## **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

1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 11 S. First St., Artesia, NM 88210 one: (575) 748-1283 Fax: (575) 748-9720

1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 <u>District IV</u> 1220 S. St. Francis Dr., Sante Fe, NM 87505

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

State of New Marie OIL CONSERVATION Energy, Minerals & Natural Resource DISTRICT Department

OIL CONSERVATION DIVISION 2017

1220 South St. Francis Dr. Sante Fe, NM 87505 RECEIVED

**FORM C-102** Revised August 1, 2011

Submit one copy to appropriate

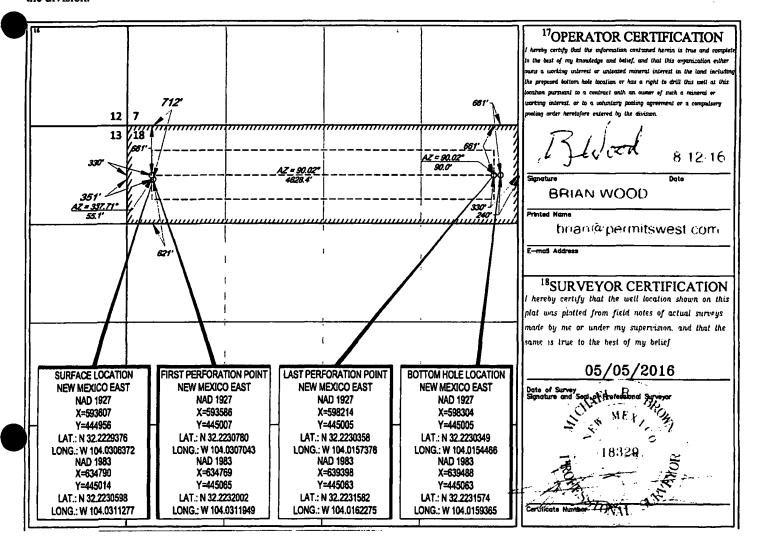
**District Office** 

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT '2nd Bone Spring sand

30.015 44244				Pool Code 50371  PIERCE CROSSING B					BONE SPRING'		
Property Code SACH MCCORMICK						Property Name  (FED COM			ell Number 121H		
OGRID N 22893			1	MATADOI	Operator Na R PRODUCT	Name TION COMPANY			Elevation 2953'		
					<sup>10</sup> Surface Lo	cation					
UL or lot lo.	_	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County		
<b>1</b>	18	24-S	29-E		712'	NORTH	351'	WEST	EDDY		
UL or lot no.		Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County		
A	18	24-S	29-E	-	661'	NORTH	240'	EAST	EDDY		
159.60	<sup>13</sup> Joint or 1	rutin r.€C	onsolidation Cod	ie <sup>15</sup> Order	r 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.



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Energy, Minerals & Natural Resum Cit. CONSERVATION Department

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**District Office** 

OIL CONSERVATION DIVISION JUN 07 2017 1220 South St. Francis Dr.

Sante Fe, NM 87505

RECEIVED

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT 2nd Bone Spring sand

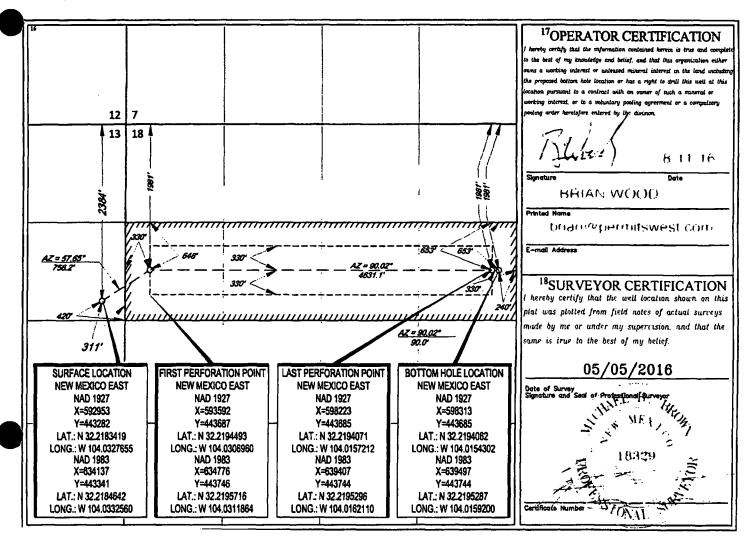
30 (1)5 44255	Pool Code 50371	PIERCE CROSSING BO	INE SPRING:
Property Code 317797	ZACH McCORMICK F	perty Name E D. C.(.)M	*Well Number #122H
70GRID No. 228937	•	rator Name DUCTION COMPANY	°Elevation 2956'

<sup>10</sup>Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
H	13	24-S	28-E	_	2384'	NORTH	311'	EAST	EDDY

UL or lot no. H	Section 18	Towaship 24-S	Range 29-E	Lot Idn	Feet from the 1981'	North/South line NORTH	Feet from the 240'	East/West line EAST	EDDY EDDY
159 68	)   <sup>13</sup> Joint or 1	nfill 14Co	nsolidation Code	L <sup>LS</sup> Orde	r 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.



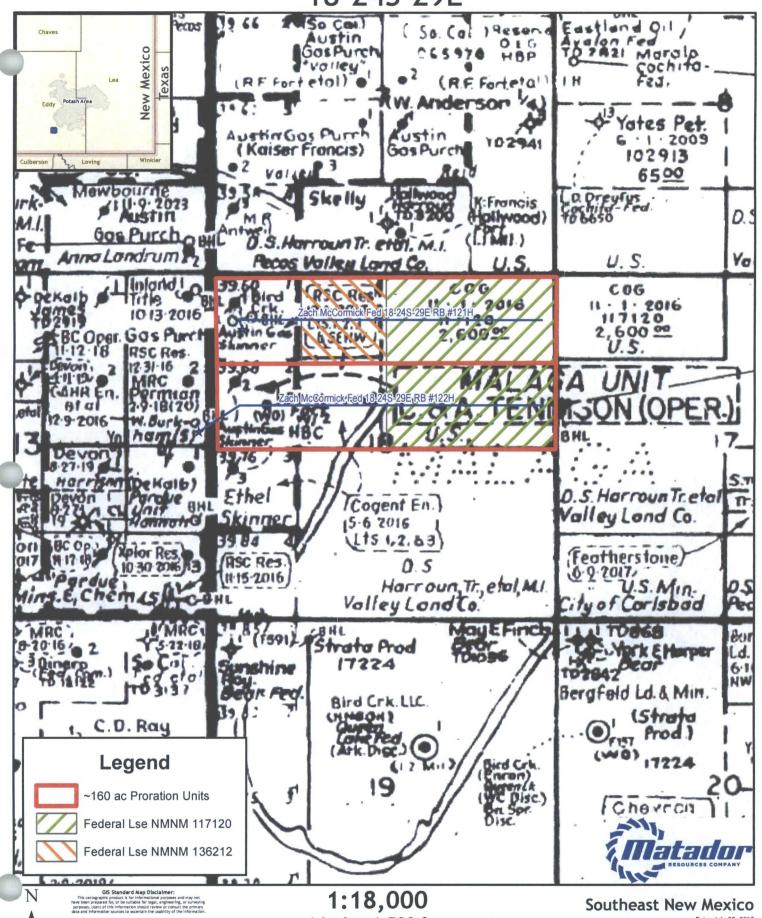


## **Summary of Interests**

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%



## 18-24S-29E



4,500

3,000

750

1,500

1 inch = 1,500 feet

#### Feet 6,000

Date: July 28, 2017 Coordinate System: NAD 1927 StatePlane New Mexico East FIPS 3001
Projection: Transverse Mercator; Datum: North American 1927; Units: Foot US Sources: IHS; ESRI;

#### **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

Date: \_\_

- \$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.

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:

#### 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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Midland, IX /9/01

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Enclosure(s)

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

Concho Oil and Gas LLC

By:

Title:

#### **MATADOR PRODUCTION COMPANY**

ONE LINCOLN CENTRE • 6400 LBJ FREEWAY • SUITE 1500 • DALLAS, TEXAS 75240 Phone (972) 371-6200 • Pex (972) 371-6201

DATE: A		ESTERATE OF COSTS A	ND AUTHORIZATION FOR	EXPERDITURE		
	ori) 24, 2017			AFE NO.:		0
	ch McCormick Fed	Com #121H		FIELD:	_	0
_	ection 18-24S-29E			NO/TVD:		13150'/8400'
	idy, NM		_	LATERAL LENGTH:	_	about 4500'
MRC WE	20y, 14H	<del></del>	-	J	. –	
	and Contract	·				
	one Springs	orizontal Second Bone Sp	den Sand well with 22 o	longe		
REMARKS: D	III and Cumpieus a m	drizoniai Securio burie Sp	ing Sala was will 22 5	usges		<del></del>
		DRILLING	COMPLETION	PRODUCTION	<del></del>	TOTAL
INTANGIBLE COS	70	COSTS	COSTS	COSTS	FACILITY COSTS	COSTS
Land / Legal / Regulatory			\$	\$	\$ -	\$ 1,700
Location, Surveyo & Damages	`	45,000	13,000	4,000	·	62,000
Drifting		448,000				448,000
Cementing & Float Equip		111,500				111,500
Logging / Formation Ryaluation	3		4,500			4,500 12,000
Mud Logging		12,000 26,375				26,375
Mud Circulation System Mud & Chemicals		32,450	20,000			52,450
Mud / Wastewater Disposal		125,000			85,000	190,000
Freight / Transportation		18,000	15,000			33,000
Rig Supervision / Engineering		83,000	42,550	9,000	18,000	132,550
Crill Elits		52,000				52,000 69,000
Fuel & Power		69,000 30,000	318,210		50,000	398,210
Water Drig & Completion Overhead		8,500	15,000			23,500
Phigging & Abandonment		<del></del>		<del></del>	<del></del>	
Otrectional Oriting, Surveys		115,000				118,000
Completion Unit, Swab, CTU			50,000	24,000		74,000
Perforating, Wireline, Stickline			85,800 38,500	<u> </u>	<del></del>	85,800 38,500
High Pressure Pump Truck Stimulation		<del></del>	1,958,000		<del></del>	1,958,000
Stimulation Flowback & Clap		<del></del>	113,000		<del></del>	113,000
Insurance		23,670				23,670
Labor		90,000	17,000	6,000		113,000
Rental - Surface Equipment		55,950	129,125	12,000	15,000	212,076
Rental - Downhole Equipment		22,500 30,200	40,000	<del></del>	15,000	77,500 56,160
Rental - Living Quarters Contingency		68,892	92,684	<del></del>	<del></del>	161,556
	OTAL INTANGIBLES :		2,977,299	58,000	183,000	4,642,038
<del></del>		DRILLING	COMPLETION	PRODUCTION		TOTAL
TANGIELE COST	rs	COSTS	COSTS	COSTS	FACILITY COSTS	COSTS
Surface Cosing	·····	27,230	*	\$	\$	27,230
Intermediate Casing		72,484				72,484
Orilling Liner Production Casing		230,975		<del></del>		230,975
Production Liner		230,815				230,873
Tubing		<del></del>		48,000		40,000
Wellhead		31,000		25,000		56,000
Peckers, Liner Hangers			52,800	8,000		60,800
Tanks					60,000	60,000
Production Vessels Flow Lines		<del></del>		66,000	41,000	107,000
Rod string		<del></del>	<del></del>	<del></del>	<u>`</u>	<del></del>
Artificial Lift Equipment		-		30,000		30,000
Compressor						
installation Costs						150,000
				30,000	120,000	
Surface Pumps		<u></u>		5,000		5,000
Non-controllable Surface					70,000	136,000
				5,000 66,000		
Non-controllable Surface Non-controllable Downhole	lon	<del></del>		5,000 66,000		
Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installati Gas Conditioning / Dehydration	9	<del></del>		5,000 56,000 - 17,500	70,000	87,500
Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installati Gas Conditioning / Dehydratio Interconnecting Facility Piping	9	<del></del>		5,000 56,000 - 17,500	70,000	87,500 61,000
Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Moter Installati Gas Conditioning / Dehydratio Interconnecting Facility Piping Gathering / Bulk Lines	9	<del></del>		5,000 56,000 - 17,500	70,000 70,000 51,000	67,500 51,000
Non-controlizate Surface Non-controlizate Downhole Downhole Pumps Seasurement & Moter Installat Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Vares, Dumps, Controllers	9	<del></del>		5,000 56,000 - 17,500	70,000 70,000 - 51,000 - 8,000	136,000 - - 87,500 51,000
Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Moter Installati Gas Conditioning / Dehydratio therconnecting Facility Ppimg Gathering / Bulk Lines Valves, Bumps, Controllars Tank / Facility Containment Flare Stack	9	<del></del>		5,000 56,000 - 17,500	70,000 70,000 51,000 8,000 20,000 15,000	67,500 51,000
Non-controllable Surface Non-controllable Downhole Numpo Downhole Pumps Beasurement & Moter Installat Beas Conditioning / Orinydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Bumps, Controllers Tank / Facility Containment Flare Stack Bloctrica / Grounding	9	<del></del>		6,000 66,000 	70,000 70,000 51,000 8,000 20,000 15,000	156,000 67,500 51,000 
Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installati Gas Conditioning / Dehydration Interconnecting Facility Pipting Guthering / Bulk Lines Valves, Dumps, Controllers Trank / Facility Containment Flare Stack Electrical / Grounding Communications / SCADA	9	<del></del>		5,000 56,000 - 17,500	70,000 70,000 51,000 	156,000 
Non-controllable Surface Non-controllable Downhole Numpo Downhole Pumps Beasurement & Moter Installat Beas Conditioning / Orinydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Bumps, Controllers Tank / Facility Containment Flare Stack Bloctrica / Grounding			53.000	6,000 66,000 17,500	70,000 70,000 81,000 8,000 20,000 115,000 16,000	156,000 
Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installati Gas Conditioning / Dehydration Interconnecting Facility Pipting Guthering / Bulk Lines Valves, Dumps, Controllers Trank / Facility Containment Flare Stack Electrical / Grounding Communications / SCADA	TOTAL YANGIBLES:	301,633	52,800	6,000 66,000 	70,000 70,000 51,000 8,000 20,000 15,000 15,000 20,000 490,000	156,000 
Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installati Gas Conditioning / Dehydration Interconnecting Facility Pipting Guthering / Bulk Lines Valves, Dumps, Controllers Trank / Facility Containment Flare Stack Electrical / Grounding Communications / SCADA		301,633	52,800 3,030,699	6,000 66,000 17,500	70,000 70,000 81,000 8,000 20,000 115,000 16,000	156,000 
Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installati Gas Conditioning / Dehydration Interconnecting Facility Pipting Guthering / Bulk Lines Valves, Dumps, Controllers Trank / Facility Containment Flare Stack Electrical / Grounding Communications / SCADA	TOTAL YANGIBLES:	361,639 1,808,428	· · · · · · · · · · · · · · · · · · ·	6,000 66,000 	70,000 70,000 51,000 8,000 20,000 15,000 15,000 20,000 490,000	156,000 
Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Moter Installat Gas Conditioning / Dehydratio Interconnecting Facility Piping Gathering / Butk Lines Valves, Dumps, Controllers Tank / Facility Containment Flare Stack Electrical / Grounding Communications / SCADA Instrumentation / Safety  EPARED BY MATADOR PRO	TOTAL YANGIBLES: TOTAL COSTS:	381,639 1,508,428	3,030,099	6,000 66,000 	70,000 70,000 51,000 8,000 20,000 15,000 15,000 20,000 490,000	156,000 
Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installati Gas Conditioning / Dehydration Interconnecting Facility Pipting Guthering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment Flare Stack Electrical / Grounding Communications / ScADA Instrumentation / Safety  EPARED BY MATADOR PRO Drilling Engineer:	TOTAL YANGIBLES : TOTAL COSTS : DUCTION COMPAN	361,639 1,808,428	8,030,099 NM WTE	6,000 66,000 	70,000 70,000 51,000 8,000 20,000 15,000 15,000 20,000 490,000	156,000 
Non-controllable Surface Non-controllable Downhole Non-controllable Downhole Downhole Pumps Measurement & Meter Installati Gas Conditioning / Dehydration Interconnecting Facility Pipting Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment Plare Stack Electrical / Grounding Communications / SCADA Instrumentation / Sefrty  EPARED BY MATADOR PRO  Driling Engineer: Completions Engineer:	TOTAL YANGIBLES: TOTAL COSTS: DUCTION COMPAN Adam Lange Chris Calvart	381,639 1,508,428	3,030,099	6,000 66,000 	70,000 70,000 51,000 8,000 20,000 15,000 15,000 20,000 490,000	156,000 
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Non-controllable Surface Non-controllable Downhole Non-controllable Downhole Downhole Pumps Measurement & Metter Installat Gas Conditioning / Dehydratio Interconnecting Facility Pipting Gathering / Bulk Lines Valves, Dumps, Controllers Valves, Dumps, Controllers Tank / Facility Containment Flare Stack Blectrical / Grounding Communications / SCADA Instrumentation / Safuty  EPARED BY MATADOR PRO  Drilling Engineer: Completions Engineer: Production Engineer: Production Engineer: TADOR RESOURCES COMP  Executive VP, COO/CFO	TOTAL TANGIBLES: TOTAL COSTS: DUCTION COMPAN Adam Lange Chis Calvert John Romano	361,639 361,639 1,608,428  YY:  Team Lead - WTX	3,030,699  TKIM WTE  WITE  SMR	6,000 66,000 	70,000 70,000 51,000 8,000 15,000 15,000 15,000 490,000 653,000	136,000
Non-controllable Surface Non-controllable Downhole Downhole Pumps Beasurement & Moter Installati Ges Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Tanit / Facility Containment Flare Stack Bectrica / Grounding Communications / SCADA Instrumentation / Serviy  EPARED BY MATADOR PRO  Drilling Engineer: Completions Engineer: Production Engineer:	TOTAL YANGIBLES: TOTAL COSTS: DUCTION COMPAN Adam Lenge Chis Calvert John Romano		3,030,699  NM WTE  WTE	6,000 66,000 	70,000 70,000 51,000 8,000 20,000 15,000 16,000 20,000 490,000 653,000	136,000
Non-controllable Surface Non-controllable Downhole Non-controllable Downhole Downhole Pumps Beasurement & Bieter Installat Gan Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment Flare Stack Biscarkes / Grounding Communications / SCADA Instrumentation / Servy  EPARED BY MATADOR PRO  Drilling Engineer: Completions Engineer: Production Engineer: TADOR RESOURCES COMP Executive VP, COO/CFO  Executive VP, Logal	TOTAL TANGIBLES: TOTAL COSTS: DUCTION COMPAN Adam Lange Chris Calvert John Romano ANY APPROVAL:	Se1,639 1,808,428  YY:  Team Lead - WTX  VP - Res Enginee  Exec Oir - Explora	3,030,699  NM WTE  WTE  Ang BMR	6,000 66,000 	70,000 70,000 51,000 8,000 15,000 15,000 15,000 490,000 653,000	136,000
Non-controllable Surface Non-controllable Downhole Non-controllable Downhole Downhole Pumps Measurement & Meter Instillat Gas Conditioning / Dehydratio Interconnecting Facility Pipting Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment Flare Stack Blectrica / Grounding Communications / SCADA Instrumentation / Safuty  EPARED BY MATADOR PRO  Driling Engineer: Completions Engineer: Production Engineer: Production Engineer: TADOR RESOURCES COMP  Executive VP, COO/CFO	TOTAL TANGIBLES: TOTAL COSTS: DUCTION COMPAN Adam Lange Chris Calvert John Romano ANY APPROVAL:	361,639 361,639 1,608,428  YY:  Team Lead - WTX	3,030,699  NM WTE  WTE  Ang BMR	6,000 66,000 	70,000 70,000 51,000 8,000 15,000 15,000 15,000 490,000 653,000	136,000
Non-controllable Surface Non-controllable Downhole Non-controllable Downhole Downhole Pumps Beasurement & Bieter Installat Gan Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment Flare Stack Biscarkes / Grounding Communications / SCADA Instrumentation / Servy  EPARED BY MATADOR PRO  Drilling Engineer: Completions Engineer: Production Engineer: TADOR RESOURCES COMP Executive VP, COO/CFO  Executive VP, Logal	TOTAL YANGIBLES: TOTAL COSTS: DUCTION COMPAN Adam Lenge Chis Calvet John Romano ANY APPROVAL: DEL	Se1,639 1,808,428  YY:  Team Lead - WTX  VP - Res Enginee  Exec Oir - Explora	3,030,699  NM WTE  WTE  Ang BMR	6,000 66,000 	70,000 70,000 51,000 8,000 15,000 15,000 15,000 490,000 653,000	136,000
Non-controllable Surface Non-controllable Downhole Non-controllable Downhole Downhole Pumps Bessurement & Meter Installat Ges Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Tanit / Facility Containment Filare Stack Blectrica / Grounding Communications / SCADA Instrumentation / Serty  EPARED BY MATADOR PRO  Drilling Engineer: Completions Engineer: Production Engineer: TADOR RESOURCES COMP  Executive VP, COOKFO  Executive VP, Legal  President	TOTAL YANGIBLES: TOTAL COSTS: TOTAL COSTS: DUCTION COMPAN Adam Lange Chris Celvert John Romano ANY APPROVAL: DEL CA	Se1,639 1,808,428  YY:  Team Lead - WTX  VP - Res Enginee  Exec Oir - Explora	3,030,699  NM WTE  WTE  Ang BMR	6,000 66,000 	70,000 70,000 51,000 8,000 15,000 15,000 15,000 490,000 653,000	136,000
Non-controllable Surface Non-controllable Downhole Non-controllable Downhole Commbole Pumps Measurement & Meter Installat Gas Conditioning / Dehydration Interconnecting Facility Pipting Gathering / Buth Lines Valves, Dumps, Controllers Trank / Facility Constalment Flare Stack Electrical / Grounding Communications / SCADA Instrumentation / Safety  EPARED BY MATADOR PRO  Drilling Engineer: Compissions Engineer: Compissions Engineer: Production Engineer: Production Engineer: TADOR RESOURCES COMP  Executive VP, COOKCFO  Executive VP, Logat  President  N OPERATING PARTNER AF	TOTAL YANGIBLES: TOTAL COSTS: TOTAL COSTS: DUCTION COMPAN Adam Lange Chris Celvert John Romano ANY APPROVAL: DEL CA	Se1,639 1,808,428  YY:  Team Lead - WTX  VP - Res Enginee  Exec Oir - Explora	3,030,699  TKIM WTE  WITE  SMR  SMR  Higher	6,000 66,000 	70,000  70,000  51,000  8,000  15,000  15,000  16,000  490,000  653,000  VP - Drti	136,000
Non-controllable Surface Non-controllable Downhole Non-controllable Downhole Downhole Pumps Bessurement & Meter Installat Ges Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Tanit / Facility Containment Filare Stack Blectrica / Grounding Communications / SCADA Instrumentation / Serty  EPARED BY MATADOR PRO  Drilling Engineer: Completions Engineer: Production Engineer: TADOR RESOURCES COMP  Executive VP, COOKFO  Executive VP, Legal  President	TOTAL YANGIBLES: TOTAL COSTS: TOTAL COSTS: DUCTION COMPAN Adam Lange Chris Celvert John Romano ANY APPROVAL: DEL CA	Se1,639 1,808,428  YY:  Team Lead - WTX  VP - Res Enginee  Exec Oir - Explora	3,030,699  NM WTE  WTE  Ang BMR	6,000 66,000 	70,000 70,000 51,000 8,000 15,000 15,000 15,000 490,000 653,000	136,000
Non-controllable Surface Non-controllable Downthole Non-controllable Downthole Downthole Pumps Beasurement & Meter Installat Gan Conditioning / Dehydration Interconnecting Facility Pipting Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment Flare Stack Beatrical / Grounding Communications / SCADA Instrumentation / Sarbty  EPARED BY MATADOR PRO  Drilling Engineer: Completions Engineer: Completions Engineer: Production Engineer: TADOR RESOURCES COMP  Executive VP, COO/CFO  Executive VP, Logat  President  N OPERATING PARTNER AF	TOTAL YANGIBLES: TOTAL COSTS: TOTAL COSTS: DUCTION COMPAN Adam Lange Chris Celvert John Romano ANY APPROVAL: DEL CA	Se1,639 1,808,428  YY:  Team Lead - WTX  VP - Res Enginee  Exec Oir - Explora	3,030,699  TNIM WTE  WITE  Annual BMR  tition NLF  uger  Working Interest (%):	6,000 66,000 	70,000  70,000  51,000  8,000  15,000  15,000  16,000  490,000  653,000  VP - Drti	136,000
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Non-controllable Surface Non-controllable Downthole Non-controllable Downthole Downthole Pumps Beasurement & Meter Installat Gan Conditioning / Dehydration Interconnecting Facility Pipting Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment Flare Stack Beatrical / Grounding Communications / SCADA Instrumentation / Sarbty  EPARED BY MATADOR PRO  Drilling Engineer: Completions Engineer: Completions Engineer: Production Engineer: TADOR RESOURCES COMP  Executive VP, COO/CFO  Executive VP, Logat  President  N OPERATING PARTNER AF	TOTAL YANGIBLES: TOTAL COSTS: TOTAL COSTS: DUCTION COMPAN Adam Lange Chris Celvert John Romano ANY APPROVAL: DEL CA	Se1,639 1,808,428  YY:  Team Lead - WTX  VP - Res Enginee  Exec Oir - Explora	3,030,699  TNIM WTE  WITE  Annual BMR  tition NLF  uger  Working Interest (%):	6,000 66,000 	70,000  70,000  51,000  8,000  15,000  15,000  16,000  490,000  653,000  VP - Drti	136,000

#### **MATADOR PRODUCTION COMPANY**

ONE LINCOLN CENTRE • 8400 LBJ FREEWAY • SUITE 1800 • DALLAS, TEXAS 78240 Phone (972) 371-8200 • Pax (972) 371-8201

		ESTIMATE OF COSTS A	ND AUTHORIZATION FO	R EXPENDITURE		· · · · · · · · · · · · · · · · · · ·
DATE:	April 24, 2017			AFE NO.:	·	0
WELL NAME:	Zach McCormick Fed	Com #122H		PIELD:	_	0
LOCATION:	Section 18-245-29E			MD/TVD:		131507/8400
COUNTY/STATE:	Eddy, NM			LATERAL LENGTH:		about 4500°
MRC WI:		-				
GEOLOGIC TARGET:	Bone Springs					
REMARKS:	<del></del>	orizontal Second Bone Sp	ring Sand with 22 stage	98		
		DRILLING	COMPLETION	PRODUCTION		TOTAL
INTANGIBLE C	CSTS	COSTS	COSTS	COSTS	FACILITY COSTS	COSTS
Land / Legal / Regulatory		1,700	*	*	3	\$ 1,700
Location, Surveys & Damag	88	45,000.	13,000	4,000	<u> </u>	62,000 446,000
Ortiling Comenting & Float Equip		448,000 111,500				111,500
Logging / Formation Evalua	Hon	111,000	4,500			4,500
Mud Locaina		12,000		<del></del>		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 Rig Supervision / Engineering	_	18,000	15,000 42,560	9,000	18,000	33,000 132,550
Cull Bits	4	82,000			10,000	52,000
Fuel & Power		69,000	<del></del>			69,000
Water		30,000	318,210		50,000	398,210
Drig & Completion Overhead	1	8,500	15,000		<u>-</u>	23,500
Plugging & Abandonment		115,000	<del></del>			115,000
Directional Drilling, Surveys Completion Unit, Swab, CTL		115,000	50,000	24,000	<del></del>	74,000
Perforating, Wireline, Silokil	ne		85,800			85,600
High Pressure Pump Truck			38,500		<u> </u>	38,500
Stimulation			1,968,000			1,958,000
Stimulation Flowback & Dis	P	N. F. L.	113,000			113,000
Insurance Labor		23,670 90,000	17,000	6,000		23,670
Rental - Surface Equipment	•	56,850	129,125	12,000	15,000	212,075
Rentzi - Downhole Equipme	nt	22,500	40,000	12,000	15,000	77,500
Rentel - Living Guarters		30,200	24,950			56,150
Contingency		68,892	82,684			161,556
	TOTAL INTANGIBLES		2,977,299	58,000	163,000	4,642,038
		DRILLING	COMPLETION	PRODUCTION		TOTAL
TANGIBLE CO	2818	COSTS 27,230	COSTS	COSTS	PACILITY COSTS	COSTS 27.250
intermediate Casing	•	72,484	•	•	•	72,484
Drilling Liner						
Production Casing		230,976				230,976
Production Liner						
Tubing Wellhead		51,000		40,000 25,000		40,000 58,000
Packers, Liner Hangers		- 37,000	62,500	8,000		60,800
Tanks		<del></del>		- 0,000	60,000	60,000
Production Vessels		<del></del>		66,000	41,000	107,000
Flow Lines						
Rod string				•		
Artificial Lift Equipment Compressor		<del></del>		30,000		30,000
Installation Costs		<del></del>		30,000	120,000	150,000
Surface Pumps				5,000		5,000
Non-controllable Surface				66,000	70,000	136,000
Non-controllable Downhole						<u>:</u>
Downholo Pumps  Measurement & Meter Instal	Nation .	<del></del>		17,500	70,000	87,500
Gas Conditioning / Debydra		<u>-</u>		17,300	70,000	
Interconnecting Facility Pip		<del></del>		<del></del>	51,000	51,000
Gathering / Bulk Lines	•					<del></del>
Valves, Dumps, Controllers					8,000	8,000
Tank / Pacility Containment					20,000	20,000
Fizre Stack Electrical / Grounding				<del></del>	15,000	15,000
Communications / SCADA	•			<del></del>	- 10,000	
Instrumentation / Safety					20,000	20,000
	TOTAL TANGIBLES	<del></del>	62,800	287,500	490,000	1,191,989
	TOTAL COSTS	> 1,808,428	8,030,099	342,500	663,000	6,814,026
DEDADED ON HATTER	DODI WARAN CO.		-			
REPARED BY MATADOR P	RODUCTION COMPA	NT:				
Drilling Engineer	; Adem Lenge	Team Lead - WTX	INM WTE			
Completions Engineer			WTE			
Production Engineer						
		<del></del>				
ATADOR RESOURCES CO	MPANY APPROVAL					
		· · · · · · · · · · · · · · · · · · ·				··- <del></del>
Executive VP, COO/CFC		VP - Res Engines			VP - Dr8	iting
	DÉ1.		BMR			<b>8</b> G
Executive VP, Legs		Exac Dir - Explore	tion	•	VP - Produc	tion
	CA		NUF -			TWG
President		VP & General Manu	ager			
	MVH					
ON OPERATING PARTNER	APPROVAL:					
Company Name			Working Interest (%):			ID:
Company reline		<del></del>	samenti minessi (JP);	<del></del>	Tex	····
Signed by:			Date:			
		-	_		•	
			Approvat:	Yes		No (mark one)
Tibe:				<b>—'</b> "		

## 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.

) ss.

**COUNTY OF SANTA FE** 

STATE OF NEW MEXICO )

Case No. 15,770

#### **AFFIDAVIT OF NOTICE**

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.  James Bruce
SUBSCRIBED AND SWORN TO before me this 21dday of August, 2017 by James Bruce.
My Commission Expires: MVM 12101  OFFICIAL SEAL  Andrea Montoya  NOTARY PUBLIC - STATE OF NEW MEXICO  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 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.

James Bruce

Attorney for Matador Production Company

ATTACHMENT A

U.S. Postal Service™ CERTIFIED MAIL® REDEIPT Domestic Mail Only **6**478 Certified Mail Fee 2012 0660 0000 Postmark Here Adult Signature Required \$ Postage \$ Total Postage and Fees COG Oil & Gas LLC Sent To Street and Apr. No., or PO Box N. 600 West Illinois Midland, Texas 79701 City, State, ZIP+4\*

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.  Article Addressed to:  COG Oil & Gas 1.LC COG Operating LLC	A. Signature  X
9590 9402 2691 6351 8822 49  2. Article historia (Texas) 7000 6478	3. Service Type  □ Adult Signature □ Adult Signature Restricted Delivery □ Certified Mail® Restricted Delivery □ Collect on Delivery □ Collect on Delivery □ Collect on Delivery Restricted Delivery □ Collect on Delivery □ Collect on Delivery Restricted Delivery □ Collect on Delivery Restricted Delivery □ Signature Confirmation □ Signature Confirmation □ Restricted Delivery □ Cover 100000
PS Form 3811, July 2015 PSN 7530-02-000-9053	Max 7M/VI Domestic Return Receipt

#### 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

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COUNTY OF SANTA FE )
STATE OF NEW MEXICO )
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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 2001 day of August, 2017 by
James Bruce.
My Commission Expires: MM 1/2021 Notary Public OFFICIAL SEAL
Andrea Montoya NOTARY PUBLIC - STATE OF NEW MEXICO  My Commission Bepires:  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)

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Very truly yours,

james Bruce

Attorney for Matador Production Company

ATTACHMENT A

U.S. Postal Service"
CERTIFIED MAIL® FEEIPT 7171 6478 Certified Mail Foe 0000 Cartiflad Mail Restricted Delivery

Adult Signature Required

Adult Signature Restricted Delivery

Postage Postmark Here 2017 0660 S Total Postage and Fees Sent To COG Oil & Gas LLC Street and Apt. No., or PO Bo COG Operating L.I.C 600 West Illinois Cily, State, ZIP+4 Midland, Texas 79701 PS Form 3800, April 2015 RSN 7530-02-000-9047

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 mailplece, or on the front if space permits.  Article Addressed to:	A. Signature  X. Y. J.	Agent  Addressee  C. Date of Delivery  1317  nitem 1? Ves
COG Oil & Gas LLC COG Operating LLC 600 West Illinois Midland, Texas 79701		
9590 9402 2691 6351 8822 56	Service Type     Adult Signature     Adult Signature Restricted Delivery     Certified Mail®     Certified Mail®     Certified Mail®     Collect on Delivery	☐ Priority Mail Express® ☐ Registered Mail™ ☐ Registered Mail Restricted Delivery ☐ Return Receipt for Merchandise
2. Article Number (Transfer from service label) 7017 0660 0000 6478 7173	Collect on Delivery Restricted Delivery	☐ Signature Confirmation ☐ Signature Confirmation Restricted Delivery
PS Form 3811, July 2015 PSN 7530-02-000-9053	Max 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



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

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

NE/4SE/4 Section 13-24S-28E 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

SE/4SE/4 Section 12-24S-28E 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	•	

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- 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.

James Bruce

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

My Commission Expires:

OFFICIAL SEAL

Andrea Montoya

UBUTC - STATE OF NEW MEXICO

Josary Public

EXHIBIT (

JAMES BRUCE

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)

iamesbruc@aol.com

July 12, 2017

#### <u>CERTIFIED MAIL – RETURN RECEIPT REQUESTED</u>

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 N½N½ of Section 18, and (ii) the S½N½ 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.

Very truly yours,

Attorney for Matador Production Company

ATTACHMENT A

#### **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

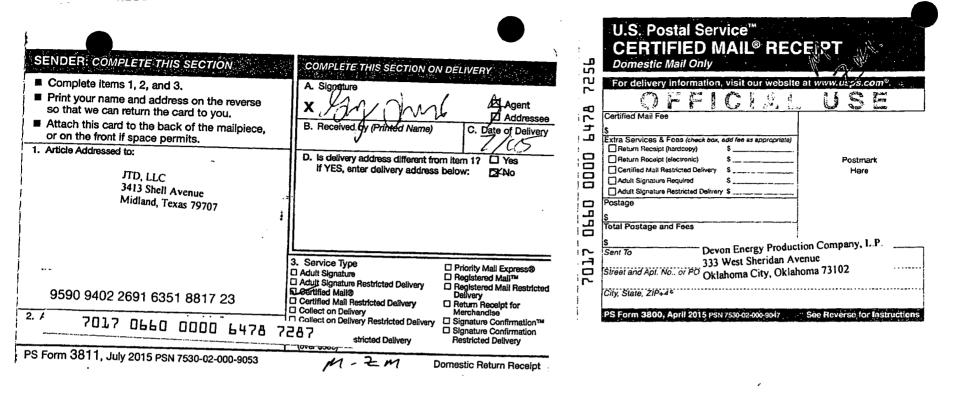
Mewbourne Oil Company Suite 1020 500 West Texas Midland, Texas 79701

Attention: Corey Mitchell

RSC Resources, LP 6824 Island Circle Midland, Texas 79707  3. Service Type Adult Signature Restricted Delivery Adult Signature Restricted Delivery Registered Mail Restricted Delivery Return Receipt (electronic) S Postmark Here Adult Signature Restricted Delivery Registered Mail Restricted Delivery Return Receipt for Merchandise  City, State, 2/P-42* City, St	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 mailpiece, or on the front if space permits.	A. Signature  A. Signature  X	U.S. Postal Service  CERTIFIED MAIL  Domestic Mail Only  For delivery information, visit our website at www.usps.com  Certified Mail Fee  Extra Services & Fees (check box, add fee as appropriate)
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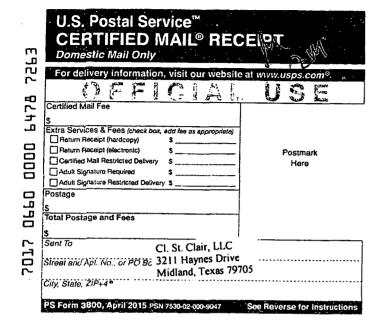
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JAMES BRUCE ATTORNEY AT LAW

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)

iamesbruc@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.

l

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

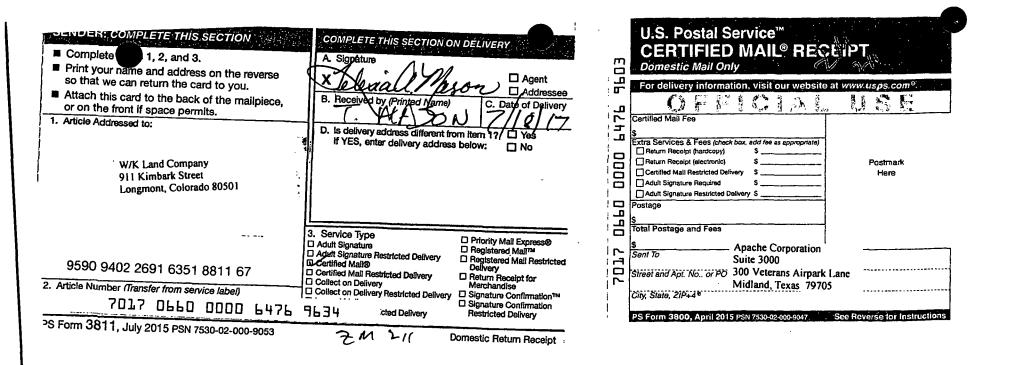
Grace M. Eads 4367 Dearpark Court Westlake Village, California 91361 William J. Finch P.O. Box 3000 Tulsa, Oklahoma 74102

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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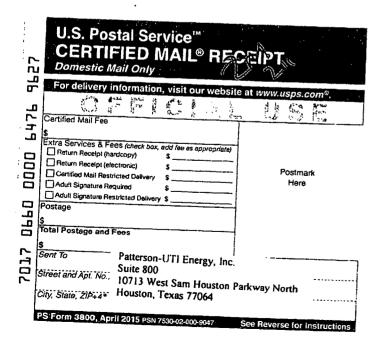
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SENDER: COMPLETE THIS SECTION  Complete items 1, 2, and 3.  Print your name and address on the reverse so that we can return the card to you.  Attach this card to the back of the mailpiece, or on the front if space permits.  1. Article Addressed to:  Judy J. Flick 36 Bryan Court Alamo, California 94507	A. Signature  X  B. Received by (Printed Name)  D. Is delivery address different from item 12  If YES, enter delivery address below:
9590 9402 2691 6351 8810 82  2. Article Number (Transfer from service label)	3. Service Type ☐ Priority Mail Express®☐ Registered Mail™☐ Restricted Delivery☐ Conflect on Delivery☐ Collect on Delivery ☐ Collect on Delivery Restricted Delivery☐ Collect on Delivery Restricted Delivery☐ Signature Confirmation™☐ Signature Confirmation™☐ Restricted Delivery☐ Registered Mail™☐ Restricted Delivery☐ Registered Mail™☐ Restricted Delivery☐ Registered Mail™☐ Restricted Delivery☐ Registered Mail™☐ Restricted Delivery☐ Registered Mail Restricted Delivery☐ Restricted Delivery
7017 0660 0000 6476 9 PS Form 3811, July 2015 PSN 7530-02-000-9053	2M 21 Domestic Return Receipt

<b>•</b>		
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON	DELIVERY
■ Complete items 1, 2, and 3.	A. Signature	
Print your-name and address on the reverse so that we can return the card to you.	* angotie	Addressed
Attach this card to the back of the mailpiece, or on the front if space permits.	B. Received by Printed Natrae	S C. Patros deliver
1. Article Addressed to:	D. Is delivery address different from	
Patterson-UTI Energy, Inc. Suite 800 10713 West Sam Houston Parkway North Houston, Texas 77064	If YES, enter delivery address	below: 🔲 No
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2. 7017 O660 0000 6476 9E	Collect on Delivery Restricted Delivery  2 7 Restricted Delivery	☐ Signature Confirmation <sup>™</sup> ☐ Signature Confirmation Restricted Delivery
PS Form 3811, July 2015 PSN 7530-02-000-9053	ZM 211 [	Domestic Return Receipt



James Bruce P.O. Box 1056 Santa Fe, New Mexico 87504



\$6.80<sup>o</sup> US POSTAGE FIRST-CLASS

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NAME

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Lobos Energy Partners LLC Suite 950

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RETURN TO SENDER NOT DELIVERABLE AS ADDRESSED UNABLE TO FORWARD

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

James Bruce P.O. Box 1056 Santa Fe, New Mexico 87504



\$6.800 US POSTAGE FIRST-CLASS

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William J. Finch
P.O. Box 3000
Tulse Oklobary 24122

Tulsa, Oklahoma 74100 0007/20/17

NIXIE 731 7E 1 0007/2

RETURN TO SENDER

RETURN TO SENDER

AS ADDRESSED

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PS Form 3800, April 2015 PSN 7530-02-000-9047

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:	City, State, ZIP+4*		
1	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 published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

July 20

2017

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 20 day of July

My commission Expires  $\frac{2/3}{2}$ 

Legal Notices 152

July 20 2017

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, JLC,

and Cl. St. Clair, LLC. 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 for wells in (i) the N½N½ of Section 18, and (ii) the S½N½ of Section 18, both in Township 24 South, Range 29 East, Township 24 South, Range 29 East, N.M.P.M., Eddy County, New Mexico. The applications are scheduled to be heard at 8:15 a.m. on Thursday, August 3, 2017 at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. As an offset interest owner to the subject well units, you have the right to enter an appearance and an appearance and participate in the case. Failure to appear and 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 Mexicò.

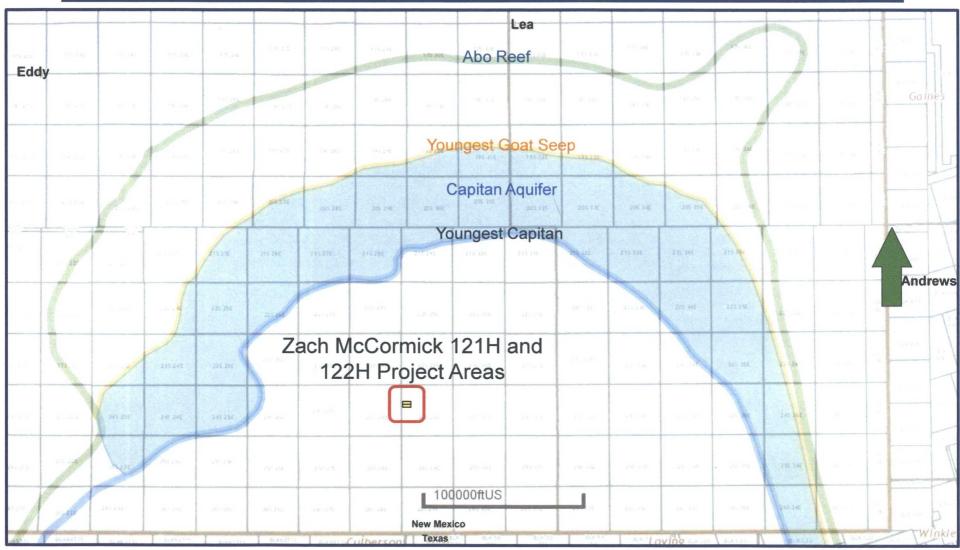
**Notary Public** 



15170 4/5771 EXHIBIT 6E



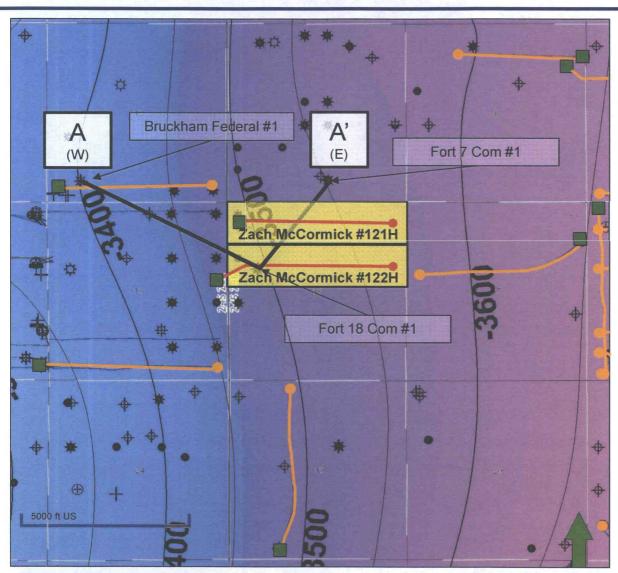
### Pierce Crossing; Bone Spring (Pool Code 50371) Locator Map







## Pierce Crossing; Bone Spring (Pool Code 50371) Structure Map (Top Bone Spring Subsea)

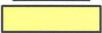


#### Map Legend

Zach McCormick #121H



**Project Area** 



Bone Spring Producer

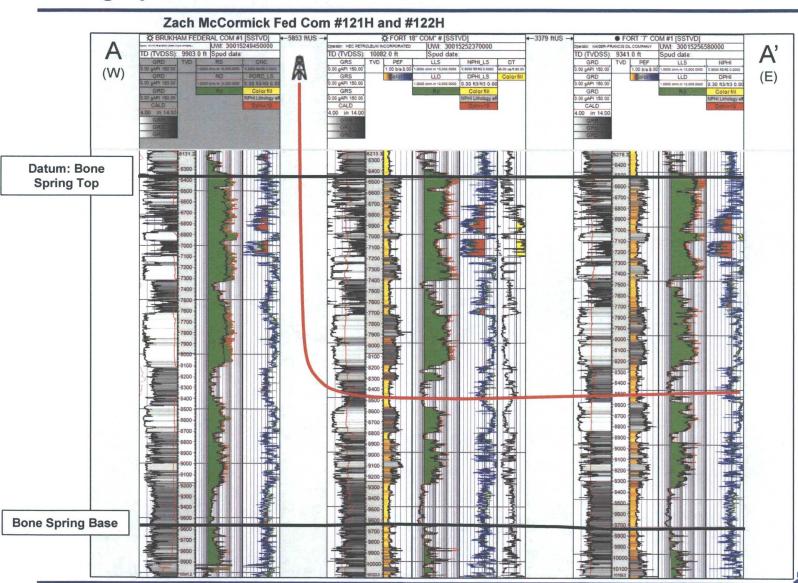


C. I. = 25'





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

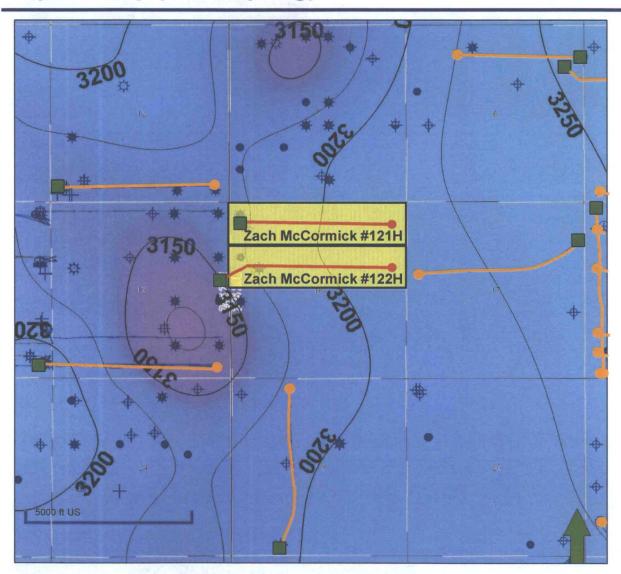








## Pierce Crossing; Bone Spring (Pool Code 50371) Isopach Map (Bone Spring)

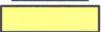


#### Map Legend

Zach McCormick #121H

BHL

**Project Area** 



Bone Spring Producer

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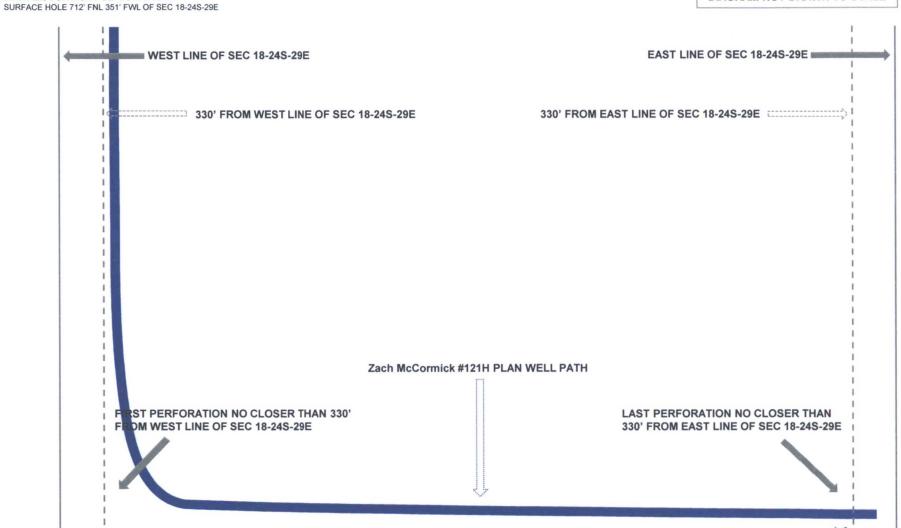
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DIAGRAM NOT DRAWN TO SCALE

## 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

