

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING DECEMBER 12, 2019**

CASE No. 20936

BETTY JONES COM #203H WELL

EDDY COUNTY, NEW MEXICO



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

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

CASE NO. 20936

TABLE OF CONTENTS

1. **MRC Exhibit A – Land Affidavit**
2. **MRC Exhibit A-1 – C-102**
3. **MRC Exhibit A-2 – Tract Map**
4. **MRC Exhibit A-3 – Working Interest Ownership Unit Recap**
5. **MRC Exhibit A-4 – Overriding Royalty Interest Owners**
6. **MRC Exhibit A-5 – Well Proposal/AFE**
7. **MRC Exhibit B – Geology Affidavit**
8. **MRC Exhibit B-1 – Project Locator Map**
9. **MRC Exhibit B-2 – Structure Map**
10. **MRC Exhibit B-3 – Cross-Section Map**
11. **MRC Exhibit B-4 – Cross-Section**
12. **MRC Exhibit C – Notice Affidavit**
13. **MRC Exhibit C-1 – Notice of Publication**
14. **MRC Exhibit D – Pooling Order Exhibit A**

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

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

CASE NO. 20936

AFFIDAVIT OF ROBERT HELBING

Robert Helbing, of lawful age and being first duly sworn, declares as follows:

1. My name is Robert Helbing. I work for MRC Energy Company, an affiliate of Matador Production Company ("Matador"), as a landman.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of record.
3. I am familiar with the application filed by Matador in this case, and I am familiar with the status of the lands in the subject area.
4. Matador is seeking an Order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 480-acre, more or less, horizontal spacing unit comprised of the NE/4 of Section 29 and the E/2 of Section 20, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico.
5. The spacing unit will be dedicated to the proposed initial **Betty Jones Com #203H well** (API No. pending) to be horizontally drilled from a surface location in the NE/4 SW/4 (Unit K) of Section 29, to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 20.
6. **Matador Exhibit A-1** contains a draft Form C-102 for the proposed initial well.

proposed pooled parties before the Division enters an order, I will let the Division know that Matador is no longer seeking to pool those parties.

16. Matador has made an estimate of overhead and administrative costs for drilling and producing the proposed well. It is \$8,000/month while drilling, and \$800/month while producing. These costs are consistent with what other operators are charging in this area for these types of wells. Matador respectfully requests that these administrative and overhead costs be incorporated into the order entered by the Division.

17. I provided the law firm of Holland & Hart LLP a list of names and addresses for the parties that Matador is seeking to pool. In compiling these notice lists, Matador conducted a diligent search of all public records in the county where the proposed well is located and of phone directories, including computer searches.

18. **Matador Exhibits A-1 through A-5** were either prepared by me or compiled under my direction and supervision.

EXHIBIT A-1

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. A1

Case No. 20936

Submitted by: **MATADOR PRODUCTION COMPANY**

Hearing Date: December 12, 2019

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) 748-9120
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		³ Pool Name	
⁴ Property Code	⁵ Property Name BETTY JONES 29-22S-27E RB				⁶ Well Number 203H
⁷ GRID No.	⁸ Operator Name MATADOR PRODUCTION COMPANY				⁹ Elevation 3155'
¹⁰ Surface Location					
U/L or lot no. K	Section 29	Township 22-S	Range 27-E	Lot Idn -	Feet from the 1639'
					North/South line SOUTH
					Feet from the 2733'
					East/West line EAST
					County EDDY
¹¹ Bottom Hole Location If Different From Surface					
U/L or lot no. B	Section 20	Township 22-S	Range 27-E	Lot Idn -	Feet from the 240'
					North/South line NORTH
					Feet from the 1998'
					East/West line EAST
					County EDDY
¹² Dedicated Acres 480		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.

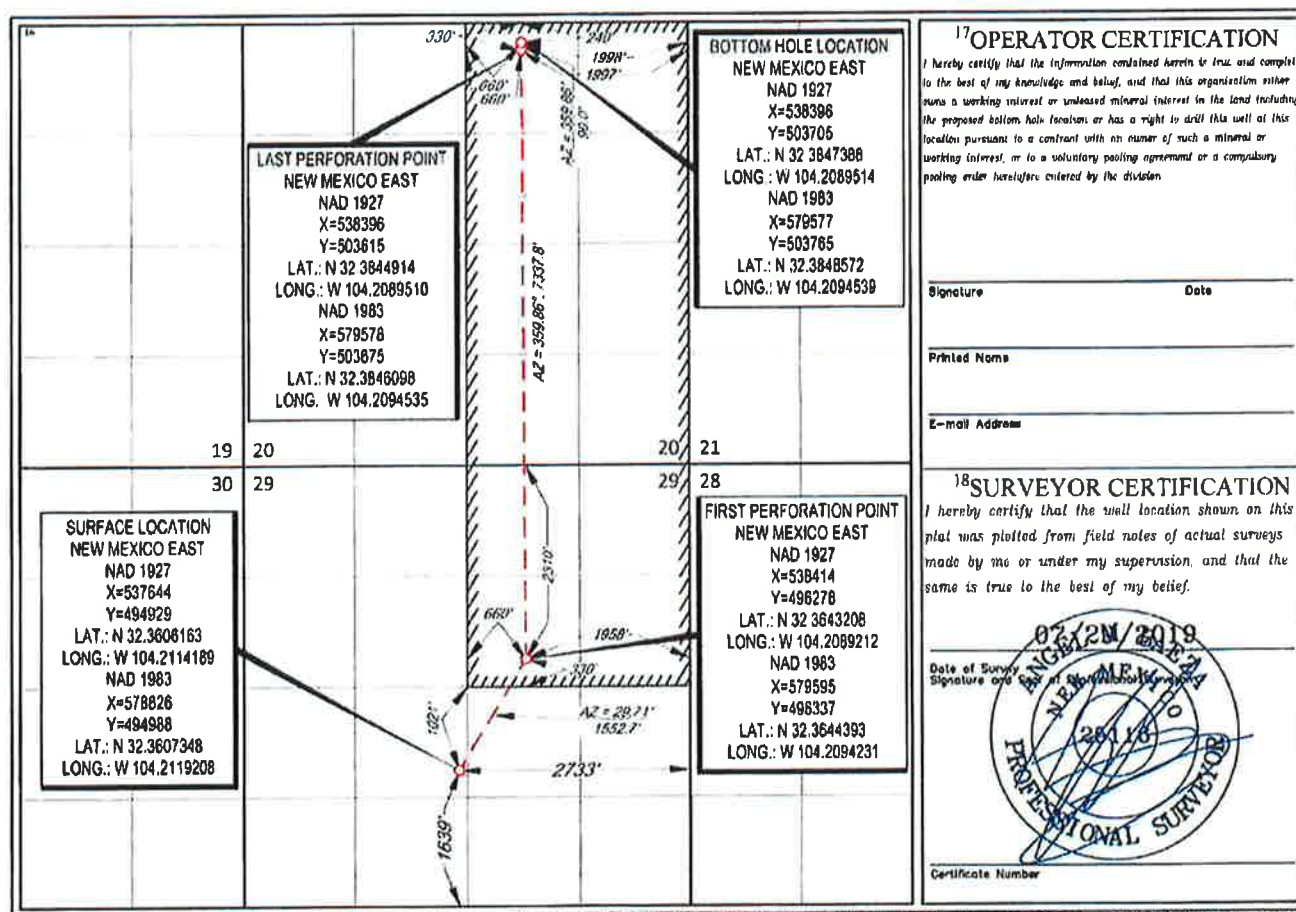


EXHIBIT A-2

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

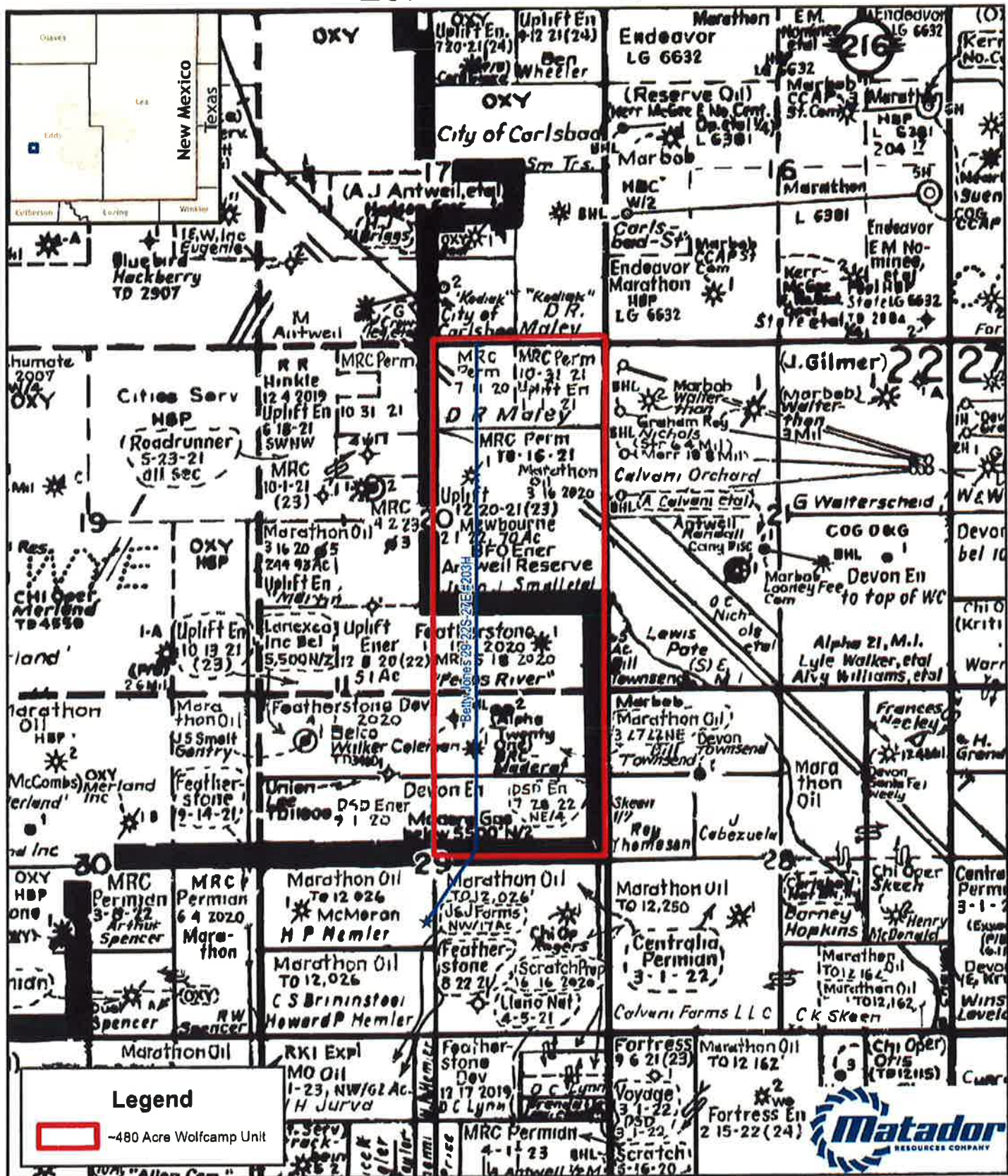
Exhibit No. A2

Case No. 20936

Submitted by: **MATADOR PRODUCTION COMPANY**

Hearing Date: December 12, 2019

20/29-22S-27E



Legend

-480 Acre Wolfcamp Unit

DIG Standard Map Disclaimer:
This cartographic product is for informational purposes only and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. Users of the information should review or consult the primary data and information sources to ascertain the validity of the information.

1:24,000

1 inch = 2,000 feet

Southeast New Mexico

Date: December 4, 2019
Coordinate System: NAD 1983 StatePlane New Mexico East FIPS 3001 Feet
Projection: Transverse Mercator; Datum: North American 1983; Units: Foot US
Source: JHS: ESRI

Summary of Interests

MRC Permian Company:		17.616891%
Compulsory Pool:		45.758705%
Voluntary Joinder:		36.624404%*
Interest Owner:	Description:	Interest:
Marathon Oil Permian, LLC	Uncommitted Working Interest Owner	8.171563%
Lanexco, Inc.	Uncommitted Working Interest Owner	27.771948%
Madera Gas Limited	Uncommitted Working Interest Owner	5.596362%
Uplift Energy, LLC	Uncommitted Working Interest Owner	4.101522%
Roadrunner Oil and Gas, LLC	Uncommitted Working Interest Owner	0.117310%

* Includes interests that Matador anticipates acquiring as part of ongoing trade negotiations.



EXHIBIT A-4

Betty Jones Com #203H

Overriding Royalty Interest Owners

1. Camarie Oil & Gas, LLC
2. Ross Duncan Properties, LLC
3. Big Three Energy Group, LLC
4. Featherstone Development Corporation
5. Prospector, LLC
6. Xplor Resources, LLC
7. Valspark Oil & Gas, LLC
8. Amanda L. Jones
9. Kathryn E. Wilks
10. Tommy Phipps and Werta J. Phipps, Trustees of the Phipps Living Trust dated October 13, 2009

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. A4

Case No. 20936

Submitted by: MATADOR PRODUCTION COMPANY

Hearing Date: December 12, 2019

EXHIBIT A-5

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. A5

Case No. 20936

Submitted by: **MATADOR PRODUCTION COMPANY**

Hearing Date: December 12, 2019

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**

September 3, 2019

VIA CERTIFIED RETURN RECEIPT MAIL

Marathon Oil Permian, LLC
5555 San Felipe Street
Houston, TX 77056
Attn: Clayton Rule

Re: Matador Production Company – Betty Jones Com 203H (the “Well”)
Participation Proposal
Sections 29 & 20, Township 22 South, Range 27 East
Eddy County, New Mexico

Dear Sir/Madam:

MRC Permian Company (“MRC”) proposes the drilling of Matador Production Company’s Betty Jones Com 203H, located in Sections 29 & 20, Township 22 South, Range 27 East, Eddy County, New Mexico, to the Wolfcamp formation.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping the Well is \$8,718,669 as found on the enclosed AFE dated May 7, 2019.
- The proposed Well will be drilled from a legal location with a surface hole located in the NE/4SW/4 of Section 29, Township 22 South, Range 27 East, Eddy County, New Mexico. The proposed bottom hole of the subject Well will be a legal location in the NW/4NE/4 of Section 20, Township 22 South, Range 27 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 (~8,900’ TVD) to a Total Measured Depth of approximately 16,500’ resulting in a productive lateral of approximately 7,000’.

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.

Marathon Oil Permian, LLC will own an approximate 0.0811198 working interest in the Well, subject to title verification.

MATADOR PRODUCTION COMPANY

ONE LINCOLN CENTRE • 5400 LBJ FREEWAY • SUITE 1500 • DALLAS, TEXAS 75240

Phone (972) 371-8200 • Fax (972) 371-8201

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	May 7, 2019	AFE NO.:	
WELL NAME:	Betty Jones Com 203H	FIELD:	Purple Sage
LOCATION:	Section 29820-22S-27E	MD/TVD:	16500'/8900'
COUNTY/STATE:	Eddy	LATERAL LENGTH:	about 7000'
MRC Wt:			
GEOLOGIC TARGET:	Wolfcamp		
REMARKS:	Drill and complete a horizontal upper Wolfcamp with 34 stages		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
INTANGIBLE COSTS					
Land / Legal / Regulatory	\$ 185,000				\$ 185,000
Location, Surveys & Damages	155,500	13,000	4,000	35,000	297,500
Drilling	734,000				734,000
Cementing / Float Equip	204,000				204,000
Logging / Formation Evaluation	-	6,500			6,500
Mud Logging	16,500				16,500
Mud Circulation System	58,625				58,625
Mud & Chemicals	114,625	50,000			164,625
Mud / Wastewater Disposal	155,000	-			155,000
Freight / Transportation	20,000	30,000		\$-	50,000
Rig Supervision / Engineering	132,000	92,400	5,400	18,000	247,800
Drill Bits	82,050				82,050
Fuel & Power	117,000	-		\$-	117,000
Water	40,000	505,000		-	545,000
Drig & Completion Overhead	11,250	19,000		-	30,250
Plugging & Abandonment	-				-
Directional Drilling, Surveys	102,000				102,000
Completion Unit, Swab, CTU	-	141,000	15,000		156,000
Perforating, Wireline, Slickline	-	232,500	-		232,500
High Pressure Pump Truck	-	92,000			92,000
Stimulation	-	2,162,000			2,162,000
Stimulation Flowback & Disp	-	12,400	270,000		282,400
Insurance	30,000				30,000
Labor	132,000	33,250	25,000		190,250
Rental - Surface Equipment	58,725	239,850	120,000	-	418,575
Rental - Downhole Equipment	52,600	55,000		-	107,600
Rental - Living Quarters	56,750	34,430	12,000	\$-	103,180
Contingency	127,354	165,713	16,940	-	300,007
Operations Center	24,188				24,188
TOTAL INTANGIBLES >	2,698,627	3,894,843	468,340	53,000	7,114,810
TANGIBLE COSTS					
Surface Casing	\$ 27,710				\$ 27,710
Intermediate Casing	95,238				95,238
Drilling Liner	346,844				346,844
Production Casing	302,467				302,467
Production Liner	-				-
Tubing	-		53,400		53,400
Wellhead	80,900		30,000		110,900
Packers, Liner Hangers	-	30,400	10,000		40,400
Tanks	-		-	32,000	32,000
Production Vessels	-		57,000	27,000	84,000
Flow Lines	-		100,000	\$-	100,000
Rod string	-		-		-
Artificial Lift Equipment	-		20,000		20,000
Compressor	-		-	30,000	30,000
Installation Costs	-		-	40,000	40,000
Surface Pumps	-		-	2,500	2,500
Non-controllable Surface	-		-	\$-	-
Non-controllable Downhole	-		-		-
Downhole Pumps	-		-		-
Measurement & Meter Installation	-		12,500	84,500	97,000
Gas Conditioning / Dehydration	-		-	\$-	-
Interconnecting Facility Piping	-		-	70,000	70,000
Gathering / Bulk Lines	-		-	\$-	-
Valves, Dumps, Controllers	-		4,000	6,000	10,000
Tank / Facility Containment	-		-	10,000	10,000
Flare Stack	-		-	17,500	17,500
Electrical / Grounding	-		-	10,000	10,000
Communications / SCADA	-		-	\$-	-
Instrumentation / Safety	-		15,000	40,000	55,000
TOTAL TANGIBLES >	852,059	80,400	301,900	369,500	1,603,859
TOTAL COSTS >	3,550,686	3,975,243	770,240	422,500	8,718,669

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Blake Dennis	Asset Manager - W/ONM	WTE
Completions Engineer:	Gareth Hunt		WTE
Production Engineer:	Jan Mosnes		

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, COO/CFO	VP - Res Engineering	VP - Drilling
DEL	BMR	BG
Executive VP, Legal	Exec Dir - Exploration	
CA	SJF	
President		
MVH		

NON OPERATING PARTNER APPROVAL:

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

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

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

CASE NO. 20936

AFFIDAVIT OF DAN BRUGIONI

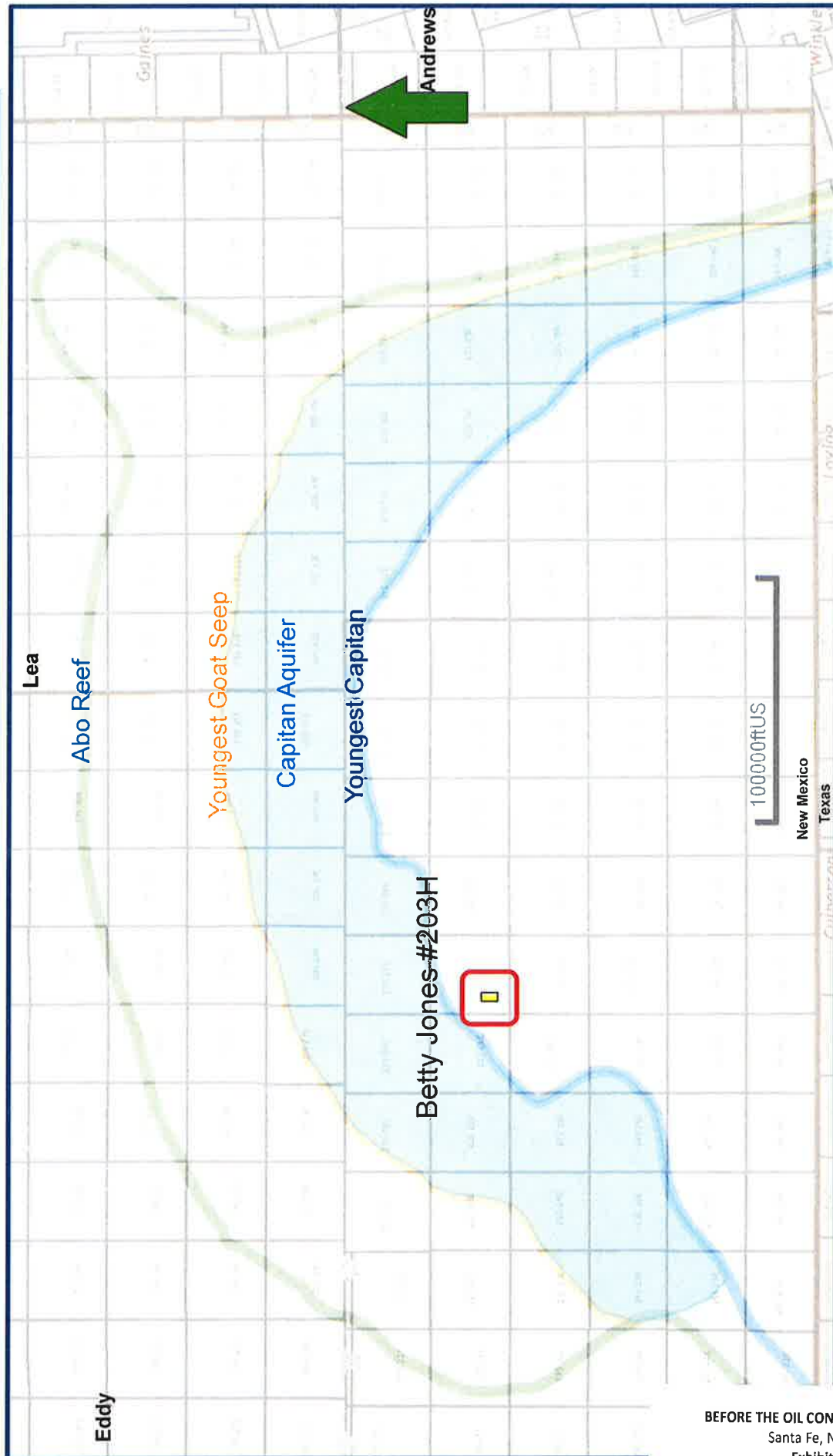
Dan Brugioni, of lawful age and being first duly sworn, declares as follows:

1. My name is Dan Brugioni. I work for MRC Energy Company, an affiliate of Matador Production Company ("Matador"), as a geologist.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.
3. I am familiar with the application filed by Matador in this case, and I have conducted a geologic study of the lands in the subject area.
4. The target interval for the **Betty Jones Com #203H well** is the Wolfcamp formation.
5. **Matador Exhibit B-1** is a locator map. The horizontal spacing unit for the proposed well is identified by the yellow box inside the outer red boundary.
6. **Matador Exhibit B-2** is a subsea structure map that I prepared for the top of the Wolfcamp formation. The contour interval is 50 feet. The structure map shows the Wolfcamp formation gently dipping to the southeast. The structure appears consistent across the proposed wellbore path. I do not observe any faulting, pinchouts, or other geologic impediments to horizontal drilling.

Approving Matador's application will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

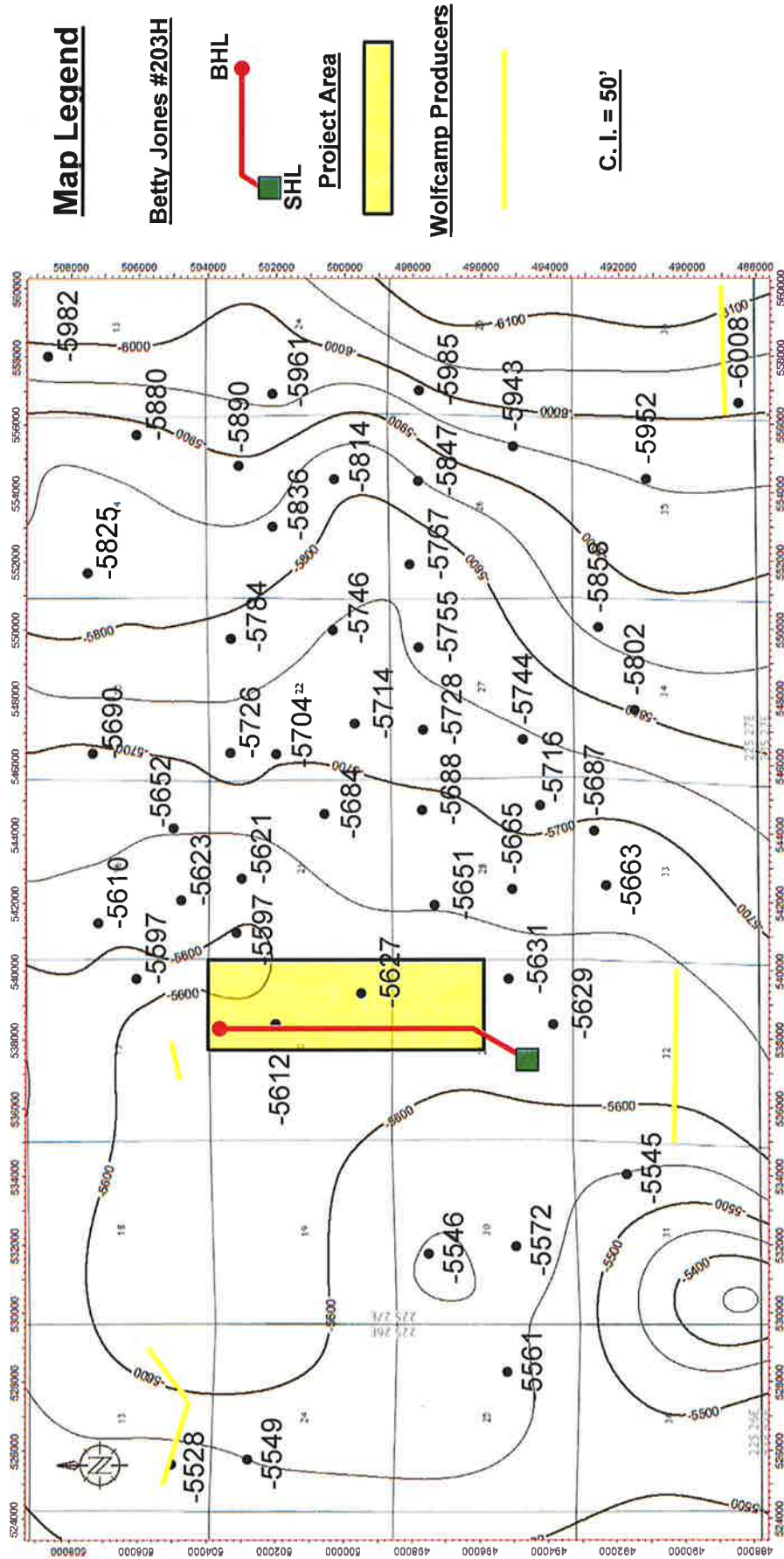
15. **Matador Exhibits B-1 through B-4** were either prepared by me or compiled under my direction and supervision.

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



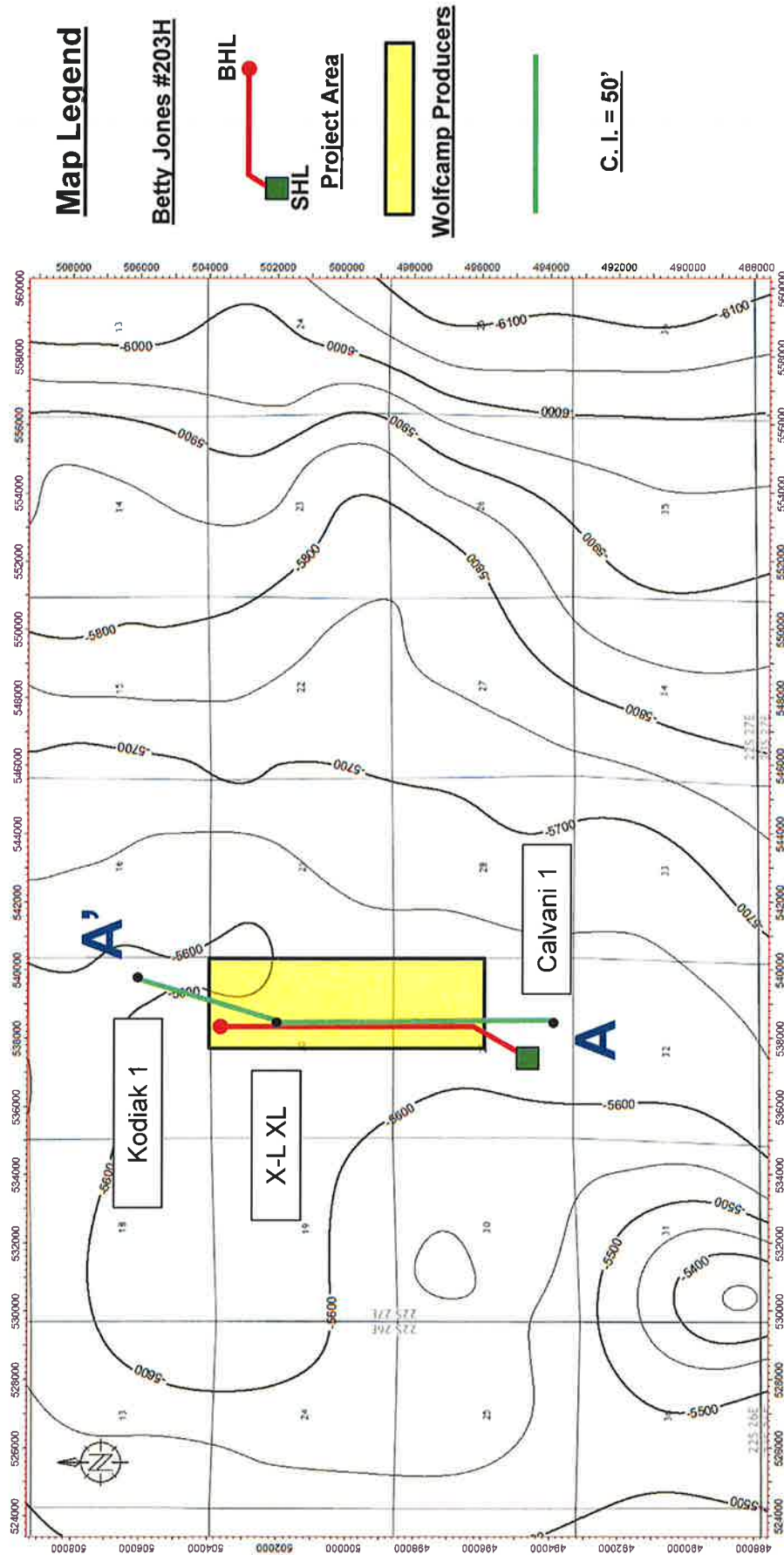
Betty Jones Com #203H

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

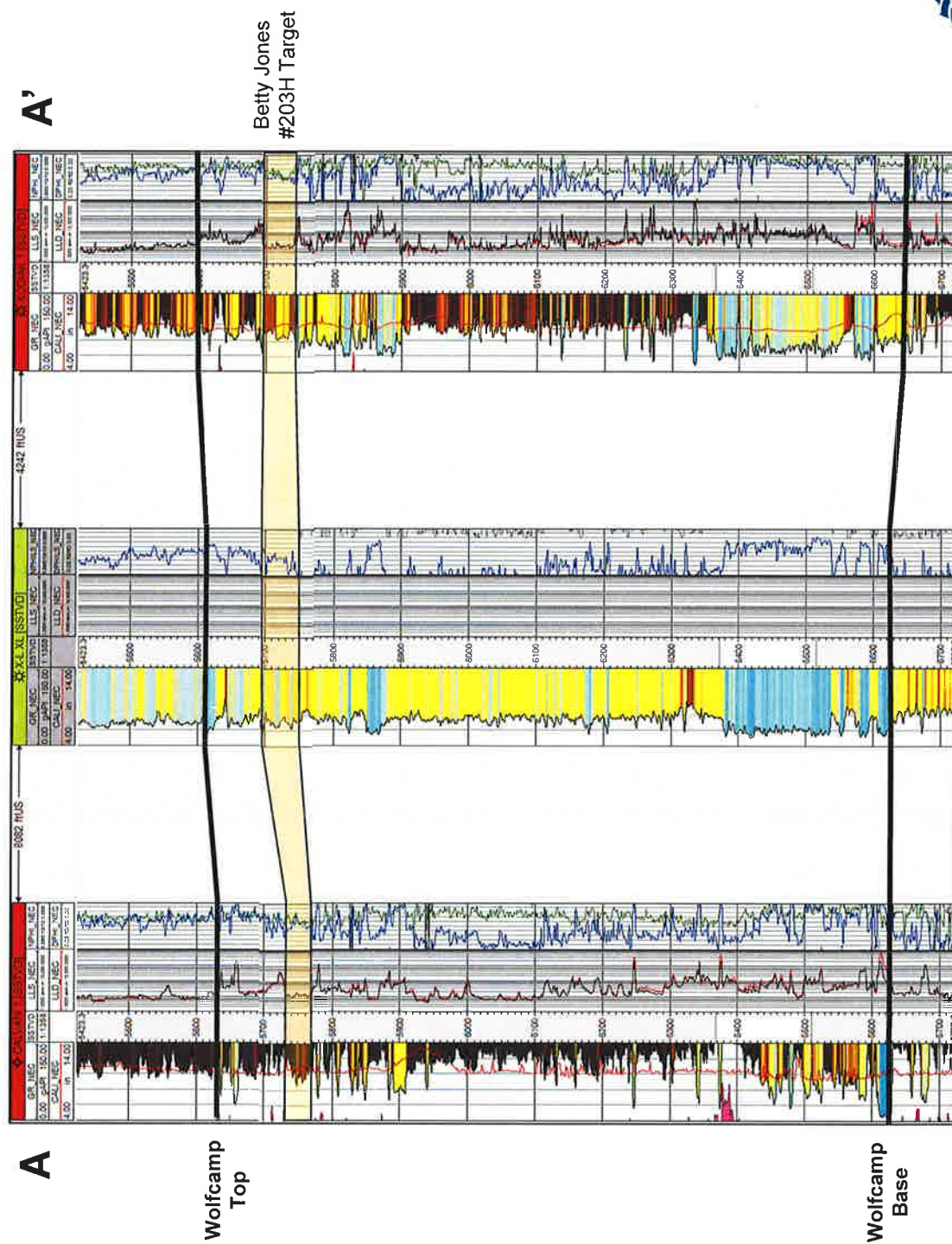


Betty Jones Com #203H

Purple Sage; Wolfcamp (Gas) (Pool Code 98220) Structure Map (Top Wolfcamp Subsea) with Cross Section A-A'



Betty Jones Com #203H



Betty Jones Com #203H



November 20, 2019

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

**Re: Application of Matador Production Company for compulsory pooling, Eddy
County, New Mexico.**
Betty Jones Com #203H well

Ladies & Gentlemen:

This letter is to advise you that Matador Production Company has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on December 12, 2019 and the status of the hearing can be monitored through the Division's website at <http://www.emnrd.state.nm.us/ocd/>. Division hearings will commence at 8:15 a.m. in Porter Hall at 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 Robert Helbing, at (972) 629-2163 or rhelbing@matadorresources.com.

Sincerely,

Adam G. Rankin

for **ATTORNEY FOR MATADOR PRODUCTION
COMPANY**



\$5.60 x 17 = \$95.20

Shipment Confirmation Acceptance Notice

A. Mailer Action

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

MRC - Betty Jones 203H
Case No. 20936
CM# 83379.0001

Shipment Date: 11/20/2019

Shipped From:

Name: HOLLAND & HART LLP

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	17
Total	17

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

B. USPS Action

Note to RSS Clerk:

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

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

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0018 5244 98



Handwritten signature



Firm I

Name and Address of Sender

Holland & Hart LLP
110 N Guadalupe St # 1
Santa Fe NM 87501

Check type of mail or service

- | | |
|--|---|
| <input type="checkbox"/> Adult Signature Required | <input type="checkbox"/> Priority Mail Express |
| <input type="checkbox"/> Adult Signature Restricted Delivery | <input type="checkbox"/> Registered Mail |
| <input checked="" type="checkbox"/> Certified Mail | <input type="checkbox"/> Return Receipt for Merchandise |
| <input type="checkbox"/> Certified Mail Restricted Delivery | <input type="checkbox"/> Signature Confirmation |
| <input type="checkbox"/> Collect on Delivery (COD) | <input type="checkbox"/> Signature Confirmation Restricted Delivery |
| <input type="checkbox"/> Insured Mail | |
| <input type="checkbox"/> Priority Mail | |

Affix Stamp Here
(if issued as an international certificate of mailing or for additional copies of this receipt).
Postmark with Date of Receipt.

USPS Tracking/Article Number	Addressee (Name, Street, City, State, & ZIP Code™)	Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender COD
9. 9214 8901 9403 8399 7624 68	Ross Duncan Properties LLC PO BOX 647 Artesia NM 88211	0.50	3.50	Handling Charge - if Registered and over \$50,000 in value			
10. 9214 8901 9403 8399 7624 75	Big Three Energy Group LLC PO BOX 429 Roswell NM 88202	0.50	3.50				
11. 9214 8901 9403 8399 7624 82	Featherstone Development Corporation PO BOX 429 Roswell NM 88202	0.50	3.50	Handling Charge - if Registered and over \$50,000 in value			
12. 9214 8901 9403 8399 7624 99	Prospector LLC PO BOX 429 Roswell NM 88202	0.50	3.50				
13. 9214 8901 9403 8399 7625 05	Xplor Resources LLC 1104 N Shore Dr Carlsbad NM 88220	0.50	3.50	Handling Charge - if Registered and over \$50,000 in value			
14. 9214 8901 9403 8399 7625 12	Valspark Oil & Gas LLC 36 Positano Loop Roswell NM 88201	0.50	3.50				
15. 9214 8901 9403 8399 7625 29	Amanda L Jones 2224 Sparrow Road Killeen TX 76542	0.50	3.50	Handling Charge - if Registered and over \$50,000 in value			
16. 9214 8901 9403 8399 7625 36	Kathryn E Wilks 5905 Greenmeadow Dr Argyle TX 76226	0.50	3.50				
Total Number of Pieces Listed by Sender 17	Total Number of Pieces Received at Post Office	Postmaster, Per (Name of receiving employee)					

Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0003918116

This is not an invoice

DAVID WASHINGTON

110 NORTH GUADALUPE, SUITE 1 P


SANTA FE, NM 87504

I, a legal clerk of the **Carlsbad Current Argus**, a 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:

November 27, 2019


Legal Clerk

Subscribed and sworn before me this November 27,
2019:


State of WI, County of Brown
NOTARY PUBLIC

1-12-2021
My commission expires



Ad # 0003918116

PO #: Betty jones

of Affidavits : 1

This is not an invoice

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. C1

Case No. 20936

Submitted by: **MATADOR PRODUCTION COMPANY**

Hearing Date: December 12, 2019

a standard 480-acre horizontal spacing unit comprised of the NE/4 of Section 29 and the E/2 of Section 20, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico. The above-referenced unit will be dedicated to the proposed **Betty Jones Com #203H** well to be horizontally drilled from a surface location in the NE/4 SW/4 (Unit K) of Section 29, to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 20. The completed interval for this well will comply with the 330-foot setback requirement contained in the Special Rules for the Wolfcamp Purple Sage Gas Pool. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing the wells. Said area is located near the city of Carlsbad, New Mexico.
Current-Argus,
Legal ad #3918116,
Nov. 27, 2019

Exhibit "A"

Applicant: Matador Production Company
Operator: Matador Production Company (OGRID 228937)

Spacing Unit: Horizontal Gas
Building Blocks: Quarter Section Equivalent
Spacing Unit Size: 480 acres (more or less)
Orientation of Unit: North/South

Spacing Unit Description:
NE/4 of Section 29 and the E/2 of Section 20, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico

Pooling this Vertical Extent: Wolfcamp Formation
Depth Severance? (Yes/No): No

Pool: Purple Sage; Wolfcamp Gas (Pool code 98220)
Pool Spacing Unit Size: Quarter Sections
Governing Well Setbacks: Special Rules for the Purple Sage Gas Pool Apply
Pool Rules: Purple Sage and Horizontal Well Rules

Proximity Tracts: No

Monthly charge for supervision: While drilling: \$8000 While producing: \$800
As the charge for risk, 200 percent of reasonable well costs.

Proposed Well:

Betty Jones Com Well No. 203H, API No. 30-015-pending

SHL: 1639 feet from the South line and 2733 feet from the East line,
(Unit K) of Section 29, Township 22 South, Range 27 East, NMPM.
BHL: 240 feet from the North line and 1998 feet from the East line,
(Unit B) of Section 20, Township 22 South, Range 27 East, NMPM.

Completion Target: Wolfcamp at approx 8900 feet TVD.
Well Orientation: South to North
Completion Location expected to be: standard