BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING DECEMBER 3, 2020

CASE Nos. 21545-21548

Nina Cortell Fed Com 127H Well Nina Cortell Fed Com 128H Well Nina Cortell Fed Com 203H Well Nina Cortell Fed Com 204H Well

LEA COUNTY, NEW MEXICO



APPLICATIONS OF MATADOR PRODUCTION COMPANY FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NOS. 21545 - 21548

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Case: 21545	APPLICANT'S RESPONSE
Date December 3, 2020	
Applicant	Matador Production Company
Designated Operator & OGRID (affiliation if applicable)	228937
Applicant's Counsel:	Holland & Hart, LLP
Case Title	Application of Matador Production Company for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	None
Well Family	Nina Cortell Fed Com #127H well
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring formation
Pool Names and Pool Codes:	Bilbrey Basin; Bone Spring Pool (Pool Code 5695)
Well Location Setback Rules:	Statewide rules
Spacing Unit Size:	319.92-acres, more or less
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	319.92-acres, more or less
Building Blocks:	Quarter-Quarter sections
Orientation:	South-North
Description: TRS/County	W/2 E/2 of Sections 3 and 10, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	NO BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico
Proximity Tracts: If yes, description	No Submitted by: Matador Production Company
Proximity Defining Well: if yes, description	NO Case Nos. 21545-21548
Applicant's Ownership in Each Tract	Exhibit C-3
Well(s)	

	Nina Cortell Fed Com #127H well (API No. 30-025-pending):
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status	SHL: 244' FSL and 1230' FEL (Unit P) of Section 10, 22S, 32E
(standard or non-standard)	BHL: 60' FNL and 1980' FEL (Lot 2) of Section 3, 225, 32E
	Completion Target: Bone Spring formation Well Orientation: South to North Completion Location expected to be Standard
Horizontal Well First and Last Take Points	Exhibit C-1
Completion Target (Formation, TVD and MD)	Exhibit C-5, D-3
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit C, C-5
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit C
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-2
Tract List (including lease numbers and owners)	Exhibit C-2
Pooled Parties (including ownership type)	Exhibits C-3, C-4
Unlocatable Parties to be Pooled	Exhibit C, E
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit C-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-3, C-4
Chronology of Contact with Non-Joined Working Interests	Exhibit C-6
Overhead Rates In Proposal Letter	Exhibit C-5
Cost Estimate to Drill and Complete	Exhibit C-5
Cost Estimate to Equip Well	Exhibit C-5
Cost Estimate for Production Facilities	Exhibit C-5
Geology	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit D-1

Well Orientation (with rationale)	Exhibit D
Target Formation	Exhibit D
HSU Cross Section	Exhibit D-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit C-1
Tracts	Exhibit C-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-3, C-4
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit D-1
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D-2
Cross Section (including Landing Zone)	Exhibit D-3
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provid	ed in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Kaitlyn A. Luck
Signed Name (Attorney or Party Representative):	Annhall
-	

Case: 21546	APPLICANT'S RESPONSE
Date December 3, 2020	
Applicant	Matador Production Company
Designated Operator & OGRID (affiliation if applicable)	228937
Applicant's Counsel:	Holland & Hart, LLP
Case Title	Application of Matador Production Company for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	None
Well Family	Nina Cortell Fed Com #128H well
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring formation
Pool Names and Pool Codes:	Bilbrey Basin; Bone Spring Pool (Pool Code 5695)
Well Location Setback Rules:	Statewide rules
Spacing Unit Size:	319.92-acres, more or less
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	319.92-acres, more or less
Building Blocks:	Quarter-Quarter sections
Orientation:	South-North
Description: TRS/County	E/2 E/2 of Sections 3 and 10, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	No
Applicant's Ownership in Each Tract	Exhibit C-3
Well(s)	

Name & API (if assigned), surface and bottom hole location,	Nina Cortell Fed Com #128H well (API No. 30-025-pending): SHL: 274' FSL and 1230' FEL (Unit P) of Section 10, 22S, 32E
footages, completion target, orientation, completion status (standard or non-standard)	BHL: 60' FNL and 660' FEL (Lot 1) of Section 3, 22S, 32E
(Standard of fron Standard)	Completion Target: Bone Spring formation Well Orientation: South to North
	Completion Location expected to be Standard
Horizontal Well First and Last Take Points	Exhibit C-1
Completion Target (Formation, TVD and MD)	Exhibit C-5, D-3
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit C, C-5
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit C
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-2
Tract List (including lease numbers and owners)	Exhibit C-2
Pooled Parties (including ownership type)	Exhibits C-3, C-4
Unlocatable Parties to be Pooled	Exhibit C, E
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit C-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-3, C-4
Chronology of Contact with Non-Joined Working Interests	Exhibit C-6
Overhead Rates In Proposal Letter	Exhibit C-5
Cost Estimate to Drill and Complete	Exhibit C-5
Cost Estimate to Equip Well	Exhibit C-5
Cost Estimate for Production Facilities	Exhibit C-5
Geology	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-1

Gunbarrel/Lateral Trajectory Schematic	Exhibit D-1
Well Orientation (with rationale)	Exhibit D
Target Formation	Exhibit D
HSU Cross Section	Exhibit D-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit C-1
Tracts	Exhibit C-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-3, C-4
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit D-1
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D-2
Cross Section (including Landing Zone)	Exhibit D-3
Additional Information	
Special Provisions/Stipulations	N/A
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information pr	ovided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Kaitlyn A. Luck
Signed Name (Attorney or Party Representative):	thousell !

Case: 21547	APPLICANT'S RESPONSE
Date December 3, 2020	
Applicant	Matador Production Company
Designated Operator & OGRID (affiliation if applicable)	228937
Applicant's Counsel:	Holland & Hart, LLP
Case Title	Application of Matador Production Company for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	None
Well Family	Nina Cortell Fed Com #203H well
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Wolfcamp formation
Pool Names and Pool Codes:	WC-025 G-09 S233216K; UPR WOLFCAMP Pool (Pc Code 98166)
Well Location Setback Rules:	Statewide rules
Spacing Unit Size:	319.92-acres, more or less
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	319.92-acres, more or less
Building Blocks:	Quarter-Quarter sections
Orientation:	South-North
Description: TRS/County	W/2 E/2 of Sections 3 and 10, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	No
Applicant's Ownership in Each Tract	Exhibit C-3
Well(s)	

D. 0.451/15 . 1)	Nina Cortell Fed Com #203H well (API No. 30-025-pending):
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status	SHL: 244' FSL and 1370' FEL (Unit O) of Section 10, 22S, 32E
(standard or non-standard)	BHL: 60' FNL and 2310' FEL (Lot 2) of Section 3, 22S, 32E
	Completion Target: Wolfcamp formation Well Orientation: South to North Completion Location expected to be Standard
Horizontal Well First and Last Take Points	Exhibit C-1
Completion Target (Formation, TVD and MD)	Exhibit C-5, D-3
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit C, C-5
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit C
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Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-2
Tract List (including lease numbers and owners)	Exhibit C-2
Pooled Parties (including ownership type)	Exhibits C-3, C-4
Unlocatable Parties to be Pooled	Exhibit C, E
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit C-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-3, C-4
Chronology of Contact with Non-Joined Working Interests	Exhibit C-6
Overhead Rates In Proposal Letter	Exhibit C-5
Cost Estimate to Drill and Complete	Exhibit C-5
Cost Estimate to Equip Well	Exhibit C-5
Cost Estimate for Production Facilities	Exhibit C-5
Geology	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit D-1

Well Orientation (with rationale)	Exhibit D
Target Formation	Exhibit D
HSU Cross Section	Exhibit D-5
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit C-1
Tracts	Exhibit C-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-3, C-4
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit D-1
Structure Contour Map - Subsea Depth	Exhibit D-4
Cross Section Location Map (including wells)	Exhibit D-4
Cross Section (including Landing Zone)	Exhibit D-5
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provide	ed in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Kaitlyn A. Luck
Signed Name (Attorney or Party Representative):	Annhall
-	

Case: 21548	APPLICANT'S RESPONSE
Date December 3, 2020	
Applicant	Matador Production Company
Designated Operator & OGRID (affiliation if applicable)	228937
Applicant's Counsel:	Holland & Hart, LLP
Case Title	Application of Matador Production Company for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	None
Well Family	Nina Cortell Fed Com #204H well
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Wolfcamp formation
Pool Names and Pool Codes:	WC-025 G-09 S233216K; UPR WOLFCAMP Pool (Pc Code 98166)
Well Location Setback Rules:	Statewide rules
Spacing Unit Size:	319.92-acres, more or less
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	319.92-acres, more or less
Building Blocks:	Quarter-Quarter sections
Orientation:	South-North
Description: TRS/County	E/2 E/2 of Sections 3 and 10, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	No
Applicant's Ownership in Each Tract	Exhibit C-3
Well(s)	

	I
Name & API (if assigned), surface and bottom hole location,	Nina Cortell Fed Com #204H well (API No. 30-025-pending): SHL: 274' FSL and 1370' FEL (Unit O) of Section 10, 22S, 32E
footages, completion target, orientation, completion status (standard or non-standard)	BHL: 60' FNL and 990' FEL (Lot 1) of Section 3, 225, 32E
(Standard of Hon Standard)	Completion Target: Wolfcamp formation Well Orientation: South to North
	Completion Location expected to be Standard
Horizontal Well First and Last Take Points	Exhibit C-1
Completion Target (Formation, TVD and MD)	Exhibit C-5, D-3
completion ranges (Formation, 175 and 1815)	Exhibit e 3, b 3
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit C, C-5
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit C
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Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-2
Tract List (including lease numbers and owners)	Exhibit C-2
Pooled Parties (including ownership type)	Exhibits C-3, C-4
Unlocatable Parties to be Pooled	Exhibit C, E
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit C-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-3, C-4
Chronology of Contact with Non-Joined Working Interests	Exhibit C-6
Overhead Rates In Proposal Letter	Exhibit C-5
Cost Estimate to Drill and Complete	Exhibit C-5
Cost Estimate to Equip Well	Exhibit C-5
Cost Estimate for Production Facilities	Exhibit C-5
Geology	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit D-1

Well Orientation (with rationale)	Exhibit D
Target Formation	Exhibit D
HSU Cross Section	Exhibit D-5
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit C-1
Tracts	Exhibit C-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-3, C-4
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit D-1
Structure Contour Map - Subsea Depth	Exhibit D-4
Cross Section Location Map (including wells)	Exhibit D-4
Cross Section (including Landing Zone)	Exhibit D-5
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provide	ed in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Kaitlyn A. Luck
Signed Name (Attorney or Party Representative):	Annhall
-	

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

CASE NO. 21545

APPLICATION

Matador Production Company ("Matador" or "Applicant"), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the W/2 E/2 of Sections 3 and 10, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico. In support of its application, Matador states:

- 1. An affiliate entity of Matador (OGRID No. 228937) is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
- 2. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the proposed initial **Nina Cortell Fed Com #127H well** to be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 3 to a bottom hole location in SW/4 SE/4 (Unit O) of Section 10.
- 3. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all of the working interest owners in the subject spacing unit.
- 4. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B
Submitted by: Matador Production Company
Hearing Date: December 3, 2020
Case Nos. 21545-21548

5. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled, and Applicant should be designated the operator of the proposed horizontal well and this horizontal spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on December 3, 2020, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit in the Bone Spring formation and approving the initial well thereon;
- B. Designating Applicant as operator of this spacing unit and the horizontal well to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the well;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

BA:

Michael H. Feldewert
Adam G. Rankin
Julia Broggi
Kaitlyn A. Luck
Post Office Box 2208
Santa Fe, NM 87504
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agrankin@hollandhart.com
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ATTORNEYS FOR MATADOR PRODUCTION COMPANY

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

CASE NO. 21546

APPLICATION

Matador Production Company ("Matador" or "Applicant"), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the E/2 E/2 of Sections 3 and 10, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico. In support of its application, Matador states:

- 1. An affiliate entity of Matador (OGRID No. 228937) is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
- 2. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the proposed initial **Nina Cortell Fed Com #128H well** to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 3 to a bottom hole location in SE/4 SE/4 (Unit P) of Section 10.
- 3. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all of the working interest owners in the subject spacing unit.
- 4. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

5. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled, and Applicant should be designated the operator of the proposed horizontal well and this horizontal spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on December 3, 2020, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit in the Bone Spring formation and approving the initial well thereon;
- B. Designating Applicant as operator of this spacing unit and the horizontal well to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the well;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By:

Michael H. Feldewert
Adam G. Rankin
Julia Broggi
Kaitlyn A. Luck
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ATTORNEYS FOR MATADOR PRODUCTION COMPANY

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

CASE NO. 21547

APPLICATION

Matador Production Company ("Matador" or "Applicant"), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the W/2 E/2 of Sections 3 and 10, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico. In support of its application, Matador states:

- 1. An affiliate entity of Matador (OGRID No. 228937) is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
- 2. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the proposed initial **Nina Cortell Fed Com #203H well** to be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 3 to a bottom hole location in SW/4 SE/4 (Unit O) of Section 10.
- 3. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all of the working interest owners in the subject spacing unit.
- 4. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

5. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled, and Applicant should be designated the operator of the proposed horizontal well and this horizontal spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on December 3, 2020, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit in the Wolfcamp formation and approving the initial well thereon;
- B. Designating Applicant as operator of this spacing unit and the horizontal well to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the well;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By:_

Michael H. Feldewert
Adam G. Rankin
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ATTORNEYS FOR MATADOR PRODUCTION COMPANY

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

CASE NO. 21548

APPLICATION

Matador Production Company ("Matador" or "Applicant"), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the E/2 E/2 of Sections 3 and 10, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico. In support of its application, Matador states:

- 1. An affiliate entity of Matador (OGRID No. 228937) is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
- 2. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the proposed initial **Nina Cortell Fed Com #204H well** to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 3 to a bottom hole location in SE/4 SE/4 (Unit P) of Section 10.
- 3. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all of the working interest owners in the subject spacing unit.
- 4. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

5. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled, and Applicant should be designated the operator of the proposed horizontal well and this horizontal spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on December 3, 2020, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit in the Wolfcamp formation and approving the initial well thereon;
- B. Designating Applicant as operator of this spacing unit and the horizontal well to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the well;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By:

Michael H. Feldewert
Adam G. Rankin
Julia Broggi
Kaitlyn A. Luck
Post Office Box 2208
Santa Fe, NM 87504
505-998-4421
505-983-6043 Facsimile
mfeldewert@hollandhart.com
agrankin@hollandhart.com
jbroggi@hollandhart.com
kaluck@hollandhart.com

ATTORNEYS FOR MATADOR PRODUCTION COMPANY

APPLICATIONS OF MATADOR PRODUCTION COMPANY FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NOS. 21545 - 21548

AFFIDAVIT OF ROBERT HELBING IN SUPPORT OF CASE NOS. 21545, 21546, 21547, AND 21548

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

- 1. My name is Robert Helbing and I am employed by 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 and my credentials have been accepted as an expert witness in petroleum land matters.
- 3. I am familiar with the applications filed by Matador in these consolidated cases and the status of the lands in the subject area.
- 4. In these consolidated cases, Matador seeks orders pooling four standard 320-acre, more or less, horizontal spacing units underlying Sections 3 and 10, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico, as follows:
 - In Case No. 21545, Matador seeks to pool the Bone Spring formation (Bilbrey Basin; Bone Spring Pool (Pool Code 5695) in the W/2 E/2 of Sections 3 and 10 to be initially dedicated to the proposed Nina Cortell Fed Com #127H well (API No. 30-025-pending) to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 10 to a bottom hole location in Lot 2 (the NW/4 NE/4 equivalent) of Section 3.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C
Submitted by: Matador Production Company
Hearing Date: December 3, 2020
Case Nos. 21545-21548

- In Case No. 21546, Matador seeks to pool the Bone Spring formation (Bilbrey Basin; Bone Spring Pool (Pool Code 5695) in the E/2 E/2 of Sections 3 and 10 to be initially dedicated to the proposed Nina Cortell Fed Com #128H well (API No. 30-025-pending) to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 10 to a bottom hole location in Lot 1 (the NE/4 NE/4 equivalent) of Section 3.
- In Case No. 21547, Matador seeks to pool the Wolfcamp formation (WC-025 G-09 S233216K; UPR WOLFCAMP Pool (98166) in the W/2 E/2 of Sections 3 and 10 to be initially dedicated to the proposed Nina Cortell Fed Com #203H well (API No. 30-025-pending) to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 10 to a bottom hole location in Lot 2 (the NW/4 NE/4 equivalent) of Section 3.
- In Case No. 21548, Matador seeks to pool the Wolfcamp formation (WC-025 G-09 S233216K; UPR WOLFCAMP Pool (98166) in the E/2 E/2 of Sections 3 and 10 to be initially dedicated to the proposed Nina Cortell Fed Com #204H well (API No. 30-025-pending) to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 10 to a bottom hole location in Lot 1 (the NE/4 NE/4 equivalent) of Section 3.
- 5. **Matador Exhibit C-1** contains Form C-102's for the proposed initial wells in each of these standard spacing units reflecting that the completed interval for each well will meet the standard setback requirements for horizontal oil wells.
- 6. The subject acreage is comprised of federal and fee lands. There are no depth severances within the Bone Spring or Wolfcamp formations underlying this acreage.

- 7. **Matador Exhibit C-2** identifies the tracts of land comprising each of the proposed horizontal spacing units.
- 8. **Matador Exhibit C-3** identifies the working interest owners that Matador is seeks to pool in the proposed horizontal spacing units.
- 9. **Matador Exhibit C-4** identifies the overriding royalty interest owners that Matador seeks to pool in **Case Nos. 21546** and **21548**.
- 10. Matador has conducted a diligent search of the public records in the county where the proposed wells are located and conducted computer searches to attempt to locate contact information for each of these parties.
- AFE sent to the working interest owners. The proposals dated November 14, 2019 were sent to Conoco Phillips; the proposals dated June 18, 2020 were sent to COG Operating and Fortson Oil Company; and the proposals dated October 9, 2020 were sent to Marathon and WPX. The costs reflected in these AFEs are consistent with what other operators have incurred for drilling similar horizontal wells in the area in this formation during the respective time periods.
- 12. **Matador Exhibit C-6** contains a summary chronology of many of Matador's contacts with the uncommitted working interest owners that Matador was able to locate. In my opinion, Matador has undertaken good faith efforts to reach an agreement with the uncommitted mineral owners.
- 13. Matador requests that the overhead and administrative costs for drilling and producing the proposed wells be set at \$8,000 per month while drilling and \$800 per month while producing. These costs are consistent with what other operators are charging in this area for similar wells.

- 14. I have provided the law firm of Holland & Hart LLP with the names and addresses (where available) of the interest owners that Matador seeks to pool and instructed that they be notified of this hearing.
- 15. **Matador Exhibits C-1 through C-6** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

ROBERT HELBING

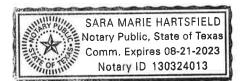
STATE OF TEXAS)
)
COUNTY OF DALLAS)

SUBSCRIBED and SWORN to before me this 30th day of November 2020 by Robert Helbing.

Sava Marie Hartsfeeld NOTARY PUBLIC

My Commission Expires:

8-21-2023



BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico Exhibit No. C1

Submitted by: Matador Production Company

Hearing Date: December 3, 2020

FORM C-102 Case Nos. 21545-21548

State of New Mexico Energy, Minerals & Natural Resources

Revised August 1, 2011

Submit one copy to appropriate

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

AMENDED REPORT

District Office

District IV 1220 S St Francis Dr , Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720

811 S First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

WELL LOCATION AND ACREAGE DEDICATION PLAT

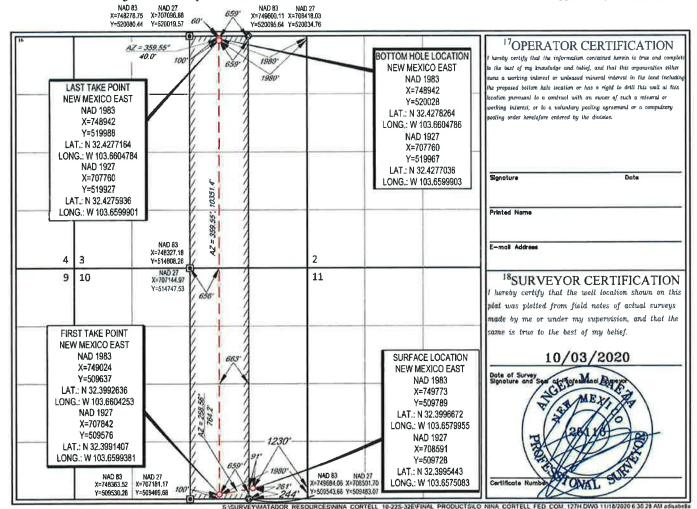
^f API Number	5695 Bilbrey Bas	sin; Bone Spring
⁴ Property Code	Property Name NINA CORTELL FED COM	*Well Number 127H
OGRID No.	"Operator Name MATADOR PRODUCTION COMPA	ANY 3788'

¹⁰Surface Location

	¹¹ Bottom Hole Location If Different From Surface										
P	10	22-S	32-E	-	244'	SOUTH	1230'	EAST	LEA		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	rect from the	East/West line	County		

North/South line Feet from the East/West line UL or lot no. Feet from the 22-S 60' NORTH 1980' EAST LEA 2 3 32-E Dedicated Acres Joint or Infill Consolidation Code Order No. 319.92

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.



District J
1625 N French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District III
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

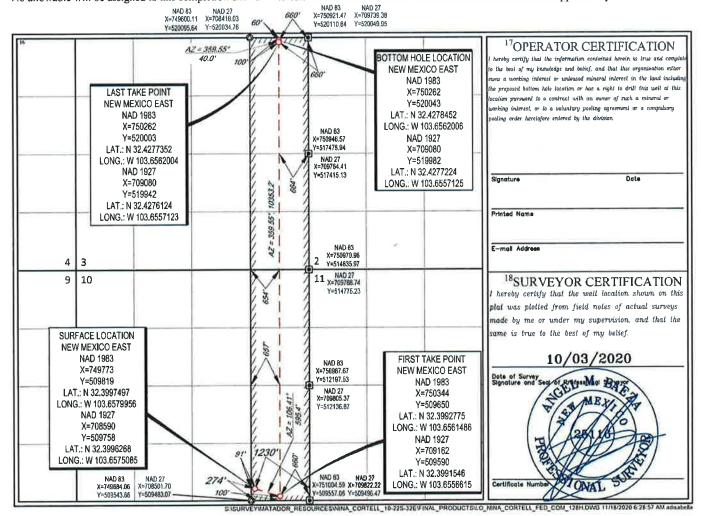
FORM C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

___ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

	API Number			² Pool Code			³Pool Nan			
			15	695		Bilbrey Ba	isinj Boni	L Spring		
Property	Code				Property Ne	ime		· v	Vell Number	
				NINA CORTELL FED COM					128H	
OGRID	OGRID No.					Elevation				
				ATADOR PRODUCTION COMPANY					3788'	
					10 Surface Lo	cation				
UL or lot no.	Section	Township	Range	Lot Jdn	Feet from the	North/South line	Feet from the	East/West line	County	
P	10	22-S	32-E	-	274'	SOUTH	1230'	EAST	LEA	
			11B	ottom Hole	Location If D	ifferent From Sur	face			
UL or lot na.	Section	Township	Runge	Lot ldn	Feet from the	North/South line	Feet from the	East/West line	County	
1	3	22-S	32-E	-	60'	NORTH	660'	EAST	LEA	
[†] Dedicated Acres	¹³ Joint or	Infill I4Co	nsolidation Code	: ¹⁵ Order	No.	•	•		,	
319 92	110			1						

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.



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

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

Pool Code

98166

WC-025 G-09 5233216K; UPR WOLFCAMP

Property Code

NINA CORTELL FED COM

OGRID No.

OGRID No.

WELL LOCATION AND ACREAGE DEDICATION PLAT

Property Name

NINA CORTELL FED COM

Operator Name

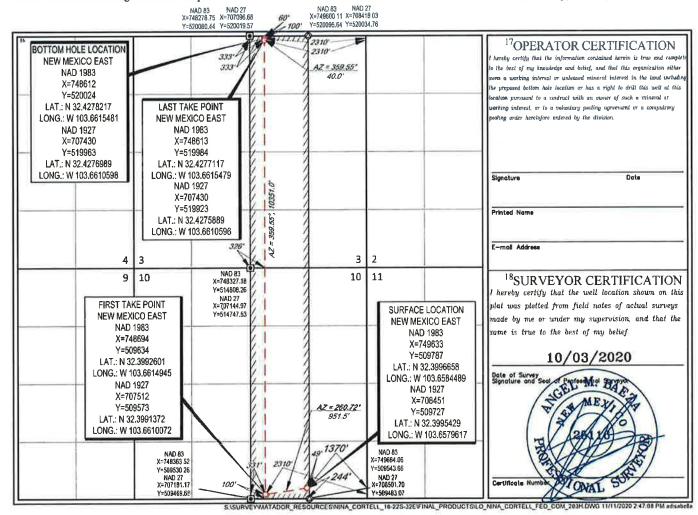
MATADOR PRODUCTION COMPANY

3789'

10 Surface Location Feet from the East/West line Feet from the North/South line UL or lot no. Section Township Range Lot Idn 1370 **LEA** 244 SOUTH **EAST** 32-E 10 22-S 0 11 Bottom Hole Location If Different From Surface

East/West line County Feet from the North/South line Feet from the Lot Ide UL or lot no. Section Township Rang 60' NORTH 2310 **EAST LEA** 3 22-S 32-E Order No. ²Dedicated Acres Joint or Infill 320

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.



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Phone: (505) 476-3460 Fax: (505) 476-3462

²Dedicated Acres

320

Joint or Infill

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

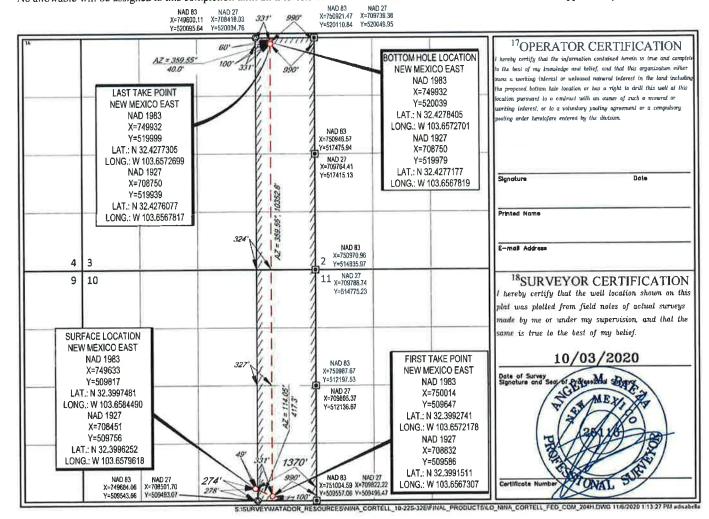
AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT JAPI Number UPR WOLFCAMP 98166 WC-025 G-09 S233216K; Well Number Property Name Property Code NINA CORTELL FED COM 204H Elevation Operator Name OGRID No. 3789 MATADOR PRODUCTION COMPANY 10 Surface Location Feet from the East/West line County North/South line Feet from the UL or lot no. Section Township Range Lot Idn SOUTH 1370 **EAST** LEA 274 32-E 10 22-S 0 11 Bottom Hole Location If Different From Surface North/South line Feet from the East/West line Feet from the Lot lds UL or lot no. Township Rang 60 990' EAST LEA NORTH 3 22-S 32-E

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.

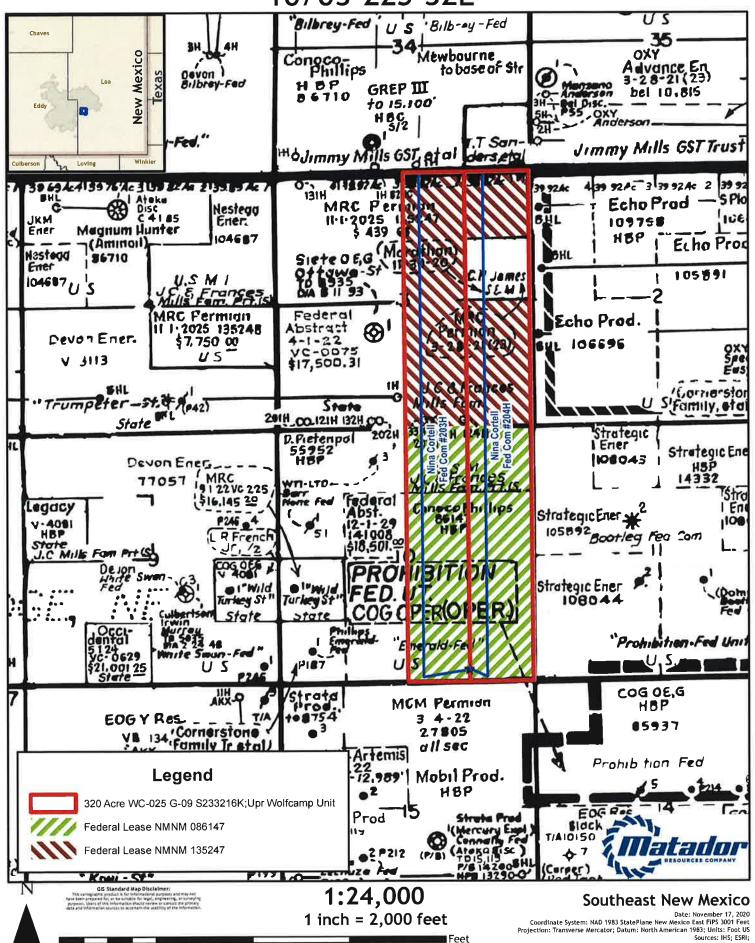
Order No.

Consolidation Code



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico

10/03-22S-32E



Feet

8,000

1,000

0

2,000

4,000

6,000

Summary of Interests

MRC Permian Company:		50.0000%
Voluntary Joinder:		
Compulsory Pool:		50.0000%
Interest Owner:	Description:	Interest:
ConocoPhillips Company	Working Interest	50.0000%

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico Exhibit No. C3

Submitted by: Matador Production Company

Hearing Date: December 3, 2020 Case Nos. 21545-21548



Summary of Interests

MRC Permian Company:		43.309191%
Voluntary Joinder:		
Compulsory Pool:		56.690809%
Interest Owner:	Description:	Interest:
ConocoPhillips Company	Working Interest	50.012503%
COG Operating, LLC	Working Interest	1.243923%
Marathon Oil Permian, LLC	Working Interest	2.497052%
WPX Energy Permian, LLC	Working Interest	1.693408%
Fortson Oil Company	Working Interest	1.243923%



EXHIBIT C-4

ORRI for Case Nos. 21546 and 21548 (Nina Cortell Fed Com #128H and #204H)

- 1. J. Hiram Moore, LTD
- 2. MHM Resources, LP
- 3. Pheasant Energy, LLC
- 4. Robert G. Hooper
- 5. Curtis A. Anderson and Edna I. Anderson, as joint tenants with the right of survivorship
- 6. Daniel E. Gonzales

Santa Fe, New Mexico
Exhibit No. C4
Submitted by: Matador Production Company
Hearing Date: December 3, 2020
Case Nos. 21545-21548

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

November 14, 2019

VIA CERTIFIED RETURN RECEIPT MAIL

ConocoPhillips Company 16930 Park Row Dr. Houston, TX 77084

Attn: West Permian Land Department

Re: Nina Cortell Fed Com #113H, #114H, #127H, #128H, #133H, #134H, #203H and #204H (the "Wells")

Participation Proposal

Sections 3&10, Township 22 South, Range 32 East

Lea County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of the following Matador Production Company's Nina Cortell Fed Com #113H, #114H, #127H, #128H, #133H, #134H, #203H and #204H (the "Wells"), located in Sections 3 & 10, Township 22 South, Range 32 East, Lea County, New Mexico.

In connection with the above, please note the following:

The estimated cost of drilling, testing, completing, and equipping of each Well is itemized on the eight (8) enclosed Authority for Expenditures ("AFE"), all dated October 22, 2019.

- Nina Cortell #113H: to be drilled from a legal location with a proposed surface hole location in the NW/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SW/4SE/4 of Section 10-22S-32E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,050' TVD) to a Measured Depth of approximately 20,250'.
- Nina Cortell #114H: to be drilled from a legal location with a proposed surface hole location in the NE/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SE/4SE/4 of Section 10-22S-32E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,050' TVD) to a Measured Depth of approximately 20,250'.
- Nina Cortell #127H: to be drilled from a legal location with a proposed surface hole location in the NW/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SW/4SE/4 of Section 10-22S-32E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bonespring (~10,700' TVD) to a Measured Depth of approximately 20,850'.
- Nina Cortell #128H: to be drilled from a legal location with a proposed surface hole location in the NE/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SE/4SE/4 of Section 10-22S-

Santa Fe, New Mexico
Exhibit No. C5
Submitted by: Matador Production Company
Hearing Date: December 3, 2020
Case Nos. 21545-21548

32E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,700' TVD) to a Measured Depth of approximately 20,850'.

- Nina Cortell #133H: to be drilled from a legal location with a proposed surface hole location in the NW/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SW/4SE/4 of Section 10-22S-32E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~11,900' TVD) to a Measured Depth of approximately 22,000'.
- Nina Cortell #134H: to be drilled from a legal location with a proposed surface hole location in the NE/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SE/4SE/4 of Section 10-22S-32E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~11,900' TVD) to a Measured Depth of approximately 22,000'.
- Nina Cortell #203H: to be drilled from a legal location with a proposed surface hole location in the NW/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SW/4SE/4 of Section 10-22S-32E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~12,200' TVD) to a Measured Depth of approximately 22,350'.
- Nina Cortell #204H: to be drilled from a legal location with a proposed surface hole location in the NE/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SE/4SE/4 of Section 10-22S-32E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~12,200' TVD) to a Measured Depth of approximately 22,350'.

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.

If your election is to participate in the drilling and completion of the Wells, please sign and return a copy of this letter along with the enclosed AFE(s) within thirty (30) days of receipt of this notice. Please be aware that the enclosed AFE(s) are only an estimate of costs to be incurred and by electing to participate in the Wells, 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,

Mut Hellig

Robert Helbing

ConocoPhillips Company hereby elects to:

Email Address:

Not to participate in the Nina Cortell #113HParticipate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Nina Cortell #113H wellWe are interested in selling our interest in this unit, please contact to discuss.
Not to participate in the Nina Cortell #114HParticipate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Nina Cortell #114H wellWe are interested in selling our interest in this unit, please contact to discuss.
Not to participate in the Nina Cortell #127H. Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Nina Cortell #127H well. We are interested in selling our interest in this unit, please contact to discuss.
Not to participate in the Nina Cortell #128HParticipate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Nina Cortell #128H wellWe are interested in selling our interest in this unit, please contact to discuss.
Not to participate in the Nina Cortell #133HParticipate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Nina Cortell #133H wellWe are interested in selling our interest in this unit, please contact to discuss.
Not to participate in the Nina Cortell #134HParticipate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Nina Cortell #134H wellWe are interested in selling our interest in this unit, please contact to discuss.
Not to participate in the Nina Cortell #203HParticipate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Nina Cortell #203H wellWe are interested in selling our interest in this unit, please contact to discuss.
Not to participate in the Nina Cortell #204HParticipate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Nina Cortell #204H wellWe are interested in selling our interest in this unit, please contact to discuss.
ConocoPhillips Company
By:
Title:
Date:
Contact Number:

ONE LINCOLN CENTRE - 5490 LBJ FREEWAY - SUITE 1500 - DALLAS, TEXAS 75240
Phone (972) 371-5200 - Fax (972) 371-5201
ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:

DATE:	October 22, 2019				AFE NO.:	
WELL NAME:	Nina Cortell Fed Con	1#128H			FIELD:	
LOCATION:	Sections 3&10-22S-3	2E			MD/TVD:	20,850'/10,700'
COUNTY/STATE:	Lea, NM			L	ATERAL LENGTH:	9,700'
MRC WI:						
GEOLOGIC TARGET:	2nd Bone Spring Sar	nd quip a 2 mile horizontal 2	and Bono Caring Cand	well with approvimately	v 55 clanes	
REMARKS:	Drill, complete and e	quip a 2 mile nonzoniai 2	and borie Spring Sand V	Well Will approximate	y oo stages	
		DRILLING	COMPLETION	PRODUCTION		TOTAL
INTANGIBLE	COSTS	COSTS	COSTS	COSTS	FACILITY COSTS \$ 10,000	COSTS \$ 121.500
Land / Legal / Regulatory Location, Surveys & Dama	nes	\$ 61,500 118,000	13,000	\$ 50,000 25,000	12,500	168,500
Drilling		865,300				865 300
Cementing & Float Equip	10200	228,000	6,500	3,000		228,000 9,500
Logging / Formation Evalu Flowback - Labor	iation	-	6,300	81,540		81,540
Flowback - Surface Rental	s			69,750		69,750
Flowback - Rental Living (Quarters			<u> </u>		37,500
Mud Logging Mud Circulation System		37,500 64,550				64,550
Mud & Chemicals		255,400	80,000	6,000		341,400
Mud / Wastewater Disposa	al	180,000	40.000		1,000	181,000 61,200
Freight / Transportation Rig Supervision / Enginee	rina	19,200 153,600	42,000 119,400	16,500	10,800	300,300
Drill Bits	9	112,650	1.07903572			112,650
Drill Bit Purchase					· 	161,200
Fuel & Power Water		161,200 75,000	851,000	2,000	1,000	929,000
Drig & Completion Overhe	ad	14,500	27,000			41,500
Plugging & Abandonment					- 4	302,000
Directional Drilling, Surve Completion Unit, Swab, C		302,000	180,000	20,000		200,000
Perforating, Wireline, Slici			298,500			298,500
High Pressure Pump Truc			96,800	6,000)	102,800
Stimulation Standard & D	Sam.		3.025,000	338,000		3,025,000 350,400
Stimulation Flowback & D Insurance	пър	29,553	12,31			29,553
Labor		165,500	38,250	15,000	5,000	223,750
Rental - Surface Equipme Rental - Downhole Equipm		82,650 149,900	326,650 97,500	10,000	5,000	424,300 250,400
Rental - Living Quarters	nent.	58,600	50,080		5,000	113,680
Contingency		156,179	223 908	64,579	5,030	449,696
MaxCom		33,325		710,369	55,330	33,325 9,577,794
	TOTAL INTANGIBLES	> 3,324,107 DRILLING	5,487,988 COMPLETION	PRODUCTION	35,330	TOTAL
TANGIBLE	COSTS	COSTS	COSTS	COSTS	FACILITY COSTS	COSTS
Surface Casing		\$ 44.950	\$	\$		\$ 44,950 164,550
Intermediate Casing Drilling Liner		164,550				104,550
Production Casing		510,188				510,188
Production Liner		1.65		25.000		65,000
Tubing Wellhead		65,000		65,000 45,000		110,000
Packers, Liner Hangers			118,200	6,000		124.200
Tanks					34.450	34,450 116,944
Production Vessels Flow Lines					116,944 120,000	120,000
Rod string		10		-		:
Artificial Lift Equipment				20,000	12,500	20,000
Compressor Installation Costs					48,000	48,000
Surface Pumps				5,000	6,875	11,875
Non-controllable Surface					2,000	2,000
Non-controllable Downho Downhole Pumps	ole			165		<u> </u>
Measurement & Meter Ins	tallation			10,000	24,500	34,500
Gas Conditioning / Dehyd					25,000	25,000
Interconnecting Facility P Gathering / Bulk Lines	'iping				20,000	25,000
Valves, Dumps, Controlle	rs					
Tank / Facility Containme	nt				5,625	5,625
Flare Stack Electrical / Grounding				2,000	8,000	10,000
Communications / SCAD/	Д			4,000	1,250	5,250
Instrumentation / Safety	TARREST TARREST PA	704 000	118,200	157,000	46,375 456,519	46,375 1,516,406
	TOTAL TANGIBLES		5,606,188	867,369	511,849	11,094,200
	TOTAL GOST	7,100,104	5,000,100			
REPARED BY MATADOR	PRODUCTION COMP	ANY:				
Drilling Engine	eer. James Long	Team Lead - WTX	UNM WTE			
Completions English			WTE			
Production Engine	eer Jan Mosnes					
ATADOR RESOURCES	COMPANY APPROVAL					
Exec, VP & C	CFO CFO	Exec VP - Res Engine	ering		Exec_VP & COO - Land & I	
	DEL	•	BMR			CNA
Presid	dent	Senior VP - Geosci	ence		Exec VP & COO - Opera	tions
	MVH		NL,F			000
ON OPERATING PARTN	ER APPROVAL:					
			Working Interest (%):		Те	x ID:
Company Na			Froming antoless (10).		- 12	
Signed	l by:	-	Date:			
т	Title	J.	Approval:	Yes		No (mark one)
		ing nate in a page 150 agreement som			rig this APY, the Parkinson agrees to pay its a nor	
bru, daec bra bina especiared (yesteluge) performs	or the terror of the angle at the part appropries agen-	eres apales who make aparectors	ng this word. Province of the ball the constraint the base	billion property seating for Character's well as to	era and general habitle relevance cransc narricula	convider Conclus conflore element de en-

		ESTIMATE OF COSTS	AND AUTHORIZATION FO	R EXPENDITURE		
DATE:	October 22, 2019				AFE NO.:	
VELL NAME:	Nina Cortell Fed Com	#204H			FIELD:	
OCATION:	Sections 3&10-22S-3.	2E			MD/TVD:	22,350'/12,200'
COUNTY/STATE:	Lea, NM			L.	ATERAL LENGTH:	9,700
IRC WI:					-	
EOLOGIC TARGET:	Wolfcamp A					
REMARKS:	Drill, complete and ed	uip a 2 mile horizontal	Wolfcamp A well with a	proximately 64 stage	rs.	
INTANGIBLE	COSTS	DRILLING COSTS	COMPLETION	PRODUCTION COSTS	FACILITY COSTS	TOTAL
and / Legal / Regulatory		92,500	5	\$ 50,000	\$ 10,000	\$ 152,500
ocation, Surveys & Damag	ges	110,500	13,000	25,000	12,500	161,000
rilling		997,150				997 150
ementing & Float Equip ogging / Formation Evalus	ation	293,000	6,500	3,000		293,000 9,500
lowback - Labor	abon		0,000	81,540		81,540
lowback - Surface Rentals	•			69,750		69,750
lowback - Rental Living Q	uarters			- 0		00.400
lud Logging lud Circulation System		38,400 94,240				38.400 94,240
ud & Chemicals		163,200	80,000	6,000		249,200
ud / Wastewater Disposal		195,000	7575.55		1.000	196,000
reight / Transportation		26,400	46,500			72,900
ig Supervision / Engineer	ing	192,000	130,200	16,500	10,800	349,500
rill Bils rill Bit Purchase		123,200				123,200
uel & Power		190,800				190,800
/ater		60,000	1,013,000	2,000	1,000	1,076,000
rlg & Completion Overhea	ad	18,000	30.000		-	48,000
lugging & Abandonment		000.00-				222.000
irectional Drilling, Survey completion Unit, Swab, CT		322,000	150,000	20,000		322,000 170,000
erforating, Wireline, Slick			411,000			411,000
ligh Pressure Pump Truck			110,000	6,000		116,000
timulation			3,072.000			3,072,000
timulation Flowback & Dis	sp		12,400	338,000		350,400
abor		37,290 193,000	38,250	15.000	5,000	37,290 251,250
Rental - Surface Equipmen	t	113,400	353,050	10,000	5.000	481,450
Rental - Downhole Equipme		128,800	117,500	3.000	-	249,300
Rental - Living Quarters		72,200	54,775	-	5,000	131,975
Contingency		208,237	256,618	64,579	5,030	534,463
laxCom	TOTAL INTANCIDLES	38,700	E 004 703	740.260	55 220	38,700
	TOTAL INTANGIBLES	3,708,017 DRILLING	5,894,793 COMPLETION	710,369 PRODUCTION	55,330	10,368,509 TOTAL
TANGIBLE C	COSTS	COSTS	COSTS	COSTS	FACILITY COSTS	COSTS
urface Casing		44.950	\$	\$	\$	\$ 44,950
termediate Casing		164,550				164,550
rilling Liner		464,273			9	464,273
roduction Casing		539.638				539,638
roduction Liner ubing		100.000		74,750		174,750
Velihead	<u>E</u> 3	100,000		45,000		45,000
ackers, Liner Hangers		*	134,400	6,000	1.0	140,400
anks					34,450	34,450
roduction Vessels					116,944	116,944
low Lines lod string					120,000	120,000
rtificial Lift Equipment				20,000		20,000
ompressor		*			12,500	12,500
nstallation Costs		-			48,000	48,000
urface Pumps				5,000	6,875	11,875
ion-controllable Surface Ion-controllable Downhole	,				2,000	2,000
lownhole Pumps	•					
feasurement & Meter Insta				10,000	24,500	34,500
Sas Conditioning / Dehydra				7.		
nterconnecting Facility Pig	oing				25,000	25,000
athering / Bulk Lines alves, Dumps, Controllers						
ank / Facility Containment					5,625	5,625
lare Stack				-	5,000	5,000
lectrical / Grounding				2,000	8,000	10,000
communications / SCADA				4,000	1,250	5,250
recommendation / Swiety	TOTAL TANGIBLES	> 1,313,411	134,400	166,750	456,519	2,071,07
	TOTAL COSTS		6,029,193	877,119	511,849	12,439,58
		,,	.,,,,,,,,	***************************************		-1100
PARED BY MATADOR	PRODUCTION COMPA	NY:				
6.00. = .		T	AM 12 - 15			
Orilling Enginee		Team Lead - WTX	/NM VE/I			
Completions Enginee			WfE			
Production Enginee	r: Jan Mosnes					
DOD DECOURAGE A	OMPANY ADDROVA					
NOUR RESOURCES CO	OMPANY APPROVAL:					
Exec_VP & CF	0	Exec_VP - Res Enginee	ering		Exec. VP & COO - Land & L	
_	DEL	3	BMR			CNA
Preside		Senior VP - Geoscie			Exec VP & COO - Opera	lions
	MVH		NLF			BEG
OPERATING PARTNE	R APPROVAL:					
	Harris and Anna Anna Anna Anna Anna Anna Anna		Warking Interest (%)		Ta	x ID
OPERATING PARTNE	Harris and Anna Anna Anna Anna Anna Anna Anna		Working Interest (%):		Ta	x ID

Title: Approval: Yes No (mark one)

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

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

			2) 371-5200 • Fax (972) 371 AND AUTHORIZATION FO			
DATE:	October 22, 2019	ESTIMATE OF COSTS	AND AUTHORIZATION FO	OR EXPENDITURE	AFE NO.:	
WELL NAME:	Nina Cortell Fed Com	#127H			FIELD:	
LOCATION:	Sections 3&10-22S-32	E			MD/TVD:	20,850'/10,700'
COUNTY/STATE:	Lea, NM			L	ATERAL LENGTH:	9,700'
MRC WI:						
GEOLOGIC TARGET: REMARKS:	2nd Bone Spring Sand Drill complete and equ		2nd Bone Spring Sand	well with approximatel	v 55 stages	
NEIRE OF CO.	thin, complete and equ				7	
INTANGIBLE	COCTE	DRILLING	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	COSTS
Land / Legal / Regulatory	\$		\$	\$ 50,000	\$ 10,000	\$ 121,500
Location, Surveys & Dame	ges	118,000 865,300	13.000	25,000	12,500	168,500 865,300
Drilling Cementing & Float Equip		228,000				228,000
Logging / Formation Evalu	ation		6,500	3,000		9,500
Flowback - Labor Flowback - Surface Rentals				81,540 69,750		81,540 69,750
Flowback - Rental Living C				-		
Mud Logging		37,500 64,550				37,500 64,550
Mud Circulation System Mud & Chemicals		255,400	80,000	6,000		341,400
Mud / Wastewater Disposa	į.	180,000			1,000	181,000
Freight / Transportation Rig Supervision / Engineer	ina	19.200 153,600	42,000 119,400	16.500	10,800	61,200 300,300
Drill Bits	mg	112.650	110,400	10.000	10(000	112,650
Drill Bit Purchase						161,200
Fuel & Power Water		161.200 75,000	851,000	2,000	1,000	929,000
Drig & Completion Overhe	ad	14,500	27,000			41,500
Plugging & Abandonment Directional Drilling, Survey	/e	302,000				302,000
Completion Unit, Swab, CT		302,000	180,000	20,000		200,000
Perforating, Wireline, Slick	line	E	298,500	6 000		298,500
High Pressure Pump Truck Stimulation			96,800 3.025,000	6,000		102,800 3,025,000
Stimulation Flowback & Di	sp	180	12,400	338,000		350,400
Insurance		29,553	38,250	15,000	5,000	29,553 223,750
Labor Rental - Surface Equipmen	t	82,650	326,650	10,000	5,000	424,300
Rental - Downhole Equipm		149,900	97,500	3,000		250,400
Rental - Living Quarters Contingency		58,600 156,179	50,080 223,908	64,579	5.000 5,030	113,680 449,696
MaxCom		33,325				33,325
	TOTAL INTANGIBLES >		5,487,988	710,369	55,330	9,577,794
TANGIBLE	COSTS	DRILLING COSTS	COMPLETION	PRODUCTION COSTS	FACILITY COSTS	TOTAL
Surface Casing	\$		\$	5	\$	\$ 44,950
Intermediate Casing		164,550			e-	164,550
Drilling Liner Production Casing		510,188				510,188
Production Liner						
Tubing Wellhead		65,000		65,000 45,000		65,000 110,000
Packers, Liner Hangers		65,000	118,200	6,000		124,200
Tanks					34,450	34,450
Production Vessels Flow Lines					116,944 120,000	115,944 120,000
Rod string				-		
Artificial Lift Equipment				20,000	12,500	20,000 12,500
Compressor Installation Costs				-	48,000	48,000
Surface Pumps				5,000	6,875	11,875
Non-controllable Surface Non-controllable Downhol	e ·			-	2,000	2,000
Downhole Pumps						
Measurement & Meter Inst				10,000	24,500	34,500
Gas Conditioning / Dehyda Interconnecting Facility Pi					25,000	25,000
Gathering / Bulk Lines					· ·	-
Valves, Dumps, Controller Tank / Facility Containmer					5,625	5,625
Flare Stack					5,000	5,000
Electrical / Grounding Communications / SCADA				2,000	8,000 1,250	10,000 5,250
Instrumentation / Safety					46,375	46,375
-	TOTAL TANGIBLES >		118,200	157,000	456,519	1,516,406
	TOTAL COSTS >	4,108,794	5,606,188	867,369	511,849	11,094,200
EPARED BY MATADOR	PRODUCTION COMPAN	NY:				
Drifting Engine	er: James Long	Team Lead - WTX	CAM WIE			
Completions Engine		. 30 2000 1117	WTE			
Production Engine						
TAROR DESCRIPTION	OMDANY ADDDOUGH					
ATADOR RESOURCES C						
Exec VP & CF	DEL	Exec VP - Res Engine	oring BMR		Exec. VP & COO - Land & I	_egal
Descride		Senior VP - Geosci	11,77270111		Exec VP & COO - Opera	0181
Preside	MVH	Genor VF - Geosci	NLF		2.00 vi 9.000 - Opere	BEG
W ODEDATING DARKE	D ADDDOVAL.					
ON OPERATING PARTNE			ABITATION AND A CONTRACT			w ID:
			Working Interest (%):		Ta	x ID:
Company Nan	ie:		-			
Company Nan Signed I	_	ŷ.	Dale:			

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ONE LINCOLN CENTRE - 5400 LBJ FREEWAY - SUITE 1500 - DALLAS, TEXAS 75240
Phone (972) 371-5200 - FBx (972) 371-5201
ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	October 22, 2019				AFE NO.:	
WELL NAME:	Nina Cortell Fed Co	m #203H			FIELD:	
LOCATION:	Sections 3&10-22S				MD/TVD:	22,350'/12,200'
	Lea, NM			LA	TERAL LENGTH:	9,700'
COUNTY/STATE:	Lea, INIVI				-	
MRC WI:						
GEOLOGIC TARGET:	Wolfcamp A					
REMARKS:	Drill, complete and	equip a 2 mile horizontal \	Nolfcamp A well with ap	proximately 64 stages		
						YOYN
	300000	DRILLING	COMPLETION	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
INTANGIBLE C	0515	COSTS	· costs	\$ 50,000	\$ 10,000	\$ 152,500
Land / Legal / Regulatory		\$ 92,500 110,500	13,000	25,000	12,500	161,000
Location, Surveys & Damage	85	997.150	13,000	20,000	TALLAND	997,150
Drilling Cementing & Float Equip		293,000				293,000
Logging / Formation Evalua	tion	200,000	6,500	3,000		9,500
Flowback - Labor	uon			81,540		81,540
Flowback - Surface Rentals		7		69,750		69,750
Flowback - Rental Living Qu	arters	· · · · · · · · · · · · · · · · · · ·		•		
Mud Logging		38,400				38,400
Mud Circulation System		94,240				94,240
Mud & Chemicals		163,200	80,000	6,000		249,200
Mud / Wastewater Disposal		195,000			1,000	196,000
Freight / Transportation		26,400	46,500		+0.000	72,900 349,500
Rig Supervision / Engineering	ng	192,000	130,200	16,500	10,800	123,200
Drill Bits		123,200				123,200
Drill Bit Purchase		190,800				190,800
Fuel & Power		60,000	1,013,000	2,000	1,000	1,076,000
Water Orig & Completion Overhead	•	18,000	30,000	2,000	- 1,000	48,000
Plugging & Abandonment	•	10,000				
Directional Drilling, Surveys		322,000				322,000
Completion Unit, Swab, CTI		464,000	150,000	20,000		170,000
Perforating, Wireline, Slickli			411,000	340,000		411,000
High Pressure Pump Truck		(110,000	6,000	-	116,000
Stimulation		3.47	3,072,000			3,072,000
Stimulation Flowback & Dis	p		12,400	338,000		350,400
Insurance		37,290				37,290
Labor		193,000	38,250	15,000	5,000	251,250
Rental - Surface Equipment		113,400	353,050	10,000	5,000	481,450
Rental - Downhole Equipme	nt	128.800	117,500	3,000		249,300
Rental - Living Quarters		72,200	54,775		5,000	131,975 534,463
Contingency		208.237	256,618	64,579	5,030	38,700
MaxCom		38,700	200000000000000000000000000000000000000	721221240	2000	
	TOTAL INTANGIBLE		5,894,793	710,369	55,330	10,358,508
		DRILLING	COMPLETION	PRODUCTION		COSTS
TANGIBLE C	OSTS	COSTS	COSTS	COSTS	FACILITY COSTS	
Surface Casing		\$ 44,950	\$	\$	3	\$ 44,950 164,550
Intermediate Casing		164,550				464,273
Drilling Liner		464,273				539,638
Production Casing		539,638				000,000
Production Liner		100,000		74,750		174,750
Tubing Wellhead		100,000		45,000		45,000
Packers, Liner Hangers			134,400	6,000		140,400
Tanks			101,100	•	34,450	34,450
Production Vessels					116,944	116,944
Flow Lines		-			120,000	120,000
Rod string				-		
Artificial Lift Equipment				20,000		20,000
Compressor		*2		15	12,500	12,500
Installation Costs				· ·	48,000	48,000
Surface Pumps				5,000	6,875	11,875
Non-controllable Surface		+)			2,000	2,000
Non-controllable Downhole	1			<u>·</u>		
Downhole Pumps	WELLIA COLOTTO			10,000	24,500	34,500
Measurement & Meter Insta				10,000	UUC, P\$	34,300
Gas Conditioning / Dehydra					25,000	25,000
Interconnecting Facility Pip	ung				25,000	23,000
Gathering / Bulk Lines Valves, Dumps, Controllers				-		
Tank / Facility Containment					5,625	5.625
Flare Stack	•				5,000	5,000
Electrical / Grounding				2,000	8,000	10,000
Communications / SCADA				4,000	1,250	5,250
Instrumentation / Safety					46,375	46,375
	TOTAL TANGIBLE	ES > 1,313,411	134,400	166,750	456,519	2,071,079
			6,029,193	877,119	511,849	12,439,588
		15 2,021,421				
	TOTAL COS	TS > 5,021,427				
	TOTAL COS					
	TOTAL COS	PANY:				
	TOTAL COS					
EPARED BY MATADOR	TOTAL COS PRODUCTION COM r. James Long	PANY:	V/NM WTE			
EPARED BY MATADOR	TOTAL COS PRODUCTION COM F. James Long F. Garrett Hunt	PANY:				
EPARED BY MATADOR Drilling Enginee Completions Enginee	TOTAL COS PRODUCTION COM F. James Long F. Garrett Hunt	PANY:				
EPARED BY MATADOR I Drilling Enginee Completions Enginee Production Enginee	TOTAL COS PRODUCTION COM F. James Long F. Garrett Hunt F. Jan Mosnes	PANY: Team Lead - WTX				
EPARED BY MATADOR I Drilling Enginee Completions Enginee Production Enginee	TOTAL COS PRODUCTION COM F. James Long F. Garrett Hunt F. Jan Mosnes	PANY: Team Lead - WTX				
EPARED BY MATADOR I Drilling Enginee Completions Enginee Production Enginee	TOTAL COS PRODUCTION COM F. James Long F. Garrett Hunt F. Jan Mosnes OMPANY APPROVA	PANY: Team Lead - WTX	WTE ering		Exec, VP & COO - Land & L	
EPARED BY MATADOR Drilling Enginee Completions Enginee Production Enginee	TOTAL COS PRODUCTION COM T: James Long T: Garrett Hunt T: Jan Mosnes DMPANY APPROVA	PANY: Team Lead - WTX	WTE		Exec. VP & COO - Land & L	egal
EPARED BY MATADOR I Drilling Enginee Completions Enginee Production Enginee ATADOR RESOURCES CO Exec VP & CF	TOTAL COS PRODUCTION COM F. James Long F. Garrett Hunt F. Jan Mosnes OMPANY APPROVA O DEL	Team Lead - WT> L: Exec. VP - Res Engine	WTE WTE	, 1	Exec. VP & COO - Land & L Exec. VP & COO - Operal	ions
EPARED BY MATADOR Drilling Enginee Completions Enginee Production Enginee	TOTAL COS PRODUCTION COM F. James Long F. Garrett Hunt F. Jan Mosnes OMPANY APPROVA O DEL	PANY: Team Lead - WTX	WTE WTE	1 1		CNA
EPARED BY MATADOR I Drilling Enginee Completions Enginee Production Enginee ATADOR RESOURCES CO Exec VP & CF	TOTAL COS PRODUCTION COM T: James Long T: Garrett Hunt T: Jan Mosnes DMPANY APPROVA O	Team Lead - WT> L: Exec. VP - Res Engine	WTE ering			ions
EPARED BY MATADOR I Drilling Enginee Completions Enginee Production Enginee ATADOR RESOURCES CO Exec VP & CF Preside	TOTAL COS PRODUCTION COM F. James Long F. Janes Long F. Jan Mosnes DMPANY APPROVA O DEL MVH	Team Lead - WT> L: Exec. VP - Res Engine	WTE ering	1 1		ions
EPARED BY MATADOR I Drilling Enginee Completions Enginee Production Enginee ATADOR RESOURCES CO Exec VP & CF Preside	TOTAL COS PRODUCTION COM F. James Long F. Janes Long F. Jan Mosnes DMPANY APPROVA O DEL MVH	Team Lead - WT> L: Exec. VP - Res Engine	WTE ering		Exec VP & COO - Operal	ONA ions BEG
Drilling Enginee Completions Enginee Production Enginee ATADOR RESOURCES CO Exec VP & CF Preside	TOTAL COS PRODUCTION COM T. James Long T. Garrett Hunt T. Jan Mosnes DMPANY APPROVA O DEL nt MVN R APPROVAL:	Team Lead - WT> L: Exec. VP - Res Engine	WTE ering	, 11	Exec VP & COO - Operal	ions
Drilling Enginee Completions Enginee Production Enginee Exec VP & CF Preside ON OPERATING PARTNE	TOTAL COS PRODUCTION COM T: James Long T: Garrett Hunt T: Jan Mosnes DMPANY APPROVA O DEL nt MIVH R APPROVAL:	Team Lead - WT> L: Exec. VP - Res Engine	ering		Exec VP & COO - Operal	ions BEG
Drilling Enginee Completions Enginee Production Enginee ATADOR RESOURCES CO Exec VP & CF Preside	TOTAL COS PRODUCTION COM T: James Long T: Garrett Hunt T: Jan Mosnes DMPANY APPROVA O DEL nt MIVH R APPROVAL:	Team Lead - WTY L: Exec VP - Res Engine Senior VP - Geosci	WTE ering		Exec VP & COO - Operal	ions BEG
Drilling Enginee Completions Enginee Production Enginee Production Enginee ATADOR RESOURCES CO Exec VP & CF Preside ON OPERATING PARTNE	TOTAL COS PRODUCTION COM F. James Long F. Garrett Hunt F. Jan Mosnes DMPANY APPROVA O DEL nt MVH R APPROVAL:	Team Lead - WTY L: Exec VP - Res Engine Senior VP - Geosci	ering	Yes	Exec VP & COO - Operal	ions BEG

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

June 18, 2020

VIA CERTIFIED RETURN RECEIPT MAIL

BC Operating, Inc. 4000 North Big Spring, Suite 310 Midland, TX 79705

Re:

Nina Cortell Fed Com #113H, #114H, #127H, #128H, #133H, #134H, #203H and #204H (the "Wells") Participation Proposal Sections 3&10, Township 22 South, Range 32 East Lea County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of the following Matador Production Company's Nina Cortell Fed Com #113H, #114H, #127H, #128H, #133H, #134H, #203H and #204H (the "Wells"), located in Sections 3 & 10, Township 22 South, Range 32 East, Lea County, New Mexico.

In connection with the above, please note the following:

The estimated cost of drilling, testing, completing, and equipping of each Well is itemized on the eight (8) enclosed Authority for Expenditures ("AFE"), all dated October 22, 2019.

- Nina Cortell #113H: to be drilled from a legal location with a proposed surface hole location in the NW/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SW/4SE/4 of Section 10-22S-32E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,050' TVD) to a Measured Depth of approximately 20,250'.
- Nina Cortell #114H: to be drilled from a legal location with a proposed surface hole location in the NE/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SE/4SE/4 of Section 10-22S-32E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,050' TVD) to a Measured Depth of approximately 20,250'.
- Nina Cortell #127H: to be drilled from a legal location with a proposed surface hole location in the NW/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SW/4SE/4 of Section 10-22S-32E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bonespring (~10,700' TVD) to a Measured Depth of approximately 20,850'.

- Nina Cortell #128H: to be drilled from a legal location with a proposed surface hole location in the NE/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SE/4SE/4 of Section 10-22S-32E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,700' TVD) to a Measured Depth of approximately 20,850'.
- Nina Cortell #133H: to be drilled from a legal location with a proposed surface hole location in the NW/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SW/4SE/4 of Section 10-22S-32E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~11,900' TVD) to a Measured Depth of approximately 22,000'.
- Nina Cortell #134H: to be drilled from a legal location with a proposed surface hole location in the NE/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SE/4SE/4 of Section 10-22S-32E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~11,900' TVD) to a Measured Depth of approximately 22,000'.
- Nina Cortell #203H: to be drilled from a legal location with a proposed surface hole location in the NW/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SW/4SE/4 of Section 10-22S-32E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~12,200' TVD) to a Measured Depth of approximately 22,350'.
- Nina Cortell #204H: to be drilled from a legal location with a proposed surface hole location in the NE/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SE/4SE/4 of Section 10-22S-32E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~12,200' TVD) to a Measured Depth of approximately 22,350'.

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.

If your election is to participate in the drilling and completion of the Wells, please sign and return a copy of this letter along with the enclosed AFE(s) within thirty (30) days of receipt of this notice. Please be aware that the enclosed AFE(s) are only an estimate of costs to be incurred and by electing to participate in the Wells, 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 byth

BC Operating, Inc. hereby elects to:

Not to participate in the Nina Cortell #113HParticipate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador
Production Company's Nina Cortell #113H well. We are interested in selling our interest in this unit, please contact to discuss.
Not to participate in the Nina Cortell #114H.
Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador
Production Company's Nina Cortell #114H well.
We are interested in selling our interest in this unit, please contact to discuss.
Not to participate in the Nina Cortell #127H.
Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador
Production Company's Nina Cortell #127H well.
We are interested in selling our interest in this unit, please contact to discuss.
No. 11 and State in the Nilse Contail #19911
Not to participate in the Nina Cortell #128H. Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador
Production Company's Nina Cortell #128H well.
We are interested in selling our interest in this unit, please contact to discuss.
we are interested in setting out interest in this unit, prease contact to diseass.
Not to participate in the Nina Cortell #133H.
Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador
Production Company's Nina Cortell #133H well.
We are interested in selling our interest in this unit, please contact to discuss.
Not to participate in the Nina Cortell #134H.
Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador
Production Company's Nina Cortell #134H well.
We are interested in selling our interest in this unit, please contact to discuss.
Not to participate in the Nina Cortell #203H.
Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador
Production Company's Nina Cortell #203H well.
We are interested in selling our interest in this unit, please contact to discuss.
Not to participate in the Nina Cortell #204H.
Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador
Production Company's Nina Cortell #204H well.
We are interested in selling our interest in this unit, please contact to discuss.
DC Occupitors Inc.
BC Operating, Inc.
Ву;
ma
Title:
Date:
Contact Number:
Email Address:

DATE:	October 22, 2019	ESTIMATE OF COSTS AI			AFE NO.:	
WELL NAME:	Nina Cortell Fed C	om #128H			FIELD:	
OCATION:	Sections 3&10-22				MD/TVD:	20,850'/10,700'
COUNTY/STATE:	Lea, NM			LAT	ERAL LENGTH:	9,700'
MRC WI:					-	
GEOLOGIC TARGET:	2nd Bone Spring S	The second secon				
REMARKS:	Drill, complete and	d equip a 2 mile horizontal 2r	nd Bone Spring Sand	well with approximately 5	5 stages	
		DRILLING	COMPLETION	PRODUCTION		TOTAL
INTANGIBLE	COSTS	COSTS \$ 61.500	costs	COSTS	FACILITY COSTS \$ 10,000	COSTS 5 121,50
Land / Legal / Regulatory Location, Surveys & Dam	1088	118,000	13,000	\$ 50,000	12,500	168,50
Orilling		865,300				865.30
Cementing & Float Equip		228,000				228,00
ogging / Formation Eval	uation		6,500	3,000 81,540		9,50
-lowback - Labor -lowback - Surface Renta	ls			69,750		69,75
lowback - Rental Living				•		
Mud Logging		37,500				37,50
Mud Circulation System		64,550 255,400	80,000	6,000		64,55 341,40
Mud & Chemicals Mud / Wastewater Dispos	al	180,000	00,000	0,000	1,000	181,00
reight / Transportation		19,200	42,000			61,20
Rig Supervision / Enginee	ring	153,600	119,400	16,500	10,800	300,30
Drill Bits		112,650				112,65
Drill Bit Purchase Fuel & Power		181,200				161,20
Water		75,000	851,000	2,000	1,000	929,00
Drlg & Completion Overh		14,500	27,000			41,50
Plugging & Abandonmen		200.000				302.00
Directional Drilling, Surve Completion Unit, Swab, C		302,000	180,000	20,000		200,00
Perforating, Wireline, Slice			288,500	. 3344300).		298,50
High Pressure Pump True		341	96,800	6,000	3	102,80
Stimulation		-	3,025,000	525 555		3,025,00 350,40
Stimulation Flowback & D	Disp	29,553	12,400	338,000		29,55
Insurance Labor		165,500	38,250	15,000	5,000	223,75
Rental - Surface Equipme	nt	82,650	326,650	10,000	5,000	424,30
Rental - Downhole Equip	ment	149,900	97.500	3,000	-	250,40
Rental - Living Quarters		58,600 156,179	50,080 223 908	64,579	5,000	113,68
Contingency MaxCom		33,325	225 500	04,010		33,32
	TOTAL INTANGIBL		5,487,988	710,369	56,330	9,677,7
		DRILLING	COMPLETION	PRODUCTION	F400	LATOT
TANGIBLE	COSTS	COSTS	COSTS	COSTS	FACILITY COSTS	COSTS \$ 44,95
Surface Casing Intermediate Casing		\$ 44,950 164,550	•		•	164,55
Intermediate Casing Drilling Liner		104,050	:————			107,00
Production Casing		510,188				510,18
Production Liner				- AC ACC		*
Tubing Wellhead		65,000		65.000 45,000		65,00 110,00
Packers, Liner Hangers		- 00,000	118,200	6,000		124,20
Tanks				•	34.450	34,45
Production Vessels					116,944	116,94
Flow Lines					120,000	120,00
Rod string Artificial Lift Equipment		(a)		20,000		20,00
Compressor					12,500	12,50
Installation Costs					48,000	48.00
Surface Pumps				5,000	6,875	11,87
Non-controllable Surface Non-controllable Downho	ale				2,000	
Downhole Pumps		141				
Measurement & Meter In:		1.07		10,000	24,500	34,50
Gas Conditioning / Dehy				<u> </u>	25,000	25,00
Interconnecting Facility F Gathering / Bulk Lines	ribing			2,60	20,000	25,00
Valves, Dumps, Controlls	rs					-
Tank / Facility Containme					5,625	5,62
Flare Stack				- 0.000	5,000 8,000	5,00
Electrical / Grounding	0			2,000 4,000	1,250	5,2
Communications / SCAD Instrumentation / Safety	•			7,000	46,375	46,3
	TOTAL TANGIBL	ES > 784,688	118,200	157,000	456,519	1,516,4
	TOTAL COS	STS > 4,108,794	5,606,188	867,369	511,849	11,094,2
PARED BY MATADO	PRODUCTION COL	APANY.				
			F .772			
Drilling Engin		Team Lead - WTX/N	W WIE			
Completions Engin			WTE			
Production Engin	eer Jan Mosnes					
ADOR RESOURCES	COMPANY APPROV	AL:				
Exec, VP & 0	CEO.	Exec. VP - Res Engineer	ing	Ex	ec VP & COO - Land &	Legal
EXCU. VP & C	DEL	Even at - Lies Flidilleal	BMR	L.×		CNA
Presi		Senior VP - Geoscier		ŧ	Exec VP & COO - Open	
	MVH		NLF			BEG
N OPERATING PARTN	ER APPROVAL					
			Marking Ira 18**			av ID:
Company Na	me.		Working Interest (%):		11	ax ID:
Ciono	by:	Ø	Date:			
			Date.			

DATE:	October 22, 2019		AND AUTHORIZATION FO		AFE NO.:	
WELL NAME:	Nina Cortell Fed C	om #204H			FIELD:	
LOCATION:	Sections 3&10-225				MD/TVD:	22,350′/12,200'
COUNTY/STATE:	Lea, NM			L	ATERAL LENGTH:	9,700'
MRC WI:					100	
GEOLOGIC TARGET:	Wolfcamp A					~
REMARKS:	Drill, complete and	l equip a 2 mile horizontal V	Volfcamp A well with a	pproximately 64 stages	3	
		DRILLING	COMPLETION	PRODUCTION		TOTAL
INTANGIBLE Land / Legal / Regulatory	COSTS	COSTS 5 - 92,500	COSTS	COSTS \$ 50,000	FACILITY COSTS \$ 10,000	COSTS \$ 152,500
Location, Surveys & Dam.	iges	110,500	13,000	25,000	12,500	161,000
Drilling		997,150				997,150
Cementing & Float Equip Logging / Formation Eval	ration	293,000	6,500	3,000		293,000 9,500
Flowback - Labor	auton		0,000	81,540		81.540
Flowback - Surface Renta				69,750		69,75
Flowback - Rental Living	Quarters	20,400				40.40
Mud Logging Mud Circulation System		38,400 94,240				36.400 94,240
Mud & Chemicals		163,200	80,000	6,000		249,20
Mud / Wastewater Dispos	al	195,000			1.000	195,000
Freight / Transportation Rig Supervision / Enginee	rina	26,400 192,000	46,500 130,200	16,500	10,800	72,90
Drill Bits	ing	123,200	130,200	10,500	10,000	123,20
Drill Bit Purchase			-	-		
Fuel & Power		190,800	4		· •	190,800
Water Drig & Completion Overh	had	60,000 18,000	1,013,000	2,000	1,000	1,076,00
Plugging & Abandonment		10,000	30,000		 	45,00
Directional Drilling, Surve	ys	322,000				322,00
Completion Unit, Swab, C			150,000	20,000		170.00
Perforating, Wireline, Slic High Pressure Pump Truc			411,000 110,000	6,000		411.00
Stimulation			3,072,000	0,000		3,072,00
Stimulation Flowback & D	isp		12,400	338,000	-	350,40
Insurance		37,290				37,29
Labor Rental - Surface Equipme	nt	193,000	38,250 353,050	15.000	5,000	251,25 481,45
Rental - Downhole Equipm		128,800	117,500	3.000	3,000	249,30
Rental - Living Quarters		72,200	54,775	•	5,000	131,97
Contingency		208,237	256,618	64,579	5,030	534,46
MaxCom		38,700	-		-	38,70
	TOTAL INTANGIBLE	ES > 3,708,017 DRILLING	5,894,793 COMPLETION	710,369 PRODUCTION	55,330	10,358,50 TOTAL
TANGIBLE	COSTS	COSTS	COSTS	COSTS	FACILITY COSTS	COSTS
Surface Casing		\$ 44,950	\$	\$	5	\$ 44,950
ntermediate Casing		164,550				164 550
Drilling Liner Production Casing		464,273 539,638				464,273 539,638
Production Liner						500,000
lubing		100,000		74,750		174,75
Wellhead				45,000		45,000
Packers, Liner Hangers Fanks			134,400	6.000	34,450	140,400 34,450
Production Vessels		- 2			116,944	116,94
Flow Lines		*			120,000	120,000
Rod string Artificial Lift Equipment						
Compressor				20,000	12,500	20,000
nstallation Costs				-	48,000	48,00
Surface Pumps				5,000	6,875	11,87
Non-controllable Surface	e.				2,000	2,00
Non-controllable Downho Downhole Pumps	e					
Measurement & Meter Ins	tallation			10,000	24,500	34,50
Gas Conditioning / Dehyd					-	(40)
nterconnecting Facility P	ping				25,000	25,00
Sathering / Bulk Lines /alves, Dumps, Controller					-	
Tank / Facility Containmen					5,625	5,62
lare Stack				¥)	5,000	5,00
lectrical / Grounding				2,000	8,000	10,00
Communications / SCADA Instrumentation / Safety				4,000	1.250 46,375	5,25 46,37
	TOTAL TANGIBLE	S > 1,313,411	134,400	166,750	456,519	2,071,07
	TOTAL COST		6,029,193	877,119	511,849	12,439,56
DADED PULLUTION						. , , , ,
PARED BY MATADOR	PRODUCTION COM	PANY:				
Drilling Engine	er: James Long	Team Lead - WTX/N	IM COTE			
Completions Engine	er: Garrett Hunt		WTE			
Production Engine	er: Jan Mösnes					
ADOR RESOURCES C	OMPANY ADDROVA	1.				
ADUK RESOURCES C	OMPANT APPROVA					
Exec. VP & Cl	DEL	Exec VP - Res Engineeri	ing	E	xec: VP & COO - Land & L	egal
D===1-1		Coning VD Con-	A. Ter 1190		Fuer 1/0 8 000 0	•
Preskle	MVH	Senior VP - Geoscien	NLF NLF		Exec. VP & COO - Operat	BEG
OPERATING PARTNE	R APPROVAL:					
			Working Interest (%):		Tax	k ID:
Company Nan	1e:		Training interest (10).			
		4	_			
Company Nan Signed I		×	Date:			

ONE LINCOLN CENTRE • 5400 LBJ FREEWAY • SUITE 1500 • DALLAS, TEXAS 75240
Phone (972) 371-5200 • Fax (972) 371-5201

DATE: WELL NAME: LOCATION: COUNTY/STATE: MRC W: GEOLOGIC TARGET: REMARKS: INTANGIBLE C Land / Logal / Regulatory Location, Surveys & Damag Drilling Cementing & Float Equip Logging / Formation Evalua Flowback - Labor Flowback - Labor Flowback - Labor Flowback - Surface Rentale Flowback - Rental Living Qu Mud Logging Mud Circulation System Mud & Chemicals Mud / Wastewater Disposal Freight / Transportation Rig Supervision / Engineeri Drill Bits Drill Bits Purchase Fuel & Power Water Drig & Completion Overhea Plugging & Abandonment Directional Drilling, Surveys Completion Unit, Swab, CT Perforating, Wireline, Slickl High Pressure Pump Truck Stimulation Stimulation Flowback & Dis Insurance Labor Rental - Surface Equipment Rental - Downhole Equipme Rental - Living Quarters Contingency MaxCom	OSTS Ion arters	32E	COMPLETION COSTS \$ 13,000		AFE NO.: FIELD: MD/TVD: STERAL LENGTH: 55 stages FACILITY COSTS \$ 10,000 12,500	20,850/10,700' 9,700' TOTAL COSTS \$ 121,500 168,500 228,000 9,500 61,540 69,750
LOCATION: COUNTY/STATE: MRC WI: GEOLOGIC TARGET: REMARKS: INTANGIBLE C Land / Legal / Regulatory. Location, Surveys & Damag Drilling Cementing & Float Equip Loggling / Formation Evalua Flowback - Labor Flowback - Surface Rentale Flowback - Rental Living Qt Mud Loggling Mud Circulation System Mud & Chemicals Mud / Wastewater Disposal Freight / Transportation Rig Supervision / Engineeri Drill Bits Drill Bits Prill Bit Purchase Fuel & Power Water Drig & Completion Overhea Plugging & Abandonment Directional Drilling, Surveys Completion Unit, Swab, CT Perforating, Wilner, Silchi High Pressure Pump Truck Stimulation Stimulation Flowback & Dis Insurance Labor Rental - Downhole Equipment Rental - Downhole Equipment Rental - Living Quarters Contingency	Sections 38:10-22S-3 Lea, NM 2nd Bone Spring Sal Drill, complete and e OSTS Is In I	DRILLING COSTS \$ 61,500 118,000 865,300 228,000 37,500 64,550 255,400 180,000 19,200 153,600 112,650 112,650 75,000	COMPLETION COSTS 13,000 6,500 80,000 42,000	PRODUCTION COSTS \$ 50,000 25,000 3,000 41,540 69,750	MD/TVD: STERAL LENGTH: 55 stages FACILITY COSTS \$ 10,000	9,700' TOTAL COSTS \$ 121,500 166,500 28,000 9,500 61,540 69,750
COUNTY/STATE: MRC WI: SEOLOGIC TARGET: REMARKS: INTANGIBLE C Land / Legal / Regulatory Location, Surveys & Dameg Drillling Loggling / Formation Evalua Flowback - Babor Flowback - Surface Rentals Flowback - Surface Rentals Flowback - Rental Living Qt Mud Circulation System Mud & Chemicals Mud Collectation System Mud & Chemicals Mud / Wastewater Disposal Freight / Transportation Rig Supervision / Engineeri Drill Bits Drill Bits Drill Bit Purchase Freight / Transportation Rig Supervision / Engineeri Drill Bits Dri	Lea, NM 2nd Bone Spring Sai Drill, complete and e OSTS se lon arters	DRILLING COSTS \$ 61,500 118,000 865,300 228,000 37,500 64,550 255,400 180,000 19,200 153,600 112,650 112,650 161,200 75,000	COMPLETION COSTS 13,000 6,500 80,000 42,000	PRODUCTION COSTS \$ 50,000 25,000 3,000 41,540 69,750	55 stages FACILITY COSTS \$ 10,000	9,700' TOTAL COSTS \$ 121,500 166,500 28,000 9,500 61,540 69,750
MRC WI: SEOLOGIC TARGET: REMARKS: INTANGIBLE C Land / Legal / Regulatory Location, Surveys & Damag Drilling Cementing & Float Equip Logging / Formation Evalua Flowback - Labor Flowback - Surface Rentale Flowback - Rental Living Qu Mud Logging Mud & Chreuistion System Mud & Chreuistion System Mud & Chreuistion System Mud & Chemicals Mud / Wastewater Disposal Freight / Transportation Rig Supervision / Engineeri Drill Bits Drill Bits Purchase Fuel & Power Water Drill Bit Purchase Fuel & Power Water Drill Bits Drill Bit Purchase Fuel & Power Water Drill Bit Purchase Fuel & Power Water Drill Bit Purchase Fuel & Scompletion Overhea Plugging & Abandonment Directional Drilling, Surveys Completion Unil, Swab, CTP Perforating, Wireline, Silickl High Pressure Pump Truck Stimulation Stimulation Flowback & Dis Insurance Labor Rental - Surface Equipment Rental - Downhole Equipment Rental - Living Quarters Contingency	2nd Bone Spring Sal Drill, complete and e OSTS	Quip a 2 mile horizontal 2r DRILLING COSTS \$ 61,500 118,000 865,300 228,000 37,500 64,550 255,400 180,000 19,200 153,600 112,650 112,650 161,200 75,000	COMPLETION COSTS 13,000 6,500 80,000 42,000	PRODUCTION COSTS \$ 50,000 25,000 3,000 41,540 69,750	55 stages FACILITY COSTS \$ 10,000	TOTAL COSTS \$ 121,500 168,500 228,000 9,500 81,640 69,750
SEOLOGIC TARGET: REMARKS: INTANGIBLE C Land / Legal / Regulatory Location, Surveys & Damag Drilling Cementing & Float Equip Logging / Formation Evalua Flowback - Labor Flowback - Surface Rentals Flowback - Rental Living Qu Mud Circulation System Mud & Chemicals Mud / Wastewater Disposal Freight / Transportation Rig Supervision / Engineeri Drill Bits Drill Bits Purchase Fuel & Power Water Drilg & Completion Overhea Plugging & Abandonment Directional Districtions Simulation Simulation Flowback & Dis Insurance Labor Rental - Surface Equipment Rental - Downhole Equipment Rental - Downhole Equipment Rental - Living Quarters Contingency	Drill, complete and e OSTS Iss Ion arters	Quip a 2 mile horizontal 2r DRILLING COSTS \$ 61,500 118,000 865,300 228,000 37,500 64,550 255,400 180,000 19,200 153,600 112,650 112,650 161,200 75,000	COMPLETION COSTS 13,000 6,500 80,000 42,000	\$ 50,000 25,000 3,000 81,540 69,750	FACILITY COSTS	COSTS 121,500 168,500 885,300 228,000 9,500 81,540 69,750
REMARKS: INTANGIBLE C Land / Legal / Regulatory Location, Surveys & Dameg Drilling Cementing & Float Equip Loggling / Formation Evalua Flowback - Labor Flowback - Surface Rentals Flowback - Rental Living Qt Mud Loggling Mud G'Inculation System Mud & Chemicals Mud (Wastewater Disposal Freight / Transportation Rig Supervision / Engineeri Drill Bits Dr	Drill, complete and e OSTS Iss Ion arters	Quip a 2 mile horizontal 2r DRILLING COSTS \$ 61,500 118,000 865,300 228,000 37,500 64,550 255,400 180,000 19,200 153,600 112,650 112,650 161,200 75,000	COMPLETION COSTS 13,000 6,500 80,000 42,000	\$ 50,000 25,000 3,000 81,540 69,750	FACILITY COSTS	COSTS 121,500 168,500 885,300 228,000 9,500 81,540 69,750
INTANGIBLE C Land / Legal / Regulatory Location, Surveys & Damag Drilling Cementing & Float Equip Logging / Formation Evalua Flowback - Labor Flowback - Surface Rentals Flowback - Surface Flowback - Flowback - Surface Flowback - Flowback - Flowback - Surface Flowback - Fl	OSTS Ion arters	DRILLING COSTS \$ 61,500 118,000 865,300 228,000 37,500 64,550 255,400 180,000 19,200 153,600 112,650 112,650 161,200 75,000	COMPLETION COSTS 13,000 6,500 80,000 42,000	\$ 50,000 25,000 3,000 81,540 69,750	FACILITY COSTS	COSTS \$ 121,500 168,500 865,300 228,000 9,500 61,540 69,750
Land / Legal / Regulatory Location, Surveys & Damag Drilling Cementing & Float Equip Logging / Formation Evalua Flowback - Labor Flowback - Surface Rental Flowback - Rental Living Qu Mud Logging Mud Girculation System Mud & Chemicals Mud / Wastewater Disposal Freight / Transportation Rig Supervision / Engineeri Drill Bits Purchase Fuel & Power Water Drill Bits Purchase Fuel & Power Water Drill Bits Purchase Fuel & Power Water Drill Gits Group of the Power United Completion Overhea Plugging & Abandonment Directional Drilling, Surveys Completion Unit, Swab, CTT Perforating, Wireline, Slickl High Pressure Pump Truck Stimulation Stimulation Flowback & Dis Insurance Labor Rental - Surface Equipment Rental - Downhole Equipme Rental - Living Quarters Contingency	os Ion arters Ig	\$ 61,500 118,000 865,300 228,000 37,500 64,550 255,400 180,000 19,200 153,600 112,650 161,200 75,000	6,500 6,500 6,000 42,000	\$ 50,000 25,000 3,000 3,000 81,540 69,750	\$ 10,000	COSTS \$ 121,500 168,500 865,300 228,000 9,500 81,640 69,750
Land / Legal / Regulatory Location, Surveys & Damag Drilling Sementing & Float Equip Legging / Formation Evalua Flowback - Labor Flowback - Surface Rental Flowback - Rental Living Qu Mud Circulation System Mud & Chemicals Mud Girculation System Mud & Chemicals Mud Girculation System Mud & Chemicals Fleight / Transportation Rig Supervision / Engineeri Drill Bits	os Ion arters Ig	\$ 61,500 118,000 865,300 228,000 37,500 64,550 255,400 180,000 19,200 153,600 112,650 161,200 75,000	6,500 6,500 6,000 42,000	\$ 50,000 25,000 3,000 81,540 69,750	\$ 10,000	\$ 121,500 168,500 865,300 228,000 9,500 81,540 69,750
ocation, Surveys & Damag Drilling Dementing & Float Equip- Loggling / Formation Evalua- Flowback - Labor Flowback - Surface Rentals Flowback - Rental Living Qt Mud Loggling Mud Circulation System Mud & Chemicals Mud I Wastewater Disposal- Freight / Transportation Rig Supervision / Engineeri Drill Bits Surveyt Completion Drilling, Surveyt Completion Unit, Swab, CTI Perforating, Wireline, Silchi Bits Bits Bits Bits Bits Bits Bits Bit	arters	118,000 865,300 228,000 37,500 64,550 255,400 180,000 19,200 153,600 112,650 161,200 75,000	6,500 80,000 42,000	3,000 81,540 69,750		168,500 865,300 228,000 9,500 81,540 69,750
Jrilling Cementing & Float Equip Cegning / Formation Evalua Flowback - Labor Flowback - Surface Rentals Flowback - Rental Living Qu Mud Circulation System Mud & Chemicals Mud (Mastewater Disposal Freight / Transportation Filing Supervision / Engineerio Filing Supervision Filing Supervisio	arters	865,300 228,000 37,560 64,550 255,400 180,000 19,200 153,600 112,650	6,500 80,000 42,000	3,000 81,540 69,750		865,300 226,000 9,500 81,640 69,750
Cementing & Float Equip Logging / Formation Evalua Flowback - Labor Flowback - Surface Rentals Mud Cogging Mud Circulation System Mud & Chemicals Mud & Chemicals Mud & Chemicals Mud & Pastewater Disposal Freight / Transportation Rig Supervision / Engineeri Drill Bits Drill Bit Purchase Fuel & Power Water Water Fuel & Power Water Stimulation Overhea Stimulation Drilling, Surveye Completion Unil, Swab, CTI Perforating, Wireline, Silchi High Pressure Pump Truck Stimulation Flowback & Dis Insurance Labor Rental - Surface Equipment Rental - Living Quarters Contingency	arters g	37,500 64,550 255,400 180,000 19,200 153,600 112,850 	80,000 42,000	81,540 69,750		9,500 81,540 69,750
Flowback - Labor Flowback - Surface Rentals Flowback - Surface Rentals Flowback - Rental Living Qt Mud Logging Mud Circulation System Mud & Chemicals Mud I Wastewater Disposal Freight / Transportation Rig Supervision / Engineeri Drill Bits Dr	arters g	64,550 255,400 180,000 19,200 153,600 112,650 161,200 75,000	80,000 42,000	81,540 69,750		81,540 69,750
Flowback - Surface Rentals Flowback - Rental Living Qt Mud Logging Mud Chrculation System Mud & Chemicals Freight / Transportation Pill Bits Drill Bit Purchase Fuel & Power Water Porty & Completion Overhea Plugging & Abandonment Directional Drilling, Surveye Completion Unil, Swab, CTI Perforating, Wireline, Silchi High Pressure Pump Truck Stimulation Flowback & Dis Insurance Labor Rental - Surface Equipment Rental - Downhole Equipme Rental - Living Quarters Contingency	ng d	64,550 255,400 180,000 19,200 153,600 112,650 161,200 75,000	42,000	69,750		69,750
Flowback - Rental Living Quidud Logging Mud Corculation System Mud & Chemicals Mud & Chemicals Mud & Chemicals Flow Flow Flow Flow Flow Flow Flow Flow	ng d	64,550 255,400 180,000 19,200 153,600 112,650 161,200 75,000	42,000			-
Mud Logging Mud Circulation System Mud & Chemicals Mud (Wastewater Disposal Freight / Transportation Rig Supervision / Engineeri Drill Bits Drill Bits Drill Bit Purchase Fuel & Power Water Drilg & Completion Overhea Plugging & Abandonment Directional Drilling, Surveys Completion Unit, Swab, CTV Perforating, Wireline, Silckl High Pressure Pump Truck Stimulation Stimulation Flowback & Dis Insurance Labor Rental - Surface Equipment Rental - Downhole Equipme Rental - Downhole Equipme Rental - Living Quarters Contingency	ng d	64,550 255,400 180,000 19,200 153,600 112,650 161,200 75,000	42,000	6,000		
Mud & Chemicals Mud / Wastewater Disposal Freight / Transportation Rig Supervision / Engineeri Drill Bits Drill Bits Drill Bit Purchase Fuel & Power Water Drig & Completion Overhea Plugging & Abandonment Directional Drilling, Survey Completion Unil, Swab, CTP perforating, Wireline, Silckl High Pressure Pump Truck Stimulation Stimulation Flowback & Dis Insurance Labor Rental - Surface Equipment Rental - Downhole Equipment Rental - Downhole Equipment Rental - Living Quarters Contingency	d Inne	255,400 180,000 19,200 153,600 112,650 161,200 75,000	42,000	6,000		37,500
Mud / Wastewater Disposal Freight / Transportation Rig Supervision / Engineerin Drill Bits Drill Bi	d Inne	180,000 19,200 153,600 112,650 - 161,200 75,000	42,000	6,000		64,550
Freight / Transportation Rig Supervision / Engineeri Prill Bits Drill Bit Purchase Fuel & Power Water Orig & Completion Overhea Plugging & Abandonment Directional Drilling, Surveyt Completion Unil, Swab, CTI Perforating, Wireline, Slickl High Pressure Pump Truck Stimulation Stimulation Flowback & Dis Insurance Labor Rental - Surface Equipment Rental - Downhole Equipme Rental - Living Quarters Contingency Contingency Contingency	d Inne	19,200 153,600 112,650 161,200 75,000			1,000	341,400 181,000
Rig Supervision / Engineerio Drill Bits Drill Bits Purchase Fuel & Power Water Drig & Completion Overhea Plugging & Abandonment Directional Drilling, Surveys Completion Unit, Swab, CTV Perforating, Wireline, Silcklidigh Pressure Pump Truck Stimulation Stimulation Flowback & Dis Insurance Labor Rental - Surface Equipment Rental - Downhole Equipment Rental - Downhole Equipment Rental - Living Quarters Contingency	d Inne	153,600 112,650 161,200 75,000			1,000	61,200
Drill Bits Drill Bit Purchase Fuel & Power Water Water Plugging & Abandonment Directional Drilling, Surveys Completion Unit, Swab, CTV Perforating, Wireline, Slickl High Pressure Pump Truck Stimulation Flowback & Dis Insurance Labor Rental - Surface Equipment Rental - Downhole Equipment Rental - Living Quarters Contingency	d Inne	161.200 75,000		16,500	10,800	300,300
Fuel & Power Water Water Water Plugging & Abandonment Directional Drilling, Surveye Completion Unit, Swab, CTI Perforating, Wireline, Silckl High Pressure Pump Truck Stimulation Stimulation Flowback & Dis Insurance Labor Rental - Surface Equipment Rental - Downhole Equipment Rental - Living Quarters Contingency	ne	75,000				112,650
Water Plugging & Abandonment Directional Drilling, Surveys Completion Unit, Swab, CTV Perforating, Wireline, Slickl High Pressure Pump Truck Stimulation Flowback & Dis Insurance Labor Rental - Surface Equipment Rental - Downhole Equipment Rental - Living Quarters Contingency Contingency Contingency Contingency Contingency	ne	75,000				404.000
Orig & Completion Overhea Plugging & Abandonment Directional Drilling, Surveyo Completion Unit, Swab, CTP Perforating, Wireline, Silcki High Pressure Pump Truck Stimulation Stimulation Flowback & Dis Insurance Labor Rental - Surface Equipment Rental - Downhole Equipment Rental - Living Quarters Contingency	ne		851,000	2.000	1,000	161,200 929,000
Plugging & Abandonment Directional Drilling, Surveys Completion Unit, Swab, CTI Perforating, Wireline, Silcki High Pressure Pump Truck Stimulation Flowback & Dis nsurance Labor Rental - Surface Equipment Rental - Living Quarters Contingency Contingency Contingency Contingency Surveys Rental - Living Quarters Contingency	ne	THOMAS.	27,000	2,000	1,000	41,500
Directional Drilling, Surveys Completion Unit, Swab, CTV Perforating, Wireline, Slicklitigh Pressure Pump Truck Stimulation Flowback & Disinsurance Labor Rental - Surface Equipment Rental - Downhole Equipment Rental - Living Quarters Contingency Contingency	ne		21,000			
Completion Unit, Swab, CTV Perforating, Wireline, Silcki High Pressure Pump Truck Stimulation Stimulation Flowback & Dis Insurance Labor Rental - Surface Equipment Rental - Downhole Equipme Rental - Living Ouarters Contingency	ne	302,000	Name and Advanced			302,000
High Pressure Pump Truck Stimulation Stimulation Flowback & Dis Insurance Labor Rental - Surface Equipment Rental - Downhole Equipme Rental - Living Quarters Contingency			180,000	20,000		200,000
Stimulation Stimulation Flowback & Dis Insurance Labor Rental - Surface Equipment Rental - Downhole Equipme Rental - Living Quarters Contingency	•		298,500	6,000		298,500 102,800
Stimulation Flowback & Dis Insurance Labor Rental - Surface Equipment Rental - Downhole Equipme Rental - Living Quarters Contingency	•		96,800 3,025,000	0,000		3.025,000
Insurance Labor Rental - Surface Equipment Rental - Downhole Equipme Rental - Living Quarters Contingency		-	12,400	338,000		350,400
Labor Rental - Surface Equipment Rental - Downhole Equipme Rental - Living Quarters Contingency		29,553				29,550
Rental - Downhole Equipme Rental - Living Quarters Contingency		165,500	38,250	15,000	5,000	223,750
Rental - Living Quarters Contingency		82,650 149,900	326,650 97,500	10,000	5,000	424,300 250,400
Contingency	AY.	58,600	50,080	- 3,000	5,000	113,680
		156,179	223,908	64,579	5.030	449,696
		33,325				33,325
	TOTAL INTANGIBLES		5,487,988	710,369	55,330	9,577,79
and the second second		DRILLING	COMPLETION	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
TANGIBLE C Surface Casing	3818	COSTS \$ 44,950	COSTS	\$	5	\$ 44,950
Intermediate Casing		164,550	-			164,550
Drilling Liner						
Production Casing		510,188				510.188
Production Liner		685				65,000
Tubing		65,000		65,000 45,000		110,000
Wellhead Packers, Liner Hangers		- 00,000	118,200	6,000		124,200
Tanks				•	34,450	34,450
Production Vessels					116,944	116,944
Flow Lines		(8).			120,000	120,000
Rod string Artificial Lift Equipment				20,000		20,000
Compressor		(6)			12,500	12,500
Installation Costs				-	48,000	48,000
Surface Pumps				5,000	6,875	11,87
Non-controllable Surface				 	2,000	2,000
Non-controllable Downhole						
Downhole Pumps Measurement & Meter Insti	lation			10,000	24,500	34,50
Gas Conditioning / Dehydra					-	
Interconnecting Facility Pip				· ·	25,000	25,000
Gathering / Bulk Lines						
Valves, Dumps, Controllers Tank / Facility Containment				- :	5,625	5,62
Flare Stack				-	5,000	5,00
Electrical / Grounding		-		2,000	8,000	10,000
Communications / SCADA				4,000	1,250	5,25
Instrumentation / Safety	TOTAL TANCE:	704400	449.000	457.000	46,375 456,519	1,516,40
	TOTAL TANGIBLES		118,200 5,606,188	157,000 867,369	511,849	11,094,20
	TOTAL COST	\$> 4,108,794	081,000,0	007,309	511,649	11,034,20
PARED BY MATADOR	PRODUCTION COMP	ANY:				
Driffing Engineer	James Long	Team Lead - WTX/t	W WTF			
Drilling Enginee Completions Enginee		ream Lead - VELAN	WIF			
Production Enginee						
Production Enginee	, 021 900 953					
TADOR RESOURCES CO	MPANY APPROVAL	:				
TADOR RESOURCES OF	ANT ALT NOTAL	-23 A 41 A	4.1			
		Exec VP - Res Engineer	ing	E	Exec VP & COO - Land & I	Legal
Exec VP & CF			BMR			
	DEL	Senior VP - Geoscier	NLF NLF		Exec VP & COO - Opera	ations
Exec_VP & CF	DEL		INCF			359
	DEL					
Preside	MVH DEL					
Preside	NVH R APPROVAL:				_	w ID:
Preside	NVH R APPROVAL:		Working Interest (%):		Ta	ax ID:
Preside N OPERATING PARTNE Company Nam	DEL MVH R APPROVAL:	y	Working Interest (%):	-	Та	ax ID:
Preside	DEL MVH R APPROVAL:	9			Ti	ax ID:

			371-5200 • Fax (972) 371-5 ND AUTHORIZATION FOR			
DATE: Oc	ctober 22, 2019	20 THEREE OF COOTS A	NOTHER HON FOR		AFE NO.:	
	na Cortell Fed Com #	203H			FIELD:	
_	ections 3&10-22S-32E				MD/TVD:	22,350'/12,200'
	a, NM			LA	TERAL LENGTH:	9,700'
MRC WI:	alfanan A					
	olfcamp A	in a 2 mila harizantal W	Volfcamp A well with ap	provimetaly 64 stages		
REMARKS: Dr	ili, complete and add	ip a 2 mile nonzoniai v	volicatilp A wen with ap	proximately 04 stages		
Historia a see	70	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL
INTANGIBLE COS Land / Legal / Regulatory	\$	92,500	\$	\$ 50,000	\$ 10,000	\$ 152,500
Location, Surveys & Damages		110,500 997,150	13,000	25,000	12,500	161,000 997,150
Orilling Cementing & Float Equip		293,000				293,000
Logging / Formation Evaluation		-	6,500	3,000		9,500
Flowback - Labor				81,540 69,750		81,540 69,750
Flowback - Surface Rentals Flowback - Rental Living Quarte	ars			00,100		
Mud Logging		38,400				38,400 94,240
Mud Circulation System Mud & Chemicals		94,240 163,200	80,000	6,000		249,200
Mud / Wastewater Disposal		195,000	•		1,000	196,000
Freight / Transportation		26,400	46,500	46 500	10.000	72,900 349,500
Rig Supervision / Engineering Drill Bits		192,000 123,200	130,200	16,500	10,800	123,200
Drill Bit Purchese						
Fuel & Power		190,800	1.012.000	2,000	1,000	190,800
Water Drig & Completion Overhead		60,000 18,000	1,013,000	2,000	1,000	48,000
Plugging & Abandonment						
Directional Drilling, Surveys		322,000	150,000	20,000		322,000 170,000
Completion Unit, Swab, CTU Perforating, Wireline, Slickline		741	411,000	20,000		411,000
High Pressure Pump Truck			110,000	6,000	-	116,000
Stimulation			3,072,000 12,400	338,000		3,072,000
Stimulation Flowback & Disp Insurance		37.290	12,400	330,000		37,290
Labor		193,000	38,250	15,000	5,000	251,250
Rental - Surface Equipment		113,400 128,600	353,050 117,500	3,000	5,000_	481,450 249,300
Rental - Downhole Equipment Rental - Living Quarters		72,200	54,775	3,000	5,000	131,975
Contingency		208.237	256,618	64,579	5,030	534,463
MaxCom		38.700	(4)447	946 866	55,330	38,700 10,368,508
Т-	OTAL INTANGIBLES >	3,708,017 DRILLING	5,894,793 COMPLETION	710,369 PRODUCTION	50,330	TOTAL
TANGIBLE COST	rs	COSTS	COSTS	COSTS	FACILITY COSTS	COSTS \$ 44,950
Surface Casing Intermediate Casing	\$	44,950 184,550	<u> </u>	*	3	164,550
Drilling Liner		464,273				464,273
Production Casing		539,638				539,638
Production Liner Tubing		100,000		74.750		174,750
Wellhead				45.000		45,000
Packers, Liner Hangers			134,400	6,000	34,450	140,400 34,450
Tanks Production Vessels					116,944	116,944
Flow Lines					120,000	120,000
Rod string		17		20,000		20,000
Artificial Lift Equipment Compressor				20,000	12,500	12,500
Installation Costs		•			48,000	48,000
Surface Pumps		•		5,000	6,875	11,875
Non-controllable Surface Non-controllable Downhole				*:	2,000	2,000
Downhole Pumps						
Measurement & Meter Installat				10,000	24,500	34,500
Gas Conditioning / Dehydration Interconnecting Facility Piping					25,000	25,000
Gathering / Bulk Lines					•	-
Valves, Dumps, Controllers				- K.	5,625	5,625
Tank / Facility Containment Flare Stack					5,000	5,000
Electrical / Grounding				2,000	8,000	10,000
Communications / SCADA				4,000	1,250 46,375	5,250 46,375
Instrumentation / Safety	TOTAL TANGIBLES >	1,313,411	134,400	166,750	456,519	2,071,079
	TOTAL COSTS >		6,029,193	877,119	511,849	12,439,586
EPARED BY MATADOR PRO	ODLICTION COMPAN	IV-				
Drilling Engineer:	James Long	Team Lead - WTX				
Completions Engineer:	Garrell Hunt Jan Mosnes		WTE			
Production Engineer:	Jan Mostes					
FADOR RESOURCES COM	PANY APPROVAL:					
Exec VP & CFO		Exec. VP - Res Enginee		E	Exec. VP & COO - Land & Le	egal
	DEL		BMR			CNA
President		Senior VP - Geoscie			Exec VP & COO - Operat	ions
	MVH		NLF			956
N OPERATING PARTNER A	PPROVAL:					
Company Name:			Working Interest (%):		Tax	(ID:
S E		SAL				
Signed by: _	_		Date:			
						No (mark one)

MRC Permian Company

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

Robert Helbing Landman

October 9, 2020

VIA CERTIFIED RETURN RECEIPT MAIL

Marathon Oil Permian LLC 5555 San Felipe St. Houston, TX 77056

Ret

Nina Cortell Fed Com #114H, #128H, #134H, and #204H (the "Wells") Participation Proposal

Sections 3&10, Township 22 South, Range 32 East

Lea County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of the following Matador Production Company's Nina Cortell Fed Com #114H, #128H, #134H, and #204H (the "Wells"), located in Sections 3 & 10, Township 22 South, Range 32 East, Lea County, New Mexico.

In connection with the above, please note the following:

The estimated cost of drilling, testing, completing, and equipping of each Well is itemized on the four (4) enclosed Authority for Expenditures ("AFE"), all dated October 9, 2020.

- Nina Cortell #114H: to be drilled from a legal location with a proposed surface hole location in the NE/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SE/4SE/4 of Section 10-22S-32E. The Well will have a targeted interval within the First Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,050' TVD) to a Measured Depth of approximately 20,250'.
- Nina Cortell #128H: to be drilled from a legal location with a proposed surface hole location in the NE/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SE/4SE/4 of Section 10-22S-32E. The Well will have a targeted interval within the Second Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,850' TVD) to a Measured Depth of approximately 21,114'.
- Nina Cortell #134H: to be drilled from a legal location with a proposed surface hole location in the NE/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SE/4SE/4 of Section 10-22S-32E. The Well will have a targeted interval within the Third Bone Spring formation and will be drilled horizontally in the Bone Spring (~11,900' TVD) to a Measured Depth of approximately 22,067'.
- Nina Cortell #204H: to be drilled from a legal location with a proposed surface hole location in the NE/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SE/4SE/4 of Section 10-22S-32E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~12,200° TVD) to a Measured Depth of approximately 22,350°.

Marathon Oil Permian LLC will own an approximate 0.01248526 working interest in the Well, subject to title verification.

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.

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

Robert Helburg by &

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

Marathon Oil Permian LLC hereby elects to: Not to participate in the Nina Cortell #114H. Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Nina Cortell #114H well Not to participate in the Nina Cortell #128H. Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Nina Cortell #128H well. Not to participate in the Nina Cortell #134H. Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Nina Cortell #134H well. Not to participate in the Nina Cortell #204H. Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Nina Cortell #204H well. Marathon Oil Permian LLC Date: Contact Number: ___

Email Address: ___

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

	A CONTRACTOR OF THE CONTRACTOR	ESTIMATE OF COSTS AN	D AUTHORIZATION FOR E	APENDITURE	AEE NO	
-	October 9, 2020	14.411			AFE NO.: FIELD:	
	lina Cortell Fed Com #1 Sections 3&10-22S-32E	114H			MD/TVD:	20,250'/10,050'
_	ea, NM			LAT	ERAL LENGTH:	9,800
DUNTY/STATE: L RC WI:	.ca, INIVI				-	
-	st Bone Spring Sand					
EMARKS:		a 2 mile horizontal 1st	Bone Spring Sand well	with approximately 50	stages	
				- The Control of the		TOTAL
INTANGIBLE CO	272	DRILLING COSTS	COMPLETION	PRODUCTION	FACILITY COSTS	COSTS
and / Legal / Regulatory	\$_	61,500	5	25,000	\$ 10,000	\$ 96,500
ocation, Surveys & Damages		118,000 679,900	13,000	25,000	16,687	172,667 670,900
rilling ementing & Float Equip	-	183,000			-	183,000
ogging / Formation Evaluatio	n		3,500	3,000		6,500
owback - Labor owback - Surface Rentals	(i			3,840 71,750		3,840 71,750
owback - Surface Rentals owback - Rental Living Quar	ters -					-
ud Logging	2	37,500				37,500 45,300
ud Circulation System ud & Chemicals	52	45,300 255,400	49,000	6,000		310,400
ud / Wastewater Disposal	-	140,000			1,000	141,000
eight / Transportation		12,800	25,700	7,200	14,400	39,500 215,000
g Supervision / Engineering	:: -	91,000 91,400	102,400	7,200	14,400	91,400
rill Bits rill Bit Purchase	-	471348				
iel & Power	62	98,000	8,500	0.000	1,000	105,500 816,750
later) =	75,000 11,500	738,750	2,000	1,000	11,500
rig & Completion Overhead lugging & Abandonment	-	11,000				-
irectional Drilling, Surveys	1-	192,125		40.000		192,125 145,000
ompletion Unit, Swab, CTU			130,000	16,000		173,000
erforating, Wireline, Slickline ligh Pressure Pump Truck			67,500	6,000	•	73,500
timulation			1,909,400	260 000		1,909,400 275,500
timulation Flowback & Disp		30,375	15,500	260,000		30,375
surance abor	-	_ 14 - 97,500	61,000	15,000	5,000	178,500
ental - Surface Equipment		43,240	284,105	10,000	5,000	342,345
ental - Downhole Equipment		106,000	86,000 43,295	_3,000	5,000	195,000 76,595
ental - Living Quarters ontingency		193,805	180,225	45,379	5,807	425,216
axCom		24,725				24,725
	TOTAL INTANGIBLES >	2,616,370	3,891,875	499,169 PRODUCTION	63,873	7,071,288 TOTAL
TANGIBLE COS	STS	COSTS	COMPLETION	COSTS	FACILITY COSTS	COSTS
urface Casing	\$	44,950	\$	\$	5	\$ 44,950
ntermediate Casing		210,100				210,100
rilling Liner roduction Casing		430,125				430,125
roduction Liner						73,500
ubing		65,000		73,500 25,000		90,000
Vellhead Vackers, Liner Hangers		60,000	69,600	5,000		74,600
anks					29,900	29,900
roduction Vessels					122,432	120,000
low Lines Rod string				-	- Section	
rtificial Lift Equipment		- 4		20,000	42 500	20,000
ompressor		-			42,500 104,000	104,000
nstallation Costs ourface Pumps	9			5,000	17,333	22,333
ion-controllable Surface	9	2			2,000	2,000
ion-controllable Downhole						
Downhole Pumps Measurement & Meter Install:	ation			10,000	32,667	42,667
Gas Conditioning / Dehydration	on				41,667	41,667
nterconnecting Facility Pipin	g			-	41,667	41,667
Sathering / Bulk Lines /alves, Dumps, Controllers	É			2,000		2,000
Tank / Facility Containment	i i	2,46			7,500	7,500
lare Stack				2,000	13,333	21,000
Electrical / Grounding Communications / SCADA				5,000	1,667	6,667
nstrumentation / Safety					49,500	49,500
	TOTAL TANGIBLES >	750,175	69,600	147,500	603,498	1,570,773 8,642,06
	TOTAL COSTS >	3,366,545	3,961,475	646,669	667,372	0,042,00
PARED BY MATADOR PE	RODUCTION COMPAN	Y:				
			NIM P. TTE			
Drilling Engineer:	Blake Hermes	Team Lead - WTX/	NM WIE			
Completions Engineer: Production Engineer:	Garrell Hum Jan Mosnes		****			
Froduction Engineer:	Water State and Appen					
ADOR RESOURCES COL	MPANY APPROVAL:					
		Exec VP - Res Engineer	ring	F	exec. VP & COO - Land &	Legal
Exec VP & CFO	DEL	Exec VP - Res Engineer	BMR		CACO TI G G G G Lane G	CNA
President		Senior VP - Geoscia			Exec VP & COO - Open	ations
	MVH		NLF			BEG
SO HIND CONTROL						
OPERATING PARTNER	APPROVAL:					
Company Name:			Working Interest (%):		T	ax ID:
Signed by:			Date:			

Title: Approval: Yes No (mark one)

Title: Approval: See No (mark one)

come to any delay a evange are

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

Phone (972) 371-5200 - Fax (972) 371-5201

DATE:	October 9, 2020		AUTHORIZATION FOR E		AFE NO.:	
VELL NAME:	Nina Cortell Fed Com #1	28H			FIELD:	
OCATION:	Sections 3&10-22S-32E	2011			MD/TVD:	21,114'/10,850'
OUNTY/STATE:	Lea, NM			LAT	ERAL LENGTH:	9,800
IRC WI:						
SEOLOGIC TARGET:	2nd Bone Spring Sand					
EMARKS:	Drill, complete and equip	a 2 mile horizontal 2nd	Bone Spring Sand well	with approximately 50	stages	
		DRILLING	COMPLETION	PRODUCTION		TOTAL
INTANGIBLE	COSTS	COSTS	COSTS	COSTS	FACILITY COSTS	COSTS
and / Legal / Regulatory	\$_	61,500 \$		\$ 25,000	\$ 10,000	\$ 96,500
ocation, Surveys & Damaç rilling	ges	118,000 692,650	13,000	25,000	16,667	172,667 692,650
ementing & Float Equip	-	183,000				183,000
ogging / Formation Evalua	ation		3,500	3,000		6,500
lowback - Labor lowback - Surface Rentals	-			3,840 71,750		3,840 71,750
lowback - Rental Living Q				11,700		
lud Logging	3	37,500				37,500
ud Circulation System ud & Chemicals	+	45,938 255,400	49,000	6,000		45,938 310,400
lud / Wastewater Disposal	i	140,000	10,000	- 0,000	1,000	141,000
reight / Transportation	1	12,800	26,700			39,500
ig Supervision / Engineer rill Bits	ing -	92,625 73,400	102,400	7,200	14,400	216,625 73,400
rill Bit Purchase	<u>-</u>	10,400				
uel & Power	_	99,750	8,500			108,250
/ater	ad ==	75,000 11,750	738,750	2,000	1,000	816,750 11,750
rlg & Completion Overhea lugging & Abandonment	_	11,100				
irectional Drilling, Survey		199,469				199,469
ompletion Unit, Swab, CT erforating, Wireline, Slick			130,000 173,000	16,000		146,000 173,000
ligh Pressure Pump Truck			67,500	6,000	-	73,500
timulation	9		1,959,400			1,959,400
timulation Flowback & Di	sp _	31,671	15,500	260,000		275,500 31,671
nsurance abor	7	97,500	61,000	15,000	5,000	178,500
tental - Surface Equipmen		44,180	284,105	10,000	5,000	343,285
tental - Downhole Equipm	ent -	72,000 28,598	86,000 43,295	3,000	5,000	161,000 76,883
tental - Living Quarters Contingency	-	119,899	180,225	45,379	5,807	351,310
faxCom		25,263				25,263
	TOTAL INTANGIBLES >	2,517,882	3,941,875	499,169	63,873	7,022,799
TANGIBLE (20276	DRILLING	COMPLETION	PRODUCTION	FACILITY COSTS	TOTAL COSTS
iurface Casing	\$		5	\$	\$	\$ 44,950
ntermediate Casing		227,300				227,300
Prilling Liner Production Casing	-	447,837				447,837
						117,001
Production Liner Tubing	2			75,000		75,000
Production Liner Tubing Vellhead	3	85,000	69,600	25,000		90,000
Production Liner Pubing Vellhead Packers, Liner Hangers			69,600		29,900	
Production Liner Publing Vellhead Packers, Liner Hangers Production Vessels	2 2 2		69,600	25,000	122,432	90,000 74,600 29,900 122,432
Production Liner Publing Vellhead Packers, Liner Hangers Panks Production Vessels Flow Lines			69,600	25,000		90,000 74,600 29,900
roduction Liner ubing Vellhead ackers, Liner Hangers anks roduction Vessels low Lines tod string			69,600	25,000	122,432	90,000 74,600 29,900 122,432
Production Liner Lubing Vellhead Vellhead Vellher Vellhead Fackers, Liner Hangers Fanks Froduction Vessels Flow Lines Kod string Artificial Lift Equipment	2 2 3 3 3 3 3 3		69,600	25,000	122,432 120,000 42,500	90,000 74,600 29,900 122,432 120,000
roduction Liner ubing Vellhead ackers, Liner Hangers anks rroduction Vessels iow Lines tod string vrifficial Lift Equipment enstallation Costs		85,000	69,600	25,000	122,432 120,000 42,500 104,000	90,000 74,600 29,900 122,432 120,000 20,000 42,500
roduction Liner ubing Velilhaad vackers, Liner Hangers anks roduction Vessels low Lines dod string vrifficial Lift Equipment compressor natallation Costs burface Pumps		85,000	69,600	25,000	122,432 120,000 42,500	90,000 74,600 29,900 122,432 120,000
Production Liner vibility and the second sec	e	85,000	69,600	25,000 5,000 - - 20,000 - 5,000	122,432 120,000 42,500 104,000 17,333	90,000 74,600 29,900 122,432 120,000 20,000 42,500 104,000 22,333 2,000
roduction Liner ubing Velilhead rackers, Liner Hangers anks roduction Vessels low Lines kod string vrifficial Lift Equipment compressor nstallation Costs surface Pumps lon-controllable Downhol bownhole Pumps	74775E	85,000	69,600	25,000 5,000	122,432 120,000 42,500 104,000 17,333 2,000	90,000 74,600 29,900 122,432 120,000 42,500 104,000 22,333 2,000
roduction Liner ubing Velilhead lackers, Liner Hangers anks roduction Vessels flow Lines tod string vrifficial Lift Equipment compressor nstallation Costs jurface Pumps ion-controllable Surface ion-controllable Downhol Downhole Pumps deasurement & Meter Inst deasurement & Meter Inst	allation	85,000	69,600	25,000 5,000 - - 20,000 - 5,000	122,432 120,000 42,500 104,000 17,333	90,000 74,600 29,900 122,432 120,000 20,000 42,500 104,000 22,333 2,000
roduction Liner ubing Velilhaad Packers, Liner Hangers anks Troduction Vessels Iow Lines Rod string Verificial Lift Equipment Compressor Installation Costs Surface Pumps Ion-controllable Downhol Downhole Pumps Reasurement & Meter Inst Seas Conditioning / Dehydr Interconnecting Facility Pi	allation ration	85,000	69,600	25,000 5,000	122,432 120,000 42,500 104,000 17,333 2,000	90,000 74,600 29,900 122,432 120,000 20,000 42,500 104,000 22,333 2,000 42,667
roduction Liner ubing Joilhead ackers, Liner Hangers anks roduction Vessels low Lines od string rifficial Lift Equipment ompressor installation Costs urface Pumps fon-controllable Surface lon-controllable Downhol ownhole Pumps feasurement & Meter Inst as Conditioning / Dehydriterconnecting Facility Pi stathering / Bulk Lines	allation ration ping	85,000	69,600	25,000 5,000	122,432 120,000 42,500 104,000 17,333 2,000 32,667 	90,000 74,600 29,900 122,432 120,000 20,000 42,500 104,000 22,333 2,000 42,667
roduction Liner ubing leilihead ackers, Liner Hangers anks roduction Vessels low Lines tod string urifficial Lift Equipment compressor rostallation Costs surface Pumps lon-controllable Downhol bownhole Pumps deasurement & Meter Inst ass Conditioning / Dehydr interconnecting Facility Pi Sathering / Bulk Lines (alves, Dumps, Controllers)	allation ation ping	85,000	69,600	25,000 5,000	122,432 120,000 42,500 104,000 17,333 2,000	90,000 74,600 29,900 122,432 120,000 20,000 42,500 104,000 22,333 2,000 42,667
roduction Liner ubbing lefthead ackers, Liner Hangers anks roduction Vessels low Lines oot string rifficial Lift Equipment ompressor installation Costs urface Pumps lon-controllable Downhol lownhole Pumps deasurement & Meter Inst Sas Conditioning / Dehydriterconnecting Facility Pisthering / Bulk Lines (alves, Dumps, Controller ank / Facility Containmen larer Stack	allation ation ping	85,000	69,600	25,000 5,000 	122,432 120,000 42,500 104,000 17,333 2,000 32,667 41,667 7,500	90,000 74,600 29,900 122,432 120,000 42,500 104,000 22,333 2,000 41,667 41,667
roduction Liner ubing letilinead ackers, Liner Hangers anks roduction Vessels low Lines tod string rifficial Lift Equipment compressor restallation Costs furface Pumps lon-controllable Surface lon-controllable Downhol bownhole Pumps feasurement & Meter Inst ass Conditioning / Dehyd neterconnecting Facility Pi sathering / Bulk Lines (alves, Dumps, Controller ank / Facility Containmen lare Stack electrical / Grounding	allation ation ping s	85,000	69,600	25,000 5,000 	122,432 120,000 42,500 104,000 17,333 2,000 32,667 	90,000 74,600 29,900 122,432 120,000 20,000 42,500 104,000 22,333 2,000
roduction Liner ubbing belihead ackers, Liner Hangers anks roduction Vessels low Lines too string rufficial Lift Equipment compressor installation Costs jurface Pumps (lon-controllable Downhol Downhol Pumps feasurement & Meter Installation Cost lon-controllable Downhol ownhole Pumps feasurement & Meter Installation Facility Pisathering / Bulk Lines falves, Dumps, Controller ank / Facility Containment lare Stack	allation ation ping s	85,000	69,600	25,000 5,000 	122,432 120,000 42,500 104,000 17,333 2,000 32,667 41,667 7,500	90,000 74,600 29,900 122,432 120,000 42,500 104,000 22,333 2,000 42,667 41,667
roduction Liner ubbing belihead ackers, Liner Hangers anks roduction Vessels low Lines too string rufficial Lift Equipment compressor installation Costs jurface Pumps (lon-controllable Downhol Downhol Pumps feasurement & Meter Installation Cost lon-controllable Downhol ownhole Pumps feasurement & Meter Installation Facility Pisathering / Bulk Lines falves, Dumps, Controller ank / Facility Containment lare Stack	allation ation ping s	85,000	69,600	25,000 5,000 	122,432 120,000 42,500 104,000 17,333 2,000 32,667 	99,000 74,600 29,900 122,432 120,000 20,000 42,500 104,000 22,333 2,000 41,667 41,667 7,500 13,333 21,000 6,667
roduction Liner ubbing belihead ackers, Liner Hangers anks roduction Vessels low Lines tood string rufficial Lift Equipment compressor installation Costs iurface Pumps footon-controllable Surface lon-controllable Downhol bownhole Pumps feasurement & Meter Inst ass Conditioning / Dehydri herconnecting Facility Pi sathering / Bulk Lines falves, Dumps, Controller ank / Facility Containment lare Stack leactrical / Grounding lownmunications / SCADA	allation ation ping s	85,000		25,000 5,000 	122,432 120,000 42,500 104,000 17,333 2,000 32,667 41,667 	99,000 74,600 29,900 122,432 120,000 20,000 42,500 104,000 22,333 2,000 41,667 41,667 7,500 13,333 21,000 6,667 49,500
roduction Liner ubbling Jobins and Sackers, Liner Hangers anks roduction Vessels low Lines ood string rifficial Lift Equipment ompressor installation Costs urface Pumps lon-controllable Downhol ownhole Pumps feasurement & Meter Inst Sas Conditioning / Dehydriterconnecting Facility Pisthering / Bulk Lines (alves, Dumps, Controller lank / Facility Containmen lare Stack Communications / ScADA instrumentation / Safety	allation ration ping s s t TOTAL TANGIBLES >	786,067 3,802,969	69,600	25,000 5,000 	122,432 120,000 42,500 104,000 17,333 2,000 32,667 	90,000 74,600 29,900 122,432 120,000 20,000 42,600 104,000 22,333 2,000 42,667 41,667 7,500 13,333 21,000 6,667 49,500 1,695,185
roduction Liner ubbing beiling John March Liner Hangers anks roduction Vessels low Lines too string rofficial Lift Equipment compressor statillation Costs jurface Pumps lon-controllable Surface lon-controllable Downhol bownhole Pumps feasurement & Meter Inst Gas Conditioning / Dehydrater connecting Facility Pi sathering / Bulk Lines falves, Dumps, Controller lare Stack liectrical / Grounding Communications / ScADA instrumentation / Safety	allation ation ping s st	785,087 3,302,969	69,600 4,011,475	25,000 5,000 	122,432 120,000 42,500 104,000 17,333 2,000 32,667 	90,000 74,600 29,900 122,432 120,000 20,000 42,600 104,000 22,333 2,000 42,667 41,667 7,500 13,333 21,000 6,667 49,500 1,695,185
roduction Liner ubbling Jobins and Sackers, Liner Hangers anks roduction Vessels low Lines ood string rifficial Lift Equipment ompressor installation Costs urface Pumps lon-controllable Downhol ownhole Pumps feasurement & Meter Inst Sas Conditioning / Dehydriterconnecting Facility Pisthering / Bulk Lines (alves, Dumps, Controller lank / Facility Containmen lare Stack Communications / ScADA instrumentation / Safety	altation ration ping s at TOTAL TANGIBLES > TOTAL COSTS > PRODUCTION COMPAN' er: James Long	786,067 3,802,969	69,600 4,011,475	25,000 5,000 	122,432 120,000 42,500 104,000 17,333 2,000 32,667 	90,000 74,600 29,900 122,432 120,000 20,000 42,500 104,000 22,333 2,000 41,667 7,500 13,333 21,000 6,667 44,500
roduction Liner ubling lettless, Liner Hangers anks roduction Vessels low Lines ood string rifficial Lift Equipment ompressor installation Costs urface Pumps on-controllable Downhol lownhol Pumps deasurement & Meter Inst as Conditioning / Dehydriterconnecting Facility Pistehering / Bulk Lines (alves, Dumps, Controllable Downhol lownhol Pumps (alves, Dumps, Controller ank / Facility Containment [are Stack lectrical / Grounding lommunications / SCADA instrumentation / Safety PARED BY MATADOR	TOTAL TANGIBLES > TOTAL COSTS > PRODUCTION COMPAN er: James Long er: Garrett Hunt!	785,087 3,302,969	69,600 4,011,475	25,000 5,000 	122,432 120,000 42,500 104,000 17,333 2,000 32,667 	90,000 74,600 29,900 122,432 120,000 20,000 42,600 104,000 22,333 2,000 42,667 41,667 7,500 13,333 21,000 6,667 49,500 1,695,185
reduction Liner ubbing letthead ackers, Liner Hangers anks roduction Vessels low Lines od string rifficial Lift Equipment ompressor installation Costs urface Pumps on-controllable Downhol ownhole Pumps feasurement & Meter Institution of the Cost on-controllable Downhol ownhole Pumps feasurement & Meter Institution of the Cost on-controllable Downhol ownhole Pumps (Easurement & Meter Institution) production of Cost of the C	TOTAL TANGIBLES > TOTAL COSTS > PRODUCTION COMPAN er: James Long er: Garrett Hunt!	785,087 3,302,969	69,600 4,011,475	25,000 5,000 	122,432 120,000 42,500 104,000 17,333 2,000 32,667 	90,000 74,600 29,900 122,432 120,000 20,000 42,600 104,000 22,333 2,000 42,667 41,667 7,500 13,333 21,000 6,667 49,500 1,695,185
roduction Liner ubbing lefthead ackers, Liner Hangers anks roduction Vessels low Lines ood string rifficial Lift Equipment ompressor installation Costs urface Pumps for Controllable Downhol ownhole Pumps feasurement & Meter Installation Costs urface fon-controllable Downhol ownhole Pumps feasurement & Meter Installation Facility Pisthering / Bulk Lines (alves, Dumps, Controller ank / Facility Containment lare Stack lieutrical / Grounding Installation / Safety PARED BY MATADOR Drilling Engine Completions Engine Production Engine	TOTAL TANGIBLES > TOTAL COSTS > PRODUCTION COMPAN er: James Long er: Gaitett Hunt : er: Jam Maches	785,087 3,302,969	69,600 4,011,475	25,000 5,000 	122,432 120,000 42,500 104,000 17,333 2,000 32,667 	90,000 74,600 29,900 122,432 120,000 20,000 42,600 104,000 22,333 2,000 42,667 41,667 7,500 13,333 21,000 6,667 49,500 1,695,185
roduction Liner ubing Wellhead rackers, Liner Hangers anks roduction Vessels flow Lines too string writing and the string writing writing and the string writing	TOTAL TANGIBLES > TOTAL COSTS > PRODUCTION COMPAN' er: James Long	785,067 3,302,969 Y:	69,600 4,011,475	25,000 5,000 - 20,000 - 5,000 - 10,000 - - 2,000 5,000 147,000 646,169	122,432 120,000 42,500 104,000 17,333 2,000 32,667 	99,000 74,600 29,900 122,432 120,000 20,000 42,500 104,000 22,333 2,000 41,667 41,667 7,500 13,333 21,000 6,667 49,500 1,605,185 8,627,984
production Liner ubing Veilhead ackers, Liner Hangers anks aroduction Vessels flow Lines too string veilines and the veilines aroduction Costs surface Pumps (and the veilines) and the veilines aroduction Costs surface Pumps (and the veilines) aroduction-controllable Downhol Downhole Pumps (assurement & Meter Instance Conditioning / Dehydrinerconnecting Facility Pisathering / Bulk Lines / Sales (alves), Dumps, Controller lank / Facility Containmental for Sales (alves), Dumps, Controller lank / Facility Containmental for Sales (alves), Dumps, Controller lank / Facility Containmentation / Safety PARED BY MATADOR Drilling Engine Completions Engine Production Engine	TOTAL TANGIBLES > TOTAL COSTS > PRODUCTION COMPAN' er: James Long	785,087 3,302,969	69,600 4,011,475	25,000 5,000 - 20,000 - 5,000 - 10,000 - - 2,000 5,000 147,000 646,169	122,432 120,000 42,500 104,000 17,333 2,000 32,667 	99,000 74,600 29,900 122,432 120,000 20,000 42,500 104,000 22,333 2,000 41,667 41,667 7,500 13,333 21,000 6,667 49,500 1,605,185 8,627,984
roduction Liner ubing withing dealers, Liner Hangers anks roduction Vessels flow Lines tool string writificial Lift Equipment compressor installation Costs surface Pumps don-controllable Downhol bownhol bownhol Pumps deasurement & Meter Inst Sas Conditioning / Dehydriterconnecting Facility Piasthering / Bulk Lines (aller Stack) and provided the controllable Downhol bownhol Pumps deasurement & Meter Inst Sas Conditioning / Dehydriterconnecting Facility Piasthering / Bulk Lines (aller Stack) and provided for the controller stack / Facility Containmental are Stack Pare Stack Pare S	TOTAL TANGIBLES > TOTAL COSTS > PRODUCTION COMPAN' er: James Long	785,067 3,302,969 Y:	69,600 4,011,475 W LYTE	25,000 5,000 	122,432 120,000 42,500 104,000 17,333 2,000 32,667 	99,000 74,600 29,900 122,432 120,000 42,500 104,000 22,333 2,000 42,667 41,667 13,333 21,000 6,667 49,500 1,605,185 8,627,984
roduction Liner ubling Wellhead ackers, Liner Hangers anks roduction Vessels low Lines tood string wrifficial Lift Equipment compressor statallation Costs turface Pumps lon-controllable Downhol lownhole Pumps feasurement & Meter Inst ass Conditioning / Dehydr therconnecting Facility Pi Sathering / Bulk Lines falves, Dumps, Controller ank / Facility Containment lare Stack Bettrical / Grounding Communications / SCADA nstrumentation / Safety PARED BY MATADOR Drilling Engine Completions Engine Production Engine Production Engine	TOTAL TANGIBLES > TOTAL TANGIBLES > TOTAL COSTS > PRODUCTION COMPAN er: James Long er: Galrett Hunt er: Jam Machaes COMPANY APPROVAL:	786,087 3,302,969 Y: Team Lead - WTX/NI	69,600 4,011,475	25,000 5,000 	122,432 120,000 42,500 104,000 17,333 2,000 32,667 	99,000 74,600 29,900 122,432 120,000 20,000 42,500 104,000 22,333 2,000 42,667 41,667
reduction Liner ubbing letthead ackers, Liner Hangers anks roduction Vessels tow Lines od string rifficial Lift Equipment ompressor installation Costs urface Pumps on-controllable Downhol ownhole Pumps feasurement & Meter Institute of the Competitive Pension of the Pension of th	TOTAL TANGIBLES > TOTAL COSTS > PRODUCTION COMPANY er: James Long er: James Lon	786,087 3,302,969 Y: Team Lead - WTX/NI	69,600 4,011,475 W LYTE	25,000 5,000 	122,432 120,000 42,500 104,000 17,333 2,000 32,667 	99,000 74,600 29,900 122,432 120,000 42,500 104,000 22,333 2,000 42,667 41,667 13,333 21,000 6,667 49,500 1,605,185 8,627,984
reduction Liner ubbing letthead ackers, Liner Hangers anks roduction Vessels tow Lines od string rifficial Lift Equipment ompressor installation Costs urface Pumps on-controllable Downhol ownhole Pumps feasurement & Meter Institute of the Competitive Pension of the Pension of th	TOTAL TANGIBLES > TOTAL COSTS > PRODUCTION COMPANY er: James Long er: James Lon	786,087 3,302,969 Y: Team Lead - WTX/NI	69,600 4,011,475	25,000 5,000 	122,432 120,000 42,500 104,000 17,333 2,000 32,667 	99,000 74,600 29,900 122,432 120,000 42,500 104,000 22,333 2,000 42,667 41,667 13,333 21,000 6,667 49,500 1,605,185 8,627,984
roduction Liner ubbing elithead ackers, Liner Hangers anks roduction Vessels ow Lines od string rifficial Lift Equipment ompressor stallation Costs urface Pumps on-controllable Downhol ownhole Pumps leasurement & Meter Inst as Conditioning / Dehydraterconnecting Facility Piathering / Bulk Lines alves, Dumps, Controller ank / Facility Containmentare Stack PARED BY MATADOR Drilling Engine Completions Engine Production Engine ADOR RESOURCES C	TOTAL TANGIBLES > TOTAL COSTS > PRODUCTION COMPAN' er: James Long	785,067 785,067 3,302,969 Y: Team Lead - WTX/NI Exec VP - Res Englacerin Senior VP - Geoscience	69,600 4,011,475 W LYTE	25,000 5,000 	122,432 120,000 42,500 104,006 17,333 2,000 32,667 	99,000 74,600 29,900 122,432 120,000 20,000 42,500 104,000 22,333 2,000 7,500 13,333 21,000 6,667 49,500 1,605,185 8,627,984
Production Liner Fubling Neulinead Packers, Liner Hangers Fanks Production Vessels Production Vessels Production Vessels Production Vessels Production Vessels Production Vessels Production State Production Costs Surface Pumps Production Costs Surface Pumps Production Engine Production Engine Production Presides NOPERATING PARTING	TOTAL TANGIBLES > TOTAL COSTS > PRODUCTION COMPANY er: James Leng er: Galreit Hunit er: Jam Masses COMPANY APPROVAL: DEL ent MVH ER APPROVAL:	785,067 785,067 3,302,969 Y: Team Lead - WTX/NI Exec VP - Res Englacerin Senior VP - Geoscience	69,600 4,011,475 M	25,000 5,000 	122,432 120,000 42,500 104,006 17,333 2,000 32,667 	99,000 74,600 29,900 122,432 120,000 20,000 42,500 104,000 22,333 2,000 42,667 7,500 13,333 21,000 6,667 49,500 1,605,185 8,627,984

The counts of the ACL are a stronger on the following that is interested as intering and the property and the country and the following and the property and the following the property and the following the property and the following the fol

ONE LINCOLN CENTRE - \$400 LBJ FREEWAY - SUITE 1500 - DALLAS, TEXAS 75240
Phone (972) 371-5200 - Fax (972) 371-5201

COUNTY STATE: Log County Log County			ESTIMATE OF COSTS AND	AUTHORIZATION FOR			
COCATION: Section: \$3.0025-378* Section: \$3.0025-388* Section: \$3.0025	DATE:	October 9, 2020				AFE NO.:	
COUNTYSTEE 1908 1909			34H			FIELD:	
Mac Wilson Security Securit	LOCATION:	Sections 3&10-22S-32E				MD/TVD:	22,067'/11,900'
Marchael	COUNTY/STATE:	Lea, NM			LAT	ERAL LENGTH:	9,800
	MRC WI:						
NY ACRES COMPLETON COMPL				3 O		atanan	
INTAIGEBLE COBTS	REMARKS:	Drill, complete and equip	a 2 mile horizontal 3rd l	Bone Spring Sand well	with approximately 50	stages	
INTAIGEBLE COBTS			DRILLING	COMPLETION	PRODUCTION		TOTAL
Land Lings Properties (1998) Land Lings Properties (1998) Land Lings Properties (1998) Land Lings Properties (1998) Land Lings (1998) Land Li	INTANGIBLE	COSTS				FACILITY COSTS	COSTS
Total Content			61,500				\$ 96,500
Carestring & Float Sept 185 000 300		ges		13,000	25,000	16,667	172,667 756,400
Segretary September Sept		=					183,000
Tripolack - June Tripolack - Burles Tripolack		ation		3,500			6,500
Production Product P		2					3,840
Med Cogning					71,750		71,750
Marker Control Contr		uarters	-37.500				37,500
Mule & Christicitics				0.000			49,125
Property Transportation 12,000 20,000 14,450 20,000		-		49,000	6,000	1.000	310,400
Table Tabl		1		26 700		1,000	141,000 39,500
Description		ina			7,200	14,400	224,750
Figure 100,500 2,500 1,000 1							91,400
Marker 75,000 730,00 5,000 5		- 1		0.500			117,000
Drig & Completion Cherhead 1,0,000		3 4			2.000		816,750
Pulgoting & Abandonment		ad		100,100	2,000		13,000
Completion Unit. Seab. CTU	Plugging & Abandonment						
Purporation, Wirelines, Silectules 173,000			207,570	1190 000	18.000		207,570
18/10 President Prump Truck 1							173,000
Stimutation				67,500	6,000		73,500
Insurance 33,103	Stimulation				7484.684		2,009,400 275,500
Labor Spring Sp		sp _	93.401	15,500	280,000		33,101
Restal - Downhole Equipment 48,880 726,4105 15,000 5,000 3 7 7 7 7 7 7 7 7 7		59		61,000	15,000	5,000	178,500
Revisit - Living Quarters		ıt 🧏	48,880				347,985
178.730 180.225 45.370 5.807		nent			3,000		166,000 78,320
MacCorn TOTAL INTANGIBLES \$ 259,529		0.5			45,379		357,631
TOTAL INTANGIBLES				770,000			27,950
TANGIBLE COSTS		TOTAL INTANGIBLES >	2,650,620	3,991,875		63,873	7,205,537
Surface Casing						FARE ITY FOOTS	TOTAL
Selection Sele		COSTS			COSIS	S FACILITY GOSTS	\$ 44,950
Drilling Liner Production Casing		*-		•	·——	-	248,306
Production Liner			11110000000				
Section Sect			467,37A				467,374
Method					82,500		82,500
Tanks			65,000				90,000
124.432 124.				59,600		20,000	74,600 29,900
170,000 170,		-					122,432
20,000						120,000	120,000
							20,000
104,000 105,000 17,333 105,000 17,333 105,000 17,333 105,000 17,333 105,000 17,333 105,000 17,333 105,000 17,333 105,000 17,333 105,000 10					20,000	42.500	42,500
Surface Pumps			—— <u>—</u>				104,000
Non-controllable Downhole Downhole Downhole Pumps					5,000		22,333
Downhole Pumps						2,000	2,000
Measurement & Mater Installation 10,000 52,667		le					-
Gas Conditioning / Dehydration		tallation			10,000	32,667	42,667
Satisfied Sulk Lines 2,000 3,0					-		14.007
Valves, Dumps, Controllers		iping			_ 	41,007	41,667
Tank Facility Containment Flare Stack Flare Stack Electrical Grounding Communications SCADA Instrumentation Safety TOTAL TANGIBLES > \$25,629		rs			2,000		2,000
Flare Stack 13,300 19,00	Tank / Facility Containme						7,500
Communications / SCADA 1,867 40,500 40,500 4							21,000
TOTAL TANGIBLES \$25,629 \$69,600 \$156,500 \$603,498 \$1 TOTAL COSTS \$3,476,249 \$4,061,475 \$655,669 \$667,372 \$8 EPARED BY MATADOR PRODUCTION COMPANY: Drilling Engineer:		`					6,667
TOTAL COSTS > 3,476,249 4,061,475 655,669 667,372 8 EPARED BY MATADOR PRODUCTION COMPANY: Drilling Engineer: Completions Engineer: Production Engineer: Jam Mosnes TADOR RESOURCES COMPANY APPROVAL: Exec. VP & CFO Exec. VP - Res Engineering BMR Exec. VP & COO - Land & Legal CR President MVH Senior VP - Geoscience NLF NOPERATING PARTNER APPROVAL: Signed by: Signed by: Date' TOTAL COSTS > 3,476,249 4,061,475 655,669 667,372 8 67,372 8 67,							49,500
EPARED BY MATADOR PRODUCTION COMPANY: Drilling Engineer: Completions Engineer: Production Engineer: Jam & Long Completions Engineer: Jam Mosnes TADOR RESOURCES COMPANY APPROVAL: Exec, VP & CFO OBL BMR Exec, VP & COO - Land & Legal CN President MVH Senior VP - Geoscience NLF NOPERATING PARTNER APPROVAL: Company Name: Working Interest (%): Signed by: Date: Date: Team Lagad WTX/NM WTE WTE WTE WTE WTE WTE WTE WTE				100000			1,655,227
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Title: Approval: YesNo (ma		Talla.	7	Approval:	Yes		No (mark one)

ONE LINCOLN CENTRE - 5400 LBJ FREEWAY - SUITE 1500 - DALLAS, TEXAS 75240
Phone (972) 371-5200 - Fax (972) 371-5201

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COUNTYSTATE: Less Number					_	22,350712,200
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Drilling Engineer: James Long Team Lead - WTX/NM LTL Completions Engineer: Garrell Hunt WTE Production Engineer: Jan Mosnes					667,372	9,583,755
Drilling Engineer: James Long Team Lead - WTX/NM LTL Completions Engineer: Garrell Hunt WTE Production Engineer: Jan Mosnes		COMPANY				
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	oduction Engineer: Jan Mosnes					
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President Senior VP - Geoscience Exec. VP & COO - Operation MVH NLF		Seniol VP - Geosci				BEG
OPERATING PARTNER APPROVAL:	ING PARTNER APPROVAL:					
Company Name: Working Interest (%): Tax II	Company Name:		Working interest (%):		Т	ax ID:
			Dale:			
Signed by: Date:	Signed by		Dele.			No (mark one)

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an annual population to the Operator by the date of spuci

EXHIBIT C-6

Nina Cortell Fed Com Proposals - Communications Summary

Proposal #1 – 11/14/2019

- Well proposal sent to ConocoPhillips ("COP") on November 14, 2019
- 2/13/2020 COP reached out regarding well proposals and provided contact information for landman that would be handling the project. Began discussing potential voluntary joinder.
- o 3/18/2020 Further discussions with COP
- o 5/28/2020 Email to COP
- 8/20/2020 Further discussions with COP
- o 10/5/2020 Email to COP
- o 11/2/2020 Further discussions with COP

Proposals #2 – 6/18/2020

- Well proposals sent to COG, Fortson, et al 6/18/2020
- 10/5/2020 Attempt to call landman with various WI parties to discuss proposals and potentnial voluntary joinder; left voicemails
- 10/9/2020 Contact with Marathon & WPX; proposals initially sent to parties that owned interest prior to Marathon & WPX (BC Operating & Khody Land). MRC will update and resend to current record title owner for that interest (See Proposals #3)
- 11/2/2020 Attempt to contact landman with WI parties & inform that MRC will need to file to get on Dec 3rd hearing docket

Proposals #3 – 10/9/2020

- 10/9/2020 MRC sends updated Nina Cortell #128H, #134H & #204H well proposals and AFEs dated October 9, 2020 to WPX and Marathon.
- 10/19/2020 Marathon responds via email & acknowledges receipt of proposals
- In or around mid-October 2020, discussion with landman for WPX
- 10/22/2020 Call landman at Marathon to discuss proposals and potentnial voluntary joinder; leave voicemail
- 11/5/2020 Attempts made by Marathon & MRC landmen to discuss development over phone; exchange voicemails

Santa Fe, New Mexico
Exhibit No.C6
Submitted by: Matador Production Company
Hearing Date: December 3, 2020
Case Nos. 21545-21548

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

APPLICATIONS OF MATADOR PRODUCTION COMPANY FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NOS. 21545 - 21548

AFFIDAVIT OF ANDREW PARKER IN SUPPORT OF CASE NOS. 21545, 21546, 21547, AND 21548

Andrew Parker, of lawful age and being first duly sworn, declares as follows:

- 1. My name is Andrew Parker and I am employed by MRC Energy Company, an affiliate of Matador Production Company ("Matador"), as a Vice President of Geology.
- 2. I have previously testified before the New Mexico Oil Conservation Division and my credentials have been accepted as an expert witness in petroleum geology.
- 3. I am familiar with the applications filed by Matador in these consolidated cases and have conducted a geologic study of the lands in the subject area.
- 4. Matador Exhibit D-1 is a project locator map that reflects the location of the proposed horizontal spacing units in Case Nos. 21545, 21546, 21547, and 21548.
 - 5. In Case Nos. 21545 and 21546, Matador is targeting the Bone Spring formation.
- 6. **Matador Exhibit D-2** is a subsea structure map that I prepared for the Bone Spring formation. The proposed spacing units are highlighted in yellow in Sections 3 and 10, and the contour interval is 20 feet. The structure map shows the Bone Spring formation gently dipping to the northeast. The structure appears consistent across the proposed spacing unit, and I do not observe any faulting, pinch outs, or other geologic impediments to horizontal drilling.
- 7. **Matador Exhibit D-2** also shows a line of cross-section from A to A' using two well logs. I utilized these well logs because they penetrate the targeted interval, are of good quality,

and have been subjected to a petrophysical analysis of the targeted interval. In my opinion, these well logs are representative of the geology in the subject area.

- 8. **Matador Exhibit D-3** is a stratigraphic cross-section that I prepared using logs from the two representative wells shown on Exhibit D-2. Each well on the cross-section contains gamma ray, resistivity, and porosity logs. The target interval for the proposed wells is highlighted yellow, with the well names noted on right side of the cross section. The cross-section demonstrates that the targeted interval is continuous across the proposed spacing units.
- 9. Both of the wells will comply with the standard setback requirements for the subject pool.
 - 10. In Case Nos. 21547 and 21548, Matador is targeting the Wolfcamp formation.
- 11. **Matador Exhibit D-4** is a subsea structure map that I prepared for the Wolfcamp formation. The proposed spacing units are highlighted in yellow in Sections 3 and 10, and the contour interval is 20 feet. The structure map shows the Wolfcamp formation gently dipping to the east. The structure appears consistent across the proposed spacing unit and I do not observe any faulting, pinch outs, or other geologic impediments to horizontal drilling.
- 12. Matador Exhibit D-4 also shows a line of cross-section from A to A' using two well logs. I utilized these well logs because they penetrate the targeted interval, are of good quality, and have been subjected to a petrophysical analysis of the targeted interval. In my opinion, these well logs are representative of the geology in the subject area.
- 13. **Matador Exhibit D-5** is a stratigraphic cross-section that I prepared using logs from the two representative wells shown on Exhibit D-4. Each well on the cross-section contains gamma ray, resistivity, and porosity logs. The target interval for the proposed wells is highlighted

yellow, with the well names noted on right side of the cross section. The cross-section demonstrates that the targeted interval is continuous across the proposed spacing units.

- 14. Both of the wells will comply with the standard setback requirements for the subject pool.
- 15. Based on my geologic study, the Bone Spring and Wolfcamp formations underlying the subject acreage is suitable for development by horizontal wells and the acreage comprising the proposed horizontal spacing units will be productive and contribute proportionately to the production from the wells.
- 16. In my opinion, the standup orientation of the proposed wells is the preferred orientation for horizontal well development of the targeted intervals in the Bone Spring and Wolfcamp formations in this area. This standup orientation will efficiently and effectively develop the subject acreage.
- 17. In my opinion, approving Matador's applications is in the best interest of conservation, the prevention of waste, and protection of correlative rights.
- 18. **Matador Exhibits D-1** through **D-5** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

ANDREW PARKER

STATE OF TEXAS)
)
COUNTY OF DALLAS)

SUBSCRIBED and SWORN to before me this 30th day of November 2020 by Andrew Parker.



Sara Marie Hartsfield NOTARY PUBLIC

My Commission Expires:

8/21/2023

Project Locator Map

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BEFORE THE OIL CONSERVATION DIVISION

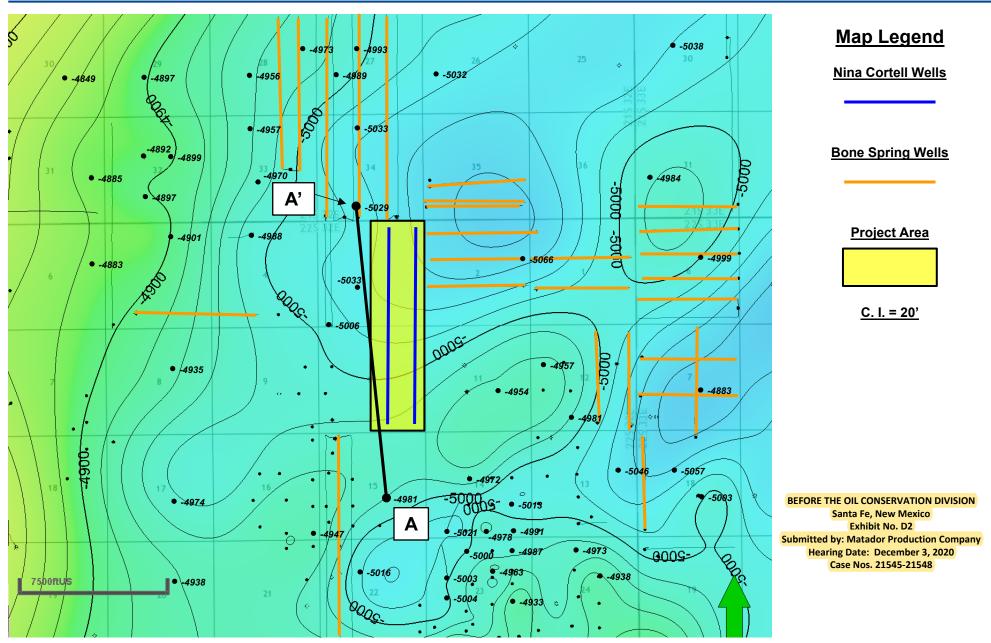
Santa Fe, New Mexico Exhibit No. D1

Submitted by: Matador Production Company

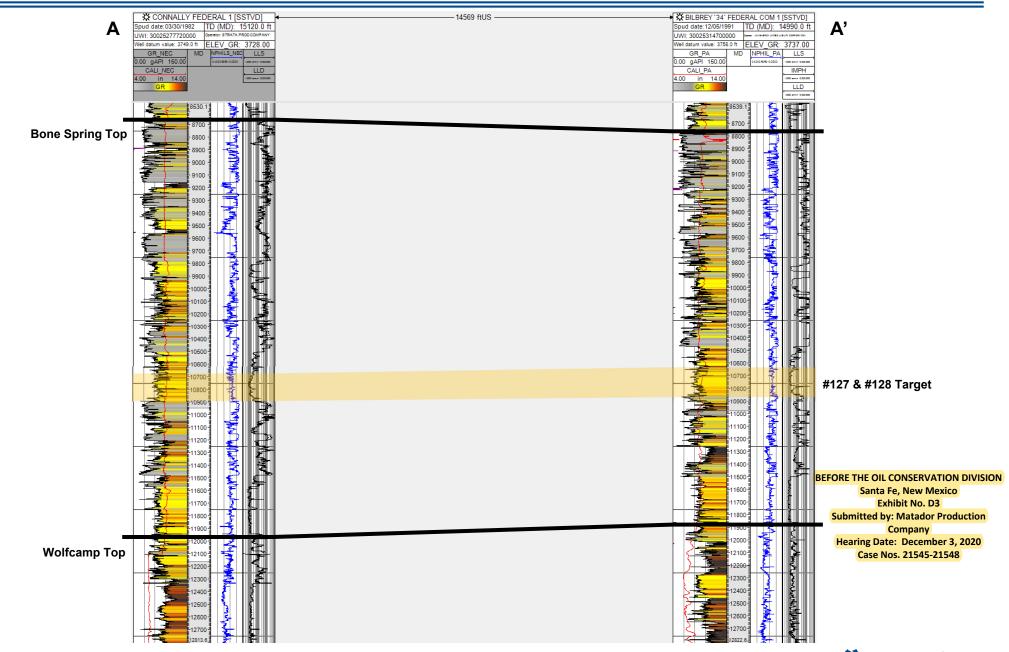
Hearing Date: December 3, 2020 Case Nos. 21545-21548



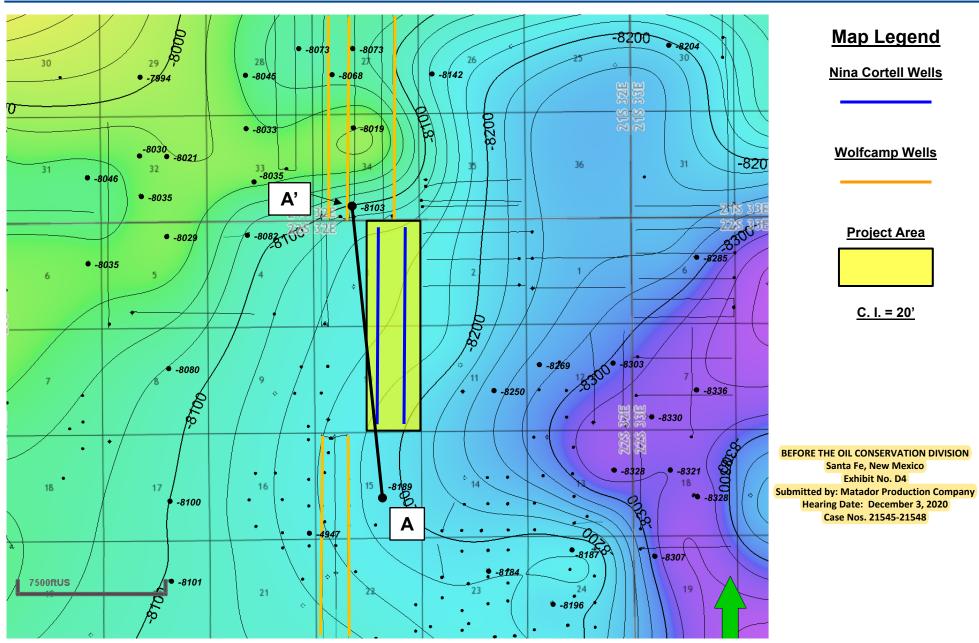
Bilbrey Basin; Bone Spring (Pool Code 5695) Structure Map (Bone Spring Subsea) A – A' Reference Line



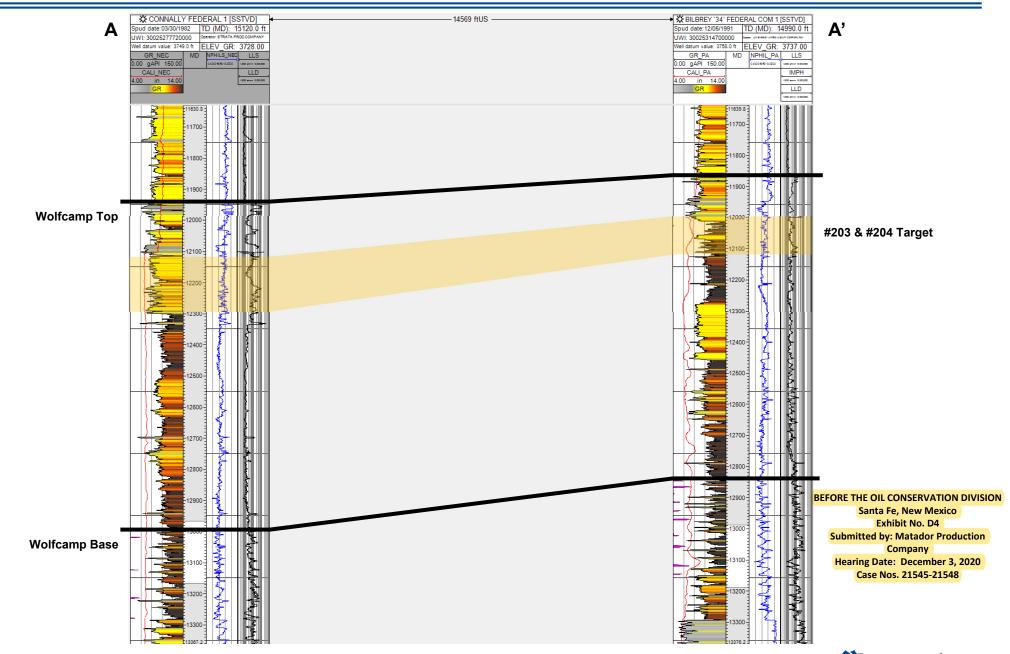
Bilbrey Basin; Bone Spring (Pool Code 5695) Structural Cross-Section A – A'



WC-025 G-09 S233216K; Upr Wolfcamp Structure Map (Wolfcamp Subsea) A – A' Reference Line



WC-025 G-09 S233216K; Upr Wolfcamp Structural Cross-Section A – A'



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

APPLICATIONS OF MATADOR PRODUCTION COMPANY FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NOS. 21545-21548

AFFIDAVIT

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

Kaitlyn A. Luck, 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.

Kaitlyn A. Luck

SUBSCRIBED AND SWORN to before me this 23rd day of November, 2020 by Kaitlyn A. Luck.

My Commission Expires:

January 28, 2023

OFFICIAL SEAL ANNA K. STORM

My Commission Expires:

Santa Fe, New Mexico
Exhibit No. E
Submitted by: Matador Production Company
Hearing Date: December 3, 2020
Case Nos. 21545-21548



November 13, 2020

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

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Matador Production Company for compulsory pooling, Lea

County, New Mexico.

Nina Cortell Fed Com #127H 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.

During the COVID-19 Pubic Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on December 3, 2020 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: http://www.emnrd.state.nm.us/OCD/announcements.html.

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,

Kaitlyn A. Luck

ATTORNEY FOR MATADOR PRODUCTION



November 13, 2020

<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 compulsory pooling, Lea

County, New Mexico.

Nina Cortell Fed Com #128H 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.

During the COVID-19 Pubic Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on December 3, 2020 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: http://www.emnrd.state.nm.us/OCD/announcements.html.

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,

Kaitlyn A. Luck

ATTORNEY FOR MATADOR PRODUCTION



November 13, 2020

VIA CERTIFIED MAIL CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Matador Production Company for compulsory pooling, Lea

County, New Mexico.

Nina Cortell Fed 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.

During the COVID-19 Pubic Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on December 3, 2020 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: http://www.emnrd.state.nm.us/OCD/announcements.html.

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

Kaitlyn A. Luck

ATTORNEY FOR MATADOR PRODUCTION



November 13, 2020

<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 compulsory pooling, Lea

County, New Mexico.

Nina Cortell Fed Com #204H 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.

During the COVID-19 Pubic Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on December 3, 2020 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: http://www.emnrd.state.nm.us/OCD/announcements.html.

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.

Kaitlyn A. Luck

ATTORNEY FOR MATADOR PRODUCTION

MRC - Nina Cortell 127H, 128H, 223H, 204H Case Nos. 21545-21548 Postal Delivery Report

TrackingNo	ToName	DeliveryAddress	City	State	Zip	USPS_Status
						Your item was picked up at a postal facility at 8:03 am on
9414811898765826920369	ConocoPhillips Company	925 N Eldridge Pkwy	Houston	TX	77079-2703	November 17, 2020 in HOUSTON, TX 77079.
	Curtis A. Anderson and Edna I.					
	Anderson, as Joint Tenants					
	With The Right Of					Your item was delivered to an individual at the address at 1:22 pm
9414811898765826920512	Survivorship	3807 S County Road 1135	Midland	TX	79706-5441	on November 16, 2020 in MIDLAND, TX 79706.
						This is a reminder to arrange for redelivery of your item or your
9414811898765826920505	Daniel E. Gonzales	PO Box 2475	Santa Fe	NM	87504-2475	item will be returned to sender.
						Your item was picked up at a postal facility at 8:36 am on
9414811898765826920307	COG Operating LLC	550 W Texas Ave Ste 100	Midland	TX	79701-4287	November 17, 2020 in MIDLAND, TX 79701.
						Your package will arrive later than expected, but is still on its way.
9414811898765826920338	Fortson Oil Company	301 Commerce St Ste 3301	Fort Worth	TX	76102-4133	It is currently in transit to the next facility.
						Your item was delivered to the front desk, reception area, or mail
9414811898765826920055	Marathon Oil Permian LLC	5555 San Felipe St	Houston	TX	77056-2701	room at 2:32 pm on November 17, 2020 in HOUSTON, TX 77056.
						Your package will arrive later than expected, but is still on its way.
9414811898765826920000	WPX Energy Permian, LLC	3500 One Williams Ctr	Tulsa	ОК	74172-0135	It is currently in transit to the next facility.
						Your item was delivered to the front desk, reception area, or mail
9414811898765826920086	J. Hiram Moore, LTD	16400 Dallas Pkwy Ste 400	Dallas	TX	75248-2643	room at 11:41 am on November 17, 2020 in DALLAS, TX 75248.
						Your package will arrive later than expected, but is still on its way.
9414811898765826920413	MHM Resources, LP	PO Box 51570	Midland	TX	79710-1570	It is currently in transit to the next facility.
						Your package will arrive later than expected, but is still on its way.
9414811898765826920406	Pheasant Energy, LLC	PO Box 2487	Fort Worth	TX	76113-2487	It is currently in transit to the next facility.
						Your item was delivered at 2:08 pm on November 17, 2020 in
9414811898765826920482	Robert G. Hooper	PO Box 733	Roswell	NM	88202-0733	ROSWELL, NM 88201.
						Your package will arrive later than expected, but is still on its way.
9414811898765826920581	ConocoPhillips Company	925 N Eldridge Pkwy	Houston	TX	77079-2703	It is currently in transit to the next facility.

Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

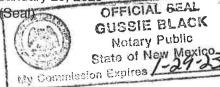
> Beginning with the issue dated November 17, 2020 and ending with the issue dated November 17, 2020.

Sworn and subscribed to before me this 17th day of November 2020.

Business Manager

My commission explices

January 29, 2023



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

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LEGAL NOTICE November 17, 2020

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case. During the COVID-19 Public Health Emergency, state buildings are closed to the public and Division hearings will be conducted remotely. The public hearing for the following case will be electronic and conducted remotely. The hearing will be conducted on Thursday, December 3, 2020, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at http://www.emrrd.state.nm.us/OCD/hearings.html or obtained from Marlene Salvidrez, at Marlene.Salvidrez@state.nm.us. Documents filed in the case may be viewed at http://ocdimage.emrrd.state.nm.us/imaging/CaseFileCriteria.aspx. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Marlene Salvidrez at Marlene.Salvidrez@state.nm.us, or the New Mexico Relay Network at 1-800-659-1779, no later than November 23, 2020.

Persons may view and participate in the hearings through the following link and as indicated below:

as indicated below:
https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID=ec97b56813f60ba7
489b2ffd641268714
Event number: 146 523 3652

Event password: pMmKMtfF654 Join by video: 1465233652@nmemnrd.webex.com

Numeric Password: 834052

You can also dial 173.243.2.68 and enter your meeting number Join by audio: 1-844-992-4726 United States Toll Free

Access code: 146 523 3652.

STATE OF NEW MEXICO TO: All named parties and persons having any right, title, interest or claim in the following case and notice to the public.

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

To: All pooled parties, including: ConocoPhillips Company; COG Operating LLC; Fortson Oil Company; Marathon Oil Permian LLC; WPX Energy Permian, LLC; J. Hiram Moore, LTD; MHM Resources, LP; Pheasant Energy, LLC; Robert G. Hooper, his heirs and devisees; Curtis A. Anderson and Edna I. Anderson, as joint tenants with the right of survivorship, their heirs and devisees; and Daniel E. Gonzales, his heirs and devisees.

Case No. 21546: Application of Matador Production Company for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the E/2 E/2 of Sections 3 and 10, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico. The above-referenced unit will be dedicated to the proposed initial Nina Cortell Fed Com #128H well to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 3 to a bottom hole location in SE/4 SE/4 (Unit P) of Section 10. The completed interval of this well will comply with standard setback requirements for oil wells. Also, to be considered will be the cost of drilling and completing the well, 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 well. Said area is located approximately 23 miles east of Loving, New Mexico.

67100754

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HOLLAND & HART LLC PO BOX 2208 SANTA FE,, NM 87504-2208

Affidavit of Publication

STATE OF NEW MEXICO **COUNTY OF LEA**

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated November 19, 2020 and ending with the issue dated November 19, 2020.

Publisher

Sworn and subscribed to before me this 19th day of November 2020.

Business Manager

My commission expires

January 29, 2023



OFFICIAL SEAL Gussie Black Notary Public State of New Mexico My Commission Expires

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

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LEGAL NOTICE November 19, 2020

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case. During the COVID-19 Public Health Emergency, state buildings are closed to the public and Division hearings will be conducted remotely. The public hearing for the following case will be electronic and conducted remotely. The hearing will be conducted on Thursday, December 3, 2020, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at http://www.emnrd.state.nm.us/OCD/hearings.html or obtained from Marlene Salvidrez, at Marlene.Salvidrez@state.nm.us. Documents filed in the case may be viewed at http://ocdimage.emnrd.state.nm.us/imaging/CaseFileCriteria.aspx. If you are an individual with a disability who needs a reader, ampilifer, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Marlene Salvidrez at Marlene.Salvidrez@state.nm.us, or the New Mexico Relay Network at 1-800-659-1779, no later than November 23, 2020.

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Numeric Password: 834052

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STATE OF NEW MEXICO TO: All named parties and persons having any right, title, interest or claim in the following case and notice to the public.

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

To: All pooled parties, including: ConocoPhillips Company; COG Operating LLC; Fortson Oil Company; Marathon Oil Permian LLC; WPX Energy Permian, LLC; J. Hiram Moore, LTD; MHM Resources, LP; Pheasant Energy, LLC; Robert G. Hooper, his heirs and devisees; Curtis A. Anderson and Edna I. Anderson, as joint tenants with the right of survivorship, their heirs and devisees; and Daniel E. Gonzales, his heirs and devisees.

Case No. 21548: Application of Matador Production Company for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Wolfcamp formation underlying a standard 320-acre, more or iess, horizontal spacing unit comprised of the E/2 E/2 of Sections 3 and 10, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico. The above-referenced unit will be dedicated to the proposed initial Nina Cortell Fed Com #204H well to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 3 to a bottom hole location in SE/4 SE/4 (Unit P) of Section 10. The completed interval of this well will comply with standard setback requirements for oil wells. Also, to be considered will be the cost of drilling and completing the well, 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 well. Said area is located approximately 23 miles east of Loving, New Mexico.

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