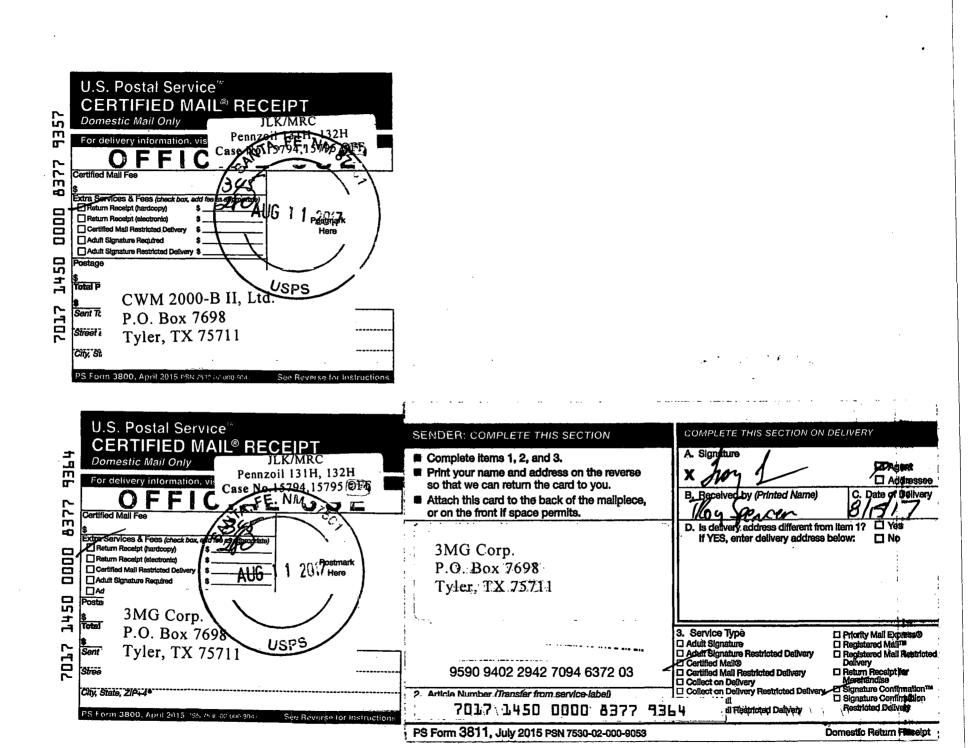


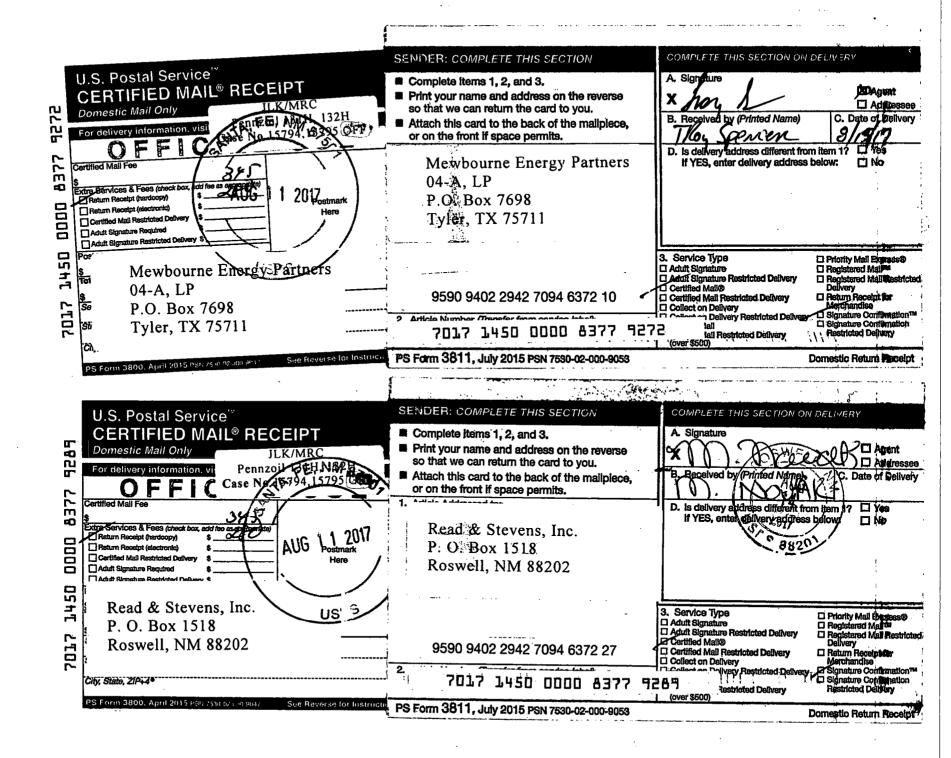


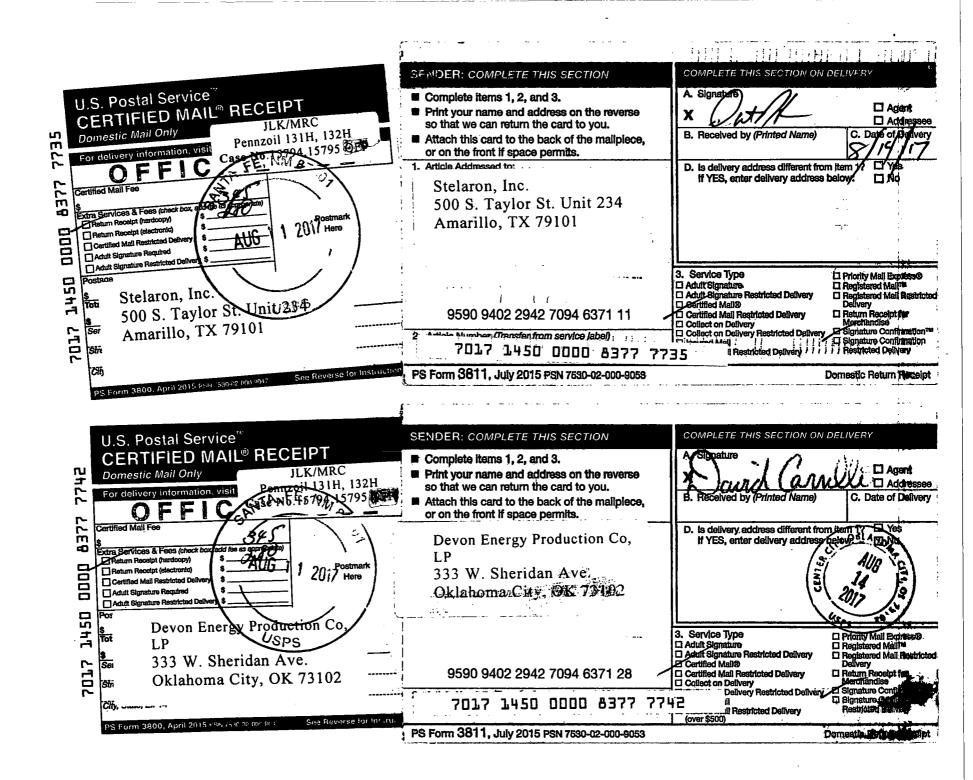


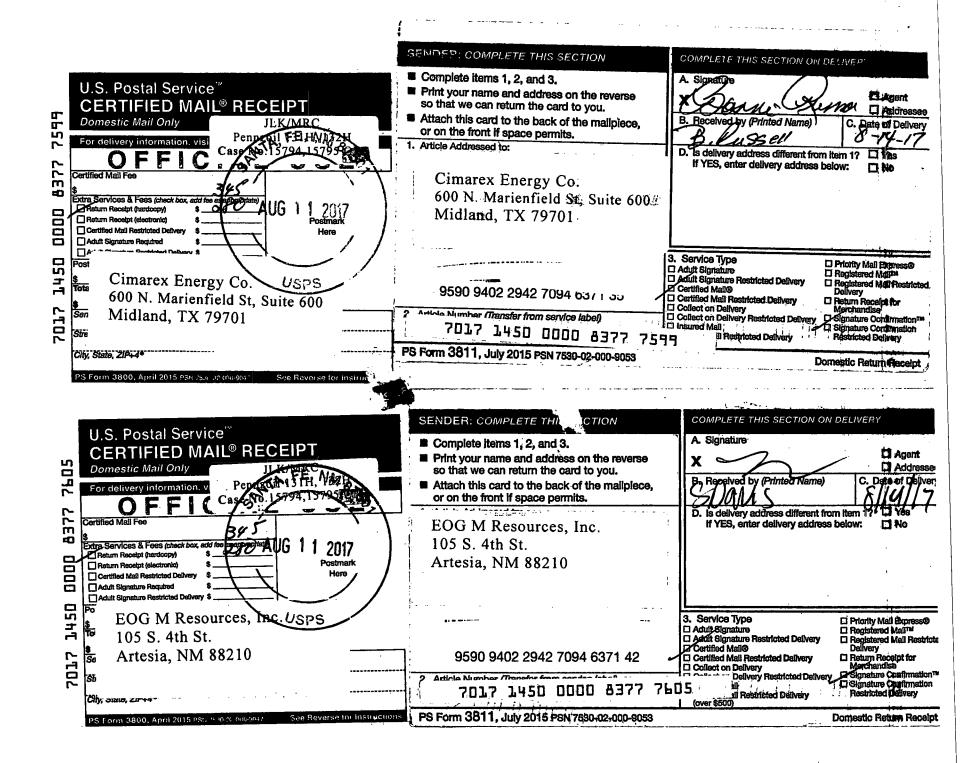










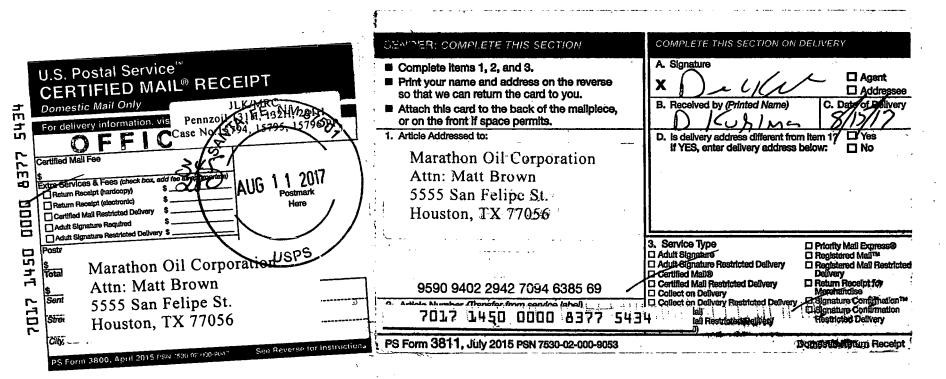


Pennzoil Fed No. 131H, 132H, 201H – Pooled Party- Case No. 15794, Case No. 15795, Case No. 15796

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Marathon Oil Corporation Attn: Matt Brown 5555 San Felipe St. Houston, TX 77056

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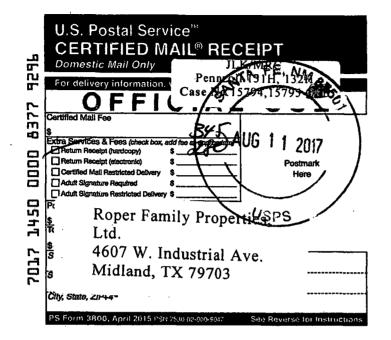




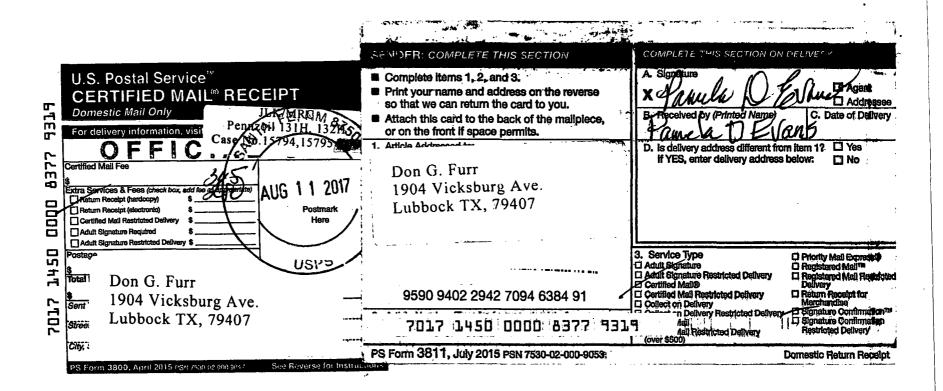


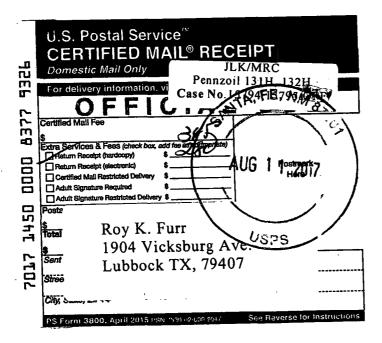






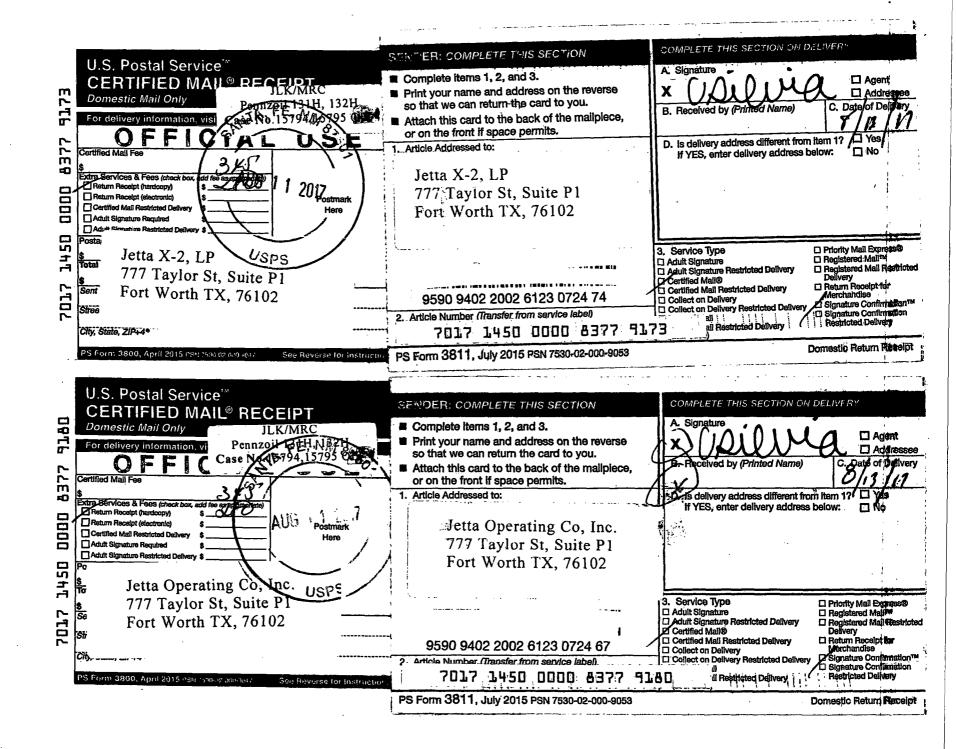






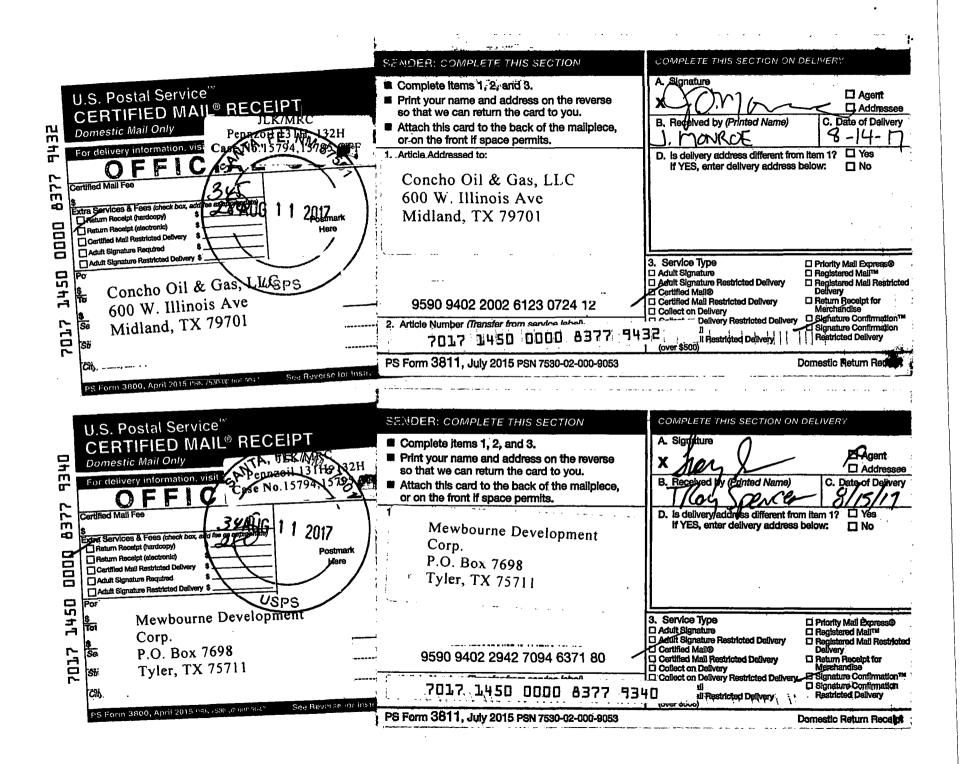


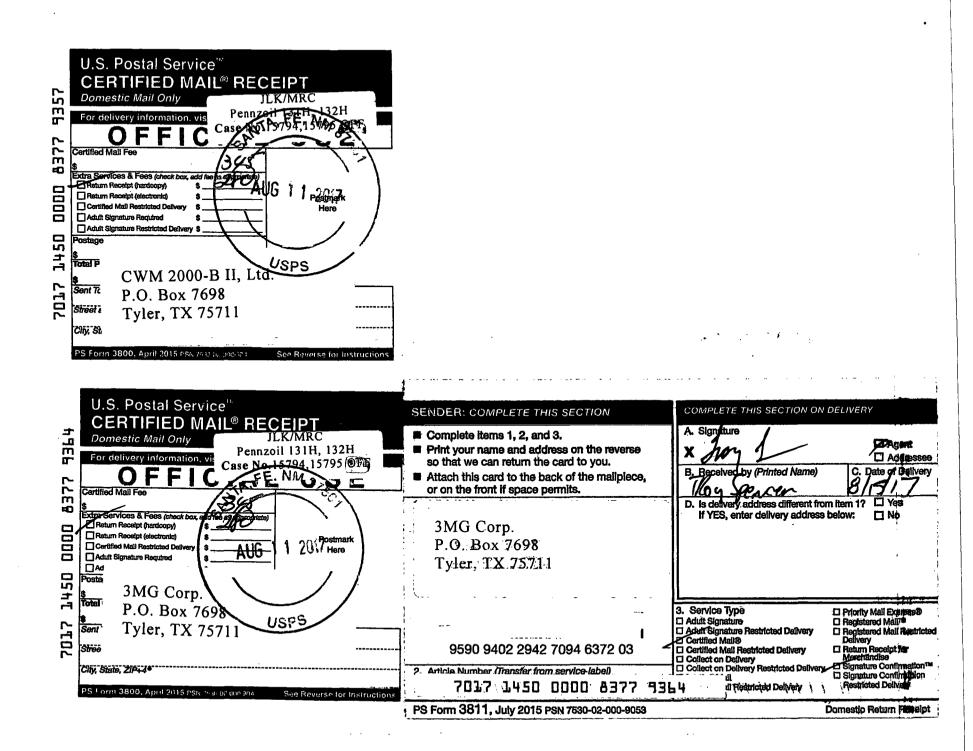






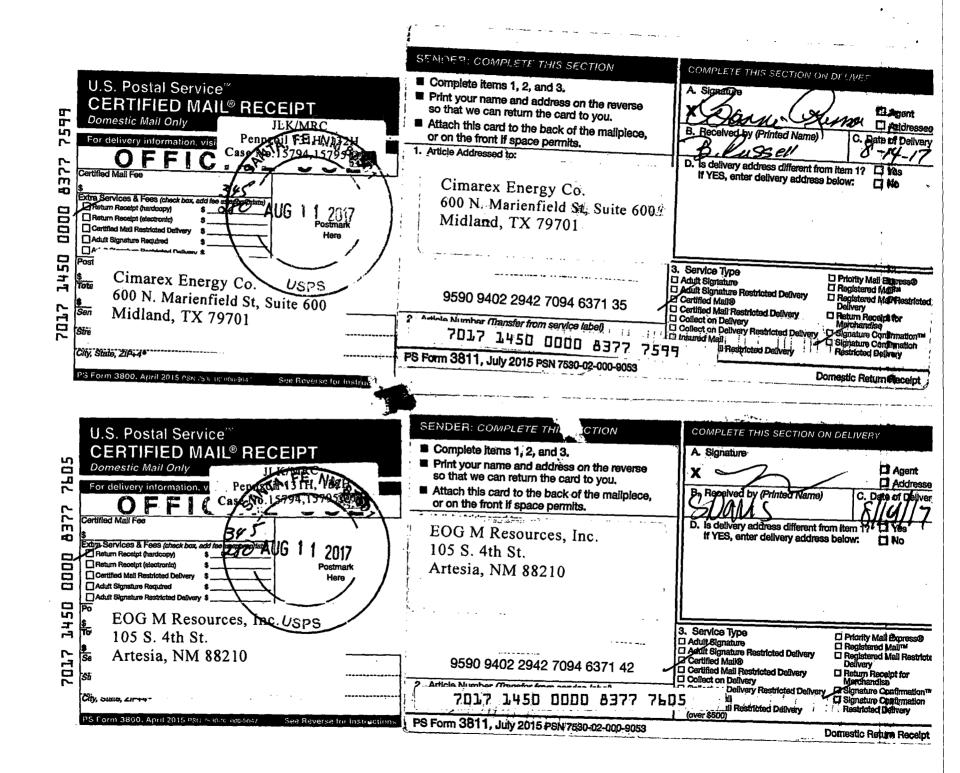












Affidavit of Publication

State of New Mexico, County of Eddy, ss.

Danny Fletcher, being first duly sworn, on oath says:

That he is the Publisher of the Carlsbad Current-Araus. newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices advertisements may and be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

August 16

That the cost of publication is \$146.84 and that payment thereof has been made and will be assessed as court dosts.

Subscribed and sworn to before me this 18 day of 1-1 OUS+

My commission Expires <u>S//3/2</u>

Notary Public

2017



bility who is in need of a reader, amplifier, qualified sign lan-guage interpreter, or any other form of auxillary aid or service to attend or participate in the hearing, please

to the public.

(NOTE: All land de-scriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: Marathon Oil Corporation.

August 16, 2017 August 16, 2017 STATE OF NEW MEXICO AND NATURAL AN SANIA PE, NEW MEXICU Jouen (J.) cleaning a non-standard, 160-acre, more or less, spacing and proration Conservation Division unit comprised of the hereby gives notice pursuant to law and the Rules and Regula-Range 29 East, Eddy tions of the Division of the following public Suff A.M. on August 18:15 A.M. on August 18:15 A.M. on August 18:15 A.M. on August 18:15 A.M. on August 19:15 A.M. on August 19:16 August 19:17, in the OI mation underlying this Conservation Division Hearing Room at 12:20 Standard unit is to be South S. Francis, San-dedicated to appli-cant's proposed before an examiner for the Jall Well, which will hearing. If you are an bility who is in need of then in the NW/4 NW/4 (Unit D) of Secbe horizontally drilled from a surface loca-tion in the NW/4 NW/4 (Unit D) of Sec-tion 33 to a standard bottom hole location in the NW/4 NW/4 (Unit D) of Section 32. The completed Inter-val for this well will remain within the 330-foot standard off. attend or participate in the hearing, please val for this well will contact: Florene Da-val for this well will allocation at 5025-476-set required by the 330-foot standard off-val for this well will be the constructing said well completing said well cost thereof as can be provided in the allocation of agenda and minutes, swell will be the and the allocation of agenda and minutes, swell will be the cost thereof as can be provided in the allocation of agenda and minutes, swell well forms. Please contact florene Davidson if a summary or other type of accessible for risk involved in drilling said well. Said persons having any right, title, Interest or claim in the following cases and notice to the public.

> BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. 9 Submitted by: MATADOR PRODUCTION CO. Hearing Date: August 31, 2017

Affidavit of Publication

State of New Mexico, County of Eddy, ss.

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That he is the Publisher of the Carlsbad Current-Argus, а newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

August 16

That the cost of publication is \$143.51 and that payment thereof has been made and will be assessed as court costs.

Subscribed and sworn to before me this, ASday of I-ALCADS+

My commission Expires <u>2//3/2/</u>

Notary Public

2017



August 16, 2017

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

The State of New Mexico through its Oil Hearing Room at 1220 standard unit is to be South St. Francis, San-dedicated to appli-ta Fe, New Mexico, cant's proposed before an examiner Pennzoil 32 Fed No. duly appoint for the 132H Well, SW/4 hearing. If you are an NW/4 (Unit E) of Sec-individual with a disa-tion 33 to a standard bility who is in need of bottom hole location a reader, amplifier, in the SW/4 NW/4 qualified sign lan-(Unit E) of Section 32, guage interpreter, or The completed inter-any other form of aux- val for this well will illary aid or service to remain within the attend or participate 330-foot standard off-in the hearing, please set required by the contact: Florene Da- rules. Also to be con-vidson at 505-476- sidered will be the 3458 or through the cost of drilling and New Mexico Relay completing said well Network, 1-800-659- and the allocation of 1779 by August 21, the cost thereof as 2017. Public docu-ments including the ing costs and charges agenda and minutes, for supervision, desig-can be provided in nation of Matador various accessible Production Company forms. Please contact soperator of the well florene Davidson If a and a 200% charge summary or other for risk Involved in type of accessible drilling said well. Said form is needed. <u>STATE OF</u> All named parties and <u>Heat All named parties and</u>

Case No. 15795: Application of Matador Production Company Production Company for a non-standard spacing and proration unit and compulsory pooling, Erdy County, New Mexico. Appli-cant in the above-styled cause seeks an order (1) creating a non-standard, 160-acre. more or less. acre, more or less, spacing and proration Mexico through its Oil spacing and proration Conservation Division unit comprised of the hereby gives notice S/2 N/2 of Section 32, pursuant to taw and Township 20. South, . the Rules and Regula- Range 29 East, Eddy-tions of the Division of County, New Mexico the following public and (2) pooling all un-hearing to be held at committed interests 8:15 A.M. on August in the Bone Spring for-31, 2017, in the Oil mation underlying this Conservation Division acreage. Said non-hearing Room at 1220 standard unit is to be Conservation Division acreage. Said non-Hearing Room at 1220 standard unit is to be South St. Francis, San- dedicated to appli-

STATE OF NEW MEXICO TO: All named parties and persons having any NM.

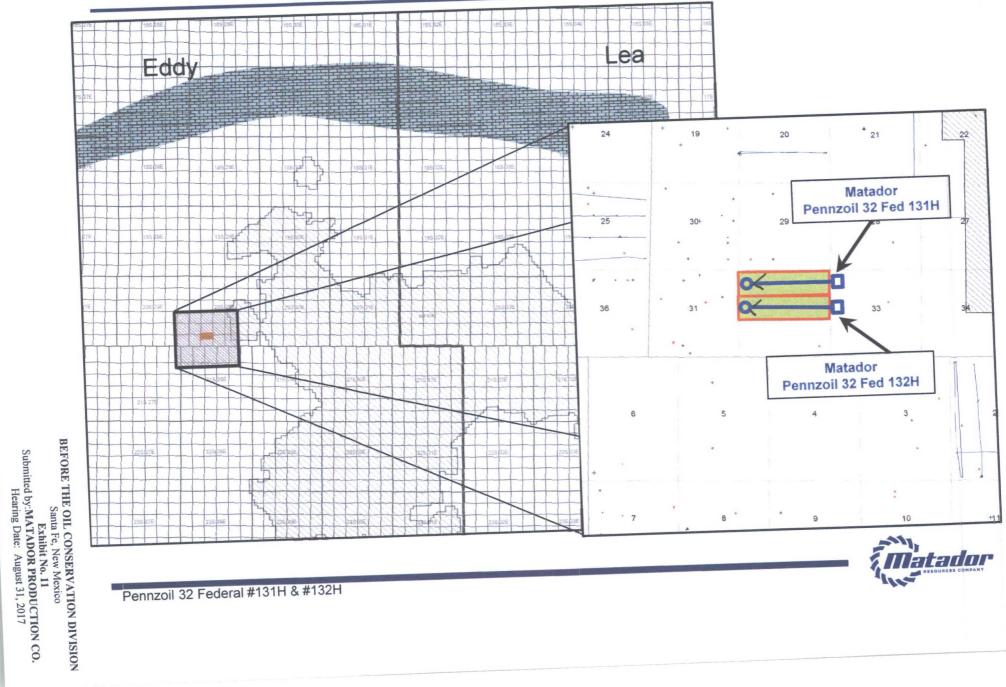
right, title, interest or claim in the following cases and notice to the public.

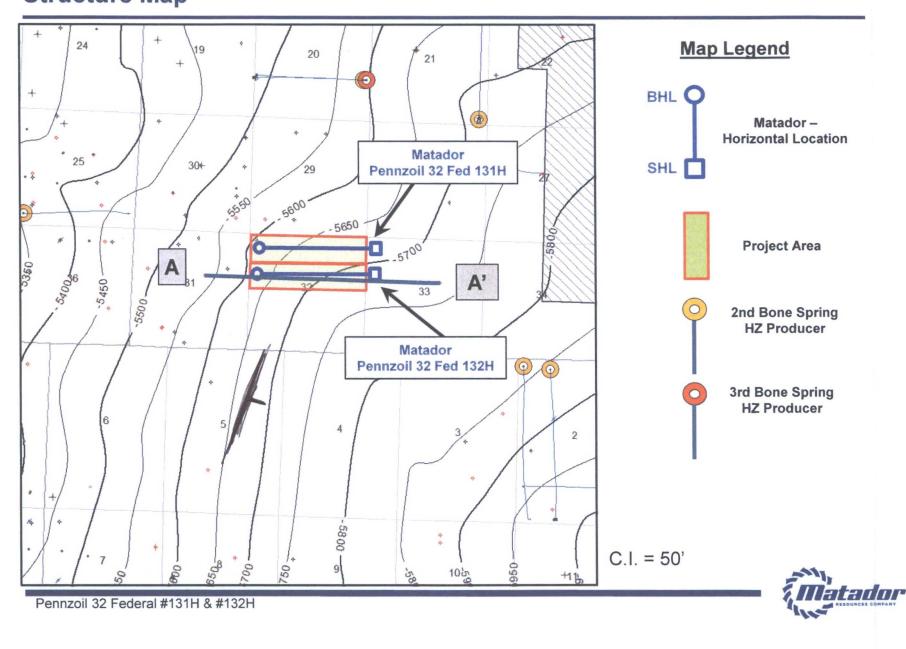
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Marathon Oil To: Corporation.

> BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. 10 Submitted by:MATADOR PRODUCTION CO. Hearing Date: August 31, 2017

Getty; Bone Spring (Pool Code: 27470) Locator Map

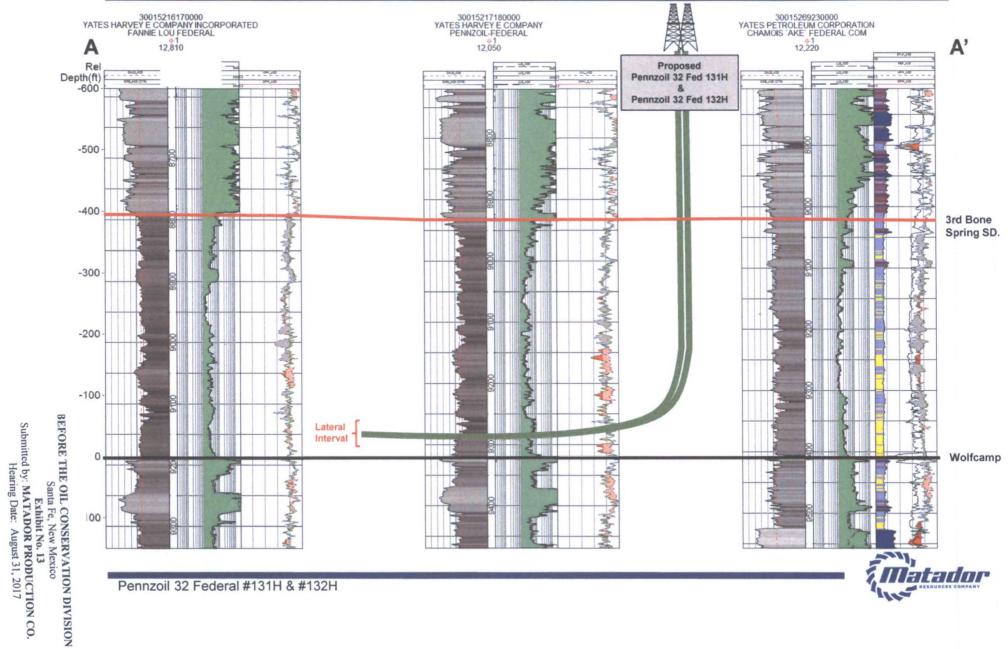




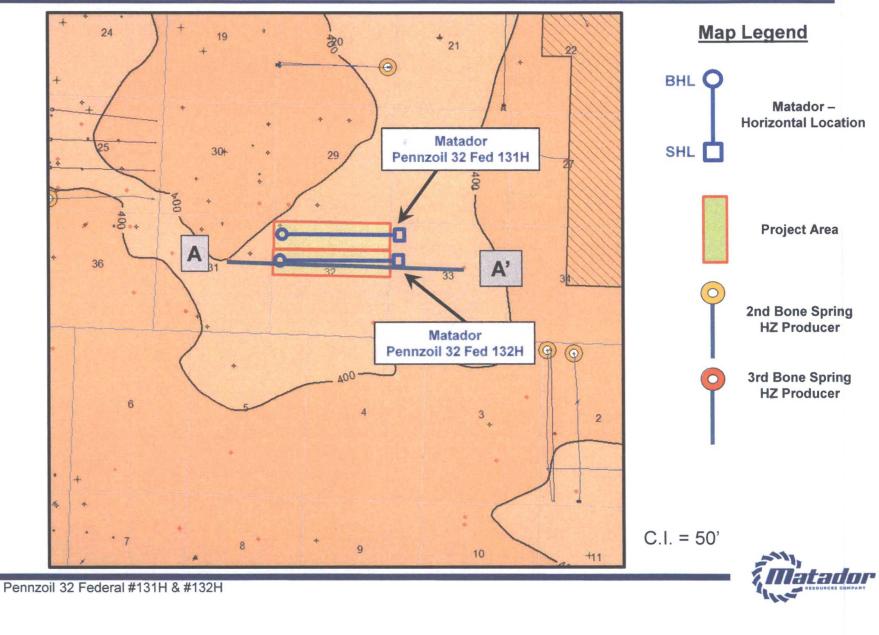
Getty; Bone Spring (Pool Code: 27470) Structure Map

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. 12 Submitted by:MATADOR PRODUCTION CO. Hearing Date: August 31, 2017

Getty; Bone Spring (Pool Code: 27470) Stratigraphic Cross Section A - A'

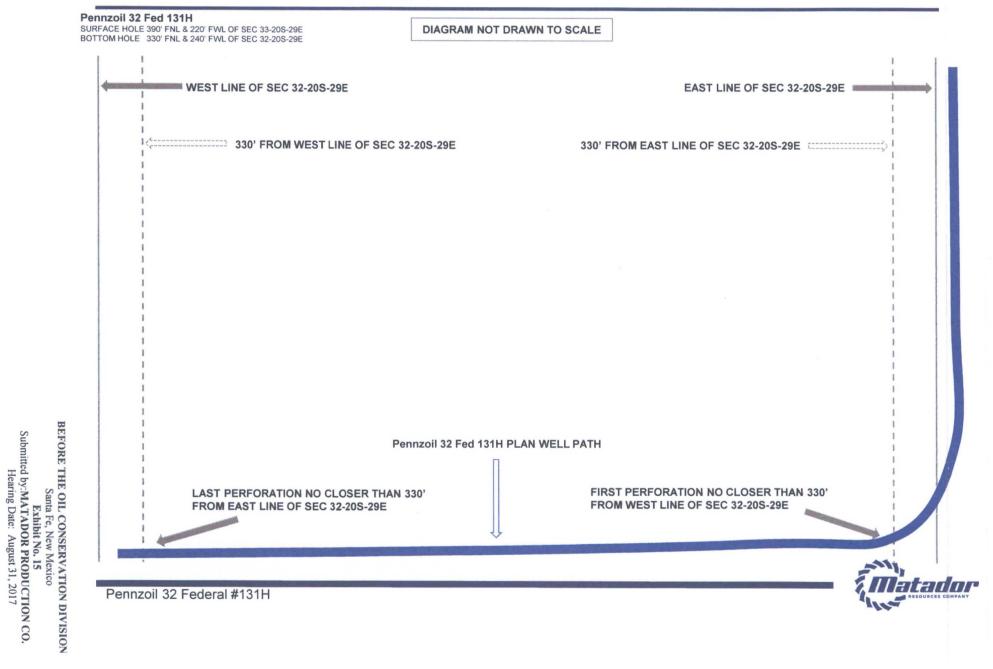


Getty; Bone Spring (Pool Code: 27470) Isopach Map

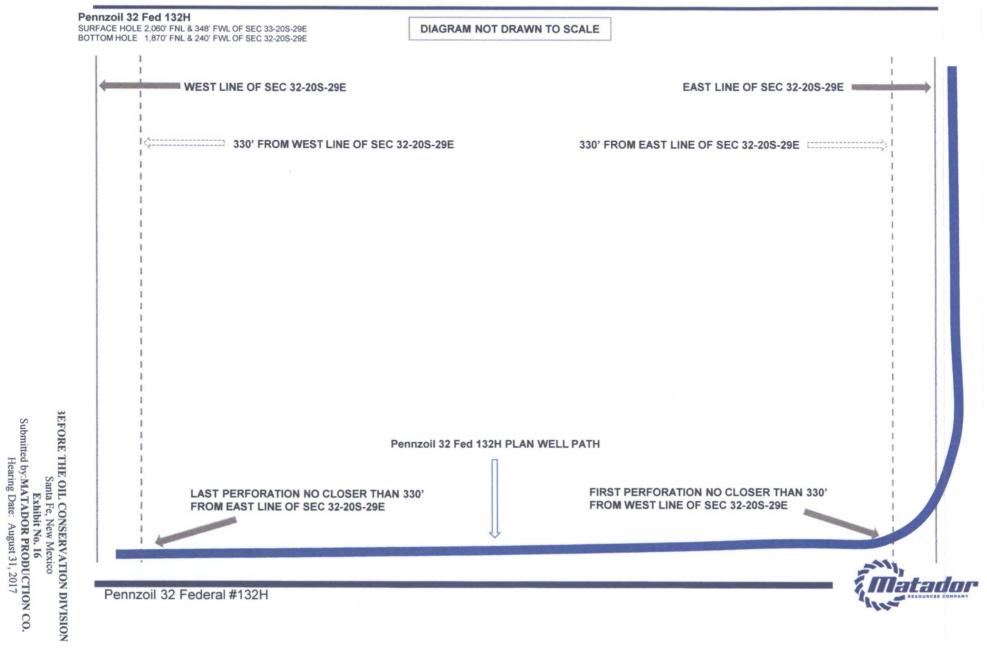


BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. 14 Submitted by:MATADOR PRODUCTION CO. Hearing Date: August 31, 2017

Getty; Bone Spring (Pool Code: 27470) Pennzoil 32 Fed 131H Completion



Getty; Bone Spring (Pool Code: 27470) Pennzoil 32 Fed 132H Completion



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