

MRC Permian Company

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Dana Arnold
Staff Attorney

July 2, 2015

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SENT VIA EMAIL AND FEDEX

New Mexico Oil Conservation Division
Attn: David Catanach
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
David.Catanach@state.nm.us

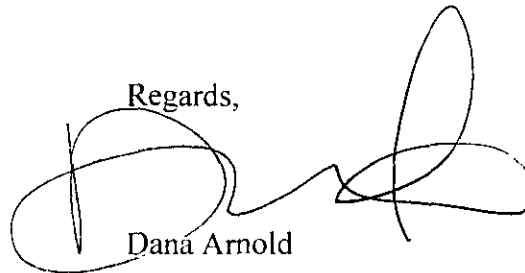
15301
Case 15192

Re: Notification of Estimated Well Costs
NMOCD Order No. R-13955
96

Dear Mr. Catanach:

Pursuant to NMOCD Order No. R-13955, enclosed please find an updated itemized schedule of estimated costs of drilling, completing and equipping the proposed well—Janie Conner 13 24S 28E RB 124H (API No. 30-15-43039). Please also take notice that on June 26, 2015, the same schedule of estimated of costs was sent to all known pooled working interest owners in the unit.

Regards,



Dana Arnold

cc: florene.davidson@state.nm.us
Enclosure

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:	May 14, 2015	AFE NO.:	300014-037-01
WELL NAME:	Janie Connor 13-24-28 RB #124H	FIELD:	
LOCATION:		MDITVD:	12950/78250'
COUNTY/STATE:	Eddy	LATERAL LENGTH:	4,800
MRC WT:		DRILLING DAYS:	15
GEOLOGIC TARGET:	Bone Spring	COMPLETION DAYS:	11
REMARKS:	Drill a horizontal well and complete with 12 stages Bone Spring Gen 2 design.		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
INTANGIBLE COSTS				
01 Land / Legal / Regulatory	\$ 31,700	\$ -	\$ -	\$ 31,700
02 Location, Surveys & Damages	45,000	13,000	4,000	62,000
10 Drilling	609,500	-	-	609,500
16 Cementing & Float Equip	148,000	-	-	148,000
20 Logging / Formation Evaluation	-	6,500	-	6,500
21 Mud Logging	11,500	-	-	11,500
23 Mud Circulation System	35,825	-	-	35,825
24 Mud & Chemicals	50,000	36,000	-	86,000
25 Mud / Wastewater Disposal	130,000	-	-	130,000
26 Freight / Transportation	36,000	13,500	-	49,500
28 Rig Supervision / Engineering	64,800	65,000	18,000	147,800
31 Drill Bits	61,500	-	-	61,500
32 Fuel & Power	80,000	-	-	80,000
33 Water	27,500	214,200	-	241,700
34 Drig & Completion Overhead	10,500	72,000	-	82,500
36 Plugging & Abandonment	-	-	-	-
38 Directional Drilling, Surveys	130,000	-	-	130,000
40 Completion Unit, Swab, CTU	-	110,000	28,000	138,000
44 Perforating, Wireline, Slickline	-	58,000	20,000	78,000
45 High Pressure Pump Truck	-	68,000	-	68,000
46 Stimulation	-	1,320,000	-	1,320,000
47 Stimulation Flowback & Disp	-	83,000	-	83,000
48 Insurance	23,310	-	-	23,310
50 Labor	107,500	17,000	6,000	130,500
51 Rental - Surface Equipment	58,250	225,900	12,000	297,150
52 Rental - Downhole Equipment	25,000	43,000	-	68,000
53 Rental - Living Quarters	35,730	36,860	10,000	82,590
54 Contingency	88,131	233,196	9,800	329,127
TOTAL INTANGIBLES >	1,808,748	2,565,156	107,800	4,481,702
TANGIBLE COSTS				
41 Surface Casing	\$ 22,875	\$ -	\$ -	\$ 22,875
42 Intermediate Casing	78,500	-	-	78,500
43 Drilling Liner	-	-	-	-
44 Production Casing	333,725	-	-	333,725
45 Production Liner	-	-	-	-
46 Tubing	-	-	41,250	41,250
47 Wellhead	50,000	-	60,000	110,000
48 Packers, Liner Hangers	-	24,200	12,000	36,200
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	-	-	68,000	68,000
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 >	485,100	24,200	382,750	892,050
TOTAL COSTS >	2,293,848	2,589,356	490,550	5,373,752

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer, Aaron Byrd	Team Lead - WTXJNM <u>WTE</u>	VTE
Completions Engineer, Chris Calvert		
Production Engineer, Casey McGinn		

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, COO/CFO DCL	VP - Res Engineering BMR	VP - Drilling RG
Executive VP, Legal CA	Exec Dir - Exploration NLF	VP - Production FWG
President MVH	Exec VP & General Manager RCL	

NON OPERATING PARTNER APPROVAL:

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

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