

MATADOR PRODUCTION COMPANY

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

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

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	October 1, 2014	AFE NO.:	300014-013-001
WELL NAME:	Tom Walters 12-23-27 RB #203H	FIELD:	0
LOCATION:		MDTV/D:	13650/9150'
COUNTY/STATE:	Eddy	LATERAL LENGTH:	4,600
MRC W:	100.00%	DRILLING DAYS:	31
GEOLOGIC TARGET:	Wolfcamp	COMPLETION DAYS:	18
REMARKS:	Drill a horizontal well and complete with 19 stages Wolfcamp Gen 1 design.		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
INTANGIBLE COSTS				
01 Land / Legal / Regulatory	\$ 31,700			\$ 31,700
02 Location, Surveys & Damages	145,000	13,000	4,000	162,000
10 Drilling	1,013,000			1,013,000
16 Cementing & Float Equip	208,000			208,000
20 Logging / Formation Evaluation		6,500		6,500
21 Mud Logging	19,300			19,300
23 Mud Circulation System	104,225			104,225
24 Mud & Chemicals	106,000	36,000		142,000
25 Mud / Wastewater Disposal	145,000			145,000
26 Freight / Transportation	36,000	18,500		52,500
28 Rig Supervision / Engineering	129,600	69,500	18,000	217,100
31 Drill Bits	97,500			97,500
32 Fuel & Power	182,700			182,700
33 Water	27,500	348,000		375,500
34 Drig & Completion Overhead	14,500	18,000		32,500
35 Plugging & Abandonment				
38 Directional Drilling, Surveys	192,300			192,000
40 Completion Unit, Swab, CTU		160,000	28,000	188,000
44 Perforating, Wireline, Stickline		135,000	20,000	155,000
45 High Pressure Pump Truck		60,000		60,000
46 Stimulation		2,755,000		2,755,000
47 Stimulation Flowback & Disp		45,500		45,500
48 Insurance	26,100			26,100
50 Labor	127,500	22,000	6,000	155,500
51 Rental - Surface Equipment	114,700	260,150	12,000	386,850
52 Rental - Downhole Equipment	40,000	55,000		95,000
53 Rental - Living Quarters	89,475	38,340	10,000	117,815
54 Contingency	282,980	403,649	9,800	696,629
TOTAL INTANGIBLES >	3,112,780	4,442,339	107,800	7,662,919
TANGIBLE COSTS				
41 Surface Casing	\$ 24,875			\$ 24,875
42 Intermediate Casing	78,500			78,500
43 Drilling Liner	304,000			304,000
44 Production Casing	401,875			401,875
45 Production Liner				
46 Tubing			50,000	50,000
47 Wellhead	50,000		35,000	85,000
48 Packers, Liner Hangers		73,800	12,000	85,800
49 Tanks				
50 Production Vessels			74,000	74,000
51 Flow Lines				
52 Rod string				
53 Artificial Lift Equipment			30,000	30,000
54 Compressor				
55 Installation Costs			82,000	82,000
56 Surface Pumps			5,000	5,000
58 Non-controllable Surface			66,000	66,000
59 Non-controllable Downhole				
61 Downhole Pumps				
63 Measurement & Meter Installation			12,500	12,500
64 Gas Conditioning / Dehydration				
65 Interconnecting Facility Piping				
66 Gathering / Bulk Lines				
67 Valves, Dumps, Controllers				
68 Tank / Facility Containment				
69 Flare Stack				
70 Electrical / Grounding				
71 Communications / SCADA				
72 Instrumentation / Safety				
TOTAL TANGIBLES >	858,250	73,800	368,500	1,299,550
TOTAL COSTS >	3,972,030	4,516,139	476,300	8,964,469

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer: Aaron Byrd
 Completions Engineer: Adam Lange
 Production Engineer: Casey McCain

Team Lead - WTX/NM: RL
 RCL

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, COO/CFO	VP - Res Engineering	VP - Drilling
DEL	BMR	BG
Executive VP, Legal	Exec Dir - Exploration	VP - Production
CA	DFH	WFM
President	VP & General Manager	
MVH	<u>RL</u> RCL	

NON OPERATING PARTNER APPROVAL:

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

This AFE is an estimate only and may not be constructed as a contract. It is not a contract. It is a document that is used to estimate the costs of a well. It is not a contract. It is a document that is used to estimate the costs of a well. It is not a contract. It is a document that is used to estimate the costs of a well.

Oil Conservation Division
 Case No. 515245
 Exhibit No. 5