MATADOR PRODUCTION COMPANY

ZACH McCORMICK FED COM No. 121H & No. 122H

Case 15770 Case 15771

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

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

CASE NOs. 15770 & 15771

August 3, 2017

EXHIBIT NOTEBOOK Zach McCormick Fed Com #121H & 122H

- Exhibit 1 C-102 Form
- Exhibit 2 Summary of Working/ Mineral Interests
- Exhibit 3 Midland Map
- Exhibit 4 Well Proposal Letters
- Exhibit 5 AFE
- Exhibit 6 Affidavit, notice letters, proof of mailing (compulsory pooling)
- Exhibit 7 Locator Map
- Exhibit 8 Structure Map
- Exhibit 9 Stratigraphic Cross Section A-A?
- Exhibit 10 Isopach Map
- Exhibit 11 Zach McCormick Fed Com 121H & 122H Completion

District [1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210 hone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Roed, Aztec, NM 87410	State of New Matin OIL CONSERVATION Energy, Minerals & Natural Resource District Department OIL CONSERVATION DIVISION 2017	FORM C-102 Revised August 1, 2011 Submit one copy to appropriate District Office
Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. SL. Francis Dr., Santo Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462	1220 South St. Francis Dr. Sante Fe, NM 87505	AMENDED REPORT

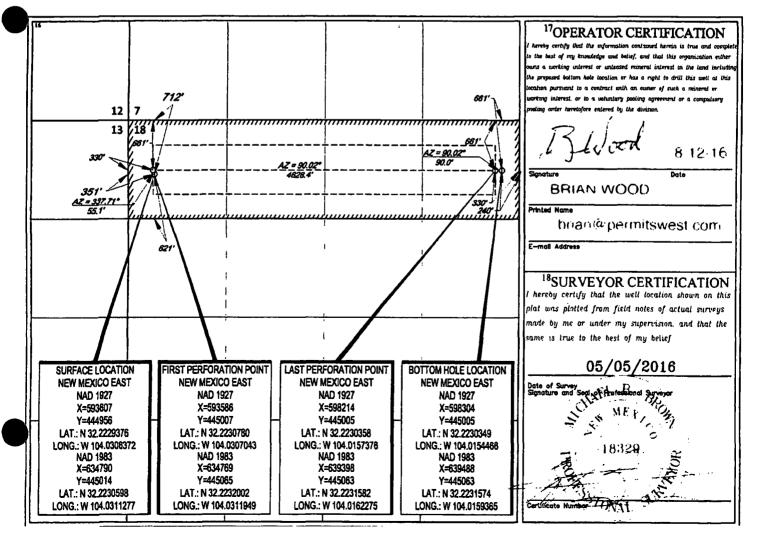
WELL LOCATION AND ACREAGE DEDICATION PLAT 2nd Bone Spring sand

API Number 3(1-()15-244244	² Pool Code 50371	PIERCE CROSSING B	
¹ Property Code	ZACH MCCORMICK FE	ty Name	Well Number
3/7797		D COM	#121H
'OGRID No.	-	^{for Name}	'Elevation
228937		JCTION COMPANY	2953'
<u> </u>	¹⁰ Surface	Location	

P 1	Section 18	24-S	29-E	Lot Idn —	712'	NORTH	351'	WEST	EDDY	
,	_									

UL or lot no. A	Section 18	Township 24–S	Range 29-E	Lot Idn —	Feet from the 661'	North/South line NORTH	Feet from the 240'	East/West line EAST	County EDDY
¹² Deticated 4cre 159.60	^D Joint or I	infiil ⁽⁴ Co	c.	e ¹⁵ Ord	er No.	·			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



ŧ Energy, Minerals & Natural Reservation District [1625 N. French Dr., Hobbs, NM 88240 **FORM C-102** Phone: (575) 393-6161 Fax: (575) 393-0720 **Revised August 1, 2011** District II I S. First St., Artesia, NM 88210 Submit one copy to appropriate OIL CONSERVATION DIVISION JUN 07 2017 Department tone: (575) 748-1283 Fax: (575) 748-9720 **District Office** District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 1220 South St. Francis Dr. RECEIVED District IV AMENDED REPORT 1220 S. St. Francis Dr., Sante Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462 Sante Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT 2nd Bone Spring sand

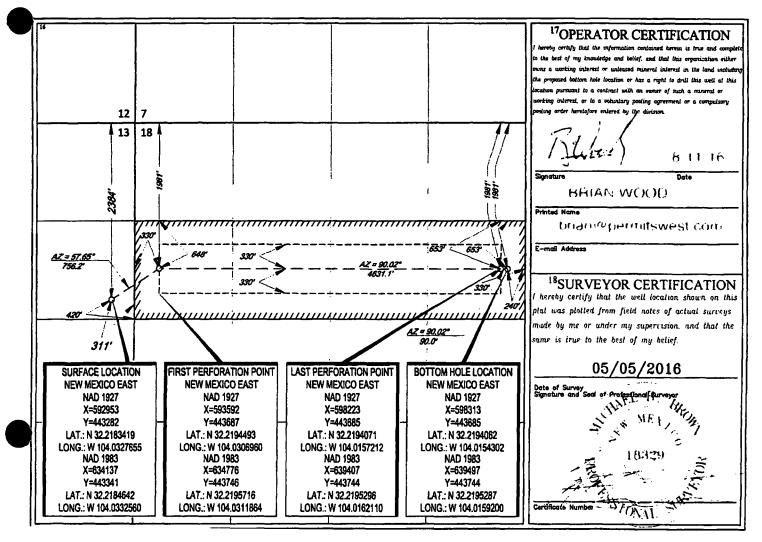
30 (115 4	API Number	5		2Pool Code 5()371		PIERCE CROSSING BONE SPRING			NĞ.
Property C 3177			ZACH	MCCOR	Property Na MICK FED				Well Number #122H
70grid 1 22893			N	(ATADOI	•	"Operator Name "Elevation CODUCTION COMPANY 2956"			
			<u>.</u>	- <u>-</u> -	¹⁰ Surface Lo	cation			
UL or lot no. H	Section 13	Township 24-S	Range 28-E	Lot Idn	Feet from the 2384'	North/South line NORTH	Feet from the 311'	East/West line EAST	County EDDY

L		<u> </u>	LL	J			I_	<u>_</u>	
UL or lot no.	Section	Towaship	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
H	18	24-S	29-E	-	1981'	NORTH	240'	EAST	EDDY
12 Delicated Acres	¹³ Joint or l	1 Infill ¹⁴ Co	nsolidation Code	L ⁵ Order			I		

1

dicated Acre 159.68

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.





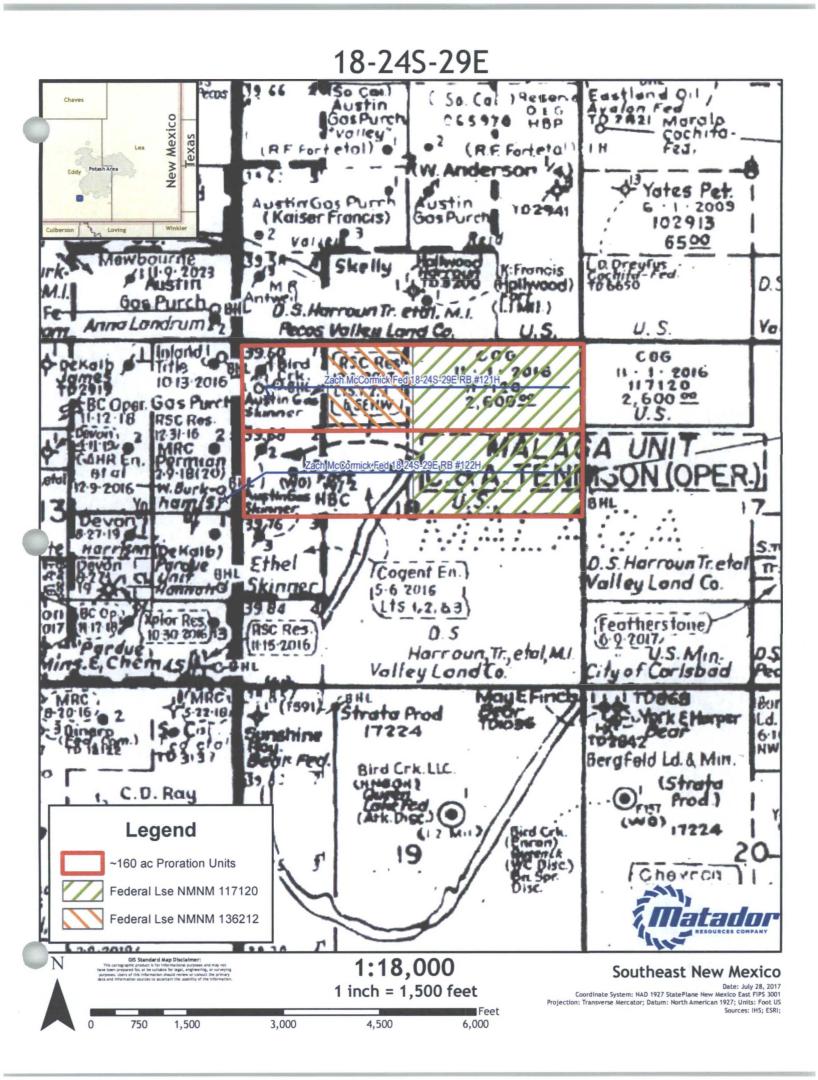
Matador Exhibit 2

Summary of Interests

MRC Permian Company Working Interest		42.93%
Voluntary Joinder		7.07%
Compulsory Pool Interest Total:		50.00%
Interest Owner:	Description:	Interest:
COG Operating LLC	Working Interest Owner	47.50%
Concho Oil and Gas LLC	Working Interest Owner	2.50%



Zach McCormick Fed Com 121H & 122H



MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240 Voice 972.371.5430 • Fax 214.866.4930 ccarleton@matadorresources.com

Chris Carleton Landman

May 16, 2017

VIA CERTIFIED RETURN RECEIPT MAIL

Concho Oil and Gas LLC 600 W. Illinois Ave Midland, TX 79701

Re: Matador Production Company - Zach McCormick Fed Com #121H (the "Well") Participation Proposal Section 18, Township 24 South, Range 29 East Eddy County, New Mexico

Concho Oil and Gas LLC,

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Zach McCormick Fed Com #121H well, located in Section 18, Township 24 South, Range 29 East, Eddy County, New Mexico.

In connection with the above, please note the following:

The estimated cost of drilling, testing, completing, and equipping the Well is \$5,834,025 as found on the enclosed AFE dated April 24, 2016.

The proposed surface location of the Well is approximately 712' FNL and 351' FEL of Section 18, Township 24 South, Range 29 East, Eddy County, New Mexico. The proposed bottom hole location of the subject well is approximately 661' FNL and 240' FEL of Section 18, Township 24 South, Range 29 East, Eddy County, New Mexico.

The Well will have a targeted interval within the Bone Spring formation. We plan to drill the Well horizontally in the Bong Spring (~8,400' TVD) to a Total Measured Depth of approximately 13,150' resulting in a productive lateral of approximately 4,500'.

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

Concho Oil and Gas LLC will own an approximate 2.506344% working interest in the Well, subject to title verification.

MRC requests that you indicate your election to participate in the drilling and completion of the Well in the space provided below, sign and return one (1) copy of this letter to the undersigned.

MRC is proposing to drill the Well under the terms of the modified 1989 AAPL form of Operating Agreement which is enclosed for your review and approval. The enclosed Operating Agreement dated May 17, 2017 by and between Matador Production Company, as operator and MRC Permian Company et al as Non-Operators covers N/2 of Section 18, Township 24 South, Range 29 East, Eddy County, New Mexico and has the following general provisions:

- 100/300/300 Non-consenting penalty
- \$7,000/\$700 Drilling and Producing rate
- Matador Production Company named as Operator

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

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

Sincerely 1.1.1.

Enclosure(s)

Please elect one of the following and return to sender.

Concho Oil and Gas LLC hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Zach McCormick Fed Com #121H well, located in Eddy County, New Mexico.

Concho Oil and Gas LLC hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Zach McCormick Fed Com #121H well, located in Eddy County, New Mexico.

I / We are interested in selling our interest in this unit, please contact us to discuss.

Concho Oil and Gas LLC

By: _____

Title:

Date: _____

MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240 Voice 972.371.5430 • Fax 214.866.4930 ccarleton@matadorresources.com

Chris Carleton Landman

May 16, 2017

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Concho Oil and Gas LLC 600 W. Illinois Ave Midland, TX 79701

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In connection with the above, please note the following:

The estimated cost of drilling, testing, completing, and equipping the Well is \$5,834,025 as found on the enclosed AFE dated April 24, 2016.

The proposed surface location of the Well is approximately 2384' FNL and 311' FEL of Section 13, Township 24 South, Range 29 East, Eddy County, New Mexico. The proposed bottom hole location of the subject well is approximately 1981' FNL and 240' FEL of Section 18, Township 24 South, Range 29 East, Eddy County, New Mexico.

The Well will have a targeted interval within the Bone Spring formation. We plan to drill the Well horizontally in the Bone Spring (~8,400' TVD) to a Total Measured Depth of approximately 13,150' resulting in a productive lateral of approximately 4,500'.

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

PTC1,y,

Enclosure(s)

Please elect one of the following and return to sender.

detailed	Dil and Gas LLC hereby elects to participate for its proportionate share of the costs in the enclosed AFE associated with the Matador Production Company's Zach nick Fed Com #122H well, located in Eddy County, New Mexico.
costs de	Oil and Gas LLC hereby elects not to participate for its proportionate share of the tailed in the enclosed AFE associated with the Matador Production Company's cormick Fed Com #122H well, located in Eddy County, New Mexico.
I / We as	e interested in selling our interest in this unit, please contact us to discuss.
Concho Oil and	Gas LLC
Ву:	
Title:	
Date:	

MATADOR PRODUCTION COMPANY

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

Phone (972) \$71-5200 • Fax (972) \$71-5201

ESTIMATE OF COSTS AND AD HORIZATION FOR EXPERIMINE										
DATE:	April 24, 2017	AFE NO.:	0							
WELL NAME:	Zach McConnick Fed Com #121H	FIELO:	o							
LOCATION	Section 18-24S-29E	BID/TVD:	13150/8400							
COUNTY/STATE:	Eddy, NM	- LATERAL LENGTH:	about 4500'							
MRC WE										

Bone Springs

Drtill and complete a horizontal Second Bone Spring Sand well with 22 stages

	DRILLING	COMPLETION	PRODUCTION		TOTAL.
INTANGIBLE COSTS	COSTS	COSTS	COSTS	FACILITY COSTS	COSTS
Land / Legal / Regulatory \$	1,700	1	8	\$\$	1,700
Location, Surveys & Damages	45,000	13,000	4,000		62,000
Drailing	448,000				446,000
Cementing & Float Equip	111,500				111,500
Logging / Permation Evaluation		4,500			4,500
dud Logging	12,000				12,000
Mud Circulation System	26,375				26,375
Mud & Chemicals	32,450	20,000			52,450
Mud / Westewater Disposal	125,000			65,000	190,000
Freight / Transportation	18,000	15,000			33,000
Rig Supervision / Engineering	63,000	42,650	9,000	18,000	132,550
Crill Elits	52,000				52,000
Fuel & Power	69,000				69,000
Water	30,000	318,210		50,000	398,210
Drig & Completion Overhead	8,500	15,000			23,500
Phigging & Abandonment					•
Otrectional Oritima, Surveys	115,000				118,000
Completion Unit, Swab, CTU	•	50,000	24,000		74,000
Perforating, Wireline, Slickline		85,800	· · ·		85,800
High Pressure Pump Truck	•	38,500			38,500
Stimulation	· · · ·	1,958,000			1,968,000
Stimulation Flowback & Disp	· · ·	113,000			113,000
nsurance	23,670				23,870
Labor	90,000	17,000	6,000		113,000
Rental - Surface Equipment	65,950	129,125	12,000	15,000	212,075
Rentzi - Doemhole Equipment	22,500	40,000		15,000	77,500
Rental - Living Quarters	30,200	24,950			56,150
Contingency	66,892	92,664	<u> </u>		161,658
TOTAL INTANGIBLES >	1,446,737	2,977,299	58,000	163,000	4,642,03
	DRILLING	COMPLETION	PRODUCTION		TOTAL
TANGIBLE COSTS	COSTS	COSTS	COSTS	FACILITY COSTS	COSTS

TANGIBLE COSTS		COSTS	COSTS	COSTS	FACILITY COSTS	COSTS
Surface Casing		27,230	\$\$		5 3	27,230
intermediate Cesing		72,484				72,484
Ortiling Liner		•				-
Production Casing		230,975				230,975
Production Liner		•				
Tubing		-		40,000		40,000
Wellhead		31,000		25,000		58,000
Peckere, Liner Hangere		•	52,800	6,000		60,600
Tanka		•			60,000	60,000
Production Vessels				66,000	41,000	107,000
Flow Lines		-	· · ·			
Rod string		-				
Artificted Lift Equipment		•		30,000		30,000
Compressor		-		· · ·		-
Installation Costs		<u> </u>		30,000	120,000	150,000
Surface Pumps		··· .		5,000	·	5,000
Non-controllable Surface				65,000	70,000	136,000
Non-controlizibio Downhole						
Downhole Pumps						
Measurement & Mater Installation		•		17,500	70,000	87,500
Gas Conditioning / Dehydration					·····	
Interconnecting Facility Plotna	_			<u> </u>	51,000	51,000
Gathering / Bulk Lines						
Valves, Dumps, Controllers		-			8,000	8,000
Tank / Facility Containment			·		20,000	20,000
Fiare Stack					15,000	15,000
Electrical / Grounding					15,000	15,000
Communications / SCADA		• • • •			· ·	
Instrumentation / Safety				——————————————————————————————————————	20,000	20,000
TOTAL TAI	NGIBLES >	361,689	52,800	287,500	490,000	1,191,98
TOTA	L COSTS >	1,808,426	3,030,099	342,500	653,000	5,834,02

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer: Adam Lange Compissions Engineer: Chris Calvert Production Engineer: John Romano Team Lead . WTXNM WTE

WTE

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, COO/CFO_	
-	DEL
Executive VP, Legal	
-	CA
President_	
	AIVH

GEOLOGIC TARGET:

REMARKS:

VP - Res Engineering	
Exec Oir - Exploration	
VP & General Manager	

BMR NUF

VP - Drilling BG VP - Production TWG

NON OPERATING PARTNER APPROVAL:

Company Name:		Working Interest (%):	Tax (D:
Signed by:		Date:	
Tibe:		Approval:Yes	No (mark one)
اليجم مذكر بريد الدرجي وتوطيعات من 171.45 ها علمه بل	المستجد والبليات والترار المشروعين أوارديه التباطا بدورة والبوي بيها والبراجا	بقال مشهود وا المتشهدي ومرز بين البه عن 100 مير و 10 ميران ما يوم 176 ما جرور ا	All in the latent space of the state of the

الارتباط محمد الله المحمد ا المحمد

MATADOR PRODUCTION COMPANY

CRE LINCOLN CENTRE • 6400 LBJ PREEWAY • 8UNTE 1800 • DALLAS, TEXAS 78240 Phone (972) 371-8200 • Pax (972) 371-8201 ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

	ESTIMATE OF COSTS AND AL	THORIZATION FOR EXPENDITURE	
DATE:	April 24, 2017	AFE NO.:	0
WELL NAME:	Zach McCormick Fed Corn #122H	FIELD:	0
LOCATION:	Section 18-24S-29E	MD/TVD:	13160'/8400'
COUNTY/STATE:	Eddy, NM	LATERAL LENGTH:	about 4500'
MRC WI:			
GEOLOGIC TARGET:	Bone Springs		
REMARKS:	Drill and complete a horizontal Second Bone Spring S	and with 22 stages	

	ORILLING	COMPLETION	PRODUCTION		TOTAL
INTANGIBLE COSTS	COST8	COSTS	COSTS	FACILITY COSTS	COSTS
Land / Legal / Regulatory	\$	\$ <u>13.000</u>	* <u> </u>	*	\$ <u>1,70</u> 62,00
Location, Surveys & Damages	45,000 .	13,000	4,000	<u> </u>	446,000
Drilling	446,000				111.50
Cementing & Float Equip	111,500				4,50
Logging / Formation Evaluation	<u> </u>	4,500			
Khud Logging	12,000				12,00
Mud Circulation System	26,375			<u> </u>	26,37
Bud & Chemicals	32,450	20,000			52,450
Mud / Wastemater Dispose)	125,000			65,000	190,00
Preight / Transportation	18,000	15,000			33,00
Rig Supervision / Engineering	63,000	42,550	9,000	18,000	132,55
Drill Bits	52,000				52,00
Fuel & Power	69,000	<u> </u>		<u> </u>	69,00
Whiter	30,000	318,210		50,000	398,21
Drig & Completion Overhead	8,600	15,000			23,50
Plugging & Abandonment					
Directional Drilling, Surveys	115,000				115,00
Completion Unit, Swab, CTU	••	50,000	24,000		74,00
Perforating, Wireline, Slickline		85,800	· ·		85,60
High Preasure Pump Truck		38,500		•	38,50
Stimulation		1,968,000			1,958,00
Stimulation Flowback & Disp		113,000			113,00
insurance	23,670			·	23,67
abor	90,000	17.000	6,000		113.00
Rental - Burtace Equipment	56,850	129,125	12,000	18,000	212.07
Rental - Downhole Equipment	22,500	40.000		15.000	75
Rental - Living Quarters	30,200	24,950			55,15
Contingency	68.652	82,664	<u> </u>	·····	161.55
TOTAL INTANGIEL		2.977,299	55,000	163,000 .	4,642,0
	DRILLING	COMPLETION	PRODUCTION		TOTAL
TANGIBLE COSTS	DRILLING COSTS			PACILITY COSTS	TOTAL COSTS
TANGIBLE COSTS Surface Casing	0RILLING COSTS \$ 27,236	COMPLETION	PRODUCTION		TOTAL COSTS
TANGIBLE COSTS Surface Ceshig Intermediate Cesting	DRILLING COSTS	COMPLETION	PRODUCTION		TOTAL COSTS
TANGIBLE COSTS Burface Cesting Intermodiate Casing Drilling Liner	DRILLING COSTS \$72,230 72,484	COMPLETION	PRODUCTION		TOTAL COSTS 27/20 72,40
TANGIBLE COSTS Surface Casing Intermodiate Casing Drilling Liner Production Casing	DRILLING COSTS 77,230 72,484 230,676	COMPLETION	PRODUCTION		TOTAL COSTS
TANGIBLE COSTS Surface Casing Intermediate Casing Ortilling Liner Production Casing Production Liner	DRILLING COSTS \$72,230 72,484	COMPLETION	PRODUCTION COSTS 8		TOTAL COSTS 27/22 72,42 230,67
TANGUBLE COSTS Burface Casing Intermediate Casing Drilling Liner Production Casing Production Liner Tubing	DRILLING COSTS 8 27/256 72/484 230,675	COMPLETION	PRODUCTION COSTS 5 		TOTAL COSTS 27/25 72,48 230,67
TANGIBLE COSTS Surface Casing Intermediate Casing Drilling Liner Production Casing Production Casing Production Liner Tubing Hollhead	01911LING COSTS 72,484 230,676 230,676 31,000	COMPLETION COSTS 3	PRODUCTION COSTS 5 		TOTAL COSTS 27/23 72.45 230.67 40.00 58,00
TANGIBLE COSTS Surface Cesing Intermediate Cesing Ording Liner Production Cesing Production Liner Tubing Wolfhead Packers, Liner Hangers	DRILLING COSTB 27,236 72,484 230,876 	COMPLETION	PRODUCTION COSTS 4 40,000 28,000 8,000	PACILITY COSTS	TOTAL COSTS 2722 230,57 230,57 40,00 58,00 60,88
TANGIBLE COSTS Surface Cealing Intermodiate Cealing Orilling Liner Production Liner Production Liner Fubling Methead Peckers, Liner Hangars Testis	DRILLING COSTS 77,284 230,676 31,000	COMPLETION COSTS 3	PRODUCTION COSTS 3 40,000 28,000 8,000	FACILITY COSTS	TOTAL COSTS 9 27/22 230,57 230,57 40,00 58,00 60,88 60,88
TANGIBLE COSTS Surface Casing Intermediate Casing Drilling Liner Production Casing Production Casing Production Liner Tubing Mellihead Packers, Liner Hangars Tanks Aroduction Vessels	DRILLING COSTS \$ 27,230 72,484 230,676 31,000	COMPLETION COSTS 3	PRODUCTION COSTS 8 40,000 28,000 8,000 68,000	PACILITY COSTS	TOTAL COSTS 27/22 72,42 230,67 40,00
TANGIBLE COSTS Burface Cesting Intermediate Cesting Production Cesting Production Liner Tubing Wollhead Packers, Liner Hangers Tentis Production Vessets Froduction Vessets Forw Lines	DRILLING COSTB 72,7250 72,484 230,675 31,000	COMPLETION COSTS 3	PRODUCTION COSTS 3 40,000 28,000 8,000	FACILITY COSTS	TOTAL COSTS 9 27/22 230,57 230,57 40,00 58,00 60,88 60,88
TANGIBLE COSTS Surface Casing Intermodiate Casing Drilling Liner Production Casing Production Casing Wellhead Packers, Liner Hangers Tenks Production Vessets Row Lines Row Lines Rod string	DRILLING COSTS 72,484 230,676 31,000	COMPLETION COSTS 3	PRODUCTION COSTS 8 40,000 28,000 68,000 68,000	FACILITY COSTS	TOTAL COSTS 27/22 230,8/ 230,8/ 230,8/ 230,0/ 230,0/ 230,0/ 230,0/ 230,0/ 230,0/ 230,0/ 230,0/ 230,0/ 200,0
TANGIBLE COSTS Surface Casing Intermediate Casing Drilling Liner Production Casing Production Casing Production Liner Tubing Welthead Packers, Linor Hangars Fanks Aroduction Vessels Flow Lines Rod asting Arafficial Lift Equipment	DRILLING COSTS 77,230 72,484 230,676 31,000	COMPLETION COSTS 3	PRODUCTION COSTS 8 40,000 28,000 8,000 68,000	FACILITY COSTS	TOTAL COSTS 27/22 230,87 230,87 40,00 58,00 80,80 80,90 107,00
TANGIBLE COSTS Surface Cesting Intermediate Cesting Production Cesting Production Liner Tubing Wolfhead Productor Liner Hengers Textics Production Vessets Froduction Vessets Rod string Artificial Lift Equipment Compressor	DRILLING COSTB 72,7350 72,484 230,876 31,000	COMPLETION COSTS 3	PRODUCTION COSTS 40,000 28,000 8,000 68,000 68,000 50,000	PACILITY COSTS	TOTAL COSTS 27/23 77/34 230/67 40/00 56/00 60/80
TANGIBLE COSTS Surface Casing intermediate Casing Production Casing Production Casing Production Liner Publing Notithead Pactars, Linor Hangers Pactars Production Vessets Row Lines Row L	DRILLING COSTS \$ 27,230 72,484 230,676 31,000	COMPLETION COSTS 3	PRODUCTION COSTS 8 40,000 28,000 68,000 68,000 50,000 30,000	FACILITY COSTS	TOTAL COSTS 27/22 230.87 230.87 230.87 230.87 230.87 230.87 230.87 230.87 230.87 230.87 230.87 230.87 20 20 20 20 20 20 20 20 20 20 20 20 20
TANGIBLE COSTS Surface Cesting Intermediate Casing Production Casing Production Casing Production Casing Production Vessels Row Lines Row Lines Row Lines Row Lines Row Lines Row Lines Row Lines Surface Ruppent Compressor Installation Costs Surface Ruppe	DRILLING COSTS 77,250 72,484 230,676 31,000	COMPLETION COSTS 3	PRODUCTION COSTS 40,000 28,000 8,000 68,000 50,000 5,000	PACILITY COST3	TOTAL COSTS 27/22 77,48 20,57
TANGIBLE COSTS Burface Casing Intermodiate Casing Production Casing Production Casing Production Casing Wellhead Pacters, Liner Hangers Tarks Production Vessets Production Vessets Production Vessets Rive Lines Rod string Artificial Lift Equipment Compressor Installation Costs Burface Pumps Non-controliation Surface	DRILLING COSTB 72,484 230,876 31,000	COMPLETION COSTS 3	PRODUCTION COSTS 3 40,000 28,000 30,000 50,000 50,000 5,000 5,000 5,000 66,000	PACILITY COSTS	TOTAL COSTS 27,22 230,5 230,5 230,5 230,5 230,5 230,5 230,5 230,5 230,5 230,5 230,5 230,5 230,5 20,5 20,5 20,5 20,5 20,5 20,5 20,5 2
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PREPARED BY MATADOR PRODUCTION COMPANY:

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Production Engineer:	John Romano		
MATADOR RESOURCES COM	PANY APPROVAL	:	
Executive VP, COO/CFO	DEL	VP - Res Engineering	VP - Orilling
Executive VP, Legal		Exac Dir - Explanation	· VP - Production
President		VP & General Manager	1100
NON OPERATING PARTNER A	PPROVAL:		
Company Name:		Working Interest (%):	Tex ID:
Signed by:		Oata:	
Title:		ApprovatYes	No (mank one)

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

APPLICATION OF MATADOR PRODUCTION COMPANY FOR A NON-STANDARD SPACING AND PRORATION UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 15,770

AFFIDAVIT OF NOTICE

COUNTY OF SANTA FE)

) ss. STATE OF NEW MEXICO)

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

1. I am over the age of 18, and have personal knowledge of the matters stated herein.

2: I am an attorney for Matador Production Company.

3. Matador Production Company has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the application filed herein.

4. Notice of the application was provided to the interest owners by certified mail. Copies of the notice letter and certified return receipt are attached hereto as Attachment A.

5. Applicant has complied with the notice provisions of Division Rules NMAC 19.15.4.9 and 19.15.4.12.C.

SUBSCRIBED AND SWORN TO before me this 2017 by James Bruce.

My Commission Expires:

-official seal Indrea Montoya

VTE OF NEW MEXICO

EXHIBI



My Comm

JAMES BRUCE ATTORNEY AT LAW

POST OFFICE BOX 1056 SANTA FE, NEW MEXICO 87504

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

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

jamesbruc@aol.com

June 30, 2017

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

COG Oil & Gas LLC COG Operating LLC 600 West Illinois Midland, Texas 79701

Ladies and gentlemen:

Enclosed is a copy of an application for a non-standard unit and compulsory pooling, filed with the New Mexico Oil Conservation Division by Matador Production Company, regarding a Bone Spring well in the N½N½ of Section 18, Township 24 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, August 3, 2017, in Porter Hall at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting the matter at a later date.

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Wednesday, July 27, 2017. This statement must be filed with the Division's Santa Fe office at the above address, and should include: The names of the party and its attorney; a concise statement of the case; the names of the witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours,

Attorney for Matador Production Company



J	U.S. Postal Service [™] CERTIFIED MAIL [®] RECEIPT Domestic Mail Only
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0660 0000 6 ⁴	S Extra Services & Fees (check box, add fee is appropriate) Geturn Receipt (hardcopy) S Adum Recolpt (didotronic) Adum Signature Required Adum Signature Resulted Delivery S Totel Postage and Fees
ح	Serie and Apt. No., or PO Box Nt 600 West Illinois Midland, Texas 79701 City, State, 21P+4* PS Form 3800, April 2015 PSN 7530-02-000-6047 See Reverse for Instructions

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 SENDER: COMPLETE THIS SECTION Complete Items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mallpiece, or on the front if space permits. 1. Article Addressed to: COG Oil & Gas 1.1.C COG Operating LLC 600 West Illinois Midland, Texas 79701 	COMPLETE THIS SECTION ON DELIVERY A. Signature X Agent Addressee B. Received by (Printed Name) C. Date of Delivery U Guide D. Is delivery address different from item 19 Data Yes If YES, enter delivery address below: No
9590 9402 2691 6351 8822 49 2. Article Number (Targéne form agrilles label) 7017 0660 0000 6478	3. Service Type □ Priority Mail Express® □ Adult Signature □ Registered Mail™ ⁴ □ Adult Signature Restricted Delivery □ Registered Mail™ ⁴ □ Adult Signature Restricted Delivery □ Registered Mail™ ⁴ □ Corlified Mail® □ Return Receipt for Merchandise □ Collect on Delivery □ Signature Confirmation [™] □ Collect on Delivery □ Signature Confirmation □ Ticted Delivery □ Signature Confirmation

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

APPLICATION OF MATADOR PRODUCTION COMPANY FOR A NON-STANDARD SPACING AND PRORATION UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 15,771

AFFIDAVIT OF NOTICE

COUNTY OF SANTA FE

) ss. STATE OF NEW MEXICO)

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

1. I am over the age of 18, and have personal knowledge of the matters stated herein.

2. I am an attorney for Matador Production Company.

3. Matador Production Company has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the application filed herein.

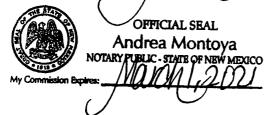
4. Notice of the application was provided to the interest owners by certified mail. Copies of the notice letter and certified return receipt are attached hereto as Attachment A.

5. Applicant has complied with the notice provisions of Division Rules NMAC 19.15.4.9 and 19.15.4.12.C.

mes Bruce

SUBSCRIBED AND SWORN TO before me this 2017 by James Bruce.

My Commission Expires:



(
	EXHIBIT

JAMES BRUCE ATTORNEY AT LAW

POST OFFICE BOX 1056 SANTA FE, NEW MEXICO 87504

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

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

jamesbruc@aol.com

June 30, 2017

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

COG Oil & Gas LLC COG Operating LLC 600 West Illinois Midland, Texas 79701

Ladies and gentlemen:

Enclosed is a copy of an application for a non-standard unit and compulsory pooling, filed with the New Mexico Oil Conservation Division by Matador Production Company, regarding a Bone Spring well in the S¹/₂N¹/₂ of Section 18, Township 24 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, August 3, 2017, in Porter Hall at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting the matter at a later date.

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Wednesday, July 27, 2017. This statement must be filed with the Division's Santa Fe office at the above address, and should include: The names of the party and its attorney; a concise statement of the case; the names of the witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours,

Attorney for Matador Production Company

ATTACHMENT	
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-	City, State, ZIP+4* 600 West Illinois Midland, Texas 797	01
ł	PS Form 3800, April 2015 PSN 7530-02-000-9047	See Reverse for Instructions

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 SENDER: COMPLETE THIS SECTION Complete Items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the maliplece, or on the front If space permits. Article Addressed to: 	COMPLETE THIS SECTION ON A. Signature X. W. J. J. J. Signature B. Received by (Printed, Name) M. M. M	C. Date of Delivery
COG Oil & Gas LLC COG Operating LLC 600 West Illinois Midland, Texas 79701		
9590 9402 2691 6351 8822 56 2. Article Number (Transfer from service label) 7017 0660 0000 6478 7173	3. Service Type Adult Signature Adult Signature Restricted Delivery Certified Mail® Certified Mail Restricted Delivery Collect on Delivery Collect on Delivery Collect on Delivery Collect on Delivery Mail Restricted Delivery 00	 □ Priority Mail Express® □ Registered Mail™ □ Registered Mail Restricted Delivery □ Return Receipt for Merchandise □ Signature Confirmation™ □ Signature Confirmation Restricted Delivery
PS Form 3811, July 2015 PSN 7530-02-000-9053	Not 2M/221	Domestic Return Receipt

Offset Operators or Working Interest Owners

S/2S/2 Section 7 Kaiser-Francis Oil Company P.O. Box 21468 Tulsa, Oklahoma 74121

SW/4W/4 Section 8 OXY USA Inc. Suite 110 5 Greenway Plaza Houston, Texas 77046

W/K Land Company 911 Kimbark Street Longmont, Colorado 80501

John Woodward Address unknown

Patterson-UTI Energy, Inc. Suite 800 10713 West Sam Houston Parkway North Houston, Texas 77064

Glenna V. Anderson 7 Via Chapala San Clemente, California 92673

Roberta Regan address unknown

Floyd & Catherine Ensign address unknown

Apache Corporation Suite 3000 300 Veterans Airpark Lane Midland, Texas 79705

Lobos Energy Partners LLC Suite 950 3817 NW Expressway Oklahoma City, Oklahoma 73112



and the second second

Carol Day 1618 Oakwood Drive Modesto, California 95350

Grace M. Eads 4367 Dearpark Court Westlake Village, California 91361 William J. Finch P.O. Box 3000 Tulsa, Oklahoma 74102

Judy J. Flick 36 Bryan Court Alamo, California 94507

Barbara M. Hart 2730 Miradero Drive Santa Barbara, California 93105

Fred Newcomb 58 West Pine Street Altadena, California 91001



Bonnie Pulliam 1712 Frank Marion Durham, California 95938

W/2NW/4 and NW/4SW/4 Section 17 COG Operating LLC 600 West Illinois Midland, Texas 79701

OXY USA WTP L.P. Suite 110 5 Greenway Plaza Houston, Texas 77046

<u>N/2S/2 Section 18</u> Chevron U.S.A. Inc. 6301 Deauville Boulevard Midland, Texas 79706

<u>NE/4SE/4 Section 13-24S-28E</u> RSC Resources, LP 6824 Island Circle Midland, Texas 79707 E/2NE/4 Section 13-24S-28E Chisos, Ltd. 670 Dona Ana Road SW Deming, New Mexico 88030

Black Shale Minerals, LLC P.O. Box 2243 Longview, Texas 75606

Horned Frog Oil & Gas, LP P.O. Box 101265 Fort Worth, Texas 76185

OXY USA WTP L.P. Suite 110 5 Greenway Plaza Houston, Texas 77046

RSC Resources, LP 6824 Island Circle Midland, Texas 79707

Gahr Energy Company P.O. Box 1889 Midland, Texas 79702

HHC Consulting & Investments, LLC 2800 North Garfield Midland, Texas 79705

JTD, LLC 3413 Shell Avenue Midland, Texas 79707

Texabec, LLC P.O. Box 702008 Dallas, Texas 75370

Cl. St. Clair, LLC 3211 Haynes Drive Midland, Texas 79705

Devon Energy Production Company, L.P. 333 West Sheridan Avenue Oklahoma City, Oklahoma 73102 <u>SE/4SE/4 Section 12-24S-28E</u> Mewbourne Oil Company Suite 1020 500 West Texas Midland, Texas 79701

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

APPLICATION OF MATADOR PRODUCTION COMPANY FOR A NON-STANDARD SPACING AND PRORATION UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 15,770

APPLICATION OF MATADOR PRODUCTION COMPANY FOR A NON-STANDARD SPACING AND PRORATION UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 15,771

AFFIDAVIT OF NOTICE

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

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

1. I am over the age of 18, and have personal knowledge of the matters stated herein.

2. I am an attorney for Matador Production Company.

3. Matador Production Company has conducted a good faith, diligent effort to find the names and correct addresses of the offset operators or interest owners entitled to receive notice of the applications filed herein.

4. Notice of the applications was provided to the offsets, at their last known addresses, by certified mail. Copies of the notice letters and certified return receipts are attached hereto as Attachment A.

5. Applicant has complied with the notice provisions of Division Rules NMAC 19.15.4.9 and 19.15.4.12.C.

Mul 1/00 1

James Bruce

SUBSCRIBED AND SWORN TO before me this _______ day of August, 2017 by James Bruce.

My Commission Expires:



OFFICIAL SEAL Andrea Montoya NOTARY PUBLIC - STATE OF NEW MEXICO

EXHIBI

JAMES BRUCE ATTORNEY AT LAW

POST OFFICE BOX 1056 SANTA FE, NEW MEXICO 87504

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

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

jamesbruc@aol.com

July 12, 2017

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed are copies of two applications for a non-standard unit, *etc.*, filed with the New Mexico Oil Conservation Division by Matador Production Company, regarding Bone Spring wells in (i) the N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 18, and (ii) the S $\frac{1}{2}$ N $\frac{1}{2}$ of Section 18, both in Township 24 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.

These matters are scheduled for hearing at 8:15 a.m. on Thursday, August 3, 2017, in Porter Hall at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. The Division requires applicant to notify offset operators or working interest owners of the non-standard unit portion of the applications, and you offset one or both of the well units. You are not required to attend this hearing, but you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting these matters at a later date.

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, July 27, 2017. This statement must be filed with the Division's Santa Fe office at the above address, and should include: The names of the party and its attorney; a concise statement of the case; the names of the witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

ery truly yours



Attorney for Matador Production Company

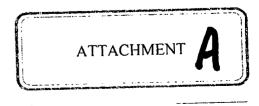


EXHIBIT A

Kaiser-Francis Oil Company P.O. Box 21468 Tulsa, Oklahoma 74121

Attention: Michael D. Maxey

COG Operating LLC 600 West Illinois Midland, Texas 79701

OXY USA WTP L.P. Suite 110 5 Greenway Plaza Houston, Texas 77046

RSC Resources, LP 6824 Island Circle Midland, Texas 79707

Gahr Energy Company P.O. Box 1889 Midland, Texas 79702

HHC Consulting & Investments, LLC 2800 North Garfield Midland, Texas 79705

JTD, LLC 3413 Shell Avenue Midland, Texas 79707

Texabec, LLC P.O. Box 702008 Dallas, Texas 75370

Cl. St. Clair, LLC 3211 Haynes Drive Midland, Texas 79705

Devon Energy Production Company, L.P. 333 West Sheridan Avenue Oklahoma City, Oklahoma 73102 Chisos, Ltd. 670 Dona Ana Road SW Deming, New Mexico 88030

Black Shale Minerals, LLC P.O. Box 2243 Longview, Texas 75606

Horned Frog Oil & Gas, LP P.O. Box 101265 Fort Worth, Texas 76185

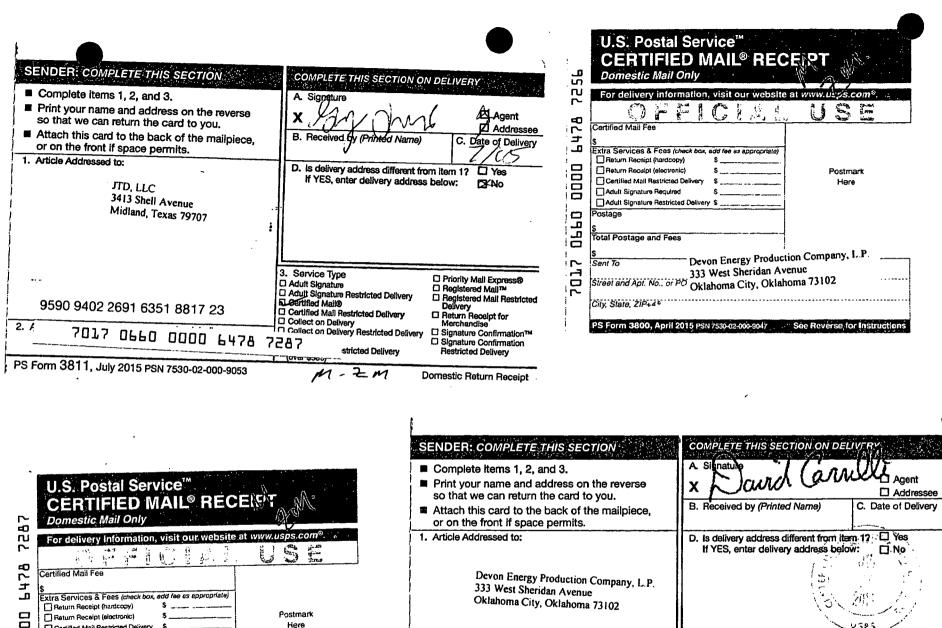
Chevron U.S.A. Inc. 6301 Deauville Boulevard Midland, Texas 79706

Attention: Permitting Team

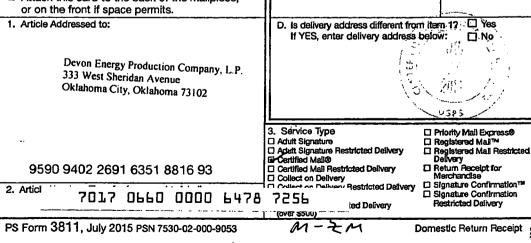
Mewbourne Oil Company Suite 1020 500 West Texas Midland, Texas 79701

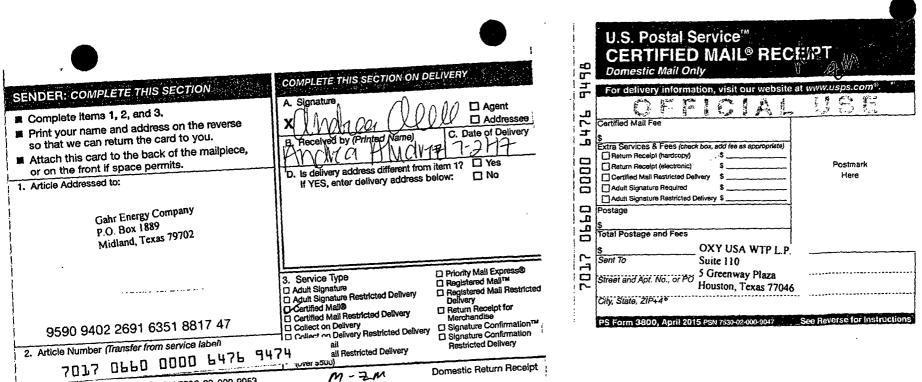
Attention: Corey Mitchell





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•	City, State, ZIP+4*		
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PS Form 3811, July 2015 PSN 7530-02-000-9053

U.S. Postal Service[™]

Extra Services & Fees (check box, and fee as appropriate)

PS Form 3800, April 2015 PSN 7530-02-000-8047

Gahr Energy Company

Midland, Texas 79702

P.O. Box 1889

Domestic Mail Only

Certified Mail Fee

Return Receipt (hardcopy)

[] Return Receipt (electronic)

C Adult Signature Required Adult Signature Restricted Delivery \$

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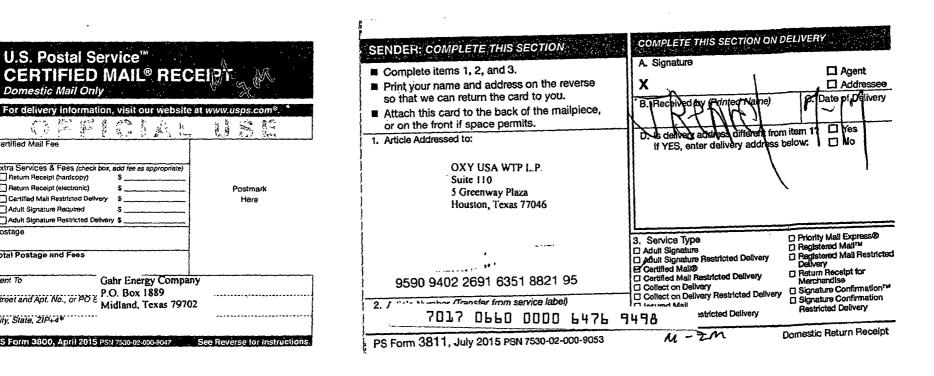
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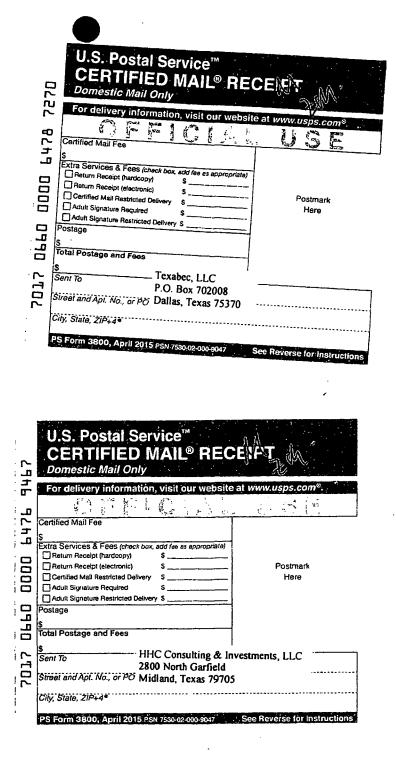
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 SENDER: COMPLETE THIS SECTION Complete Items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mallplece, or on the front if space permits. Article Addressed to: 	COMPLETE THIS SECTION ON DELIVERY A. Signature X. WM MU(A & W = Agent B. Received by (Prinled Name) C. Date of Delivery WM MU(A & W = Addressee B. Received by (Prinled Name) C. Date of Delivery WM MU(A & W = Addressee B. Received by (Prinled Name) C. Date of Delivery WM MU(A & W = Addressee B. Received by (Prinled Name) F. Date of Delivery WM MU(A & W = Addressee If YES, enter delivery address below:
Black Shale Minerals, LLC P.O. Box 2243 Longview, Texas 75606	· · ·
9590 9402 2691 6351 8816 79	3. Service Type □ Priority Mall Express® □ Adult Signature □ Registered Mail™ □ Adult Signature Restricted Delivery □ Registered Mail™ □ Certified Mail® □ Delivery □ Certified Mail Restricted Delivery □ Return Receipt for
2. Article Number (Transfer from service level)	Collect on Delivery Merchandise Merchandise Signature Confirmation Collect on Chivery Restricted Delivery Signature Confirmation Collect on Collect on Confirmation Signature Confirmation Signature Confirmation Collect on Collect on Collect Signature Confirmation Restricted Delivery Restricted Delivery
PS Form 3811, July 2015 PSN 7530-02-000-9053	M-2M Domestic Return Receipt









JAMES BRUCE ATTORNEY AT LAW

POST OFFICE BOX 1056 SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213 Santa Fe, New Mexico 87501

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

jamesbruc@aol.com

July 13, 2017

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed is a copy of an application for a non-standard spacing and proration unit, *etc.*, filed with the New Mexico Oil Conservation Division by Matador Production Company, regarding a Bone Spring well in the N½N½ of Section 18, Township 24 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, August 3, 2017, in Porter Hall at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. The Division requires applicant to notify offset operators or working interest owners of the non-standard unit portion of the application, and you offset the well unit. You are not required to attend this hearing, but you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting the matter at a later date.

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Wednesday, November 27, 2017. This statement must be filed with the Division's Santa Fe office at the above address, and should include: The names of the party and its attorney; a concise statement of the case; the names of the witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours,



Attorney for Matador Production Company

EXHIBIT A

OXY USA Inc. Suite 110 5 Greenway Plaza Houston, Texas 77046

W/K Land Company 911 Kimbark Street Longmont, Colorado 80501

John Woodward Address unknown

Patterson-UTI Energy, Inc. Suite 800 10713 West Sam Houston Parkway North Houston, Texas 77064

Glenna V. Anderson 7 Via Chapala San Clemente, California 92673

Roberta Regan address unknown

Floyd & Catherine Ensign address unknown

Apache Corporation Suite 3000 300 Veterans Airpark Lane Midland, Texas 79705

Lobos Energy Partners LLC Suite 950 3817 NW Expressway Oklahoma City, Oklahoma 73112

Carol Day 1618 Oakwood Drive Modesto, California 95350

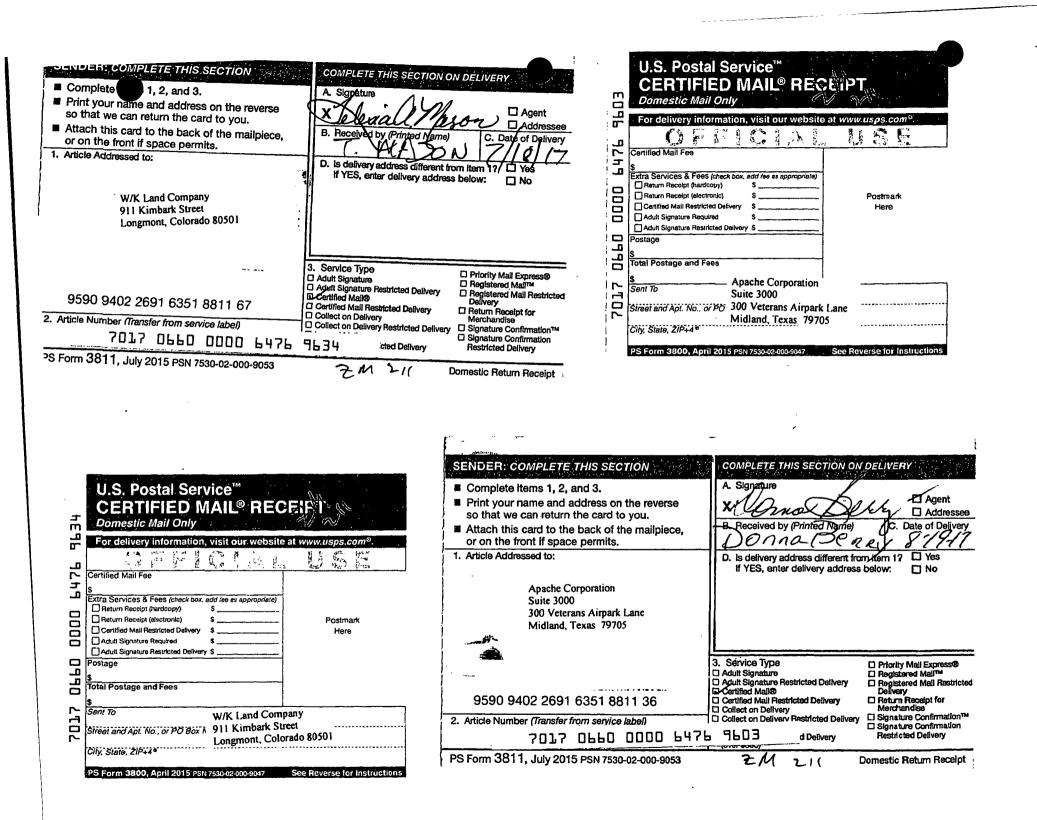
Grace M. Eads 4367 Dearpark Court Westlake Village, California 91361 William J. Finch P.O. Box 3000 Tulsa, Oklahoma 74102

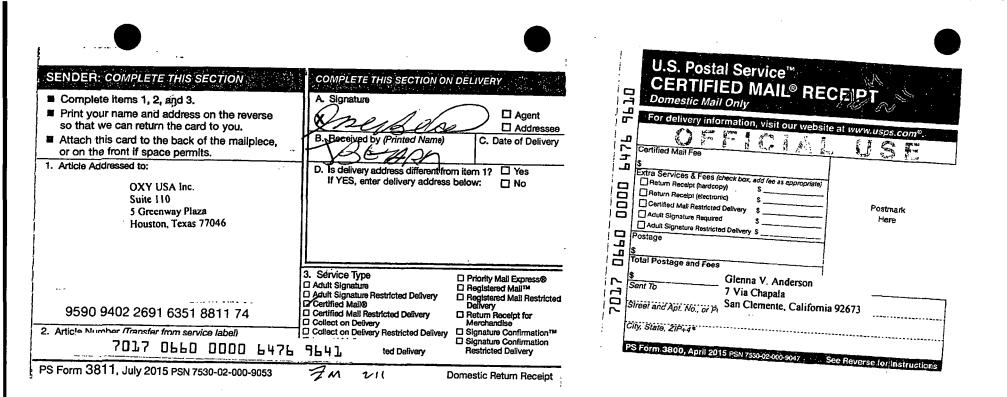
Judy J. Flick 36 Bryan Court Alamo, California 94507

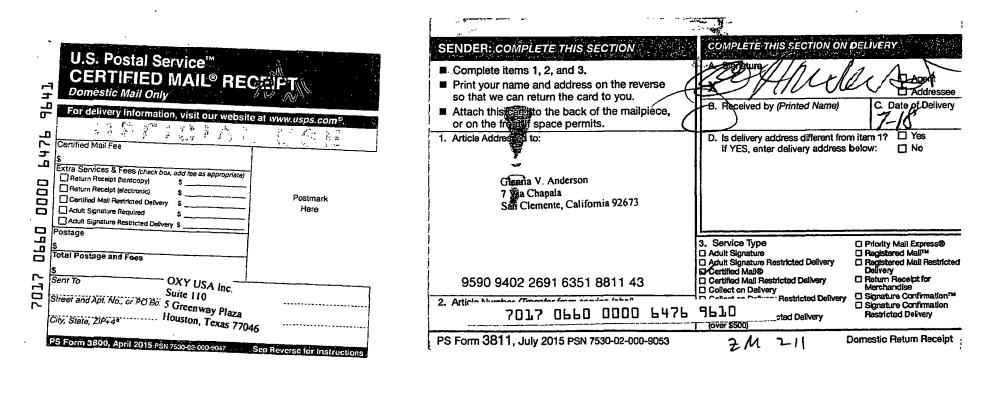
Barbara M. Hart 2730 Miradero Drive Santa Barbara, California 93105

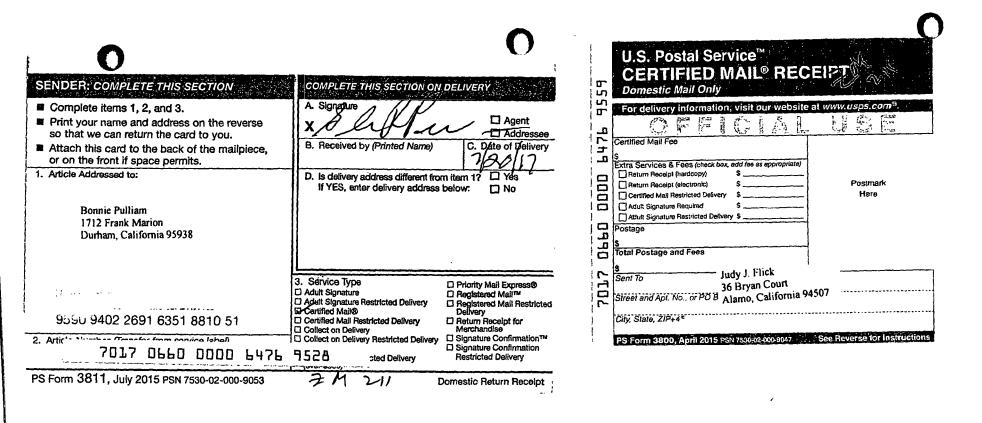
Fred Newcomb 58 West Pine Street Altadena, California 91001

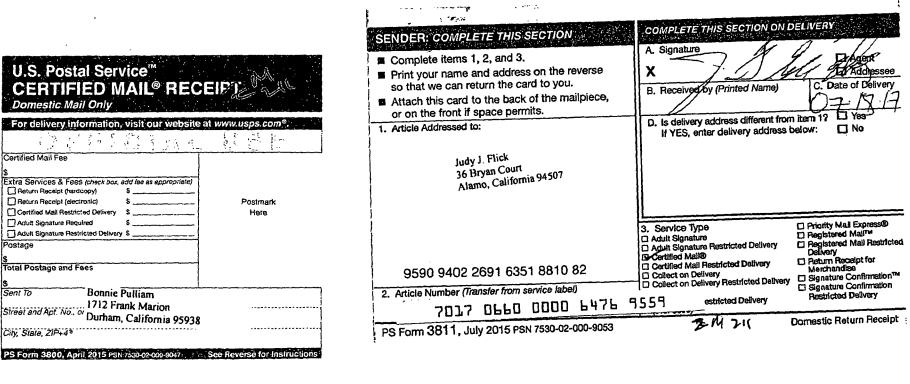
Bonnie Pulliam 1712 Frank Marion Durham, California 95938











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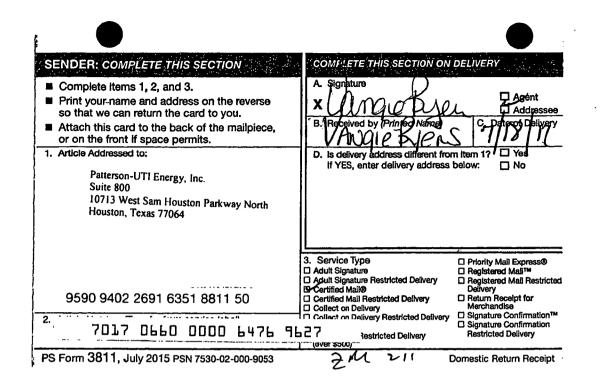
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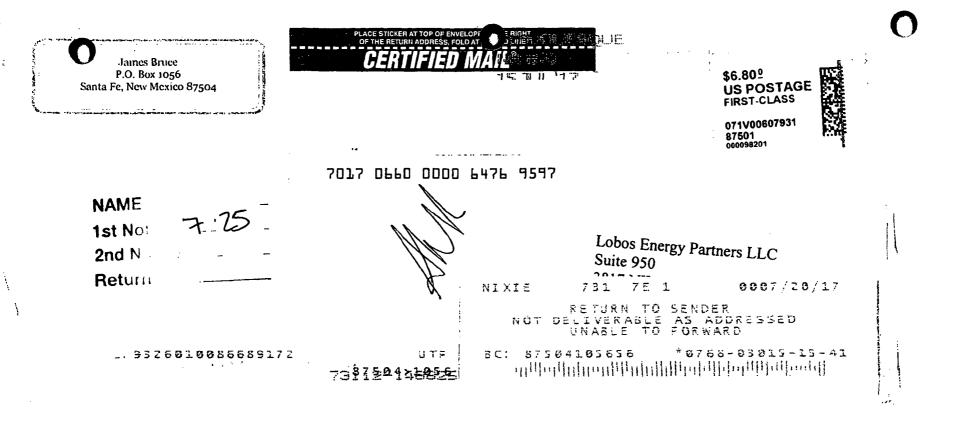
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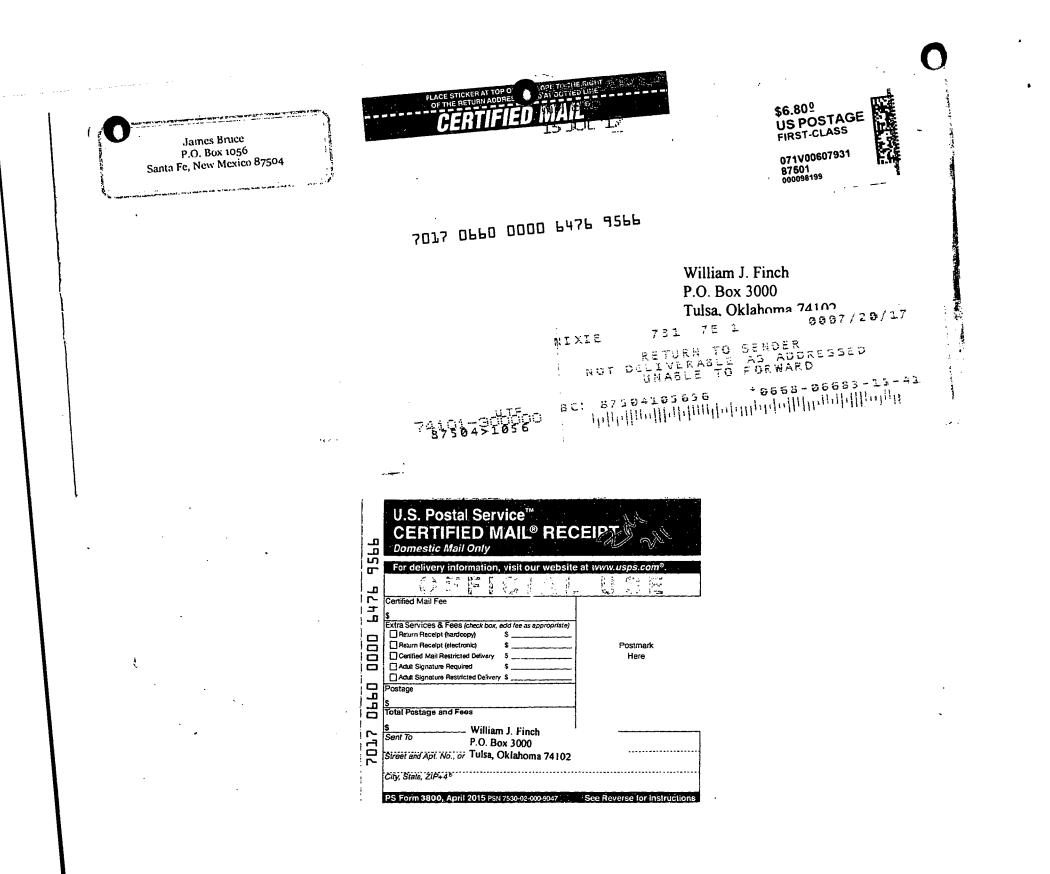
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	PS Form 3800, April 2015 PSN 7530-02-000-9047	See Reverse for Instructions	

Affidavit of Publication

State of New Mexico, County of Eddy, ss.

Danny Fletcher, being first duly sworn, on oath says:

That he is the Publisher of the Carlsbad Current-Argus, newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

<u>July 20</u>

That the cost of publication is **\$87.49** and that payment thereof has been made and will be assessed as court costs.

Subscribed and sworn to before me this <u>2</u> day of <u>1</u> ,<u>201</u>

My commission Expires 2/3/

Notary Public



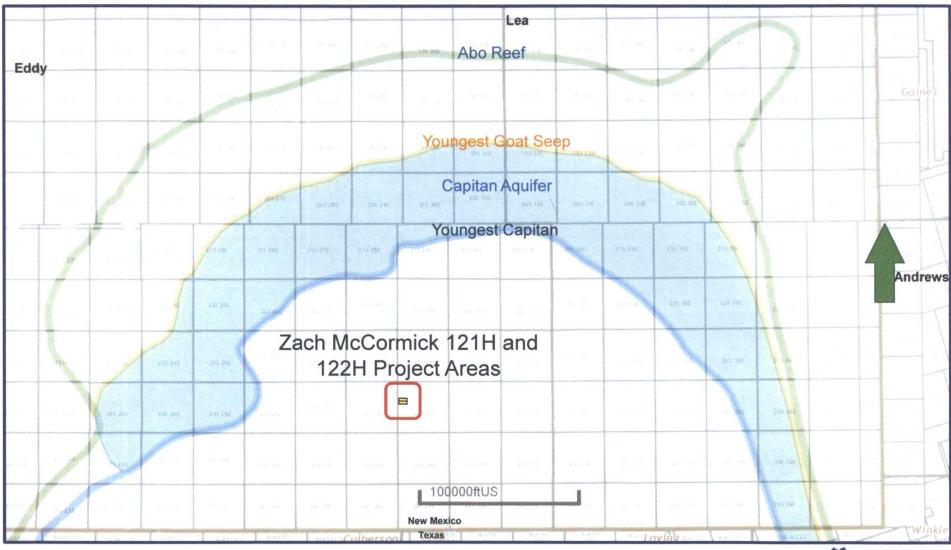
NOTICE To: OXY USA Inc., W/K Land Company, John Woodward; Patterson-UTI Energy, Inc., Glenna V. Anderson, Roberta Regan, Floyd Ensign, Catherine Ensign, Apache Corporation, Lobos Energy Partners LLC, Carol Day, Grace M. Eads, William J. Finch, Judy J. Flick, Barbara M. Hart, Fred Newcomb, Bonnie Pulliam, Chisos, Ltd., Black Shale Minerals, LLC, Horned Frog Oil & Gas, LP, OXY USA WTP LP. HHC Consulting & Investments, LLC, JTD, LLC, Texabec, LLC,

and Cl. St. Clair, LLC. and Cl. St. Clair, LLC, or your heirs, devisees, successors, or assigns: Matadox Production Company has filed applications with the New Mexico Oil Conservation Division seeking approval of two non-standard gas spacing and proration units in the Bone Spring formation er Bone Spring formation Dn for wells in (i) the N¹/₂N¹/₂ of Section 18, and (ii) the S¹/₂N¹/₂ of Section 18, both in Township 24 South, <u>2017</u> Range 29 East, N.M.P.M., Eddy Coun-ty, New Mexico. The applications are scheduled to be heard of at 8:15 a.m. on Thurs-day, August 3, 2017 at the Division's offices at 1220 South St. Francis Drive. Santa the Division's United at 1220 South St. Francis Drive, Santa New Mexico Fe, New Mexico 87505. As an offset interest owner to the subject well units, you have the right to enter an appearance and participate in the case. Failure to appear will preclude you from contesting this matter at a later date. The attorney for applicant is James Bruce, P.O. Box 1056, Santa Fe, New Mexico 87504, The well units are located approximately 2 miles south of Harroun, New Mexico.

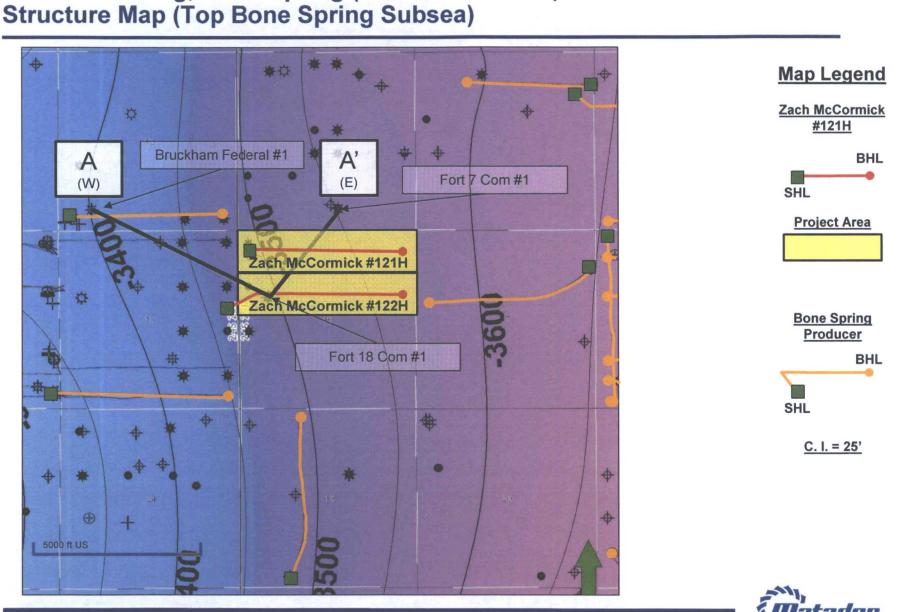
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Pierce Crossing; Bone Spring (Pool Code 50371) Locator Map







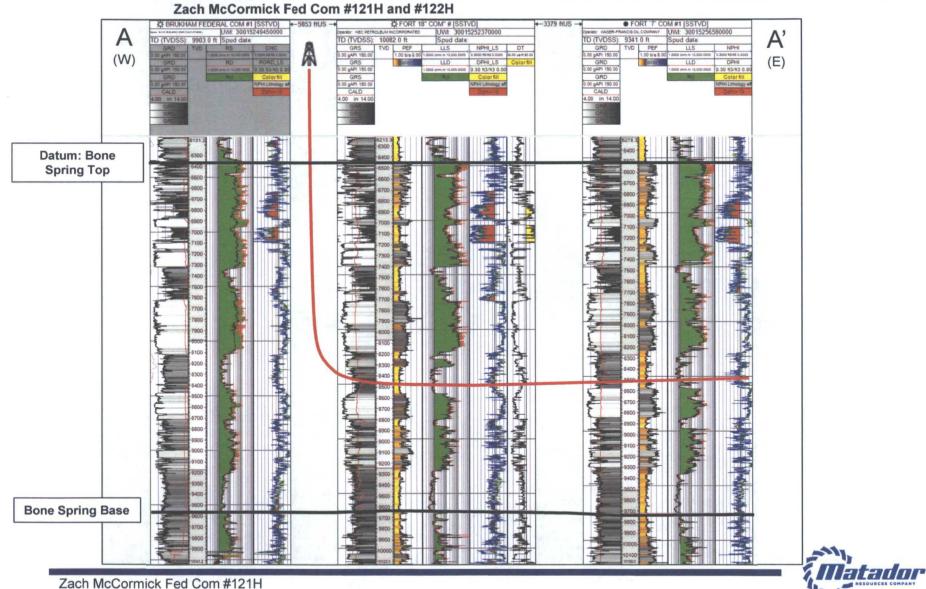
Matador

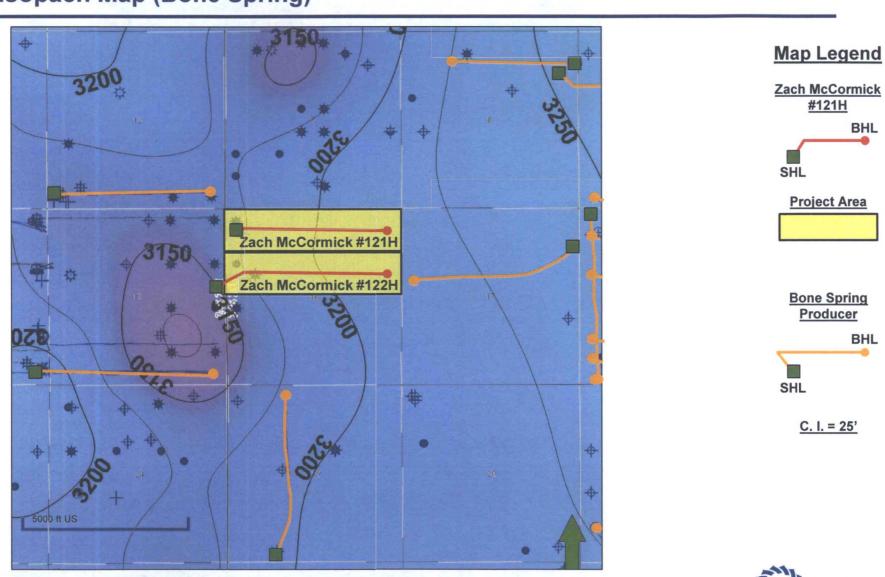
Exhibit 8

Pierce Crossing; Bone Spring (Pool Code 50371)

Matador Exhibit 9

Pierce Crossing; Bone Spring (Pool Code 50371) Stratigraphic Cross Section A - A'





Matador

Exhibit 10



Pierce Crossing; Bone Spring (Pool Code 50371) Isopach Map (Bone Spring)

Pierce Crossing; Bone Spring (Pool Code 50371) Zach McCormick Fed Com #121H Completion





Zach McCormick Fed Com #121H

Pierce Crossing; Bone Spring (Pool Code 50371) Zach McCormick Fed Com #122H Completion



