

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

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

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

Case No. 20326

VERIFIED STATEMENT OF TREY GOODWIN

Trey Goodwin, being duly sworn upon his oath, deposes and states:

1. I am a landman for MRC Energy Company, an affiliate of Matador Production Company ("Matador"), and I have personal knowledge of the matters stated herein. I previously testified before the Division, and was qualified as an expert petroleum landman.

2. The following information is submitted in support of the compulsory pooling application filed herein:

(a) A Midland Map Co. plat outlining the unit being pooled is attached hereto as Attachment A. Applicant seeks an order pooling all mineral interests in the Wolfcamp formation underlying the W/2 of Section 19, Township 24 South, Range 28 East, NMPM, to form a 320.32 acre horizontal spacing unit. The unit will be dedicated to:

(i) the Noel Hensley Fed. Com. Well No. 202H, a horizontal well with a first take point in the NE/4NW/4 of Section 19 and a final take point in the SE4/SW/4 of Section 19; and

(ii) the Noel Hensley Fed. Com. Well No. 222H, a horizontal well with a first take point in the NE/4NW/4 of Section 19 and a final take point in the SE4/SW/4 of Section 19.

(b) The well unit is comprised of federal and fee lands. There are no depth severances in the Wolfcamp formation.

(c) Draft C-102s describing the horizontal well paths are attached hereto as Attachment B.

(d) The wells will comply with the setback requirements in the special pool rules for the Purple Sage Wolfcamp (Gas) Pool.

EXHIBIT

1

(e) The working interest owners being pooled and their approximate working interest in the wells are set forth in Attachment C.

(f) A copy of the proposal letters sent to the uncommitted working interest owners are attached hereto as Attachment D. As of the date of the proposal letters, we anticipated naming these wells the Breard Fed. Com. Well No. 202 and No. 222. Although the names on the well proposals have changed to the current names, the proposals remain the same with respect to all material aspects of the wells under this application. In addition to the letter we have been in discussions with both ConocoPhillips and Tap Rock regarding our development plans.

(g) Matador has made a good faith effort to obtain the voluntary joinder of the interest owner in the proposed wells. If Matador reaches voluntary agreement with a working interest owner we will notify the Division, and they will not be subject to pooling.

(h) Pursuant to Division rules, applicant requests that a 200% risk charge be assessed against any non-consenting working interest owner.

(i) Copies of the Authority for Expenditure for each well are included in Attachment D. The drilling and completion costs set forth therein are fair and reasonable, and are comparable to those of other horizontal wells of this depth drilled in this area of Eddy County.

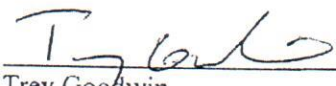
(j) Overhead charges of \$8,000/month for a drilling well, and \$800/month for a producing well, are requested. These rates are fair and reasonable, and are in line with rates charged by other operators in this area for wells of this depth. Applicant also requests that the order contain a provision adjusting the rates pursuant to the COPAS accounting procedure.

(k) Applicant requests that it be designated operator of the well.

VERIFICATION

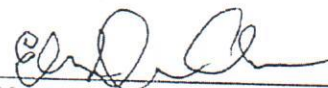
STATE OF TEXAS)
) ss.
COUNTY OF DALLAS)

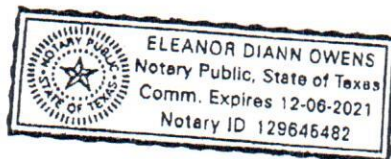
Trey Goodwin, being duly sworn upon his oath, deposes and states that: He is authorized to make this verification on behalf of Matador Production Company; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge, information, and belief.


Trey Goodwin

SUBSCRIBED AND SWORN TO before me this 17th day of April, 2019.

My Commission Expires: 12-06-2021


Notary Public



11-19-2017

Easton

Bullen

ATTACHMENT A

10 Fed.

Francis Beeman

Mad River

U.S.

BHL

Featherstone

Oax Res. (Internorth)

Legend

Matador Resources Company

Legend

~320 Acre Proration

Federal Lease NMNM 018613A

92757

30

More x1 Goodm Fed.



Federal Lease NMNM 018613A

This cartographic product is for informational purposes and may not have been prepared for, or be suitable for legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information.

Southeast New Mexico

Date: April 15, 2019
Coordinate System: WGS 1984 Web Mercator Auxiliary Sphere
Projection: Mercator Auxiliary Sphere; Datum: WGS 1984; Units: Meter
Sources: IHS; ESRI;

Date: April 15, 2019

Projection: Mercator Auxiliary Sphere

Projection: Mercator Auxiliary Sphere; Datum: WGS 1984; Units: Meter
Source: USGS, 1988

Sources: IHS; ESRI;

District I
1625 N. French Dr., Hobbs, NM 88240
Phone (575) 394-6161 Fax (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone (575) 748-1283 Fax (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone (505) 334-6178 Fax (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3460 Fax (505) 476-3462

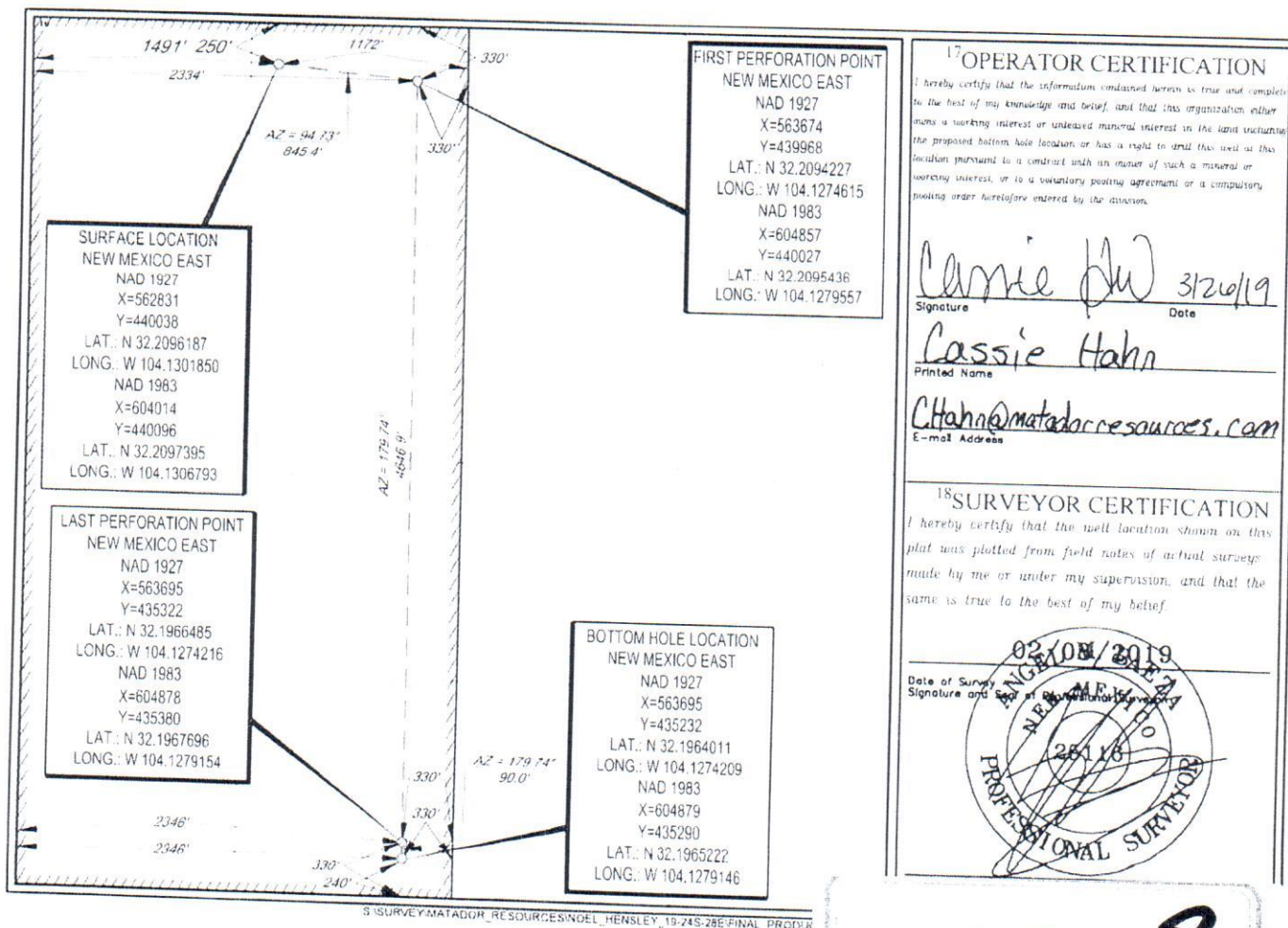
State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 98220		³ Pool Name Purple Sage- Wolfcamp Gas					
⁴ Property Code		⁵ Property Name NOEL HENSLEY FED COM						⁶ Well Number 202H	
⁷ OGRID No. 228937		⁸ Operator Name MATADOR PRODUCTION COMPANY						⁹ Elevation 3099'	
¹⁰ Surface Location									
¹¹ UL or lot no. C	Section 19	Township 24-S	Range 28-E	Lot Idn -	Feet from the 250'	North/South line NORTH	Feet from the 1491'	East/West line WEST	County EDDY
¹¹ Bottom Hole Location If Different From Surface									
¹² UL or lot no. N	Section 19	Township 24-S	Range 28-E	Lot Idn -	Feet from the 240'	North/South line SOUTH	Feet from the 2346'	East/West line WEST	County EDDY
¹³ Dedicated Acres 320.32		¹⁴ Joint or Infill		¹⁵ Consolidation Code		¹⁶ 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.



ATTACHMENT

B

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) 476-1460 Fax (505) 476-1462

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

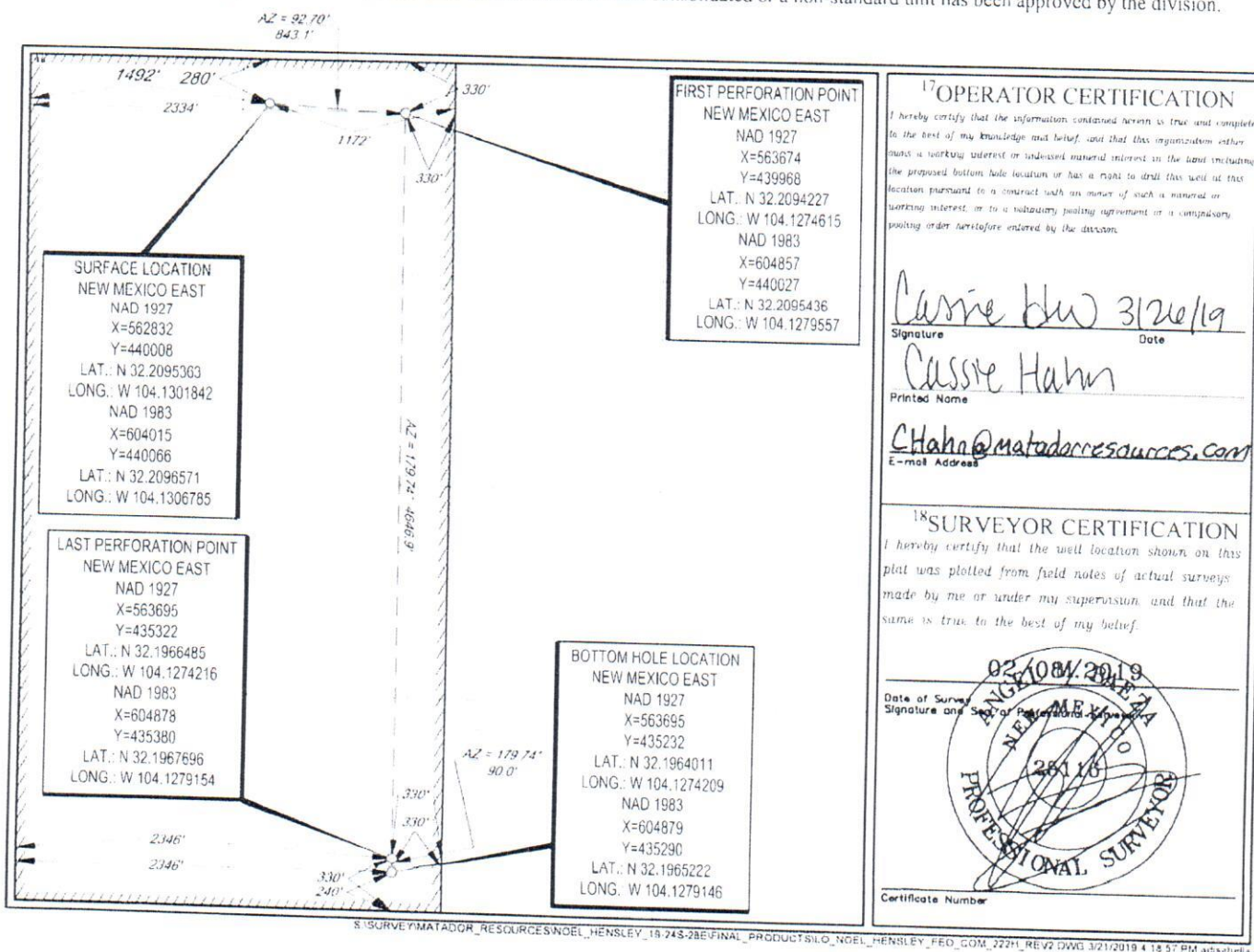
FORM C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 98220		³ Pool Name Purple Sage- Wolfcamp Gas					
⁴ Property Code		⁵ Property Name NOEL HENSLEY FED COM						⁶ Well Number 222H	
⁷ GRID No. 228937		⁸ Operator Name MATADOR PRODUCTION COMPANY						⁹ Elevation 3099'	
¹⁰ Surface Location									
UL or lot no. C	Section 19	Township 24-S	Range 28-E	Lot Idn -	Feet from the 280'	North/South line NORTH	Feet from the 1492'	East/West line WEST	County EDDY
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. N	Section 19	Township 24-S	Range 28-E	Lot Idn -	Feet from the 240'	North/South line SOUTH	Feet from the 2346'	East/West line WEST	County EDDY
¹² Dedicated Acres 320.32		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.



Summary of Interests

MRC Permian Company:		30.444014%
Voluntary Joinder:		4.764879%
Compulsory Pool:		64.791107%
Interest Owner:	Description:	Interest:
ConocoPhillips Company	Working Interest	62.44926%
Tap Rock Resources, LLC	Working Interest	2.341847%

ATTACHMENT

C



MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
Voice 972.629.2163 • Fax 972.371.5201
rhelbing@matadorresources.com

Robert Helbing
Landman

February 5, 2019

VIA CERTIFIED RETURN RECEIPT MAIL

ConocoPhillips Company
P.O. Box 2197
Houston, TX 77252-2197

Re: Matador Production Company – Breard Fed Com #202H (the “Well”)
Participation Proposal
Section 19, Township 24 South, Range 28 East
Eddy County, New Mexico

Dear Sir/Madam:

MRC Permian Company (“MRC”) proposes the drilling of Matador Production Company’s Breard Fed Com #202H, located in Section 19, Township 24 South, Range 28 East, Eddy County, New Mexico, to the Wolfcamp formation.

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 to the undersigned.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping the Well is \$7,416,020 as found on the enclosed AFE dated October 26, 2018.
- The proposed Well will be drilled from a legal location with a surface hole located in the NE/4NW/4 of Section 19, Township 24 South, Range 28 East, Eddy County, New Mexico. The proposed bottom hole of the subject Well will be a legal location in the SE/4SW/4 of Section 19, Township 24 South, Range 28 East, Eddy County, New Mexico.
- The Well will have a targeted interval within the Wolfcamp formation. We plan to drill the Well horizontally in the Wolfcamp (~9,370’ TVD) to a Total Measured Depth of approximately 14,600’ resulting in a productive lateral of approximately 4,500’.

MRC reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. MRC will advise you of any such modifications.

ATTACHMENT 

ConocoPhillips Company will own an approximate 0.62500 working interest in the Well, subject to title verification.

MRC is proposing to drill the Well under the terms of the modified 1989 AAPL form of Operating Agreement which is enclosed for your review and approval. The enclosed Operating Agreement dated November 7, 2018, by and between Matador Production Company, as operator and MRC Permian Company et al as Non-Operators covers the W/2 of Section 19, Township 24 South, Range 28 East, Eddy County, New Mexico and has the following general provisions:

- 100/300/300 Non-consenting penalty
- \$8,000/\$800 Drilling and Producing rate
- Matador Production Company named as Operator

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. Thank you for your consideration of this proposal. Please contact me if you have any questions.

Sincerely,


Robert Helbing

Enclosure(s)

Please elect one of the following and return to sender.

_____ ConocoPhillips Company hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Breard Fed Com #202H well, located in Eddy County, New Mexico.

_____ ConocoPhillips Company hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Breard Fed Com #202H well, located in Eddy County, New Mexico.

_____ ConocoPhillips Company is interested in selling our interest in this unit, please contact us to discuss.

ConocoPhillips Company

By: _____

Title: _____

Date: _____

MATADOR PRODUCTION COMPANY
ONE LINCOLN CENTRE • 5400 LBJ FREEWAY • SUITE 1800 • DALLAS, TEXAS 75240
Phone (972) 371-5200 • Fax (972) 371-5201

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	October 26, 2018	AFE NO.:	
WELL NAME:	Broad Fed Com #202H	FIELD:	Purple Sage
LOCATION:	Section 19-24S-28E	MD/TVD:	14600/9370'
COUNTY/STATE:	Eddy, NM	LATERAL LENGTH:	about 4500'
MRC WI:			
GEOLOGIC TARGET:	Wolfcamp		
REMARKS:	Drill and complete a horizontal upper Wolfcamp with 22 stages		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Land / Legal / Regulatory	40,300				40,300
Location, Surveys & Damages	88,000	13,000	4,000	15,000	120,000
Drilling	577,750				577,750
Cementing & Float Equip	169,000				169,000
Logging / Formation Evaluation		6,500			6,500
Mud Logging	13,500				13,500
Mud Circulation System	52,300				52,300
Mud & Chemicals	67,350	37,000			104,350
Mud / Wastewater Disposal	150,000				150,000
Freight / Transportation	16,000	7,000		2,000	25,000
Rig Supervision / Engineering	112,700	57,800	3,600	10,800	184,900
Drill Bits	63,675				63,675
Fuel & Power	90,963				90,963
Water	40,000	367,000			407,000
Drig & Completion Overhead	9,500	23,000			32,500
Plugging & Abandonment					
Directional Drilling, Surveys	166,000				166,000
Completion Unit, Swab, CTU		100,000	10,000		110,000
Perforating, Wireline, Slickline		148,500			148,500
High Pressure Pump Truck		67,800			67,800
Stimulation		2,013,000			2,013,000
Stimulation Flowback & Disp		208,000	100,000		308,000
Insurance	26,640				26,640
Labor	141,000	50,300	30,000	5,000	226,300
Rental - Surface Equipment	60,735	274,500	40,000	10,000	385,235
Rental - Downhole Equipment	61,000	42,000			103,000
Rental - Living Quarters	51,890	15,160	1,000	5,000	73,050
Contingency	82,216	141,065	8,860		232,141
Maxcom	16,275				16,275
TOTAL INTANGIBLES >	2,155,894	3,571,315	197,460	47,800	5,972,469
TANGIBLE COSTS	COSTS	COSTS	COSTS	COSTS	COSTS
Surface Casing	31,488				31,488
Intermediate Casing	92,525				92,525
Drilling Liner	340,320				340,320
Production Casing	269,274				269,274
Production Liner					
Tubing					
Wellhead			56,220		56,220
Packers, Liner Hangers	80,000		25,000		105,000
Tanks		61,800	10,000		71,800
Production Vessels				45,000	45,000
Flow Lines			57,000	36,825	93,825
Rod string			50,000		50,000
Artificial Lift Equipment					
Compressor			20,000		20,000
Installation Costs				10,000	10,000
Surface Pumps			20,000	48,000	68,000
Non-controllable Surface			5,000	10,000	15,000
Non-controllable Downhole					
Downhole Pumps					
Measurement & Meter Installation					
Gas Conditioning / Dehydration			12,500	27,500	40,000
Interconnecting Facility Piping					
Gathering / Bulk Lines				40,000	40,000
Valves, Dumps, Controllers					
Tank / Facility Containment			4,000	4,000	8,000
Flare Stack				30,000	30,000
Electrical / Grounding				6,250	6,250
Communications / SCADA				2,500	2,500
Instrumentation / Safety				6,250	6,250
TOTAL TANGIBLES >	833,407	81,800	289,720	278,625	1,443,552
TOTAL COSTS >	2,989,300	3,653,115	467,180	326,425	7,416,020

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer	Mark Hernan	Team Lead - WTX/NM	<u>WTE</u>
Completions Engineer	Carl Humphreys		
Production Engineer	Ben Peterson		

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP - COO/CFO	VP - Res Engineering	VP - Drilling
Executive VP - Legal	Exec Dir - Exploration	
President		

NON OPERATING PARTNER APPROVAL:

Company Name	Working Interest (%)	Tax ID
Signed by	Date	
Title	Approval	Yes No (mark one)

The costs on this AFE are estimates only and may not be considered as estimates on any specific item or the total cost of the project. The Partner agrees to pay its proportionate share of actual costs incurred, including legal, regulatory, title, and well costs, under the terms of the applicable well operating agreement, regulatory order or other agreement covering this well. Partners shall be covered by and hold responsibility for Company well control and general liability insurance, unless partner shall provide Operator a new lease evidencing its own insurance or an amount acceptable to the Operator by the date of sign-off.

MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
Voice 972.629.2163 • Fax 972.371.5201
rhelbing@matadorresources.com

Robert Helhing
Landman

February 5, 2019

VIA CERTIFIED RETURN RECEIPT MAIL

ConocoPhillips Company
P.O. Box 2197
Houston, TX 77252-2197

Re: Matador Production Company – Breard Fed Com #222H (the “Well”)
Participation Proposal
Section 19, Township 24 South, Range 28 East
Eddy County, New Mexico

Dear Sir/Madam:

MRC Permian Company (“MRC”) proposes the drilling of Matador Production Company’s Breard Fed Com #222H, located in Section 19, Township 24 South, Range 28 East, Eddy County, New Mexico, to the Wolfcamp formation.

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 to the undersigned.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping the Well is \$7,953,372 as found on the enclosed AFE dated October 26, 2018.
- The proposed Well will be drilled from a legal location with a surface hole located in the NE/4NW/4 of Section 19, Township 24 South, Range 28 East, Eddy County, New Mexico. The proposed bottom hole of the subject Well will be a legal location in the SE/4SW/4 of Section 19, Township 24 South, Range 28 East, Eddy County, New Mexico.
- The Well will have a targeted interval within the Wolfcamp formation. We plan to drill the Well horizontally in the Wolfcamp (~10,450’ TVD) to a Total Measured Depth of approximately 15,300’ resulting in a productive lateral of approximately 4,500’.

MRC reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. MRC will advise you of any such modifications.

ConocoPhillips Company will own an approximate 0.62500 working interest in the Well, subject to title verification.

MRC is proposing to drill the Well under the terms of the modified 1989 AAPL form of Operating Agreement which is enclosed for your review and approval. The enclosed Operating Agreement dated November 7, 2018, by and between Matador Production Company, as operator and MRC Permian Company et al as Non-Operators covers the W/2 of Section 19, Township 24 South, Range 28 East, Eddy County, New Mexico and has the following general provisions:

- 100/300/300 Non-consenting penalty
- \$8,000/\$800 Drilling and Producing rate
- Matador Production Company named as Operator

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. Thank you for your consideration of this proposal. Please contact me if you have any questions.

Sincerely,



Robert Helbing

Enclosure(s)

Please elect one of the following and return to sender.

_____ ConocoPhillips Company hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Breard Fed Com #222H well, located in Eddy County, New Mexico.

_____ ConocoPhillips Company hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Breard Fed Com #222H well, located in Eddy County, New Mexico.

_____ ConocoPhillips Company is interested in selling our interest in this unit, please contact us to discuss.

ConocoPhillips Company

By: _____

Title: _____

Date: _____

ONE LINCOLN CENTRE • 6400 LBJ FREEWAY • SUITE 1600 • DALLAS, TEXAS 75240
Phone (972) 371-5200 • Fax (972) 371-5201

DATE:	October 26, 2018	AFE NO.:	
WELL NAME:	Bread Fed Com 222H	FIELD:	Purple Sage
LOCATION:	Section 19-24S-28E	MD/TVD:	15300/10450'
COUNTY/STATE:	Eddy, NM	LATERAL LENGTH:	about 4500'
MRC WI:			
GEOLOGIC TARGET:	Wolfcamp		
REMARKS:	Drill and complete a horizontal Wolfcamp with 22 stages.		

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	James Long
Completions Engineer:	Gill Humphreys
Production Engineer:	Ben Paterson

Team Lead - WTX/NM

WTE

Executive VP, COO/CFO

VP - Res Engineering

VP - Drilling

Executive VP, Legal

Exec. Dir. • Exploration

RG

President

MLF

Company Name

Working Interest (%)

Tax ID:

Signed by:

Date _____

No (mark one)

AFE - Version 3

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

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

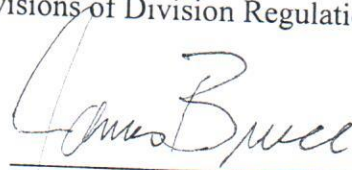
Case No. 20326

AFFIDAVIT OF NOTICE

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

James Bruce, being duly sworn upon his oath, deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am an attorney for Matador Production Company.
3. Matador Production Company has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the application filed herein.
4. Notice of the application was provided to the interest owners, at their last known addresses, by certified mail. Copies of the notice letters and certified return receipts are attached hereto as Attachment A.
5. Applicant has complied with the notice provisions of Division Regulations.


James Bruce

SUBSCRIBED AND SWORN TO before me this 17th day of April, 2019 by James Bruce.

My Commission Expires: 10-22-22

 OFFICIAL SEAL
NANNIE C. ALLEN
Notary Public
State of New Mexico

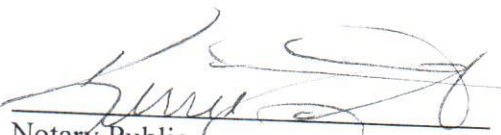

Notary Public

EXHIBIT 2

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruce@aol.com

March 12, 2019

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

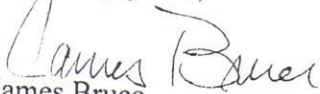
Ladies and gentlemen:

Enclosed is a copy of an application for compulsory pooling, filed with the New Mexico Oil Conservation Division by Matador Production Company, regarding two Wolfcamp wells in a well unit comprised of the W½ of Section 19, Township 24 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, April 4, 2019, in Porter Hall at the Division's offices at 1220 South St. 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 contesting the matter at a later date.

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Wednesday, March 28, 2019. This statement must be filed with the Division's Santa Fe office at the above address, and should include: The names of the party and its attorney; a concise statement of the case; the names of the 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 need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours,


James Bruce

Attorney for Matador Production Company

ATTACHMENT *A*

EXHIBIT A

ConocoPhillips Company
600 North Dairy Ashford
Houston, Texas 77079

Tap Rock Resources, LLC
Suite 200
602 Park Point Drive
Golden, Colorado 80401

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Tap Rock Resources, LLC
Suite 200
602 Park Point Drive
Golden, Colorado 80401



9590 9402 3453 7275 3607 06

2. Article Number (Transfer from service label)

7018 2290 0000 3424 1656

PS Form 3811, July 2015 PSN 7530-02-000-9053

Post - N. Hunsley Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent
B. Received by (Printed Name) ☐ Addressee
C. Date of Delivery 3/16/19

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☒ No

3. Service Type
- ☐ Adult Signature
 - ☐ Adult Signature Restricted Delivery
 - ☐ Certified Mail
 - ☐ Certified Mail Restricted Delivery
 - ☐ Collect on Delivery
 - ☐ Collect on Delivery Restricted Delivery
 - ☐ Restricted Delivery
 - ☐ Priority Mail Express
 - ☐ Registered Mail
 - ☐ Registered Mail Restricted Delivery
 - ☐ Return Receipt for Merchandise
 - ☐ Signature Confirmation
 - ☐ Signature Confirmation Restricted Delivery

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only

For delivery information, visit our website at www.usps.com

Certified Mail Fee \$
Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$
Postage \$
Total Postage and Fee \$
Sent To Tap Rock Resources, LLC
Suite 200
602 Park Point Drive
Golden, Colorado 80401
Street and Apt. No., or P.O. Box
City, State, ZIP+4®

Postmark
Here

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

ConocoPhillips Company
600 North Dairy Ashford
Houston, Texas 77079



9590 9402 3453 7275 3607 13

2. Article Number (Transfer from service label)

7018 2290 0000 3424 1663

PS Form 3811, July 2015 PSN 7530-02-000-9053

Post - N. Hunsley Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent
B. Received by (Printed Name) ☐ Addressee
C. Date of Delivery 3/16/19
D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☒ No

3. Service Type
- ☐ Adult Signature
 - ☐ Adult Signature Restricted Delivery
 - ☐ Certified Mail
 - ☐ Certified Mail Restricted Delivery
 - ☐ Collect on Delivery
 - ☐ Collect on Delivery Restricted Delivery
 - ☐ Mail Restricted Delivery
 - ☐ Priority Mail Express
 - ☐ Registered Mail
 - ☐ Registered Mail Restricted Delivery
 - ☐ Return Receipt for Merchandise
 - ☐ Signature Confirmation
 - ☐ Signature Confirmation Restricted Delivery

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only

For delivery information, visit our website at www.usps.com

Certified Mail Fee \$
Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$
Postage \$
Total Postage and Fees \$
Sent To ConocoPhillips Company
600 North Dairy Ashford
Houston, Texas 77079
Street and Apt. No., or P.O. Box
City, State, ZIP+4®

Postmark
Here

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

9590 9402 3453 7275 3607 06

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

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

Case No. 20326

VERIFIED STATEMENT OF DANIEL BRUGIONI

COUNTY OF DALLAS)
) ss.
STATE OF TEXAS)

Daniel Brugioni, being duly sworn upon his oath, deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am a geologist for MRC Energy Company, an affiliate of Matador Production Company ("Matador"), and I am familiar with the geological matters involved in this case. I have been qualified by the Division as an expert petroleum geologist.
3. Attachment A is a locator map. The well unit is to the south of the Capitan Aquifer
3. The following geological exhibits are attached hereto:
 - (a) Attachment B is a structure map on the top of the Wolfcamp formation subsea. It shows that structure dips gently to the east, the surrounding horizontal Wolfcamp producers, and the well control used to generate the structure map.
 - (b) Attachment C shows a line of cross section from A to A' on the same structure map reflected in Attachment B.
 - (b) Attachment D is a west-east cross section. The logs on the cross-section give a representative sample of the Wolfcamp formation in this area. The target zone for the Noel Hensley Fed Com No. 202, shown on the exhibit in yellow, is the upper Wolfcamp. The zone is continuous across the well unit. The target zone for the Noel Hensley Fed Com No. 222, shown on the exhibit green, is the lower part of the Wolfcamp.
4. I conclude from the maps that:
 - (a) The horizontal spacing unit is justified from a geologic standpoint.
 - (b) Each quarter section in the unit will contribute more or less equally to production.

EXHIBIT 3

(c) There is no faulting or other geologic impediment on the area which will adversely affect the drilling of the subject wells.

5. There is no preference for standup or laydown well units in this area.

6. The producing intervals of the proposed wells will be orthodox.

7. The attached Exhibits E1-E2 are wellbore schematics for the proposed wells. The producing interval for the proposed wells will comply with the setback requirements in the special pool rules for the Purple Sage Wolfcamp (Gas) formation.

8. The attached Exhibit A-E2 were either prepared by me or compiled under my direction and supervision.

9. In my opinion, the granting of Matador's application will be in the best interest of conservation, the prevention of waste, and the protection of correlative rights.

VERIFICATION

STATE OF TEXAS)
) ss.
COUNTY OF DALLAS)

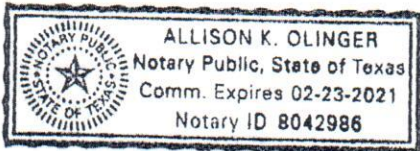
Daniel Brugioni, being duly sworn upon his oath, deposes and states that: he is authorized to make this verification on behalf of Matador Production Company; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge, information, and belief.

Daniel Brugioni
Daniel Brugioni

SUBSCRIBED AND SWORN TO before me this 17 day of April, 2019 by Daniel Brugioni.

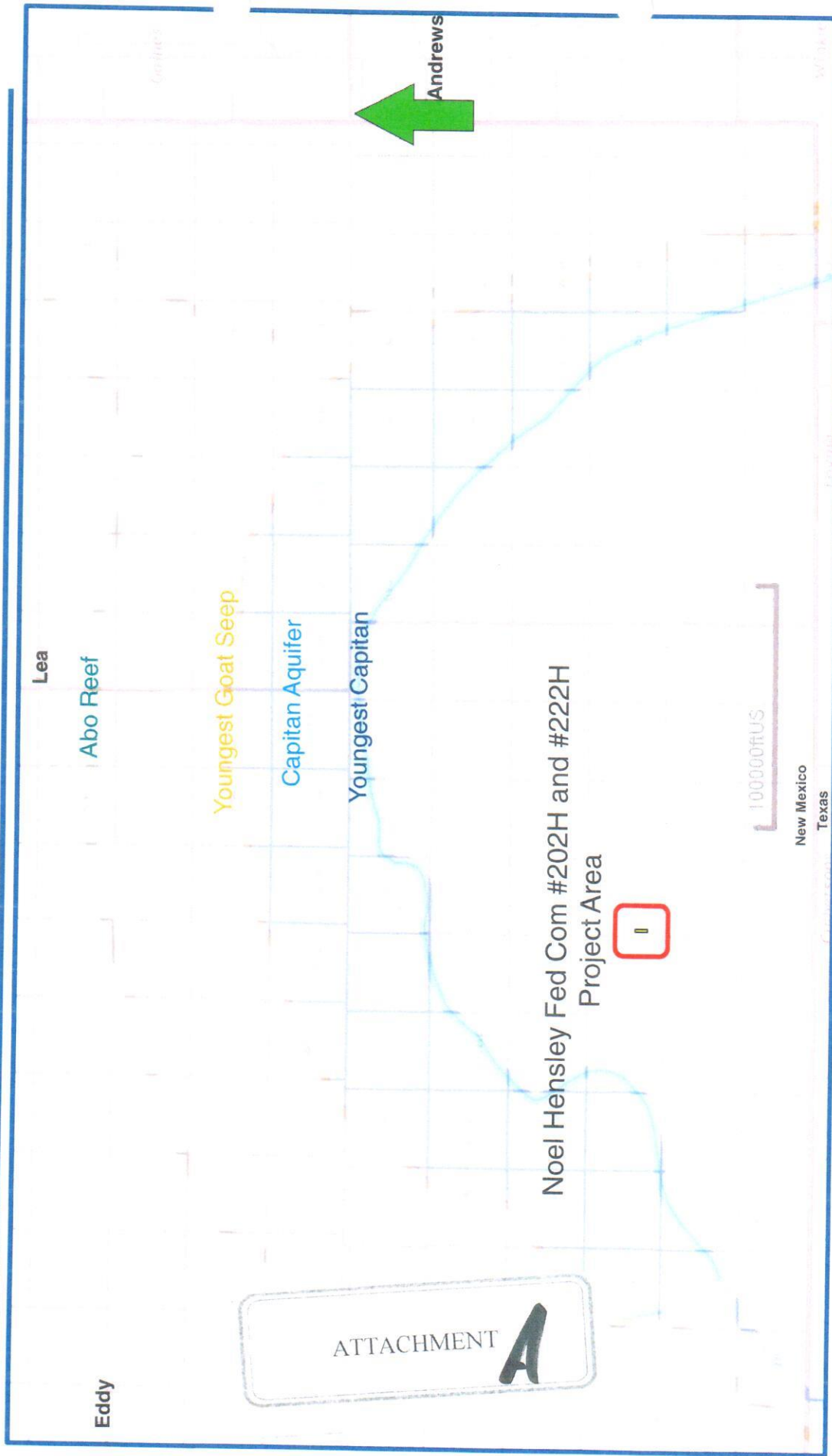
My Commission Expires: 2/23/2021

Allison K. Olinger
Notary Public



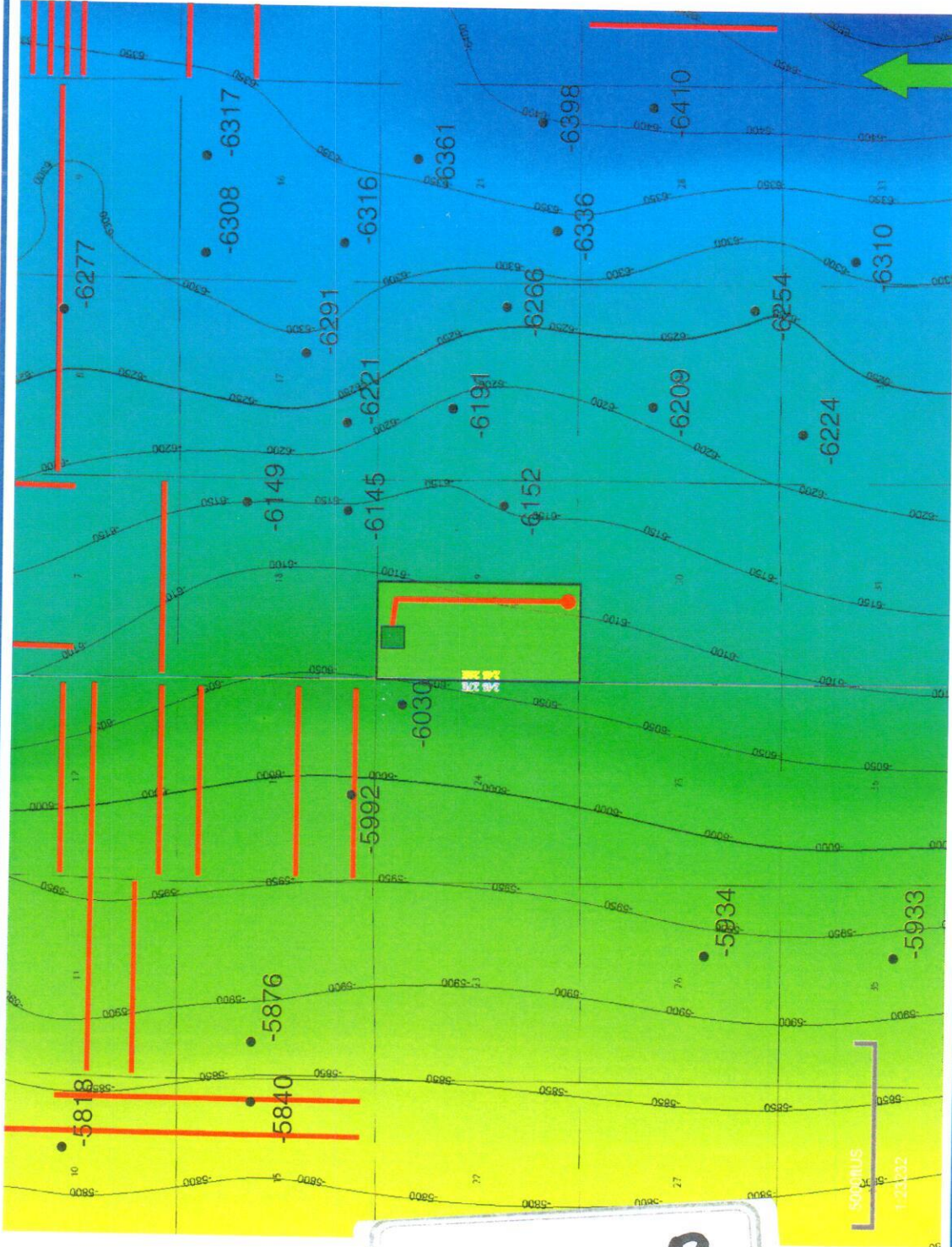
Purple Sage; Wolfcamp (Gas) (Pool Code 98220) Locator Map

Matador
Exhibit



Noel Hensley Fed Com #202H and #222H

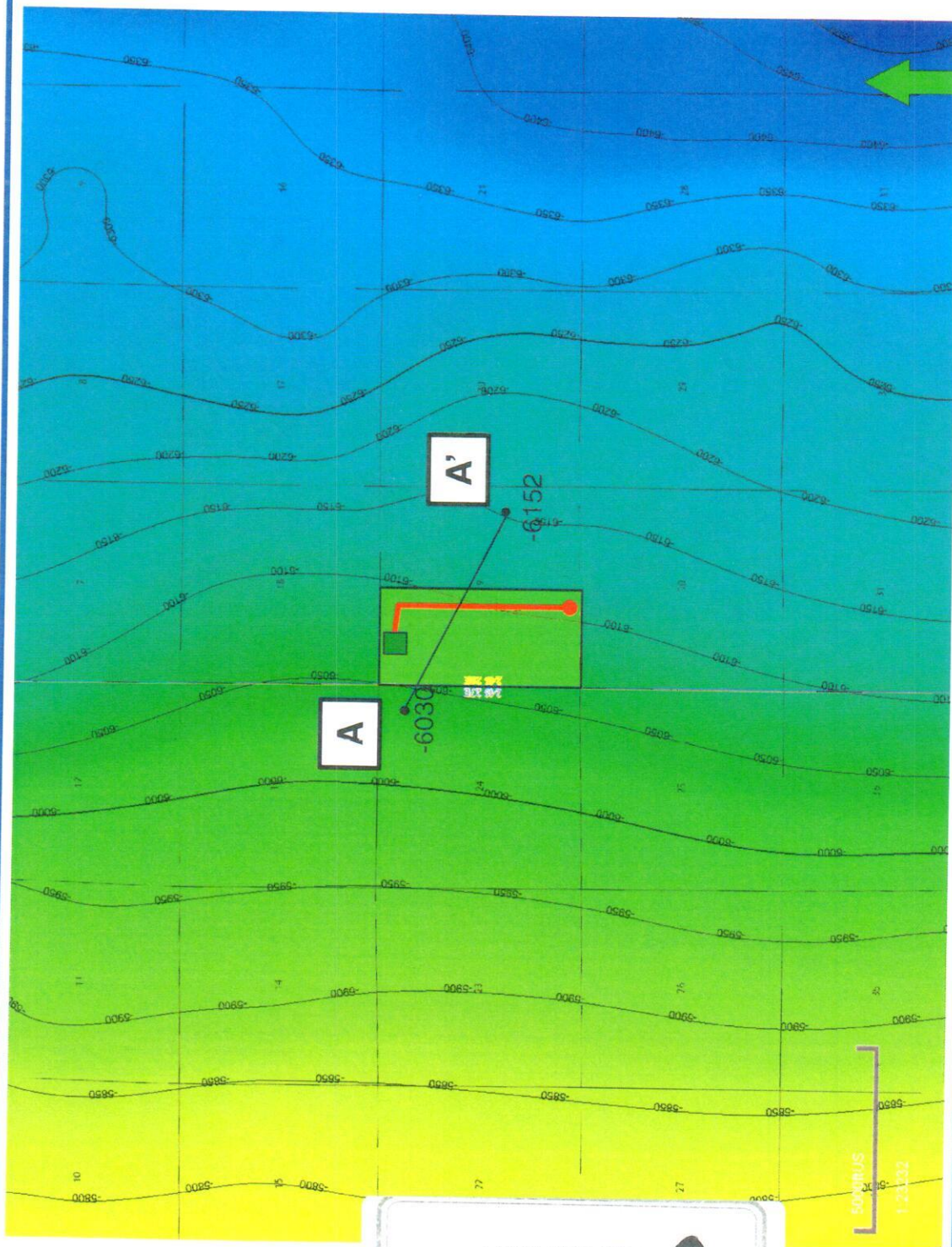
Purple Sage; Wolfcamp (Gas) (Pool Code 98220)
Structure Map (Top Wolfcamp Subsea)



Noel Hensley Fed Com #202H and #222H

ATTACHMENT B

Purple Sage; Wolfcamp (Gas) (Pool Code 98220) Cross-Section Reference Line A – A'



Map Legend

Project Area



C. I. = 50'

High

Low



Noel Hensley Fed Com #202H and #222H

**Purple Sage; Wolfcamp (Gas) (Pool Code 98220)
Structural Cross Section A - A'**

A

Wolfcamp
Top

Noel Hensley
202H TargetNoel Hensley
222H Target

Wolfcamp
Base

Noel Hensley Fed Com #202H and #222H



ATTACHMENT

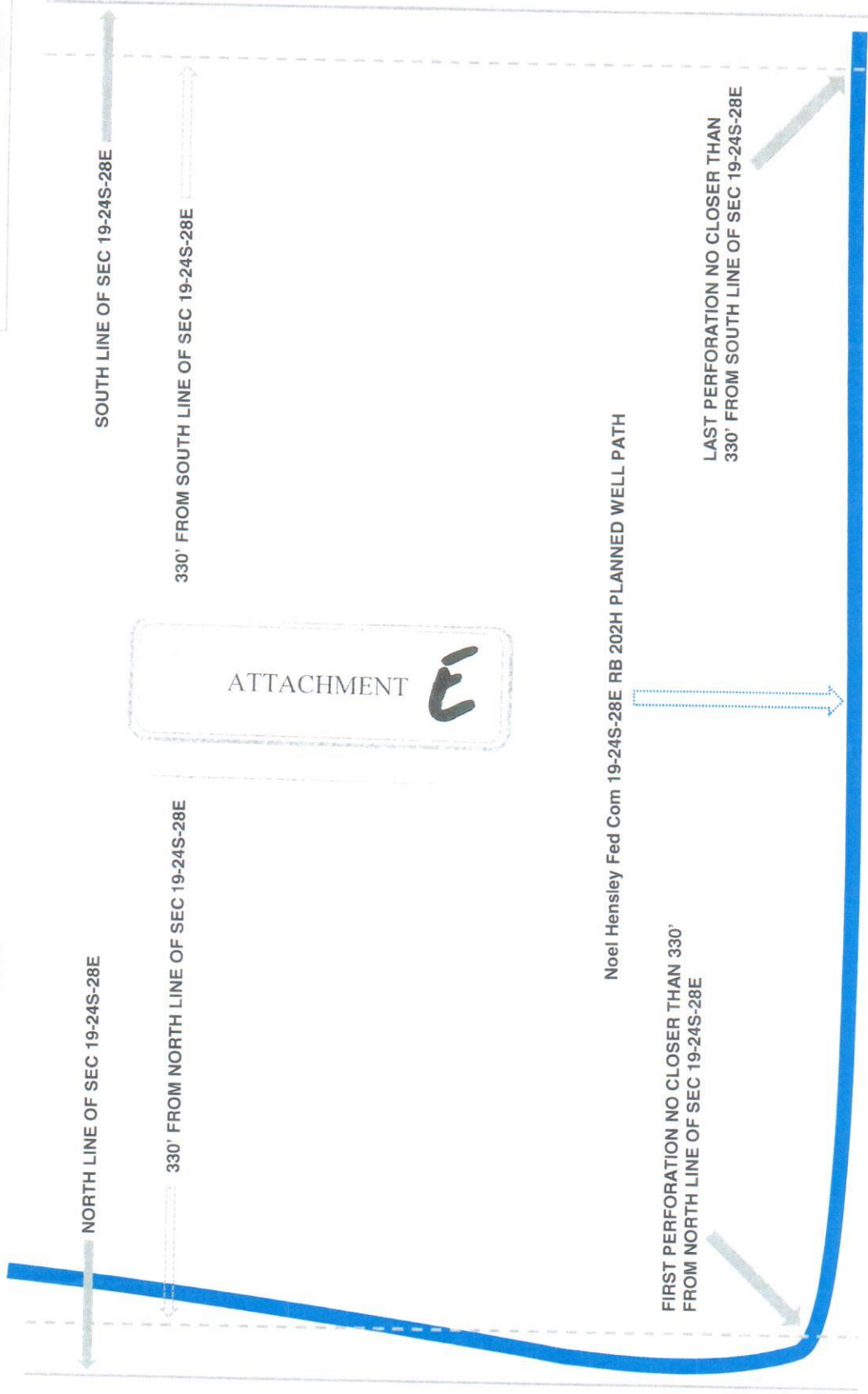


Purple Sage; Wolfcamp (Gas) (Pool Code 98220)
Noel Hensley Fed Com #202H

Noel Hensley #202H

SURFACE HOLE 250' FNL 1,491' FWL OF SEC 19-24S-28E

DIAGRAM NOT DRAWN TO SCALE



Noel Hensley Fed Com #202H

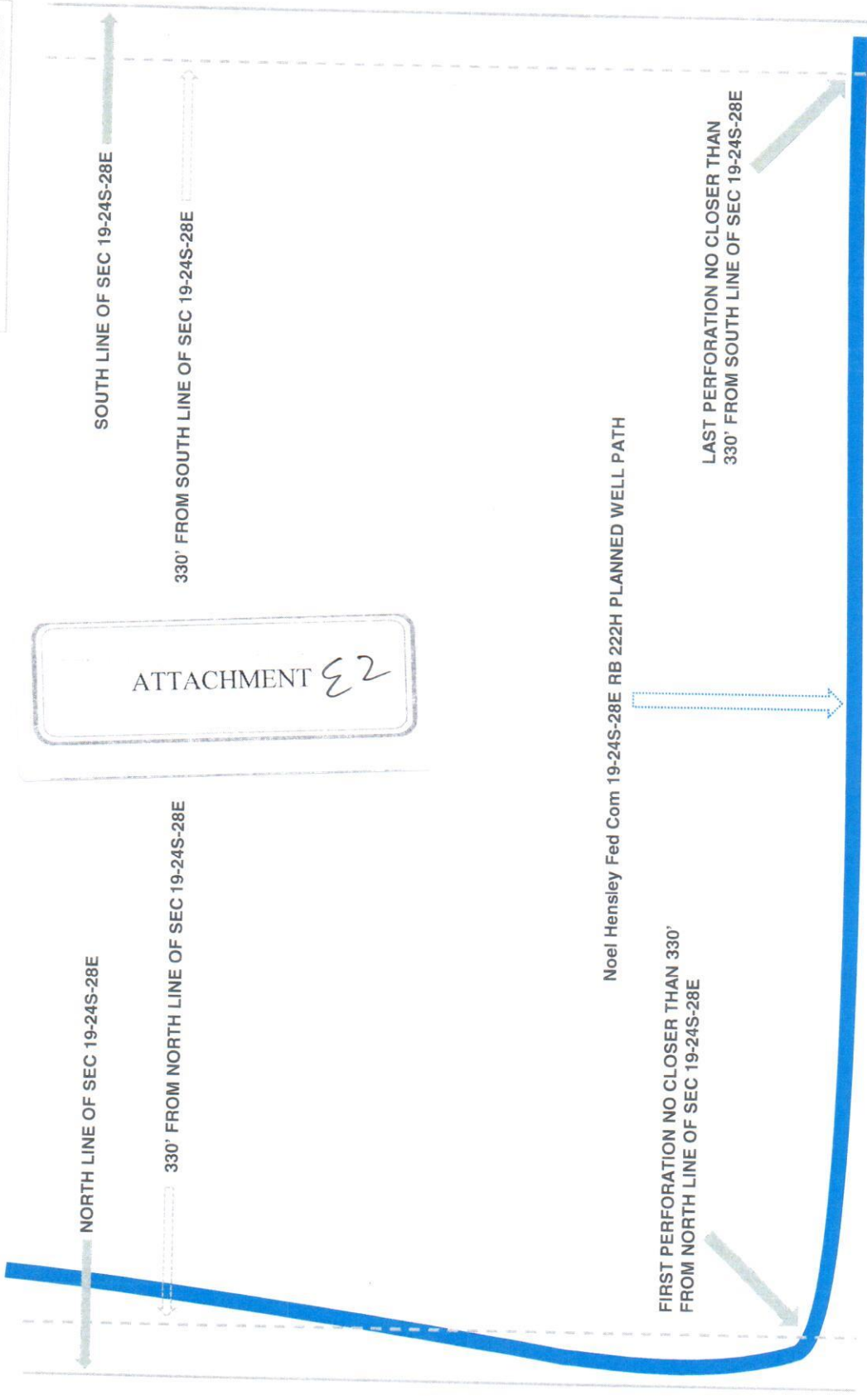


Purple Sage; Wolfcamp (Gas) (Pool Code 98220)
Noel Hensley Fed Com #222H

Noel Hensley #222H

SURFACE HOLE 280' FNL 1,492' FWL OF SEC 19-24S-28E

DIAGRAM NOT DRAWN TO SCALE



Noel Hensley Fed Com #222H

