# **MATADOR PRODUCTION COMPANY**

# **Biggers Federal Nos. 203H, 214H and 217H**

Cases 16178, 16179 and 16180

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

## APPLICATIONS OF MATADOR PRODUCTION COMPANY FOR COMPULSORY POOLING AND NONSTANDARD OIL SPACING AND PRORATION UNITS

CASE NOS. 16178, 16179 & 16180

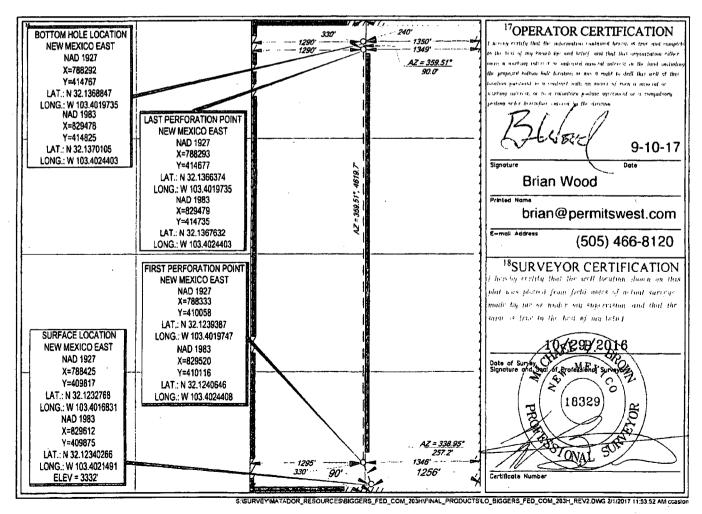
May 31, 2018

### EXHIBIT NOTEBOOK Biggers Federal #203H, #214H & #217H

- Exhibit 1 C-102 Forms
- Exhibit 2 Midland Map
- Exhibit 3 Summary of Interests
- Exhibit 4 Well Proposal Letters
- Exhibit 5 Affidavit, notice letters, proof of mailing
- Exhibit 6 Locator Map
- Exhibit 7 Structure Map
- Exhibit 8 Stratigraphic Cross Section A-A'
- Exhibit 9 Isopach Map
- Exhibit 10 Biggers Federal Wells' Completions

2 <u>District 1</u> 1625 N. French Dr., Ho Phone: (575) 393-6161 <u>District 11</u> 811 S. First St., Artesia Phone: (575) 748-1283 <u>District 111</u> 1000 Rio Brazos Road, Phone: (505) 334-6178 District 1V	Fax: (575) 3 NM 88210 Fax: (575) 7 Aztec, NM 8	93-0720 48-9720 7410		OIL C	Departi ONSERVAT	w Mexico Natural Resour ment TION D <b>MOR</b> Francis Dr. M 87505	BS OCU	Submit or	FORM C-102 Revised August 1, 2011 he copy to appropriate District Office		
1220 S. St. Francis Dr., Phone: (505) 476-3460		1 87505 76-3462	ELL LC		Conto Do M				AMENDED REPORT		
<sup>t</sup> API Number				<sup>2</sup> Pool Code		-	<sup>3</sup> Pool Nam				
30-025- 4	464	7		17980		L	Dogie Draw; \	woircamp			
Property Co	ode				<sup>5</sup> Property N				Well Number		
72078	17			BIGGERS FED COM					#203H		
<sup>7</sup> OGRID N 22893			N	MATADO	"Operator N R PRODUCT		ίY		'Elevation 3332'		
· · ·					<sup>10</sup> Surface Lo	cation					
UL or lat no.	Section	Township	Range	Lot Ida	Fect from the	North/South line	Feet from the	East/West lin	e County		
P	18	25-S	35-E	-	90'	SOUTH	1256'	EAST	LEA		
L,,		· · · · · · · · · · · · · · · · · · ·	L	<b>I</b>					•		
UL or lot no.	Section	Township	Range Lot Idn Feet from the North/South line Feet from the						e County		
B	18	25-S	35-E – 240' NORTH 1350' EAST LEA						LEA		
<sup>12</sup> Dedicated Acres 160	13 Joint or	Infili <sup>D4</sup> Co	nsolidation Cod	le <sup>15</sup> Orde	r No.	NSL-					

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

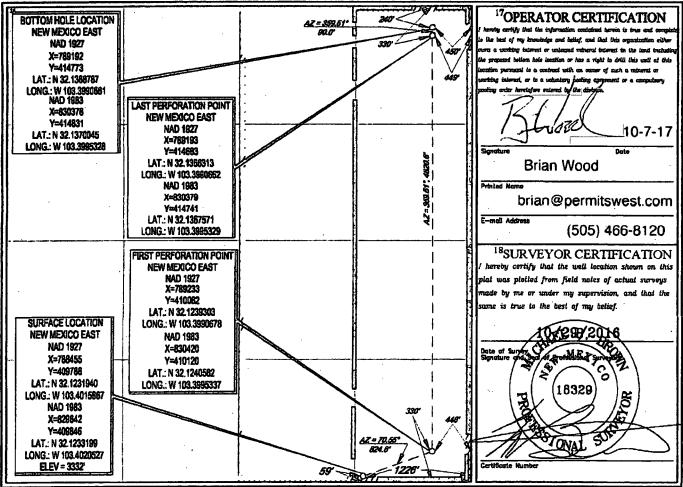


District 1 1625 N. French, Dr., Hobbs, NM 88240 Phone: (375) 393-6161 Fax: (575) 393-6720 District II 311 S. First St., Artesia, NM 88210 Fhone: (575) 748-1283 Fax: (575) 748-9720 District III	Lifeigy, Minerals & Natural Resource	FEB 1 5 2018 Submit	FORM C-102 Revised August 1, 2011 one copy to appropriate District Office
1000 Rio Brazos Read, 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	1220 South St. Francis Dr. Sante Fe, NM 87505	Received	AMENDED REPORT
•	WELL LOCATION AND ACREAGE DEDICAT	TION PLAT	

30-025-'Pool Code'Pool Name17980Dogie Draw; Wolfcamp									
*Property	Property Code Property Name BIGGERS FED COM							1	Well Number #214H
<sup>70grid</sup> 22893		"Operator Name "Elevation MATADOR PRODUCTION COMPANY 3332'							
			· ···		<sup>10</sup> Surface Lo	cation	·		
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
<b>P</b> .	18	25-S	35-E	-	59'	SOUTH	1226'	EAST	LEA
UL er lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	
A	18	25-S	35-E		240'	NORTH	450'	EAST	LEA

A	18	25-S	35-E	<b>-</b> .	240'	NORTH	<b>4</b> 50'	EAST	LEA
<sup>12</sup> Dedicated Acres 160	<sup>17</sup> Joint or i	infili <sup>14</sup> Co	nsolidation Co C	ide <sup>B</sup> Ori	ter 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.



SUSURVEYWAIADOR\_RESOURCESBIGGERS\_RED\_COM\_210HVINAL\_PRODUCTSUD\_BIGGERS\_FEU\_COM\_214H DWG 2/1/2017 11 50 14 AM craston

District I 1623 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NNI 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Sante Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

160

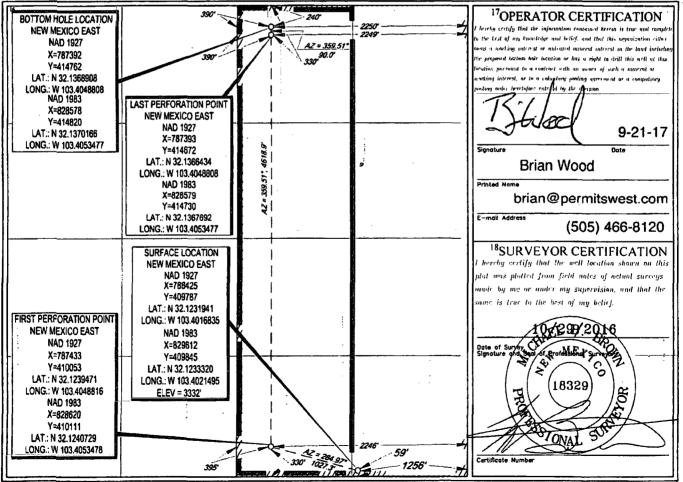
State of New Mexico Energy, Minerals & Natural Resource **PBS** Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Sante Fe, NM 87505 **CATION AND** 

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

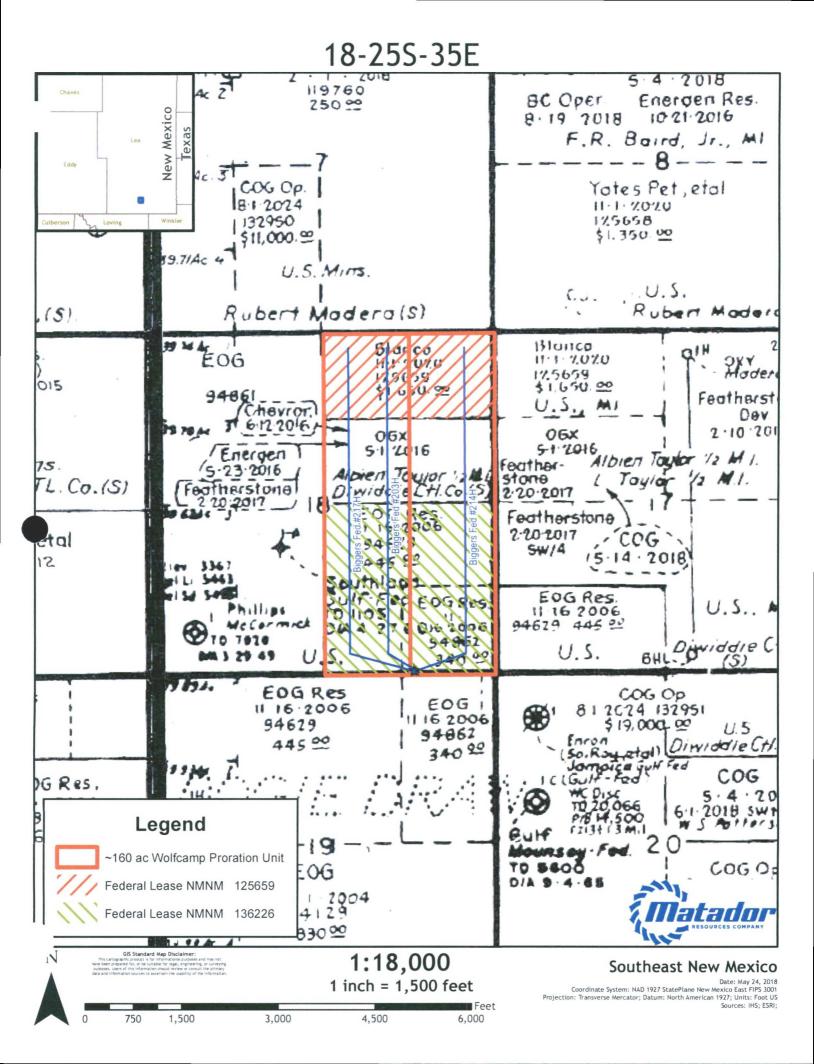
30-025-	<sup>1</sup> API Numbe	/		<sup>1</sup> Pool Code 17980 Dogie Draw; Wolfcamp						
*Property	Code					<sup>6</sup> Well Number				
<u>720789</u> Оскід №. 228937				BI	#2	#217H				
			M	<sup>*</sup> Operator Name MATADOR PRODUCTION COMPANY					levation 332'	
					<sup>10</sup> Surface Loc	ation				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
Р	18	25-S	35-E	-	59'	SOUTH	1256'	EAST	LEA	
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South linc	Feet from the	East/West line	County	
В	18	25-S	35-E	- ]	240'	NORTH	2250'	EAST	LEA	
12Dedicated Acres	Joint or	Lafill <sup>14</sup> Co	onsolidation Code	<sup>13</sup> Order N	).					

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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SISURVEYMATADOR\_RESOURCES/BIGGERS\_FED\_COM\_217H/FINAL\_PRODUCTSLO\_BIGGERS\_FED\_COM\_217H\_REV2.DWG 2/1/2017 11:48:35 AM ccasua





# **Summary of Interests**

MRC Permian Company Working Interest		77.453124%
Voluntary Joinder		11.979167%
Compulsory Pool Interest Total:		10.567709%
Interest Owner:	Description:	Interest:
COG Operating, LLC	Uncommitted Working Interest Owner	2.145834%
COG Acreage, LP	Uncommitted Working Interest Owner	1.250000%
Energen Resources Corporation	Uncommitted Working Interest Owner	3.578125%
Marathon Oil Permian, LLC	Uncommitted Working Interest Owner	1.562500%
GGM Exploration, Inc	Unleased Mineral Interest Owner	.068750%
TD Minerals LLC	Unleased Mineral Interest Owner	.275000%
Heirs/devisees of John C. Sparling	Unleased Mineral Interest Owner	1.562500%
Ohio State University	Unleased Mineral Interest Owner	.062500%
West Texas A&M University	Unleased Mineral Interest Owner	.062500%



## **MRC** Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240 Voice 972.371.5440 • Fax 214.866.4883 <u>chahn@matadorresources.com</u>

Cassie Hahn Landman

February 1, 2018

VIA CERTIFIED BETURN RECEIPT MAIL

COGAcreage LP 2208 West Main Street Artesia, NM 88210

Re: Matador Production Company – Biggers Fed Com #203H (the "Well") Participation Proposal Section 18, Township 25 South, Range 35 East Lea County, New Mexico

Dear COGAcreage LP:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Biggers Fed Com #203H well, located in Section 18, Township 25 South, Range 35 East, Lea County, New Mexico to the Wolfcamp formation.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping the Well is \$8,091,999 as found on the enclosed AFE dated January 30, 2018.
- The proposed surface location of the Well is approximately 90' FSL and 1256' FEL of Section 18, Township 25 South, Range 35 East, Lea County, New Mexico. The proposed bottom hole location of the subject well is approximately 240' FNL and 1350' FWL of Section 18, Township 25 South, Range 35 East, Lea County, New Mexico.
- The Well will have a targeted interval within the Wolfcamp formation. We plan to drill the Well horizontally in the Wolfcamp (~12,588' TVD) to a Total Measured Depth of approximately 17,307' 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.

COGAcreage LP, will own an approximate 0.01250000 working interest in the Well based on the JOA, 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 March 15, 2018, by and between Matador Production Company, as operator and MRC Permian Company et al as Non-Operators, covers the E2 of Section 18, Township 25 South, Range 35 East, Lea 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. Additionally, if your election is to participate, please accept this letter as an invoice notice and request for payment. Please remit payment for your proportionate share of costs in the amount of \$101,149.99 to Matador Production Company on or before thirty (30) days after receipt of this estimate and invoice. 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 their proportionate share of all costs incurred.

Cami bu

Enclosure(s)

Please elect one of the following and return to sender.

COGAcreage LP hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Biggers Fed Com #203H well, located in Lea County, New Mexico.

COGAcreage LP hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Biggers Fed Com #203H well, located in Lea County, New Mexico.

\_\_\_\_ COGAcreage LP is interested in selling its interest in this unit, please contact us to discuss.

COGAcreage LP

Date:

By: \_\_\_\_\_\_

#### MATADOR PRODUCTION COMPANY

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

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	January 30, 2018	AFE NO.:	300023.025.01.001
WELL NAME:	Biggers Fed Com 203H	FIELD:	
LOCATION:	Section 18-25S-35E	MD/TVD:	17307'/12588'
COUNTY/STATE:	Lea, NM	LATERAL LENGTH:	about 4500'
MRC WI:			
GEOLOGIC TARGET:	Wolfcamp		

Wolfcamp

REMARKS:

Drill, complete and equip a horizontal upper Wolfcamp well with 22 stages

	DRILLING	COMPLETION	PRODUCTION		TOTAL
INTANGIBLE COSTS	COSTS	COSTS	COSTS	FACILITY COSTS	COSTS
Land / Legal / Regulatory \$	181,500	\$	\$	\$	181,500
Location, Surveys & Damages	200,500	8,000	4,000	20,000	232,500
Drilling	766,000				766,000
Cementing & Float Equip	227,000				227,000
Logging / Formation Evaluation	-	6,000			6,000
Mud Logging -	27,600				27,600
Mud Circulation System	56,160				56,160
Nud & Chemicals -	141,000	30,000			171,000
Mud / Wastewater Disposal	155,000			-	155,000
Freight / Transportation	43,200	19,500		2,500	65,20
Rig Supervision / Engineering	139,500	39,800	5,400	14,400	199.10
Drill Bits	111,200				111.20
Fuel & Power	126,000			<u> </u>	126.00
Water	70,000	326,000			396.00
Brig & Completion Overhead	10,500	18,000			28,50
Plugging & Abandonment					
Directional Orilling, Surveys	230,000				230.000
Completion Unit, Swab, CTU		70.000	15,000		85,000
Perforating, Wireline, Slickline		102,300			102,300
High Pressure Pump Truck	· · · · · ·	38,500			38,50
Stimulation	<u> </u>	2,156,000			2,156,000
Stimulation Flowback & Disp	<u> </u>	150,400	90.000		240,40
insurance	31,320	130,400	50,000		31,32
Labor	149.000	16,500			169.50
Rental - Surface Equipment	71,500	123,350	4,000	5,000	202,85
Rental - Downhole Equipment	60.000	40,000	3,000		
	51,200	24,300		10,000	110,00
Rental - Living Quarters			1,000		
Contingency	227,854	101,265	3,240		332,35
TOTAL INTANGIBLES >	3,076,034	3,269,915	125,640	51,900	6,523,46
	DRILLING COSTS	COMPLETION COSTS	PRODUCTION		TOTAL
TANGIBLE COSTS Surface Casing \$	56.675	00315	COSTS	FACILITY COSTS	COSTS 56.67
	153,750	>	\$	*	
Intermediate Casing	345.600				153,75
Drilling Liner					345,60
Production Casing	289,685				289,68
Production Liner	•				
Tubing			50.000		50,00
Nelthead	70,000		25.000		95,00
Packers, Liner Hangers	-	52,800	6,000		58,80
Tanks			· · · ·	60,000	60,00
Production Vessels	•		63,000	25,000	88,00
Flow Lines	-		50,000	<u> </u>	50.000
Rod string	-				-
Artificial Lift Equipment	-		20,000		20.00
Compressor	-			10,000	10.00
nstallation Costs	-		-	64,000	84,00
Surface Pumpe	-		5,000		5.00
Von-controllable Surface	•				-
Von-controllable Downhole	-				•
Downhole Pumps	•		· · ·		
leasurement & Meter Installation			12,500	49,000	61,50
Sas Conditioning / Dehydration					
nterconnecting Facility Piping				80.000	
nercomiscung racing runng			•	80.000	80,000

Gasthering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment ÷ 80,000 4,000 2,000 4,000 12,500 17,500 5,000 7,500 22,000 356,500 Flare Stack \_\_\_ Electrical / Grounding Communications / SCADA Instrumentation / Safety 10,000 915,710 52,800 TOTAL TANGIBLES > 243,500 TOTAL COSTS > 3,991,744 3,322,715 369,140 408,400

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer: Completions Engineer: Production Engineer:	Blake Kennes Waylon Wolf John Romano	Team Lead - WTX/NM <u>bin TE</u> WTE	
MATADOR RESOURCES COM	PANY APPROVAL:		
Executive VP. COO/CFO	DEL	VP - Res Engineering	VP - Orilling
Executive VP, Legal	CA	Exec Dir - Exploration	
President	MVH		
NON OPERATING PARTNER A	PPROVAL:		
Company Name:		Working Interest (%):	Tax (D:
Signed by:	<u> </u>	Date:	_
Title:		Approval: Yes	No (mark one)

affe Gen or the lotal cost of the costest. Tubing analytical space and the AFE may be delayed us to a year after the well has tream completed. In perceiving that AFE the Participant agrees to pay its proportionate share of actual costs incomed, solid light costaling parameter, matalates order or other participants that be prevent in and the base second market for Costaling and actual costs incomed. costs on the AFE are estimates only and may not be construed as cosings on any sp sing, legal, culture, regulatory, broketage and wait costs under the terms of the days

6,000

12,500 17,500 5,000

7,500 32,000 1,568,510

8,091,999

### MRC Permian Company One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240 Voice 972.371.5440 • Fax 214.866.4883 <u>chahn@matadorresources.com</u>

Cassie Hahn Landman

February 1, 2018

VIA CERTIFIED RETURN RECEIPT MAIL

GGM Exploration, Inc 420 Throckmorton, Suite #200 Fort Worth, TX 76102

Re: Matador Production Company – Biggers Fed Com #203H (the "Well") Participation Proposal Section 18, Township 25 South, Range 35 East Lea County, New Mexico

Dear GGM Exploration, Inc:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Biggers Fed Com #203H well, located in Section 18, Township 25 South, Range 35 East, Lea County, New Mexico to the Wolfcamp formation.

In connection with the above, please note the following:

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- The Well will have a targeted interval within the Wolfcamp formation. We plan to drill the Well horizontally in the Wolfcamp (~12,588° TVD) to a Total Measured Depth of approximately 17,307' 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.

GGM Exploration, Inc, will own an approximate 0.00068750 working interest in the Well based on the JOA, 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 March 15, 2018, by and between Matador Production Company, as operator and MRC Permian Company et al as Non-Operators, covers the E2 of Section 18, Township 25 South, Range 35 East, Lea 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. Additionally, if your election is to participate, please accept this letter as an invoice notice and request for payment. Please remit payment for your proportionate share of costs in the amount of \$5,563.25 to Matador Production Company on or before thirty (30) days after receipt of this estimate and invoice. 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 their proportionate share of all costs incurred.

Sincerely, Canie LU Cassie Hahn

Enclosure(s)

Please elect one of the following and return to sender.

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GGM Exploration, Inc hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Biggers Fed Com #203H well, located in Lea County, New Mexico.

GGM Exploration, Inc is interested in selling its interest in this unit, please contact us to discuss.

GGM Exploration, Inc

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date:

#### MATADOR PRODUCTION COMPANY

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

Phone (972) 371-5200 • Fax (972) 371-5201 ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	January 30, 2018	AFE NO.:	300023.025.01.001						
WELL NAME:	Biggers Fed Com 203H	FIELD:							
LOCATION:	Section 18-25S-35E	MO/TVD:	17307'/12588'						
COUNTY/STATE:	Lea, NM	LATERAL LENGTH:	about 4500'						
MRC WI:									
GEOLOGIC TARGET:	Wolfcamp								

Drill, complete and equip a horizontal upper Wolfcamp well with 22 stages

	DRILLING		COMPLETION		PRODUCTION				TOTAL
INTANGIBLE COSTS	COSTS		COSTS		COSTS	FAC	LITY COSTS		COSTS
Land / Legal / Regulatory \$	181,500	\$		\$		\$	•	\$	181,500
Location, Surveys & Damages	200,500		8,000	-	4,000		20,000		232,500
Drilling	766,000			_				_	766,000
Cementing & Float Equip	227,000		_	-				-	227,000
Logging / Formation Evaluation	-		6,000					_	6,000
Nud Logging	27,600			-		-			27,600
Mud Circulation System	56,160			-				-	56,160
Mud & Chemicals	141,000		30,000	-					171,000
Mud / Wastewater Disposal	155,000		•	-			•		155,000
Freight / Transportation	43,200		19,500	-			2,500	_	65,200
Rig Supervision / Engineering	139,500		39,800		5,400		14,400		199,100
Drill Bits	111,200								111,200
Fuel & Power	126,000			-			<u> </u>		126,000
Water	70,000		326,000	_				_	396,000
Drig & Completion Overhead	10,500		18,000	-					28,500
Plugging & Abandonment	······								
Directional Drilling, Surveys	230,000		······································	-				_	230,000
Completion Unit, Swab, CTU	· ·		70,000	-	15,000			_	85,000
Perforating, Wireline, Slickline			102,300	-	•				102.300
High Pressure Pump Truck	•		38,500	-			-		38,500
Stimulation			2,156,000	-				_	2,156,000
Stimulation Flowback & Disp	•		150,400		90,000				240,400
Insurance .	31,320			-					31,320
Labor -	149,000		16,500	-	4.000				169,500
Rental - Surface Equipment	71,500		123,350	-	3,000		5,000		202.850
Rental - Downhole Equipment	60,000		40,000				10,000		110,000
Rental - Living Quarters	51,200		24,300		1,000				76,500
Contingency	227,854		101,265	-	3,240		<u> </u>		332,359
TOTAL INTANGIBLES >	3,076,034		3,269,915	-	125.640		51,900		6,523,489
IOTAL IN (ANGIDLES >	DRILLING		COMPLETION		PRODUCTION		51,900		
	COSTS		COSTS		COSTS		LITY COSTS		TOTAL COSTS
TANGIBLE COSTS Surface Casing \$		_	CUSIS		COSIS	FAG	LIT COSIS		
Surrace Casing	56,675	\$		۰°_		*		<u>۽ _</u>	56,675
	345,600			-					153,750
Drilling Liner				-	<u> </u>	_		-	345,600
Production Casing	289,685			_	·			-	289,685
Production Liner	·			-					
Tubing				-	50,000				50,000
Wellhead	70,000		CO 0	-	25.000		<u> </u>	_	95,000
Packers, Liner Hangers	<u> </u>		52,800		6.000				58,800
Tanks	<u> </u>			-			60,000		60,000
Production Vessels	•				63,000		25,000		88,000
Flow Lines	• •				50,000		·		50.000
Rod string					-				<u> </u>
Artificial Lift Equipment				_	20,000				20.000

Flow Lines	-		50,000		50,000
Rod string					-
Artificial Lift Equipment	-		20,000		20.000
Compressor				10,000	10,000
Installation Costs	-	· · · · · ·		64,000	64,000
Surface Pumps	-	· · · · · · · · · · · · · · · · · · ·	5,000		5.000
Non-controllable Surface	•				•
Non-controllable Downhole					
Downhole Pumps	-		· · ·		· · ·
Measurement & Møter Installation			12,500	49,000	61,500
Gas Conditioning / Dehydration			-		
Interconnecting Facility Piping				80,000	80,000
Gathering / Bulk Lines				-	· · ·
Valves, Dumps, Controllers			2,000	4,000	6,000
Tank / Facility Containment				12,500	12,500
Fiare Stack				17,500	17,500
Electrical / Grounding				5,000	5,000
Communications / SCADA		·······	· ·	7,500	7,500
Instrumentation / Safety			10,000	22,000	32,000
TOTAL TANGIBLES >	915,710	52,800	243,500	356,500	1,568,51
TOTAL COSTS >	3,991,744	3,322,715	369,140	408,400	8,091,99

PREPARED BY MATADOR PRODUCTION COMPANY:

REMARKS:

Drilikng Engineer: Completions Engineer: Production Engineer:	Blake Hermes Waylon Wolf John Romano	Team Lead - WTX/NM <u>by TE</u> WTE	
MATADOR RESOURCES COMP	ANY APPROVAL:		
Executive VP. COO/CFO	DEL	VP - Res Engineering	VP - Drilling
Executive VP, Legal		Exec Dir - Exploration	
President	MVH		
NON OPERATING PARTNER AF	PROVAL:		

Company Name:		Working interest (%):	Tax ID:			
Signed by:		Date:				
Title:		Approval:Yes	No (mark one)			
The creation that APE are extinguises only part into y not be combardy as callings on any specific law to be ball cost of the project. Taking resident andore the APE may be changed up to a systember that will be been completed in denoting that APE the Participant system is a systember that and costs that and costs incomest incomest and and the project and and and the project and the proj						

### MRC Permian Company One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240 Voice 972.371.5440 • Fax 214.866.4883 <u>chahn@matadorresources.com</u>

Cassie Haho Landman

February 1, 2018

VIA CERTIFIED RETURN RECEIPT MAIL

GGM Exploration, Inc 420 Throckmorton, Suite #200 Fort Worth, TX 76102

Re: Matador Production Company – Biggers Fed Com #214H (the "Well") Participation Proposal Section 18, Township 25 South, Range 35 East Lea County, New Mexico

Dear GGM Exploration, Inc:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Biggers Fed Com #214H well, located in Section 18, Township 25 South, Range 35 East, Lea County, New Mexico to the Wolfcamp formation.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping the Well is \$8,094,874 as found on the enclosed AFE dated January 30, 2018.
- The proposed surface location of the Well is approximately 59' FSL and 1226' FEL of Section 18, Township 25 South, Range 35 East, Lea County, New Mexico. The proposed bottom hole location of the subject well is approximately 240' FNL and 450' FEL of Section 18, Township 25 South, Range 35 East, Lea County, New Mexico.
- The Well will have a targeted interval within the Wolfcamp formation. We plan to drill the Well horizontally in the Wolfcamp (~12,718' TVD) to a Total Measured Depth of approximately 17,478' 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.

GGM Exploration, Inc, will own an approximate 0.00068750 working interest in the Well based on the JOA, 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 March 15, 2018, by and between Matador Production Company, as operator and MRC Permian Company et al as Non-Operators, covers the E2 of Section 18, Township 25 South, Range 35 East, Lea 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. Additionally, if your election is to participate, please accept this letter as an invoice notice and request for payment. Please remit payment for your proportionate share of costs in the amount of \$5,565.23 to Matador Production Company on or before thirty (30) days after receipt of this estimate and invoice. 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 their proportionate share of all costs incurred.

Camie (2)

#### Enclosure(s)

Please elect one of the following and return to sender.

GGM Exploration, Inc hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Biggers Fed Com #214H well, located in Lea County, New Mexico.

\_\_\_\_\_ GGM Exploration, Inc hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Biggers Fed Com #214H well, located in Lea County, New Mexico.

GGM Exploration, Inc is interested in selling its interest in this unit, please contact us to discuss.

GGM Exploration, Inc

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

MATADOR PRODUCTION COMPANY

WELL NAME: B LOCATION: S COUNTYSTATE: L MRC WI:	anuary 10, 2018 liggers Fed Com 214 ection 18-25S-36E		AND AUTHORIZATION FO	OR EXPENDITURE AFE NO.: FIELD:		300023 026 01 00
NELL NAME: 8 LOCATION: 3 COUNTVISTATE: L NRC WI: SEGLOGIC TARGET: 4	iggers Fed Com 214 ection 18-25S-35E	1				300023 026 01 00
LOCATION: <u>S</u> COUNTY/STATE: L IRC MI: SEGLOGIC TARGET: M	ection 18-255-35E	1			-	
COUNTY/STATE:				RELD:		
IRC WI: EGLOGIC TARGET:				NO/TVD:	-	17478/12718
EOLOGIC TARGET:	ea, NM			LATERAL LENGTH:		about 4500'
					-	
	roticamp					
<u> </u>	the second s	na a borizontal uoner l	Nolicamp well with 22 sl	10000		
	int, complete pris cel	np a noncontan appen	Noncamp nen wigt 22 a	usyco		
		DRILLING	COMPLETION	PRODUCTION		TOTAL
INTANGIBLE COS	13	COSTS	COSTS	COSTS	FACILITY COSTS	COSTS
and / Logal / Regulatory	\$	181,500	\$	\$	6	\$ 181.5
ocation, Surveys & Damages		200 500	8.000	4,000	20,000	232.5
Drilling		766,000				706,0
Cementing & Float Equip		121,000				227.0
ogging / Formation Evaluation fud Logging	n.	27,600	6,000			6,0
lud Circulation System		56,150	·			27.6
lud & Chemicals	•	141,000	30,000			171.0
lud / Wastewater Diaposal		155,000				155,0
reight / Transportation		43,200	19,500		2,500	65.7
tig Supervision / Engineering		139,500	39,500	5,400	14,400	199.1
Drill Bits		111,200				111.2
fuel & Power		125.000	· · · · · · · · · · · · · · · · · · ·			126,0
Vater		70,000	326,000		•	398.0
ortg & Completion Overhead		10,500	18.000			28,5
Tugging & Abendonment						
Virectional Onling, Surveys		238,000				250,00
Completion Link, Sweb, CTU			70,000	15,000	·····	65,0
Conforming, WRELINS, Sticklins Ligh Prossurs Pump Truck		· · · · · · · · · · · · · · · · · · ·	102 300			102,3
limitation		<u> </u>	2,156,000			38,5
Rimslation Flowback & Disp			160,400	90,000		2,156,0
nsuranoo-		31 320	100,400	30,000		31.3
abor		149,000	16,500	4,000		168.5
Ionial - Surface Economent		71,500	123 350	3,000	5.060	202.6
Rental - Oceanhole Equipment		60,000	40,000		10,000	110.00
Rental - Living Quarters		51,200	24,300	1,000	•	78.50
Contingency		227,854	101.265	3,240		122.1
T	OTAL INTANGIBLES >		3,269,915	125,540	51,909	6,523,4
TANGIBLE COST	-	CRILLING COSTS	COMPLETION COSTS	PRODUCTION		TOTAL
Carriero Cassing	131	56,675	\$	44313	PACILITY COSTS	COSTS
ntermediate Casing	•	153,750	•	·	·	153,75
Irilling Liner		348.175	·			348,47
roduction Casing		289,685	······································			289,65
roduction Liner						
ubing				50.000		50,00
Veilhaad		70,000		25,000		95,00
ackero, Liner Hangers		· · · ·	52,800	6,000		56.8
anice		· · ·		<u> </u>	60,000	60.0
voduction Vessels		<u> </u>		\$3,000	25,000	53,0
iow Lines tod string		••••••••••••••••••••••••••••••••••••••		50,000	<u>`</u>	50,0
ktificial Lift Equipment				20,000		
Compressor				20,000	10,000	20.0
rstailation Costs					64,000	64,0
urface Pumps				5,000		5,0
on-controllable Surface		<u> </u>				
ion-controllable Downhois		· · ·		······································		
lownhole Pumps						
laxiumment & Meter Installat				12,500	49,000	61,5
as Conditioning / Dehydration						
terconnecting Facility Piping					50,000	C,06
Jathering / Bulk Lines						
alves, Dumps, Controllers			·····	2,000	4.000	6,0
ank / Facility Containment					12,500	12,5
				<u> </u>	17.500	17.5
lars Stick			······································		5,000	5.0
Sectrical / Grounding					7.500	7.5
Sectrical / Grounding Communications / SCADA				10.44		
Hara Stack Sectrical / Grounding Communications / SCADA Instrumentation / Sefety	TOTAL TANGIBLES >	916,585	52,590	243,900	22,050	32,0

PREPARED BY MATADOR PRODUCTION COMPANY:

1

Team Load - WTX/NM LATE Drilling Engineer. Stake Hermes Completions Engineer: Vision Wolf Production Engineer: John Romano MATADOR RESOURCES COMPANY APPROVAL Executive VP, COO/CFO \_\_\_\_\_\_ VP - Res Engincering vP - Onling \_\_\_\_ BMP 53 Executive VP, Legal Exec Dir - Exeloration Prasident \_\_\_\_\_\_ NON OPERATING PARTNER APPROVAL: Working Interest (%); Company Name: Tax ID; Signed by: Date: Title: Approval: Yes Not (mank one) 

AFE - Version 3

## MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240 Voice 972.371.5440 • Fax 214.866.4883 <u>chahn@matadorresources.com</u>

Cassie Hahn Landman

February 1, 2018

VIA CERTIFIED RETURN RECEIPT MAIL

COGAcreage LP 2208 West Main Street Artesia, NM 88210

Re: Matador Production Company – Biggers Fed Com #214H (the "Well") Participation Proposal Section 18, Township 25 South, Range 35 East Lea County, New Mexico

Dear COGAcreage LP:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Biggers Fed Com #214H well, located in Section 18, Township 25 South, Range 35 East, Lea County, New Mexico to the Wolfcamp formation.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping the Well is \$8,094,874 as found on the enclosed AFE dated January 30, 2018.
- The proposed surface location of the Well is approximately 59' FSL and 1226' FEL of Section 18, Township 25 South, Range 35 East, Lea County, New Mexico. The proposed bottom hole location of the subject well is approximately 240' FNL and 450' FEL of Section 18, Township 25 South, Range 35 East, Lea County, New Mexico.
- The Well will have a targeted interval within the Wolfcamp formation. We plan to drill the Well horizontally in the Wolfcamp (~12,718' TVD) to a Total Measured Depth of approximately 17,478' 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.

COGAcreage LP, will own an approximate 0.01250000 working interest in the Well based on the JOA, 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 March 15, 2018, by and between Matador Production Company, as operator and MRC Permian Company et al as Non-Operators, covers the E2 of Section 18, Township 25 South, Range 35 East, Lea 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. Additionally, if your election is to participate, please accept this letter as an invoice notice and request for payment. Please remit payment for your proportionate share of costs in the amount of \$101,185.93 to Matador Production Company on or before thirty (30) days after receipt of this estimate and invoice. 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 their proportionate share of all costs incurred.

Sincerely Came on

Enclosure(s)

Please elect one of the following and return to sender.

- COGAcreage LP hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Biggers Fed Com #214H well, located in Lea County, New Mexico.
- COGAcreage LP hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Biggers Fed Com #214H well, located in Lea County, New Mexico.

COGAcreage LP is interested in selling its interest in this unit, please contact us to discuss.

COGAcreage LP

By: \_\_\_\_\_

Title:

Date: \_\_\_\_\_

#### MATADOR PRODUCTION COMPANY

#### ONE LINCOLN CENTRE - 5400 LBJ FREEWAY - SUITE 1500 - DALLAS, TEXAS 76240

		ESTIMATE OF COSTS A	ND AUTHORIZATION FO	and the second se		
	January 30, 2018			AFE NO.:		300023 026 01 0
	Biggers Fed Corn 214H			FIELD:		~
OCATION:	Section 18-25S-35E			MD/TVD:		17478/12718
COUNTY/STATE:	Lea, NM			LATERAL LENGTH:		about 4500'
IRC WI:						
SEOLOGIC TARGET:	Wolfcamp					
		e a horizontal uoper W	olfcamp well with 22 sta	ioes		
						·····
		ORILLING	COMPLETION	PRODUCTION	<u></u>	TOTAL
INTANGIBLE CO	STS	COSTS	COSTS	COSTS	FACILITY COSTS	COSTS
and / Logal / Regulatory	\$	181,500	\$	\$	<u>، ، ، ، ، ، ، ، ، ، ، ، ، ، ، ، ، ، ، </u>	\$ 181,
ocation, Surveys & Damage	3	200 500	8.000	4,000	20,000	232
Drilling		768,000				766.
Cementing & Float Equip		227,000	6,000		+	227
ogging / Formation Evaluation		27,600	6,000			27
itud Logging Ilud Circulation System		56,160				
and Chemicals		141,000	30,000			171
iud / Wastewater Disposal		156,000				155
reight / Transportation		43,200	19,500		2,500	65
tig Supervision / Engineering		139,500	39,800	5,400	14,400	199.
)rill Bits		111,200				111
fuel & Power		126,000	·			126,
Vator	·	70,000	326,000			396
hig & Completion Overhead		10,500	18.000		•	28
Yugging & Abandonmant		•				
Virectional Onling, Surveys		230,000				230.
Completion Unit, Sweb, CTU		•	70,000	15,000	····	85,
Performing, Wireline, Slicklin	•	······	102.300	·		102
ligh Prossure Pump Truck		•	38,500		<u> </u>	30.
Itimutation		• <b>•</b> ••••••••••••••••••••••••••••••••••	2.156,000			2,156,
timulation Flowback & Disp		** 200	150,400	90,000		240.
nsurknon-		31,320	16.500	4,000		169,
lenisi - Surface Equipment		71,500	123,350	3,000	5.000	202
tental - Downhole Equipmen		50 000	40,000	4,000	10.000	110
Rental - Living Quarters	•	51,200	24,300	1,900		76.
Contingency		227,854	101 265	3,240	· ·	202
	TOTAL INTANGIOLES >	3,076,034	3.269,915	125,840	51,900	6,523
		ORILLING	COMPLETION	PRODUCTION		TOTAL
TANGIBLE CO	STS	COSTS	COSTS	COSTS	PACILITY COSTS	COSTS
Surface Casing ntermediate Casing	\$	56.675 153,750	•	·	•	\$ <u>58</u> 153
ning Liner		346,475				348
Production Casing		289,685		<del></del>		289
Production Liner						
Tubing				50,000		50
Nellhead		70,000		25,000		95
Ackero, Liner Hangers	·	•	52,800	6,000		58,
fanke -		•			60,000	60.
Production Vessels		+		53,000	25,000	88
tow Lines		+		50,000		50
Rod string						
Antificial Lift Equipment		<u> </u>		20,000		50
Compressor		*			10,000	10
nstalistion Costs		<u> </u>			54,000	
		•	_	5,000	·	5
Ion-controllable Surface				<u>.</u>		
Ion-controllable Surface Ion-controllable Downhole						
Ion-controllable Surface Von-controllable Downhole Downhole Pumps	rilea				49.000	
Non-controllable Surface Non-controllable Downhole Downhole Pumps Maasurement & Neter Install					49,000	61
Non-controllable Surface Yon-controllable Downhole Downhole Pumps Maxwement & Neor Instalt Sas Conditioning / Dehydratj	08					
ton-controllable Surface Von-controllable Downhole Downhole Punys Maasurement & Meter Instatt Gas Conditioning / Dehydratt nterconnecting Facility Pipir	08			12,500	49,000	
ton-controllable Surface Von-controllable Downhole Downhole Pumps Measurement & Wester Institut Gas Conditioning / Dehydrati Alerconaecling Facility Pipir Sathering / Built Lines	08			12,500		60
Ion-controllable Surface Von-controllable Downhole Downhole Pumps Massurement & Meter Instalt Gas Conditioning / Dehydrat Narconnecting Facility Pipir Gathering / Built Lines Falves, Dumps, Controllers	08			12,500	80,000 4,000 12,500	<del></del>
ton-controllable Surface ton-controllable Sowhole Sowhole Pumpos Massurement & Meter Instalt Sas Conditioning / Dehydrat ntarconnecting Facility Pipin Softening / Sulti Lines falves, Dumpo, Controllers Fank / Facility Containment Fine Stack	08			12,500	80,000 4,000 12,500 17,500	
Non-controllable Surface Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Secer Instell Gathering / Built Unes Valves, Dump, Controllers Tenk / Paclity Containment Filme Stack Electrical / Crounding	08			12,500	80,000 4,000 12,500 17,500 5,000	80 6 12 17 17 5
Non-controllable Surface Non-controllable Downhole Downhole Downhole Downhole Sac Gondbiona / Downhole Sac Gondbiona / Downhole Sathering / Bukk Lones Jelves, Dumpe, Controllers Cank / Facliny Containment Fare Stack Electrical / Grounding Communications / SCADA	08			12.500	80,000 4,000 12,550 17,500 5,000 7,500	
Non-controllable Surface Non-controllable Downhole Downhole Downhole Downhole Sac Gondbiona / Downhole Sac Gondbiona / Downhole Sathering / Bukk Lones Jelves, Dumpe, Controllers Cank / Facliny Containment Fare Stack Electrical / Grounding Communications / SCADA	on g			12,500 2,000	80,000 4,000 12,500 17,500 5,000 7,500 7,500 22,000	80 6 12 17 5 7 7 32
Surface Pumps Non-controllable Surface Non-controllable Surface Non-controllable Downhole Downhole Pumps Beauting & Bisser Install Gathering / Buitt Unes Valves, Dumps, Controllers Tank / Pacility Containment Elertiva I/ Crounding Communications / SCADA Instrumentation / Secty	08	918,665 3,694,619		12.500	80,000 4,000 12,550 17,500 5,000 7,500	61 

Drilling Engineer: Blake Hermas Completions Engineer: Wayton Wolf Production Engineer: John Romano Team Lead - WTX/NM LATE WTE MATADOR RESOURCES COMPANY APPROVAL: Executive VP, COO/CFO \_\_\_\_\_ VP - Res Engineering \_\_\_\_\_\_ VP - Onlling \_\_\_\_\_\_BQ Executive VP, Legal \_\_\_\_\_\_ Exec Dir - Exploration \_\_\_\_ President \_\_\_\_\_\_ NON OPERATING PARTNER APPROVAL: Company Name: Wonking Interest (%): Tax ID: Date: \_\_\_\_ Signed by: Title: Approval: Yes No (mark one) 

2

## MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240 Voice 972.371,5440 • Fax 214.866.4883 <u>chahn@matadorresources.com</u>

Cassie Hahn Landman

February 1, 2018

VIA CERTIFIED RETURN RECEIPT MAIL

COGAcreage LP 2208 West Main Street Artesia, NM 88210

Re: Matador Production Company – Biggers Fed Com #217H (the "Well") Participation Proposal Section 18, Township 25 South, Range 35 East Lea County, New Mexico

Dear COGAcreage LP:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Biggers Fed Com #217H well, located in Section 18, Township 25 South, Range 35 East, Lea County, New Mexico to the Wolfcamp formation.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping the Well is \$8,095,744 as found on the enclosed AFE dated January 30, 2018.
- The proposed surface location of the Well is approximately 59' FSL and 1256' FEL of Section 18. Township 25 South, Range 35 East, Lea County, New Mexico. The proposed bottom hole location of the subject well is approximately 240' FNL and 2250' FEL of Section 18, Township 25 South, Range 35 East, Lea County, New Mexico.
- The Well will have a targeted interval within the Wolfcamp formation. We plan to drill the Well horizontally in the Wolfcamp (~12,718' TVD) to a Total Measured Depth of approximately 17,492' 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.

COGAcreage LP, will own an approximate 0.01250000 working interest in the Well based on the JOA, 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 March 15, 2018, by and between Matador Production Company, as operator and MRC Permian Company et al as Non-Operators, covers the E2 of Section 18, Township 25 South, Range 35 East, Lea 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. Additionally, if your election is to participate, please accept this letter as an invoice notice and request for payment. Please remit payment for your proportionate share of costs in the amount of \$101,196.80 to Matador Production Company on or before thirty (30) days after receipt of this estimate and invoice. 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 their proportionate share of all costs incurred.

Come W

Enclosure(s)

Please elect one of the following and return to sender.

COGAcreage LP hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Biggers Fed Com #217H well, located in Lea County, New Mexico.

COGAcreage LP hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Biggers Fed Com #217H well, located in Lea County, New Mexico.

COGAcreage LP is interested in selling its interest in this unit, please contact us to discuss.

COGAcreage LP

By: \_\_\_\_\_\_

Date: \_\_\_\_\_

#### MATADOR PRODUCTION COMPANY

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

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:
WELL NAME:
LOCATION:
COUNTY/STATE:
MRC WI:
GEOLOGIC TARGET:
REMARKS:

Ì٦

REXPENDITURE	
AFE NO.:	300023 027 01 001
FIELD:	
MD/TVD:	17492'/12718'
LATERAL LENGTH:	about 4500'

Wolfcamp

January 30, 2018 Biggers Fed Com 217H Section 18-255-35E

Lea, NM

Dnli, complete and equip a horizontal upper Wolfcamp well with 22 stages

	DRILLING	COMPLETION	PRODUCTION		TOTAL
INTANGIBLE COSTS	COSTS	COSTS	COSTS	FACILITY COSTS	COSTS
Land / Legal / Regulatory \$	181,500	Ś	\$		\$ 161,500
Location, Surveys & Damages	200,500	8,000	4,000	20,000	232,500
Drilling	766,000	<b>4</b>			766,000
Comenting & Float Equip	227,000				227,000
Logging / Formation Evaluation	•	6.000			5,000
Mud Logging	27,800				27,600
Mud Circulation System	30,160				56,160
Mud & Chemicals	141,000	30,000	·		171,000
Mud / Wastewater Disposal	155,000				155,000
Freight / Transportation	43,200	19,500		2,500	35,200
Rig Supervision / Engineering	139,500	39,800	5.400	14,400	199,100
Drill Bits Fusi & Power	111,200				111,200
rusi & Power Water	70,000	326 000			396,000
Drig & Completion Overhead	10,500	18,000			28,500
Plugging & Abandonment	10,000				
Directional Drilling, Surveys	230,000				230 000
Completion Unit, Swab, CTU		70.000	15,000		85 000
Perforating, Wireline, Slickline		102,300			102,300
High Pressure Pump Truck	•	38,500			36,500
Stimulation		2,158,000			2, 156,000
Stimulation Flowback & Disp		150,400	90,000		240,400
insurance	31,320				31,320
Labor	149,000	16,500	4,000		169,500
Rental - Surface Equipment	71,500	123,350	3,000	5,000	202,850
Rental - Downhole Equipment	60.000	40,000		10,000	110.000
Rental - Living Quarters	51.200	24,300	1,000		75,500
Contingency	227,854	101,265	3,240		332,359
TOTAL INTANGIBLES >	3,076,034	5,269,915	125,640	51,900	\$,523,489
	ORILLING	COMPLETION	PRODUCTION		TOTAL
TANGIBLE COSTS	COSTS	COSTS	COSTS	FACILITY COSTS	COSTS
		and the second			
		\$	1	\$	\$ 58,675
Intermediate Casing	153,750	*	·		153,750
Intermediate Casing Drilling Liner	153,750 348,475	* 	*		153,750 348,475
Intermediate Casing Drilling Liner Production Casing	153,750 348,475 290,555				153,750
Intermediate Casing Drilling Liner Production Casing Production Liner	153,750 348,475 290,355				153,750 348,475 290,555
Intermediate Casing Drilling Liner Production Casing Production Liner Tubing	153,750 348,475 290,555		50,000		163,750 348,475 290,555 50,000
Intermediate Casing Drilling Liner Production Casing Production Liner Tubing Weilhead	153,750 348,475 290,555 70,000		\$ 		163,750 348,475 290,555 50,000 95,000
Intermediato Casing Drilling Liner Production Casing Production Liner Tubing Weilhead Packers, Liner Hangers	153,750 348,475 290,355 70,000	\$   52,800	50,000	\$	163,750 348,475 290,555 50,000 95,000 59,800
Intermediate Casing Drilling Liner Production Casing Production Liner Tubing Weilhead Packers, Liner Hangers Tanks	153,750 348,475 290,555 70,000		\$	\$   60.000	163,750 348,475 290,355 50,000 35,000 58,800 60,000
Intermediate Casing Drilling Liner Production Casing Production Liner Tubing Weilhead Packers, Liner Hangers Tanks Production Vessels	153,750 349,475 290,555 		\$ 50,000 25,000 6,000 63,000	\$	163,750 348,475 290,555 50,000 95,000 58,800 60,000 88,009
Intermediate Casing Drilling Liner Production Casing Production Liner Tubing Weilhead Packers, Liner Hangers Tanks Production Vessets Flow Lines	153,750 349,475 290,555 		\$	\$   60.000	163,750 348,475 290,555 50,000 95,000 58,800 58,800 60,000
Intermediate Casing Drilling Liner Production Casing Production Liner Tubing Weilhead Packers, Liner Hangers Tanks Production Vessets Flow Lines Rod string	153750 346,475 290,355 		\$ 50,000 25,000 6,000 63,000	\$   60.000	163,750 348,475 290,555 50,000 95,000 58,800 60,000 88,000 50,000
Intermediate Casing Drilling Liner Production Casing Production Liner Tubing Weilhead Packers, Liner Hangers Tanks Production Vessets Flow Lines	153750 348475 290,555 70,000		\$ 	\$   60.000	163,750 348,475 290,355 50,000 95,000 58,800 60,000 80,000 50,000 20,000
Intermediate Casing Drilling Liner Production Casing Production Casing Weilhead Packers, Liner Hangers Tanks Production Vessels Flow Lines Rod string Artificial LIR Equipment	153750 348,475 290,555 76,000		\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	\$  60.000 25.000 	163,750 348,475 290,555 50,000 95,000 58,800 60,000 88,000 50,000
Intermediate Casing Drilling Liner Production Casing Production Liner Tubing Weilhead Packers, Liner Hangers Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs	153750 346,475 290,555 		\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	\$ 60,000 25,000 	163,750 348,475 290,555 50,000 95,000 58,800 60,000 88,000 50,000 20,000 20,000
Intermediate Casing Drilling Liner Production Casing Production Casing Weilhead Packers, Liner Hangers Tanks Production Vessets Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface	153750 348,475 260,555 70,000		\$ 50,000 25,000 6,000 63,000 63,000 50,000 20,000	\$   50,000 25,000  10,000 34,000	163,760 348,475 290,555 90,000 95,000 95,000 95,000 96,000 98,000 50,000 90,000 90,000 20,000 10,000 94,000
Intermediate Casing Drilling Liner Production Casing Production Casing Production Liner Tubing Weilhead Packers, Liner Hangers Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Commole	153750 348,475 290,555 76,000 		\$ \$0,000 25,000 6,000 63,000 50,000 20,000 5,000	\$ 60,000 25,000 10,000 64,000	163,760 348,475 290,555 90,000 95,000 95,000 95,000 96,000 98,000 50,000 90,000 90,000 20,000 10,000 94,000
Intermediate Casing Drilling Liner Production Casing Production Casing Production Casing Weilhead Packers, Liner Hangers Tanks Production Vessets Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Surface	153750 348475 290,555 70,000		\$ 50,000 25,000 6,000 63,000 50,000 20,000 5,300 5,300	\$   60 000 25.000  10,000  4,000 	163,750 348,475 290,555 50,000 95,000 58,800 60,000 88,000 30,000 20,000 10,000 5,000 5,000 5,000
Intermediate Casing Drilling Liner Production Casing Production Casing Production Casing Weilhead Packers, Liner Hangers Tanks Production Veasets Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controliable Surface Non-controliable Sownhole Downkole Pumps Measurement & Meter Installation	153750 348475 290,555 70,000		\$ 50,000 25,000 6,000 63,000 50,000 20,000 5,300 5,300	\$ 60,000 25,000 10,000 64,000	163,750           348,475           290,355           90,050           95,000           95,000           60,000           88,000           30,000           90,000           91,000           90,000           90,000           20,000           10,000           64,000           9,000
Intermediate Casing Drilling Liner Production Casing Production Casing Production Liner Tubing Weilhead Packers, Liner Hangers Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Surface Surface Pumps	153750 348475 290,555 70,000		\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	\$ 	163,750 346,475 290,355 50,000 95,000 58,800 60,000 88,000 20,000 10,000 0,000 10,000 0,000 10,000 0,000 10,000 0,000 10,000 0,000 10,000 0,000 10,000 0,000 10,000 0,000 10,0000 10,0000 10,0000 10,0000 10,0000 10,0000 10,0000 10,0000 10,0000 10,0000 10,0000 10,0000 10,0000 10,0000 10,00000000
Intermediate Casing Drilling Liner Production Casing Production Casing Weilhead Packers, Liner Hangers Tanks Production Vessets Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Surface Non-controllable Surface Non-controllable Surface Non-controllable Surface Non-controllable Surface Non-controllable Surface Scontrollable Surface Scontrollable Surface Scontrollable Surface Non-controllable Surface Scontrollable Surface Scontrollable Surface Scontrollable Surface Scontrollable Surface Scontrollable Surface Scontrollable Surface Scontrollable Surface Non-controllable Surface Non-co	153750 348475 290,555 70,000		\$ 50,000 25,000 6,000 63,000 50,000 20,000 5,300 12,500 12,500	\$   60 000 25.000  10,000  4,000 	163,750           348,475           290,355           50,000           95,000           60,000           88,000           50,000           95,000           60,000           80,000           20,000           10,000           3,000
Intermediate Casing Drilling Liner Production Casing Production Casing Production Liner Tubing Wellhead Packers, Liner Hangers Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Surface Non-controllable Surface Non-controllable Surface Non-controllable Surface Non-controllable Surface Non-controllable Surface Non-controllable Surface Non-controllable Surface Surface Control Surface Surface Control Surface Surface Control Surface S	153750 348475 290,555 70,000		\$ 	\$ 	163,750 348,475 290,355 90,000 95,000 58,800 60,000 98,005 50,000 20,000 10,000 94,000 5,000 94,000 5,000 94,000 5,000 94,000 5,000 94,000 94,000 94,000 94,000 94,000 94,000 94,000 94,000 94,000 94,000 94,000 94,000 94,000 94,000 94,000 95,000 94,000 94,000 94,000 94,000 95,000 94,0000 94,0000 94,0000 94,0000 94,0000 94,0000 94,0000000000
Intermediate Casing Drilling Liner Production Casing Production Casing Production Liner Tubing Wellhead Packers, Liner Hangers Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Surface Non-controllable Surface Non-controllable Surface Non-controllable Surface Non-controllable Surface Non-controllable Surface Non-controllable Surface Non-controllable Surface Non-controllable Surface Say Statement & Meter Installation Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Builk Lines	153750 348475 290,555 70,000		\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	\$ 	163,750 348,475 290,355 50,000 95,000 95,000 98,000 38,000 20,000 10,000 04,000 3,000 3,000 54,000 54,000 54,000 54,000 54,000 54,000 54,000 50,00
Intermediate Casing Drilling Liner Production Casing Production Casing Production Casing Weilhead Packers, Liner Hangers Tanks Production Vessets Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Sownhote Downhote Pumps Measurement & Meter Installation Gas Conditioning / Dehydration Instruconceting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers	153750 348475 290,555 70,000		\$ 50,000 25,000 6,000 50,000 50,000 20,000 5,300 12,500 12,500 2,000	\$ 	163,750           348,475           290,355           90,000           95,000           95,000           95,000           96,000           98,000           80,000           90,000           90,000           90,000           90,000           90,000           91,000           91,000           91,000           91,500 <td< td=""></td<>
Intermediate Casing Drilling Liner Production Casing Production Liner Tubing Weilhead Packers, Liner Hangers Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Surface Surface Pumps Non-controllable Surface Non-controllable Surface Surface Pumps Non-controllable Surface Non-controllable	153750 348475 290,555 70,000		\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	\$ 	163,750           348,475           290,355           90,000           95,000           95,000           96,000           98,005           20,000           98,005           20,000           10,000           95,000           95,000           96,000           97,000           98,005           90,000           91,000 <td< td=""></td<>
Intermediate Casing Drilling Liner Production Casing Production Casing Production Casing Weilhead Packers, Liner Hangers Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Surface Non-controllable Surface Non-controllable Surface Non-controllable Surface Non-controllable Surface Non-controllable Surface Non-controllable Surface Sa Conditioning / Dehydration Interconnecting Facility Piping Gathering / Builk Lines Valves, Dumps, Controllers Tank / Facility Conteinment Flare Stack Electrical / Grounding	153750 348475 290,555 70,000		\$ 50,000 25,000 6,000 50,000 50,000 20,000 5,300 12,500 12,500 2,000	\$ 	163,750           348,475           290,355           90,000           95,000           96,000           88,000           80,000           30,000           30,000           30,000           30,000           30,000           31,500           80,000           31,500           30,000           12,500           17,500           5,000
Intermediate Casing Drilling Liner Production Casing Production Casing Production Liner Tubing Weilhead Packers, Liner Hangers Tanks Production Vessets Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Non-controllable Non-controllable Non-controllable Non-controllable Non-controllable Non-controllable Non-controllable Non-controllable Non-controllable Non-controllable Non-controllable Non-controllable Non-controllable Non-controllab	153750 348475 290,555 70,000		\$ 50,000 25,000 6,000 63,000 50,000 20,000 5,300 12,500 12,500 2,000	\$ 	163,750           348,475           290,355           90,000           95,000           95,000           95,000           95,000           96,000           90,000           90,000           90,000           90,000           90,000           90,000           90,000           90,000           90,000           90,000           90,000           90,000           90,000           90,000           91,000           91,000           91,000           91,000           91,000           91,000           91,000           91,000           91,000           91,000           91,000           91,000           91,000           91,000           91,000
Intermediate Casing Drilling Liner Production Casing Production Casing Production Liner Tubing Weilhead Packers, Liner Hangers Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumpa Non-controllable Cownhole Downhole Pumpa Measurement & Meter Installation Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Conteinement Flare Stack Electrical / Grounding Communications / SACDA	153 (750)           348 (475)           290,555		\$ 50,000 25,000 6,000 6,000 5,000 20,000 12,500 12,500 2,000 10,000 10,000	\$ 	163,760           348,475           290,365           90,000           95,000           95,000           96,000           98,000           20,000           90,000           90,000           90,000           90,000           90,000           90,000           90,000           90,000           90,000           90,000           91,000           91,500           91,500           91,500           91,500           91,500           92,000           11,500           92,000           12,500           17,500           92,000
Intermediate Casing Drilling Liner Production Casing Production Casing Trobing Weilhead Packers, Liner Hangers Tanks Production Vessets Frow Lines Rod string Artificial Lift Equipment Compressor	153750 348475 290,555 70,000		\$ 50,000 25,000 6,000 63,000 50,000 20,000 5,300 12,500 12,500 2,000	\$ 	163.760           348.475           290.355           90.000           95.000           95.000           95.000           96.000           96.000           97.000           98.000           90.000           90.000           90.000           90.000           90.000           90.000           90.000           90.000           90.000           90.000           90.000           90.000           90.000           91.000           91.2500           91.7500           90.000           91.7500           90.000           91.7500

PREPARED BY MATADOR PRODUCTION COMPANY:

Onling Engineer:	A the doutres	Team Lead - WTX/NM WTE		
Completions Engineer	Wayion 'Aloi!	·W*E		
Production Engineer.	lann Ponann			
OR RESOURCES COM	PANY APPROVAL:			
Executive VP, COO/CFO	JFL.	VP - Res Engineering		VP - Dailing
Executive VP, Legai	2A	Exec Dir - Exploration		516°
President	CA .	n.r		
	WAn .			
PERATING PARTNER A	PPROVAL:			
Company Name:		Working Interest (%);		Tax (D:
		Dale:		
Signed by:			······································	

## MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240 Voice 972.371.5440 • Fax 214.866.4883 <u>chahn@matadorresources.com</u>

Cassie Hahn Landman

February 1, 2018

VIA CERTIFIED RETURN RECEIPT MAIL

GGM Exploration, Inc 420 Throckmorton, Suite #200 Fort Worth, TX 76102

Re: Matador Production Company – Biggers Fed Com #217H (the "Well") Participation Proposal Section 18, Township 25 South, Range 35 East Lea County, New Mexico

Dear GGM Exploration, Inc:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Biggers Fed Com #217H well, located in Section 18, Township 25 South, Range 35 East, Lea County, New Mexico to the Wolfcamp formation.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping the Well is \$8,095,744 as found on the enclosed AFE dated January 30, 2018.
- The proposed surface location of the Well is approximately 59' FSL and 1256' FEL of Section 18, Township 25 South, Range 35 East, Lea County, New Mexico. The proposed bottom hole location of the subject well is approximately 240' FNL and 2250' FEL of Section 18, Township 25 South, Range 35 East, Lea County, New Mexico.
- The Well will have a targeted interval within the Wolfcamp formation. We plan to drill the Well horizontally in the Wolfcamp (~12,718' TVD) to a Total Measured Depth of approximately 17,492' 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.

GGM Exploration, Inc, will own an approximate 0.00068750 working interest in the Well based on the JOA, 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 March 15, 2018, by and between Matador Production Company, as operator and MRC Permian Company et al as Non-Operators, covers the E2 of Section 18, Township 25 South, Range 35 East, Lea 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. Additionally, if your election is to participate, please accept this letter as an invoice notice and request for payment. Please remit payment for your proportionate share of costs in the amount of \$5,565.82 to Matador Production Company on or before thirty (30) days after receipt of this estimate and invoice. 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 their proportionate share of all costs incurred.

Carrie Vou

Enclosure(s)

Please elect one of the following and return to sender.

GGM Exploration, Inc hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Biggers Fed Com #217H well, located in Lea County, New Mexico.

GGM Exploration, Inc hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Biggers Fed Com #217H well, located in Lea County, New Mexico.

GGM Exploration, Inc is interested in selling its interest in this unit, please contact us to discuss.

GGM Exploration, Inc

By: \_\_\_\_\_

Title:

Date:

#### MATADOR PRODUCTION COMPANY

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

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

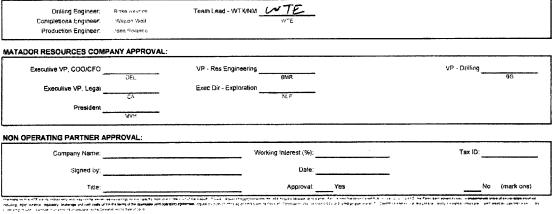
ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE					
DATE:	January 30, 2018	AFE NO.:	300023 027 01 001		
WELL NAME:	Biggers Fed Com 217H	FIELD:			
LOCATION:	Section 18-25S-35E	MD/TVD:	17492/12718		
COUNTY/STATE:	Lea, NM	LATERAL LENGTH:	about 4500'		
MRC WI:					
GEOLOGIC TARGET:	Wolfcamp				

Drill, complete and equip a horizontal upper Wolfcamp well with 22 stages REMARKS:

	DRILLING	COMPLETION	PRODUCTION	84 AU 17/ CODTE	TOTAL
INTANGIBLE COSTS	COSTS	COSTS	COSTS	PACILITY COSTS	
Lend / Legal / Regulatory \$	181,500	\$	\$4.000	20.000	181,500
Location, Surveys & Damages		8,000	4,000	20.000	766.000
Drilling	765,000				227,000
Cementing & Float Equip	227,0880		<u></u>		6.000
Logging / Formation Evaluation		6,000			27.600
Mud Logging	27.600				56,160
Mud Circulation System					
Mud & Chemicals	141,000	30,000			171,000
Mud / Wastewater Disposal	155,000	*		······	155,000
Freight / Transportation	43,200	19,500		2,500	65,200
Rig Supervision / Engineering	139,500	39,500	5.400	14,400	199,100
Orili Bits	111,200				111,200
Fuel & Power	126,000	•		<u> </u>	125,000
Water	70,000	326,000		•	396,000
Drig & Completion Overhead	10,500	18,000		•	28,500
Plugging & Abandonment	•				
Directional Drilling, Surveys	230,000				230,000
Completion Unit, Swab, CTU	•	70,000	15,000		85,000
Perforating, Wireline, Slickline	•	102,300			102,300
High Pressure Pump Truck	•	38,500		-	38,500
Stimulation	•	2,156,000			2,156,000
Stimulation Flowback & Disp	•	150,400	90,000		240,400
Insurance	31,320				31,320
Labor	149,000	18,500	4,000		169.500
Rental - Surface Equipment	71,500	123,350	3,000	5,000	202,850
Rental - Downhole Equipment	60.000	40,000	L.	10,000	110,000
Rental - Living Quarters	51,200	24,300	1,000	-	76,500
Contingency	227,854	101,265	3,240	······································	332,359
TOTAL INTANGIBLES >	3,076,034	3,269,915	125,640	\$1,900	6,523,489
	ORILLING	COMPLETION	PRODUCTION		TOTAL
TANGIBLE COSTS	COSTS	COSTS	COSTS	FACILITY COSTS	COSTS
Surface Casing \$	56,675	\$	\$	\$3	56,675
Intermediate Casing	153,750				153,750
Drilling Liner	348,475				348,475
Production Casing	290,555				290,555
Production Liner	*				•
					CR 490

	TOTAL COSTS >	3,995,489	3,322,715	369.140	408,400	9,095,744
TC	TAL TANGIBLES >	919,455	52,800	243,500	356,500	1,572,265
Instrumentation / Safety				10,000	22,000	32,000
Communications / SCADA					7,500	7,500
Electrical / Grounding				· · · ·	5,000	5,000
Flare Stack				· · · · ·	17,500	17,500
Tank / Facility Conteinment					12,500	12,500
Valves, Dumps, Controllers				2,000	4,000	6,000
Gathering / Bulk Lines				•		-
Interconnecting Facility Piping					80,000	60,000
Gas Conditioning / Dehydration				· · · · ·	· · ·	•
Measurement & Motor Installation		· · ·		12,500	49,000	61,500
Downhole Pumps				· · · · ·		
Non-controllable Downhoir		*		<u> </u>		
Non-controllable Surface		······································				
Surface Pumps				5,000		5,000
Installation Costs					64,000	64,000
Compressor					10,000	10.000
Artificial Lift Equipment		<u> </u>		20,000		20,000
Rod string						
Flow Lines				50.000		50,000
Production Vessels				63,000	25.000	88,000
Tanks	<del></del>	<u> </u>	52,000		60.000	60,000
Packers, Liner Hangers			52,800	6,000		58,600
Tubing Weilhead		70,000		25,000		95,000
		·		50,000		50,000
Production Casing Production Liner		290,555				290,555

PREPARED BY MATADOR PRODUCTION COMPANY:



#### 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

May 10, 2018

#### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed are copies of the following applications filed with the New Mexico Oil Conservation Division by Matador Production Company:

1. Case No. 16178, for a non-standard spacing and proration unit, and unorthodox well location, and compulsory pooling, regarding the Biggers Fed. Com. Well Nos. 203H, a Wolfcamp well in the W/2E/2 of Section 18;

2. Case No. 16179, for a non-standard spacing and proration unit and compulsory pooling, regarding the Biggers Fed. Com. Well No. 214H, a Wolfcamp well in the E/2E/2 of Section 18; and

3. Case No. 16180, for a non-standard spacing and proration unit and compulsory pooling, regarding the Biggers Fed. Com. Well Nos. 217H, a Wolfcamp well in the W/2E/2 of Section 18,

all in Township 25 South, Range 35 East, NMPM, Lea County, New Mexico.

These matters are scheduled for hearing at 8:15 a.m. on Thursday, May 31, 2018, 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 these applications, 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, May 21, 2018. 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,

AMA James Bruce

Attorney for Matador Production Company

#### EXHIBIT A

COG Operating LLC COG Acreage LP 600 West Illinois Avenue Midland, Texas 79701

GCM Exploration, Inc. Suite 200 420 Throckmorton Fort Worth, Texas 76102

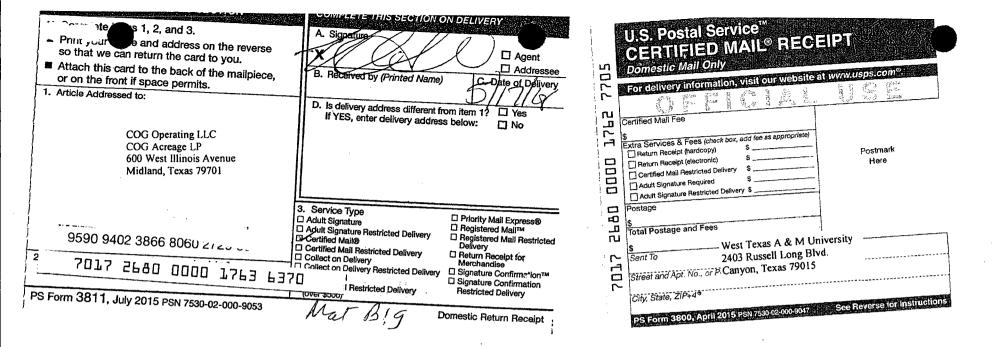
TD Minerals LLC Suite 900 8110 Westchester Drive Dallas, Texas 75225

David Lloyd Cook P.O. Box 33703 Fort Worth, Texas 76162

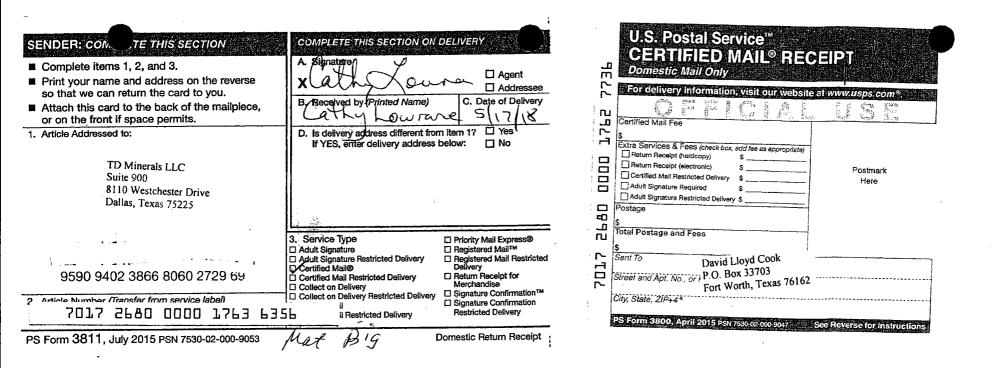
Heirs or Devisees of John C. Sparling 14227 Turtle Rock Drive San Antonio, Texas 78232

The Ohio State University 2003 Millikin Road Columbus, Ohio 42310

West Texas A & M University 2403 Russell Long Blvd. Canyon, Texas 79015



0000 1763 6370	U.S. Postal Service" CERTIFIED MAIL® RECEIP: Domestic Mail Only For delivery information, visit our website at www.usps.com? Certified Mail Fee S Extra Services & Fees (check box, add fee as appropriate) Beturn Receipt (hardcopy) S Beturn Receipt (hardcopy) S Certified Mail Restricted Delivery S	<ul> <li>SENDER: COMPLETE THIS SECTION</li> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailplece, or on the front if space permits.</li> <li>1. Article Addressed to:</li> <li>West Texas A &amp; M University 2403 Russell Long Blvd. Canyon, Texas 79015</li> </ul>	COMPLETE THIS SECTION ON DELIVERY         A. Signature         X
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~	City, State, ZIP+4 * PS Form 3800, April 2015 FSN 7530-02-000-9047	PS Form 3811, July 2015 PSN 7530-02-000-9053	Mathematical Delivery Restricted Delivery Mathematical Delivery Domestic Return Receipt



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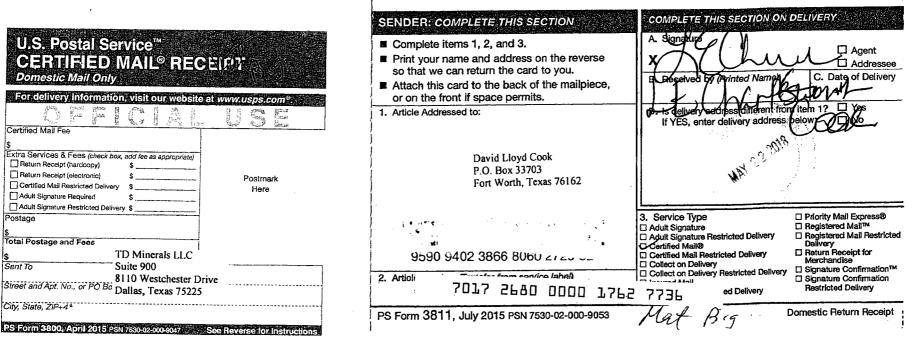
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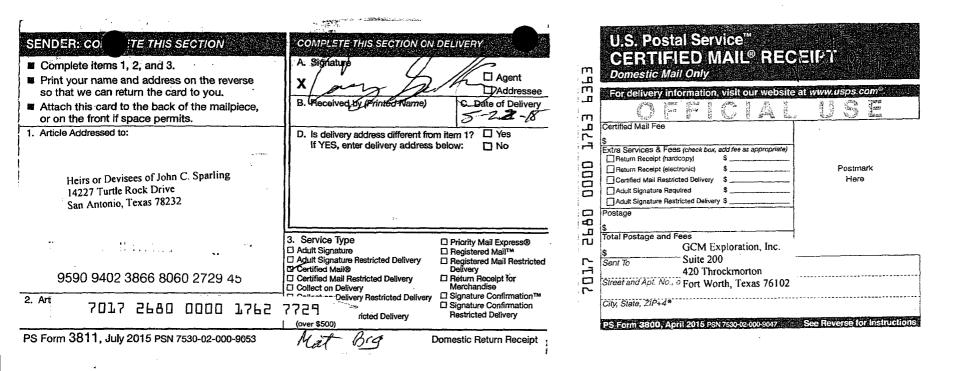
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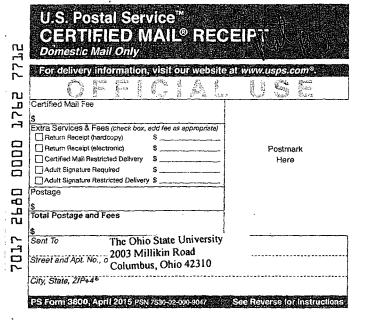
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U.S. Postal Service <sup>™</sup> CERTIFIED MAIL <sup>®</sup> RECEINT Domestic Mail Only For delivery information, visit our website at www.usps.com <sup>®</sup> Certified Mail Fee S Extra Services & Fees (check box, add fee as appropriate)	<ul> <li>SENDER: COMPLETE THIS SECTION</li> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> <li>1. Article Addressed to:</li> </ul>	COMPLETE THIS SECTION ON DELIVERY         A. Signature         X         Male         A. Signature         X         A. Signature         X         B. Received by (Printed Name)         C. Date of Delivery         S//7//5         D. Is delivery address different from item 1?         Yes         If YES, enter delivery address below:
Peturn Receipt (hardcopy) S     Return Receipt (dectronic) S Postmark     Certified Mail Restricted Delivery S Here     Adult Signature Restricted Delivery S     Postage	GCM Exploration, Inc. Suite 200 420 Throckmorton Fort Worth, Texas 76102	
Total Postage and Fees     Total Postage and Fees     Sent To     14227 Turtle Rock Drive     Street and Apt. No., San Antonio, Texas 78232	9590 9402 3866 8060 2129 10	3. Service Type       □ Priority Mail Express®         □ Adult Signature       □ Registered Mail™         □ Adult Signature Restricted Delivery       □ Registered Mail™         □ Certified Mail Restricted Delivery       □ Return Receipt for Merchandise         □ Collect on Delivery       □ Signature Confirmation™
City, State, ZIP+4* PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	2. Artic's 12 7017 2680 0000 1763 PS Form 3811, July 2015 PSN 7530-02-000-9053	TE Object on Delivery Addition



## Offset Operators or Working Interest Owners

E/2 Section and E/2SW/4 Section 7 COG Operating LLC

Section 8 EOG Resources, Inc.

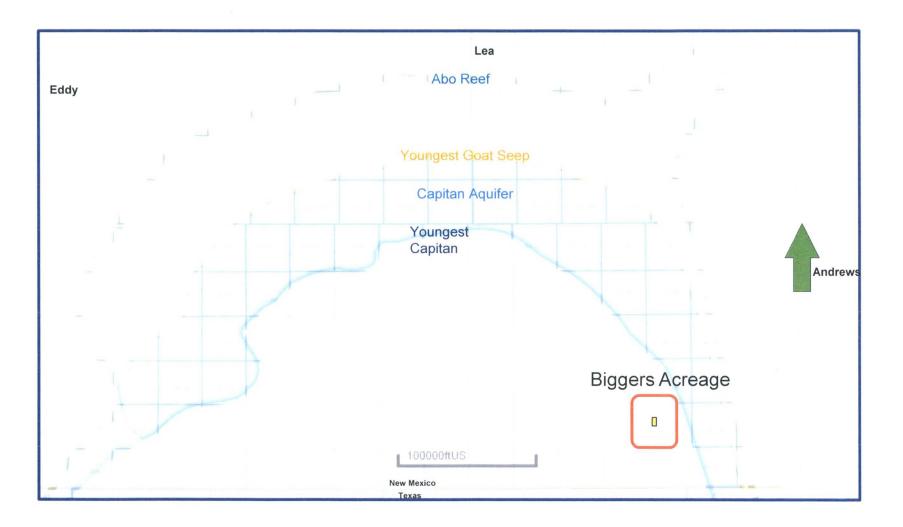
<u>W/2 Section 17</u> Matador Production Company

W/2 and N/2NE/4 Section 20 COG Operating LLC

E/2 and E/2W/2 Section 19 Energen Resources Company

<u>W/2 Section 18</u> Matador Production Company

# Dogie Draw; Wolfcamp, (Pool Code 17980) Locator Map





Matador Exhibit 6

# Dogie Draw; Wolfcamp, (Pool Code 17980) Wolfcamp Structure Map

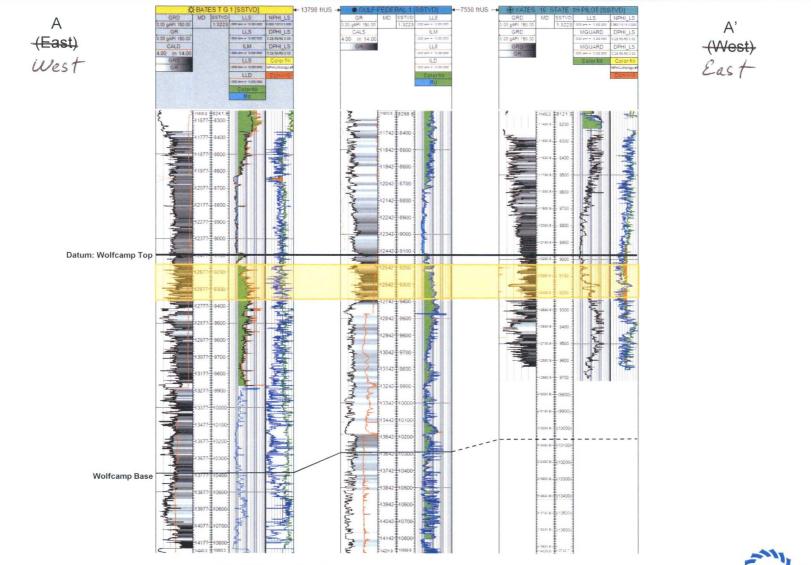
Ø grad Map Legend BHL Yates 16 State 1H Pilot -9100 Bates TG1 Matador ig /West 0026 Horizontal Location -8900 SHL A 9100 (East) 217H 214H 203H 0026 Project 0 Area 0 .9000 0 Gulf Federal 1 Wolfcamp Producer ¢ 700 1:19963-0016 C.I. = 50' -9100



Matador Exhibit 7

Matador Exhibit 8

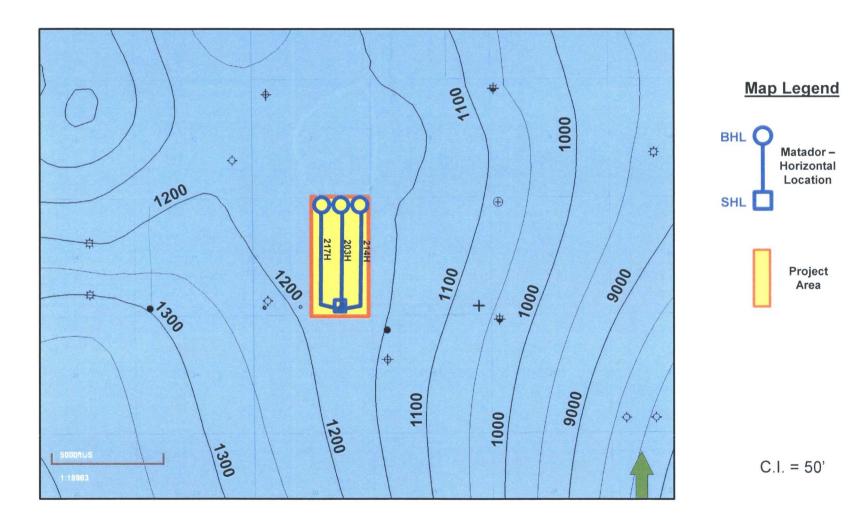
# Dogie Draw; Wolfcamp, (Pool Code 17980) Stratigraphic Cross Section (Top of Wolfcamp Subsea)





Biggers Fed Com #203H, #214H & #217H

Dogie Draw; Wolfcamp, (Pool Code 17980) Wolfcamp Isopach

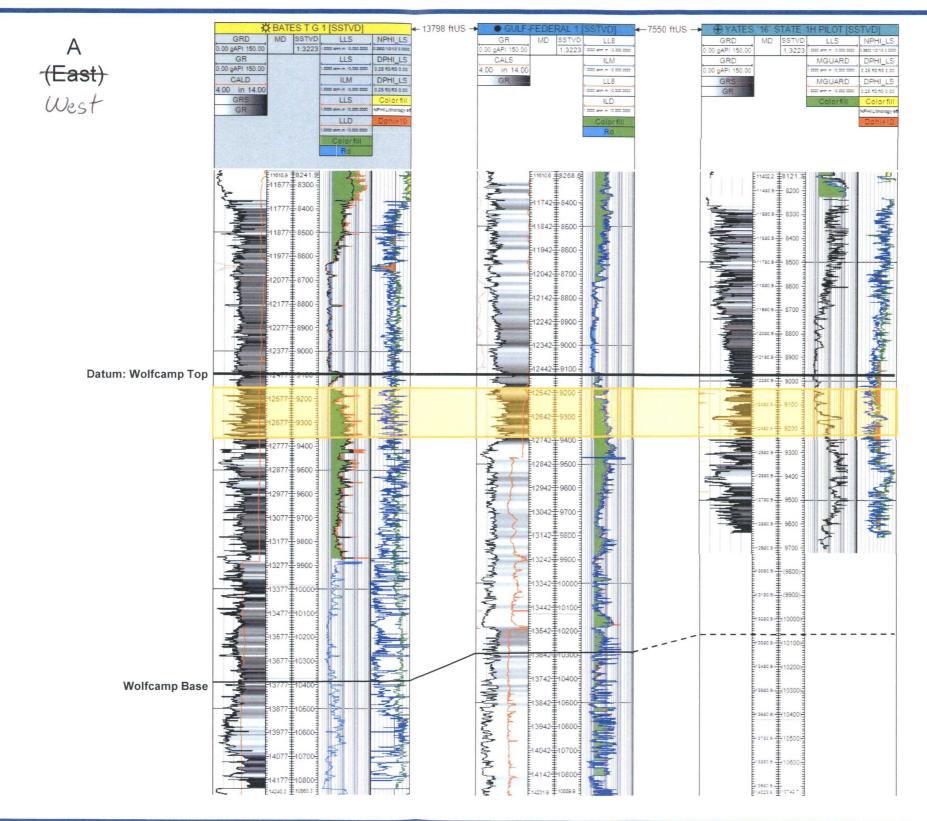




Biggers Fed Com #203H, 214H & 217H

Matador Exhibit 9

# Dogie Draw; Wolfcamp, (Pool Code 17980) Stratigraphic Cross Section (Top of Wolfcamp Subsea)



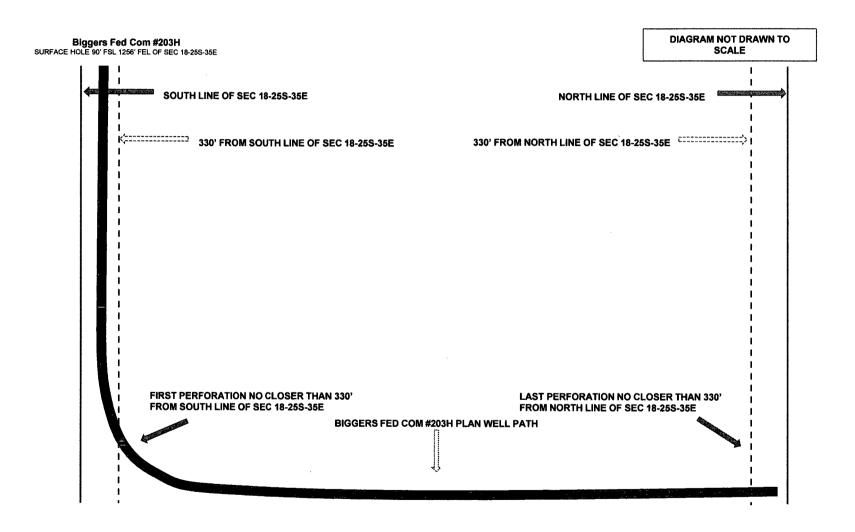
## Biggers Fed Com #203H, #214H & #217H

# Matador Exhibit 8

A' (West) East

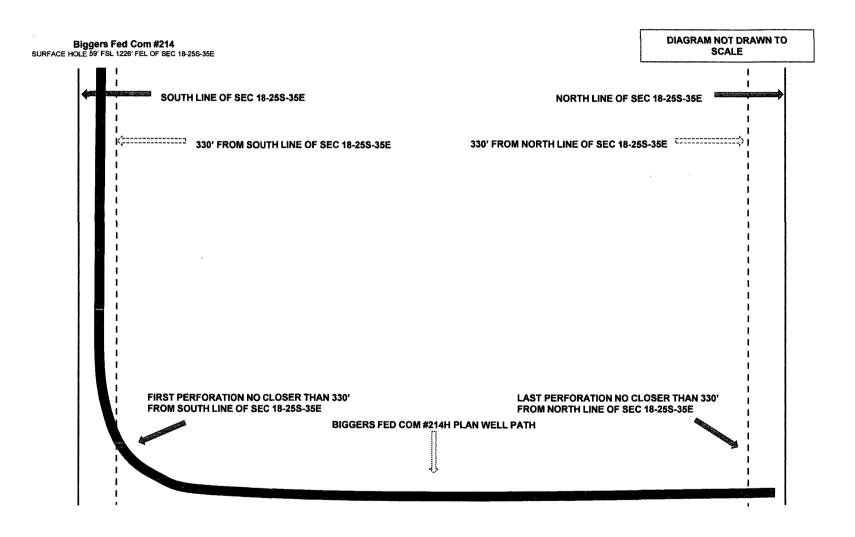


# Dogie Draw; Wolfcamp, (Pool Code 17980) Biggers Fed Com #203H Completion



Biggers Fed Com #203H

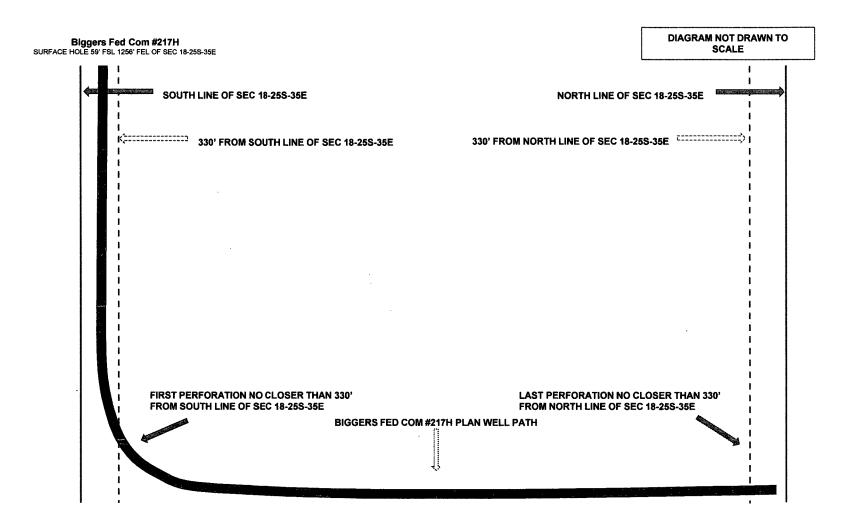
# Dogie Draw; Wolfcamp, (Pool Code 17980) Biggers Fed Com #214H Completion



K **Matador** 

Biggers Fed Com #214H

# Dogie Draw; Wolfcamp, (Pool Code 17980) Biggers Fed Com #217H Completion



, Matador V, Matador

Biggers Fed Com #217H