# **MATADOR PRODUCTION COMPANY**

# Leslie Fed Com Nos. 201H, 215H and 202H

Cases 16181 and 16182

### 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 EVALUATE ON THE SECOND STATES OF THE SECON

CASE NOS. 16181 & 16182

May 31, 2018

### EXHIBIT NOTEBOOK Leslie Fed Com #201H, #215H & #202H

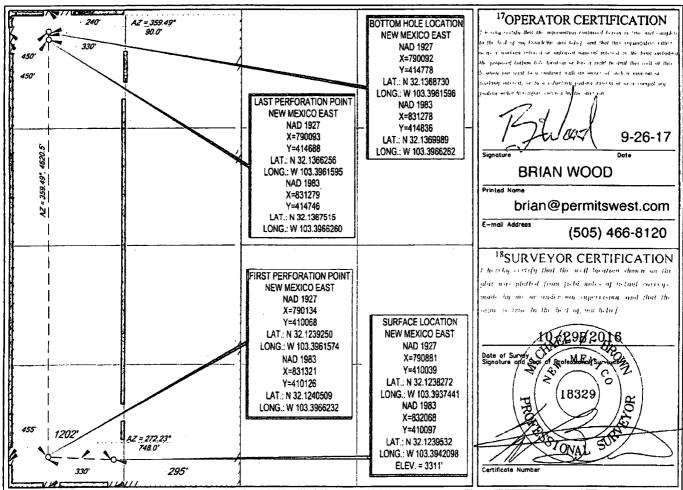
- Exhibit 1 C-102 Forms
- Exhibit 2 Midland Map
- Exhibit 3 Summary of Interests
- Exhibit 4 Well Proposal Letters
- Exhibit 5 Affidavit, notice letters, proof of mailing
- Exhibit 6 Locator Map
- Exhibit 7 Structure Map
- Exhibit 8 Stratigraphic Cross Section A-A'
- Exhibit 9 Isopach Map
- Exhibit 10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

District 1 1625 N. French Dr., Hobbs, NNI 88240	State of N	Iew Mexico		FORM C-102
Phone: (575) 393-6161 Fax: (575) 393-0720 District II	Energy, Minerals a	& Natural ResourcesEB 2 8 2018		Revised August 1, 2011
811 S. First St., Artesta, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720				one copy to appropriate
District III 1000 Rio Brazos Road, Aztec, NM \$7410	OIL CONSERVA	ATION DIVISIORECEIVE		District Office
Phone: (505) 334-6178 Fax: (505) 334-6170	1220 South 2	St. Francis Dr.	D) _	
District IV 1220 S. St. Francis Dr., Sante Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462	Sante Fe,	NM 87505		AMENDED REPORT
WE	LL LOCATION AND AC	REAGE DEDICATION PLAT		
30-025- 44644	<sup>2</sup> Pool Code 17980	DOGIE DRAW; WO	DLFCA	VIP
<sup>4</sup> Property Code	Propert	y Name		<sup>6</sup> Well Number
700/10	IFSUF F	TED COM	1	#201H

0....

120	699 I			1	LESLIE FEI	) COM		#~	SUTH
<sup>7</sup> OGRID 22893	No.	<sup>N</sup> Operator Name MATADOR PRODUCTION COMPANY					"Elevation 3311'		
					<sup>10</sup> Surface Loc	ation	<u>,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,</u>		
UL or lot no. M	Section 17	Township 25-S	Range 35-E	Lot Idn	Feet from the 295'	North/South line SOUTH	Feet from the 1202'	Enst/West line WEST	County LEA
		A.,							
UL or lot no.	Section	Township	Runge	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	17	25-S	35-E	-	240'	NORTH	450'	WEST	LEA
<sup>12</sup> Dedicated Acres	Joint or	Infill <sup>14</sup> Co	onsolidation Code C	<sup>15</sup> Order /	No	,,,,,	<u></u>		

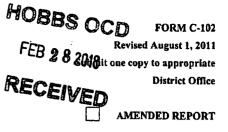
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



SISURVEYMATADOR\_RESOURCESILESLIE\_FED\_COM\_201HVPINAL\_PRODUCTSILO\_LESLIE\_FED\_COM\_201H\_REV2 DWG 2/2/2017 1:38:09 PM ccastion

District 1 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Ariesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. Sl. Francis Dr., Sante Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Sante Fe, NM 87505

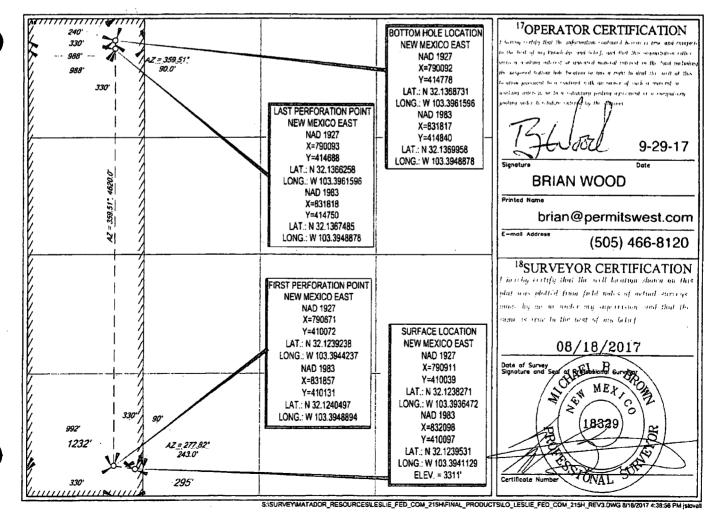


#### WELL LOCATION AND ACREAGE DEDICATION PLAT

30-025-	API Numbe			<sup>3</sup> Pool Code <sup>3</sup> Pool Name 17980 DOGIE DRAW; WOLFCAMP							
<sup>4</sup> Property BM	Code 0549		<sup>5</sup> Property Name LESLIE FED COM						<sup>6</sup> Well Number #215H		
'ocrid 22893	No.		М	ATADO	<sup>6</sup> Operator N R PRODUC'	ame FION COMPA	NY		<sup>*</sup> Elevation 3311'		
					<sup>10</sup> Surface Lo	eation					
UL or let no.	Section	Township	Range	Lot Idu	Feet from the	North/South line	Feet from the	East/West line	County		
М	17	25-S	35-E	-	295'	SOUTH	1232'	WEST	LEA		
UL er lot no.	1	Township	Range	Let Idn	Feet from the	North/South line	Feet from the	East/West line	County		
D	17	25-S	35-E	-	240'	NORTH	988'	WEST	LEA		

<sup>12</sup> Dedicated Acres 160	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code C	1 <sup>5</sup> Order No.
No allowable	will be assigned	to this completion	until all interests have been consolidated or a non-standard unit has been approved by

appi 330 the division.



District 1 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District 11 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District 111 1000 Rio Brazos Road, Azrec, NM 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 State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Sante Fe, NM 87505 FORM C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

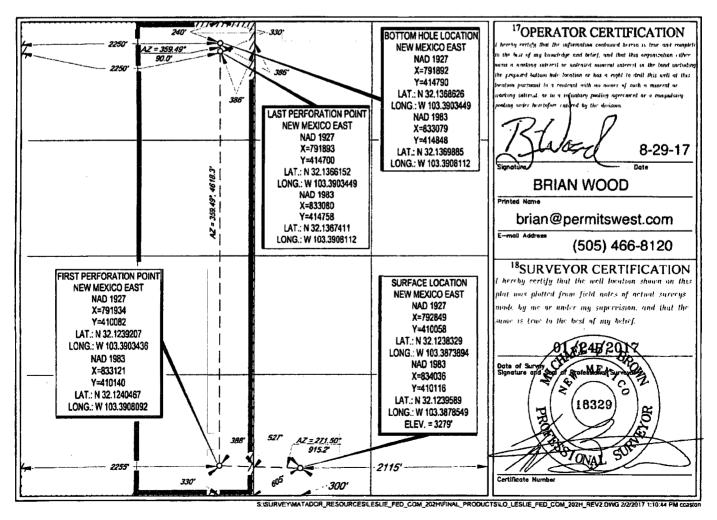
AMENDED REPORT

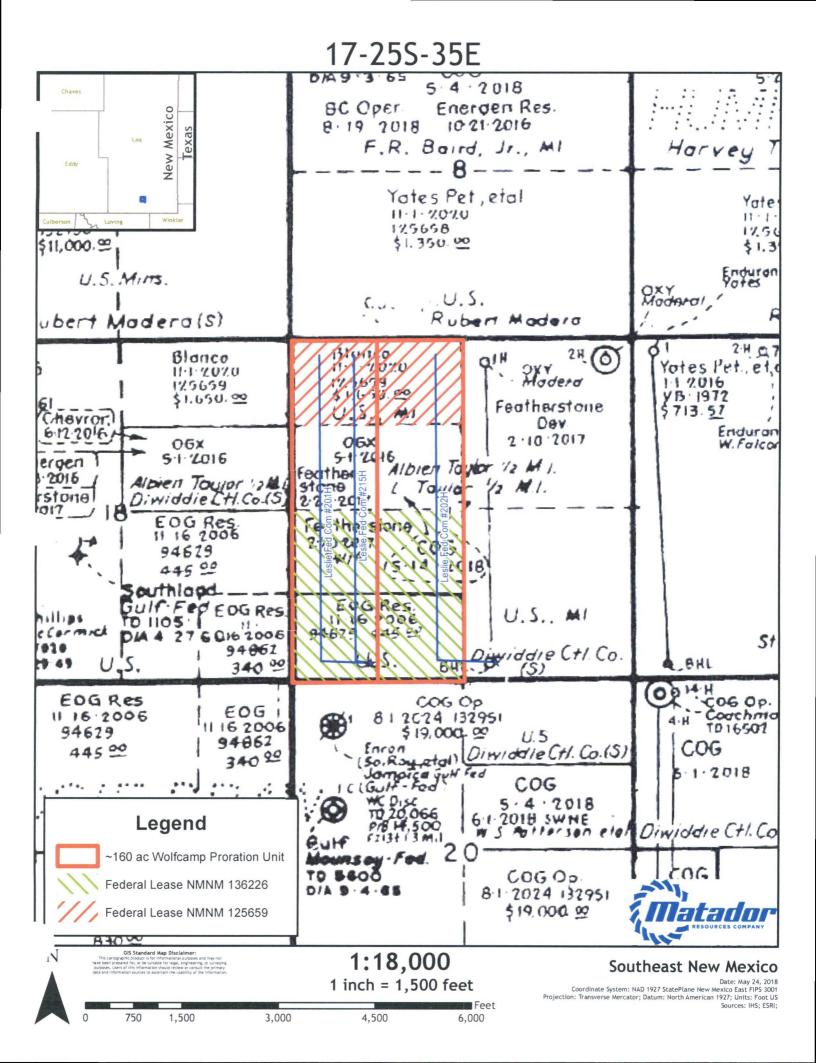
#### WELL LOCATION AND ACREAGE DEDICATION PLAT

30-025-	API Number	2		<sup>2</sup> Pool Code 7980		DOG	<sup>3</sup> Pool Nam IE DRAW; W	-	
Property 320	Code			]	<sup>3</sup> Property Na LESLIE FEI				'ell Number 202H
<sup>7</sup> OGRID 2289			М	ATADOR	<sup>8</sup> Operator Na PRODUCT	<sup>me</sup> ION COMPAN	Y	1	Elevation 3279'
					<sup>10</sup> Surface Loo	ation			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	17	25-S	35-E	-	300'	SOUTH	2115'	EAST	LEA
									-
UL or lot no.	Section	Township	Range	Lot Ide	Feet from the	North/South line	Feet from the	East/West line	County
С	17	25-S	35-E	<b>_</b>  .	240'	NORTH	2250'	WEST	LEA

C	17	25-S	35-E	-	240'	NORTH	2250'	WEST	LEA
<sup>12</sup> Dedicated Acres 160	<sup>13</sup> Joint or l	afill <sup>14</sup> Cı	onsolidation Co C	de <sup>13</sup> Ord	ler 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		77.453124%
Voluntary Joinder	an a	11.979167%
Compulsory Pool Interest Total:		10.567709%
Interest Owner:	Description:	Interest:
COG Operating, LLC	Uncommitted Working Interest Owner	2.270834%
COG Acreage, LP	Uncommitted Working Interest Owner	1.250000%
Energen Resources Corporation	Uncommitted Working Interest Owner	3.515625%
Marathon Oil Permian, LLC	Uncommitted Working Interest Owner	1.562500%
GGM Exploration, Inc	Unleased Mineral Interest Owner	.068800%
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%



### 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

Heirs/devisees of John C. Sparling 14227 Turtle Rock Dr. San Antonio, TX 78232

Re: Matador Production Company – Leslie Fed Com #201H (the "Well") Participation Proposal Section 17, Township 25 South, Range 35 East Lea County, New Mexico

Gentlemen:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Leslie Fed Com #201H well, located in Section 17, 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 \$8,087,384, as found on the enclosed AFE dated January 30, 2018.
- The proposed surface location of the Well is approximately 295' FSL and 1202' FWL of Section 17, 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' FWL of Section 17, 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 (~12,493' TVD) to a Total Measured Depth of approximately 17,242' 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.

Heirs/devisees of John C. Sparling, will own an approximate 0.01562500 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 W/2 of Section 17, 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 \$126,482.41 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,

#### Enclosure(s)

Please elect one of the following and return to sender.

- Heirs/devisees of John C. Sparling hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Leslie Fed Com #201H well, located in Lea County, New Mexico.
- Heirs/devisees of John C. Sparling hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Leslie Fed Com #201H well, located in Lea County, New Mexico.
- Heirs/devisees of John C. Sparling is interested in selling its interest in this unit, please contact us to discuss.

Heirs/devisees of John C. Sparling

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

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

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

#### MATADOR PRODUCTION COMPANY

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

DATE:	January 30, 2018			AFE NO .:		300023 030,01,001
WELL NAME:	Leslie Fed Com 201H			FIELD:		
LOCATION:	Section 17-25S-35E			ND/TVD:		17242/12493
COUNTY/STATE:	Lea, NM			LATERAL LENGTH:	·	about 4500°
MRC WE						
GEOLOGIC TARGET:	Wolfcamp					
REMARKS:	Drill, complete and equ	ip a horizontal upper W	olicarno well with 22 sta	1985		
		DRILLING	COMPLETION	PRODUCTION		TOTAL
INTANGIBLE Land / Logal / Regulatory	COSTS	COSTS 181,500	COSTS	COSTS	FACILITY COSTS	COSTS
Location, Surveys & Dama	C85.	200,500	8,000	4,000	20,000	\$ 181,500 232,500
Onilling	••••	765,000				765,000
Comenting & Float Equip		227,000				227.000
Logging / Formation Evalu	100		6,000			6,000
Nud Logging Nud Circulation System		27,600				27.660
Mud & Chemicals		141,000	30,000			171,000
Nud / Wastewater Dispose	a la	(\$5,000				155.000
Freight / Transportation		43,200	19,500		2,500	65,200
<b>Rig Supervision / Engineer</b>	nag	139,500	39,600	5,400	14,400	199,100
Onli Bito		111,200				111.200
Fusi & Power Water		126,000	328,000		<b>`</b>	126,000
orig & Completion Overtwo	art	10,500	18,000	<u> </u>	<u> </u>	29.500
Flugging & Abandonment						
Directional Ortilling, Survey	6	230,000				230,000
Completion Unit, Swab, C1		· · · · · · · · · · · · · · · · · · ·	70,000	15,000		85,000
Performing, Wireline, Silch		·	102,300	· · · · · ·		192,300
High Pressure Pump Truck	1		2,158,000			38,500
Stimulation Stimulation Flowback & Di	1.5		150,400	90,002		240,400
Insurance		31,320		30,000		31,320
Labor		149,000	16,500	4,000		169,500
Aental - Surface Equipmon		71,500	123,350	3,000	5,000	202.650
Rente) - Downhole Equipm	ori	60,000	40,008		10,000	110 000
Rental - Living Quarters		51,200 227,654	24,300	1,000	<b>`</b>	75,500
Contingency	TOTAL INTANGIBLES >	3,078,034	3.269,915	125,840	51,900	6,523.48
	CONCINCTACIOLES	ORILLING	COMPLETION	PRODUCTION	31,300	TOTAL
TANGIBLE C	0815	COSTS	COSTS	COSTS	FACILITY COSTS	COSTS
Surface Casing Intermodiate Casing	\$	56,675	\$	\$	\$	\$ <u>56.675</u> 153,750
Oriting Liner		342.725		<del></del>		342,725
Production Casing		287,945				287,945
Production Liner		•				
futing				50,000		50,000
Weilhead Packers, Liner Hangers		70,000	52 800	25,000		95,000 58,800
Facks		· · · · ·	440.34	0.000	60,000	60.000
Production Vessels		· · · ·		63,000	25,000	58,000
Flow Lines		·		\$0,000		50,000
Rod string						•
Artificiel Lift Equipment				20,000		20,000
Compressor Installation Costs		·	<u></u>	·	10,000	10.000
Surface Pumpa			·	5,000		5,000
Non-controllable Surface		······				
Non-controllable Cowmhol					······	-
Downhole Pumps						
Measurement & Meter Inst				12,500	49,000	61,500
Gas Conditioning / Dehydr Interconnecting Facility Pi					80,000	80.000
Gathering / Bulk Lines	hard the second s			······		
Valves, Dumps, Controllen	\$			2,005	4.000	6.000
Tank / Facility Contoinmen					12,500	12,500
Flare Stack				-	17,500	17,500
Electrical / Grounding				· ·	5.000	5,000
Communications / SCADA				10.000	7,500	7,500
HISTORIA STREET	TOTAL TANGIBLES >	911,095	52,600	243,500	156,500	1,563,89
			والمتحدث والمتحد والمتح	and the second se	468,400	
	TOTAL COSTS >	3,687,129	3,322,715	369,140		8,087,35

Onlling Engineer:	Biske Hames	Team Lead - WTXINM - WTE	
Completions Engineer:	Waylon Walf	wie	
Production Engineer:	John Romano		
ATADOR RESOURCES COM	PANY APPROVAL:		
Executive VP, COO/CFO		VP - Res Engineering	VP - Driffing
	0 <b>6</b> 1.	BMR	BG
Executive VP, Legal	CA	Exec Dir - Exploration	
President	<u> </u>		
-	MV1+		
ION OPERATING PARTNER A	PPROVAL:		
Company Name:		Working Interest (%):	Tax IO:
Signed by:		Dale:	
Thie:		Approval: Yes	No (mark ane)
		Approval:Yes	

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## 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 Hahu Landman

February 1, 2018

VIA CERTIFIED RETURN RECEIPT MAIL

Devon Energy Production Company, LP 333 W. Sheridan Avenue Oklahoma City, OK 73102-5015

Re: Matador Production Company – Leslie Fed Com #201H (the "Well") Participation Proposal Section 17, Township 25 South, Range 35 East Lea County, New Mexico

Gentlemen:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Leslie Fed Com #201H well, located in Section 17, 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 proposed surface location of the Well is approximately 295' FSL and 1202' FWL of Section 17, 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' FWL of Section 17, 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 (~12,493' TVD) to a Total Measured Depth of approximately 17,242' 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.

Devon Energy Production Company, LP, will own an approximate 0.2500000 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 W/2 of Section 17, 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 \$2,021,846.00 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.

Came Ou

Enclosure(s)

Please elect one of the following and return to sender.

Devon Energy Production Company, LP hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Leslie Fed Com #201H well, located in Lea County, New Mexico.

Devon Energy Production Company, 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 Leslie Fed Com #201H well, located in Lea County, New Mexico.

\_\_\_\_\_ Devon Energy Production Company, LP is interested in selling its interest in this unit, please contact us to discuss.

Devon Energy Production Company, LP

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

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

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

### MATADOR PRODUCTION COMPANY

### ONE LINCOLN CENTRE - 5400 LBJ FREEWAY - SUITE 1600 - DALLAS, TEXAS 75240 Phone (972) 371-5200 - Fax (972) 371-5201

		ESTIMATE OF COSTS A	ND AUTHORIZATION PO	OR EXPENDITURE		
DATE: /	enuary 30, 2018			APE NO :	Contraction of the second s	200002 070 -1 0
						300023 030.01.0
	eslie Fed Com 201H			FIELD:	-	
	ection 17-25S-35E			MD/TVD:	_	17242/12493
COUNTY/STATE:	ea, NM			LATERAL LENGTH:	-	about 4500'
WRC WI:					•	
GEOLOGIC TARGET: W	Volicamp					
_		up a horizontal upper W	olfcome well with 22 st	2000		
	int, congretation of	ip a nonconton apporto		ayes		· · · · · · · · · · · · · · · · · · ·
		DRILLING	COMPLETION	PRODUCTION		TOTAL
INTANGIBLE COS	179	COSTS	COSTS	COSTS	FACILITY COSTS	COSTS
Lind / Logst / Regulatory	110	181,500	6.000	CU213	FAGILIT GOSTS	\$ 161.
ocation, Surveys & Damages	•	200.500	6.000	4 000	20,000	232
Drifting		768,000			20,040	766
Comenting & Float Equip		227,000				227
ogging / Formation Evaluation	n		6,000			
and Logging		27,800				27.
and Circulation System		56,160				56.
and & Chemicals		141,000	30,003			171
lud / Westewater Oisposai		155,000	· · · · · · · · · · · · · · · · · · ·		······································	165.
Preight / Transportation		43,200	19,500		2,500	65
tig Supervision / Engineering		139,500	39,800	5,400	14,400	199
htti Gits		111,200				int.
fuel & Power		126,000		****		128.
Nator		70,000	328,000		•	396
orig & Completion Overnoad		10,500	15,000			28.
Jugging & Abandonment						
Directional Orilling, Surveya		230,000				230
completion Unit, Swab, CTU			70,000	15,000		85.
erforating, Wireline, Skickline		-	102,300	-		102
ligh Pressure Pump Truck			38,500		· · ·	38
timulation			2,156,000			2,156,
timulation Flowback & Disp			150,400	90,000		240,
abor		31,320				31,
		149,000	16,500	4,000		169.
Iontal - Surface Equipment		71,500	123,350	3,000	5,000	202.
lentsi - Downhols Equipment lentai - Living Quarters		60,000	40,000	1.904	10.000	110.
Contingency		227,854	101,265	- 3,240		332
		1 44				
		4 478 494	1 110 048	194.449	11 000	
	OTAL INTANGIBLES >	3,076,034	3,289,915	125,540	51,900	6,523
		DRILLING	COMPLETION	PRODUCTION		6,523 TOTAL
TANGIBLE COST		COSTS			51,900 FACILITY COSTS	6,523 TOTAL COSTS
TANGIBLE COST Iurface Cesing		DRILLING COSTS S6,675	COMPLETION	PRODUCTION		6,523 TOTAL COSTS \$ 56,
TANGIBLE COST Iurface Casing Intermediate Casing		COSTS	COMPLETION	PRODUCTION		6,623 TOTAL COSTS \$56, 153.
TANGIBLE COST kurfscs Cesking stermediats Casing hrilling Liner		DRILLING CO6178 58,675 153,750	COMPLETION	PRODUCTION		6,523 TOTAL COSTS \$56, 153. 342.
TANGIBLE COST Auffect Cesting termediate Casing willing Liner froduction Casing		0RULLING COST8 58,875 153,750 342,728	COMPLETION	PRODUCTION		6,523 TOTAL COSTS \$ 56 153 342 287.
TANGIBLE COST Auffects Cateling stormodiate Casing milling Liner Induction Casing roduction Liner		0RULLING COST8 58,875 153,750 342,728	COMPLETION	PRODUCTION		6,523 TOTAL COSTS \$ 56, 153, 342, 287,
TANGIBLE COST Auffece Cealing stermediate Casing milling Liner roduction Casing roduction Liner Waling elilineed		0RULLING COST8 58,875 153,750 342,728	COMPLETION COSTS	PRODUCTION COSTS 3		6,523 TOTAL COSTS \$
TANGIBLE COST Auffect Cesing stermediato Casing Miling Liner hoduction Casing roduction Liner ubing feliheed sckars, Liner Hangers		DRILLING COST8 153,750 342,728 287,945	COMPLETION	PRODUCTION COSTS 3 50.000		6,523 TOTAL COSTS \$ 56 153, 342, 287, 50, 95, 95,
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TANGIBLE COST Auffece Cesking stermediate Casing Milling Liner roduction Casing roduction Liner Ubling feilineed fackets, Liner Hangers anks anks roduction Vessets		DRILLING COST8 153,750 342,728 287,945	COMPLETION COSTS	PRODUCTION COSTS 3 	PACILITY COST9	6,523 FOTAL COSTS 56, 155, 342, 287, 50, 95, 58, 80, 68, 80, 68,
TANGIBLE COST iurfece Cealing stormediate Casing Milling Liner traduction Casing roduction Casing todubed delineed sectors, Liner Hangers anks anks traduction Vessets iow Lines		DRILLING COST8 153,750 342,728 287,945	COMPLETION COSTS	PRODUCTION COSTS 50.000 25.000 6.000	FACILITY COST9     S     S     S     S     S     S     S     S     S     S     S     S     S     S     S     S     S	6,523 FOTAL COSTS 56, 155, 342, 287, 50, 95, 58, 80, 68, 80, 68,
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TANGUBLE COST surface Cealing stormediate Casing Production Casing Production Casing Production Casing Production Casing Production Vessets anks Production Vessets iow Lines tot defing virtificial Line Hangers tot defing virtificial Line Equipment Compressor natalistion Costs Unface Pumps ton-controliable Gunfaces ton-controliable Gunfaces ton-contro	5n	0HLLING COSTS 58,875 153,780 53,780 53,780 53,780 542,728 287,945 287,945 70,000	COMPLETION COSTS	PRODUCTION COSTS 3	FACILITY COSTS	6.523 TOTAL COSTS 5 55 3422 287. 500 956. 930. 803. 804. 804. 804. 804. 804. 805.
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PREPARED BY MATADOR PRODUCTION COMPANY:

Well-Mar and a constraint of the setting of the set

Drilling Engineer: Completions Engineer: Production Engineer:	Blake Harmes Wayton Wolf John Romano	Team Load - WTX/NM <u>WTE</u> WTE		
MATADOR RESOURCES COM	PANY APPROVAL	<u>.</u>		
Executive VP, COO/CFO	06	VP - Res Engineering		VP - Orilling
Executive VP, Legai	CA	Exac Dir - Exploration		BĜ
President	MVH	NLF		
NON OPERATING PARTNER A	PPROVAL:			
Company Name:		Working Interest (%):		Tax ID:
Signed by:		Date;		
Title:		Approval:	Y88	No (mark one)
	the state of the second second	الم المواقع عن المراجع المراجع المعاملين من المعامل المراجع المراجع المراجع المراجع المراجع المراجع المراجع ال المعامل المحمد المراجع المراجع المحمد المحمد المراجع المراجع المراجع المراجع المراجع المراجع المراجع المراجع ال المراجع المراجع		

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

Heirs/devisees of John C. Sparling 14227 Turtle Rock Dr. San Antonio, TX 78232

Re: Matador Production Company – Leslie Fed Com #215H (the "Well") Participation Proposal Section 17, Township 25 South, Range 35 East Lea County, New Mexico

Gentlemen:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Leslie Fed Com #215H well, located in Section 17, 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 295' FSL and 1232' FWL of Section 17, Township 25 South, Range 35 East, Lea County, New Mexico. The proposed bottom hole location of the subject well is approximately 240' FNL and 988' FWL of Section 17, 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 (~12,583' TVD) to a Total Measured Depth of approximately 17,309' 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.

Heirs/devisees of John C. Sparling, will own an approximate 0.01562500 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 W/2 of Section 17, 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 \$126,482.41 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.

Came W

Enclosure(s)

Please elect one of the following and return to sender.

- Heirs/devisees of John C. Sparling hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Leslie Fed Corn #215H well, located in Lea County, New Mexico.
- Heirs/devisees of John C. Sparling hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Leslie Fed Com #215H well, located in Lea County, New Mexico.
- \_\_\_\_\_ Heirs/devisees of John C. Sparling is interested in selling its interest in this unit, please contact us to discuss.

Heirs/devisees of John C. Sparling

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

Title:

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

#### MATADOR PRODUCTION COMPANY

ONE LINCOLN CENTRE - 5400 LBJ PREEWAY - SUITE 1500 - DALLAS, TEXAS 78240 Phone (872) 371-5200 - Fax (872) 371-5201

DATE	January 30, 2018			AFE NO .:		300023 034 01 00
WELL NAME:	Leslie Fed Com 215H			300023 034 01 00		
	and the second s					
LOCATION:	Section 17-25S-35E			MO/TVD:		17309/12583
COUNTY/STATE:	Lea, NM			LATERAL LENGTH:		about 4500'
MRC WI:						
GEOLOGIC TARGET:	Wolfcamp					
REMARKS:	Dntl, complete and equip	a motizontal upper W	olicamp well with 22 st	ages		
		DROLLING	COMPLETION	PRODUCTION		TOTAL
INTANGIBL		COSTS	COSTS	COSTS	PACILITY COSTS	COSTS
Land / Legal / Regulatory		181,500	*	\$	¥	\$ 181,5
Location, Surveys & Dam	agea	200,500	8,000	4,000	20,000	232,5
Drilling	_	766,000				766.0
Comenting & Floet Equip		227,000				227.0
Logging / Formation Eval	usten		6,000		-	8,8
Mud Logging	_	27,800			·····	27,0
Mud Circulation System Hud & Chemicals		141,000				58,1
Mud / Wastewater Dispos		155,000	30,000		······································	171.0
Freight / Transportation		43,200	19.500		2,500	65.2
Rig Supervision / Engine		139.000	39,800	5,400	14,400	199,1
Drill Bits		111,200	35,000		14,500	115,2
Fuel & Power	-	126,000				126.0
Water		70.000	328,000			396.0
Drig & Completion Overh	bae	10.500	18,000			28,5
Plugging & Abandonmen		•				Concerning of the local division of the loca
Oirectional Drilling, Surve		230,000				230,0
Completion Unit, Swab, C	πu	•	70,000	15,000		85.0
Perforating, Wireline, Silc	itline		102,300	· · · ·		102,3
High Pressure Pump True	:h	· ·	38,500			38,5
Stimulation		•	. 2,156,000			2,156.0
Stimulation Flowback & (	Xep		150.400	90,000		240,4
insurança		31 320				31,3
Labor		149,000	18,500	4,000		169.5
Rental - Surface Equipme		71,500	123,350	3,000	5.000	202.8
Rental - Downhole Equip	ment	60,000 51,200	40,000		10.000	110,0
Rental - Living Quarters		227,654	24,300	1,000	<u> </u>	76.5
Contingency	TOTAL INTANGIELES >	3.076.034	101,255	3.240	51,900	5,523,4 6,523,4
	Corps an Appendix Co F	ORILLING	COMPLETION	PRODUCTION	57,990	TOTAL
		COSTS	COSTS	COSTS	FACILITY COSTS	COSTS

TANGIBLE COSTS	COSTS	COSTS	COSTS	FACILITY COSTS	COSTS
Surface Casing 8	56,675 1	\$		¥ 5	56,675
intermediate Casing	153,750				153,750
Drilling Liner	348,475				348.475
Production Cesing	289,885				289,665
Production Liner	· ·			<u> </u>	
Tubing	•		50,000		\$0,000
Weithead	70,000		25,000		95,000
Peckers, Liner Hangers	•	52,800	6,000		58,800
fanks	· ·	and the second se		60,000	80,000
Production Vessels	•		63,000	25,000	58,000
Flow Lines			50,000	•	50.000
Rod string	-				
Artificial Lift Equipment			20,000		20,000
Compressor	-		· · ·	10,000	10,000
nstallation Costs	•		· · ·	64,000	54.000
Surface Pumpe			5,000	•	5.000
Kon-controllable Surface	F		· · ·		· · ·
ion-controllable Downhole					
Jownhole Pumps	-		· · ·		
Resturement & Meter Installation	•		12,500	49,000	61,500
Sas Conditioning / Dehydration					
nterconnecting Facility Piping				80,000	50,000
Sathering / Buik Lines				· ·	
/alves, Dumps, Controllers			2,000	4,000	6,000
Fank / Facility Containment		Nii		12,500	12,500
Flare Stack			· · · · · · · · · · · · · · · · · · ·	17,500	17,500
Electrical / Grounding				5,000	5,000
Communications / SCADA				7,500	7,500
nstrumentation / Safety			10,000	22,000	32,000
TOTAL TANGIBLES >	918,585	52.800	243,500	356,500	1,671,385
TOTAL COSTS >	3,994,619	3,322,715	369,140	408,400	8,094,874

#### PREPARED BY MATADOR PRODUCTION COMPANY:

REPARED DT RATAVOR FIN	DUCTION COMPA	NAL:	
Drilling Engineer: Completions Engineer: Production Engineer:	Blake Hermas Wayion Wolf John Romanó	Team Lead - WTX/NM Live TE	
ATADOR RESOURCES COM	PANY APPROVAL:		
Executive VP. COO/CFO	DEL	VP - Res Engineering	VP - Orilling
Executive VP, Legal	CA	Exec Dir - Exploration	
President _	MVh .		
ON OPERATING PARTNER A	PPROVAL:		

Company Name:		Warking Interest (%):	Tax 10:
Signed by:		Cate:	
Thie		Approvat:Yes	No (mark one)
	Ant an energy - and the same and an a manual for property		

το παραστή της του με μουρή της το τος του του που ποιατοπορισμό το παροστή του δύζη το "γήτα χράτερα", το πορ Της ίται του Ροποφού της το δια αποστή τη του χραγουργασία το ζαρημιά κατά της το σύματα του τη του στα το διασ الله و الله المراجع ال المراجع 1

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.

Devon Energy Production Company, LP 333 W. Sheridan Avenue Oklahoma City, OK 73102-5015

Re: Matador Production Company – Leslie Fed Com #215H (the "Well") Participation Proposal Section 17, Township 25 South, Range 35 East Lea County, New Mexico

Gentlemen:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Leslie Fed Com #215H well, located in Section 17, 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 295' FSL and 1232' FWL of Section 17, Township 25 South, Range 35 East, Lea County, New Mexico. The proposed bottom hole location of the subject well is approximately 240' FNL and 988' FWL of Section 17, 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 (~12,583' TVD) to a Total Measured Depth of approximately 17,309' 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.

Devon Energy Production Company, LP, will own an approximate 0.2500000 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 W/2 of Section 17, 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 \$2,023,718.50 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.

Came Un

#### Enclosure(s)

Please elect one of the following and return to sender.

- Devon Energy Production Company, LP hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Leslie Fed Com #215H well, located in Lea County, New Mexico.
- Devon Energy Production Company, 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 Leslie Fed Com #215H well, located in Lea County, New Mexico.

\_\_\_\_\_ Devon Energy Production Company, LP is interested in selling its interest in this unit, please contact us to discuss.

Devon Energy Production Company, LP

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

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

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

#### MATADOR PRODUCTION COMPANY

### ONE LINCOLN CENTRE - 5400 LBJ FREEWAY - SUITE 1500 - DALLAS, TEXAS, 76240 Phone (972) 371-5200 - Fax (972) 371-5201

	E	STIMATE OF COSTS AN	ND AUTHORIZATION POP	REXPENDITURE			
DATE:	January 30, 2018			AFE NO .:		30002	23 034 01 001
NELL NAME:	Leslie Fed Corn 215H			FIELD;			
LOCATION:	Section 17-25S-35E			MD/TVD:		173	309/12583
COUNTYISTATE:	Lea, NM			LATERAL LENGTH:		_	Dout 4500'
MRC WI:							
GEOLOGIC TARGET	Wolfcamp						
REMARKS:	Onil, complete and equip	a borracial uncor IAI	dinama unit with 21 ata				
REMARKA:	Desi, complete and equip	a Includingh Upper vac	Dicamp well with 22 sta	ges			
		DRILLING	COMPLETION	PRODUCTION	and the second		TOTAL
INTANGIBL	E COSTS	COSTS	COSTS	COSTS	FACILITY COSTS		COSTS
Land / Logat / Regulatory	5	181,500	\$	\$	\$ .		101,500
ocation, Surveys & Dam	12003	200,500	8,000	4,000	20,000		232,50
brilling		768,000					766,000
Cementing & Float Equip		227,009					227,000
.opging / Formation Eval	lustion		6,000				6.00
dud Logging		27,500				_	27,600
Mud Circulation System		56,160				_	56,160
iud & Chemicats		141,000	30,000				171,000
ilud / Wastewater Dispos		153,000					155,000
reight / Transportation	_	43,200	19.500		2,500	-	65 200
Rig Supervision / Engine	ering	139,500	39,800	5,400	14,400	_	189,100
Orill Bits		\$11,200					111,20
fuel & Power	_	126.000			·		126,00
Nater		70,000	326,000		<u> </u>		396.000
ing & Completion Overh		10,500	18,000				28,50
Nugging & Abandonmen Nectional Brilling, Surve		230,000					230,00
Completion Unit, Swab, (		230,000	70.003	15,000			85,00
enforating, Wireline, Sile			102,300	15,000			102,30
ligh Pressure Pump Tru			38,500				38,50
timulation			2,156,000				2,156,00
timulation Flowback & (	Jiso	······	150,400	90,000		-	240,40
nurance		31.320	130,400	30,000			31,32

369,140

. (all Brick a second second second					
Directional Drilling, Surveya	230,000				230,000
completion Unit, Swab, CTU		70,003	15,000		65,000
erforating, Wireline, Slickline	•	102,300	•		102,300
ligh Pressure Pump Truck	•	38,500			38,500
Itimulation	•	2,156,000			2,158,000
amulation Flowback & Disp	•	150,400	90,000		240,400
nurshce	31,320				31,320
abor	149,000	16,500	4,000		189,500
tentai - Surface Equipment	71,500	123,350	3,000	5,000	202,050
testal - Dowshole Equipment	60,000	40,000		10,000	110.000
tental - Living Quarters	51,200	24,300	1,000		78,500
Contingency	227,854	101,265	3,240		332,359
TOTAL INTANGIBLES >	3,076,034	3,269,915	125,540	51,900	6,523,489
	ORILLING	COMPLETION	PRODUCTION		TOTAL
TANGIBLE COSTS	COSTS	COSTS	COSTS	FACILITY COSTS	COSTS
Surface Casing \$	66,875	5	\$	\$ \$	58,675
ntermediate Casing	153 750				153,750
Xilling Liner	348,475				348,475
roduction Casing	289 665				289,685
roduction Liner	······································				· ·
ubing	•		50,000		50,000
Vellhead	70,000		25,000		95,000
ackers, Liner Hangers	· · ·	52,800	6.000		58,600
enks	•		•	60,000	60,000
roduction Vessela	•		63,000	25,000	88,000
Now Lines			50,000	· ·	\$0,000
tod string	· ·		·		
utificial Lift Equipment	•		20,000		20.000
ompressor	•			10,000	10,000
nstaliation Costs	•			64,000	64,000
jurface Pumpe	•		5.000		5,000
ion-controllable Surface	•		······································	· ·	-
on-controllable Cownhole	•		· · · · · · · · · · · · · · · · · · ·		
lownhole Pumps	5		· · · · · ·		
Resourcement & Alleter Installation			12,500	49,000	61,500
ias Conditioning / Dehydration			· ·	<u> </u>	•
terconnecting Facility Piping			· · · ·	80,000	80,000
lashering / Bulk Lines			······		
alves, Dumps, Controllers			2,000	4,000	6,000
ank / Facility Containment				12,500	12,500
lare Stack			<u> </u>	17,500	17,500
lectrical / Grounding		·····		5,000	\$,000
Communications / SCADA				7,500	7,500
nstrumentation / Safety			10.000	22,000	32,000
TOTAL TANGELES >	918,585	52,800	243,500	366,500	1,571,285
TALL CORTE >	2 004 640	3 703 748	160 140	109 400	B 004 874

3,984,619

#### PREPARED BY MATADOR PRODUCTION COMPANY:

TOTAL COSTS >

· .....

.

Drilling Engineer:	Blake Hermos	Team Lead - WTX/NM	TE		
Completions Engineer:	Wayton Wolf		WTE		
Production Engineer:	John Romano				
MATADOR RESOURCES COM	PANY APPROVAL:				
Executive VP, COO/CFO		VP - Res Engineering		VP - Oniling	
	DEL		BMR	8	G
Executive VP, Legal		Exec Dir - Exploration			
	CA		NUT		
President					
	MVH				
NON OPERATING PARTNER A	PPROVAL:				
Company Name:		Working	interesi (%):	Tax ID:	
Signed by:			Date:		
Title:			Approval: Yes	No (m	ark one)

3,322,715

8,094,874

408,400

#### MRC Permian Company One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dailas, 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

Ohio State University 2003 Millikin Rd Columbus, OH 42310

Re: Matador Production Company – Leslie Fed Com #202H (the "Well") Participation Proposal Section 17, Township 25 South, Range 35 East Lea County, New Mexico

Gentlemen:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Leslie Fed Com #202H well, located in Section 17, 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 \$8,129,124, as found on the enclosed AFE dated January 30, 2018.
- The proposed surface location of the Well is approximately 300' FSL and 2115' FEL of Section 17, 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' FWL of Section 17, 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 (~12,473' TVD) to a Total Measured Depth of approximately 17,237' 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.

Ohio State University, will own an approximate 0.00062500 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 W/2 of Section 17, 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 \$5,080.70 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 bu

#### Enclosure(s)

Please elect one of the following and return to sender.

Ohio State University hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Leslie Fed Com #202H well, located in Lea County, New Mexico.

Ohio State University hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Leslie Fed Com #202H well, located in Lea County, New Mexico.

\_\_\_\_\_ Ohio State University is interested in selling its interest in this unit, please contact us to discuss.

Ohio State University

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

Title:

Date:

#### 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 Habn Landman

February 1, 2018

VLA CERTIFIED RETURN RECEIPT MAIL.

Devon Energy Production Company, LP 333 W. Sheridan Avenue Oklahoma City, OK 73102-5015

Re: Matador Production Company – Leslie Fed Corn #202H (the "Well") Participation Proposal Section 17, Township 25 South, Range 35 East Lea County, New Mexico

Gentlemen:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Leslie Fed Com #202H well, located in Section 17. 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 \$8,129,124 as found on the enclosed AFE dated January 30, 2018.
- The proposed surface location of the Well is approximately 300' FSL and 2115' FEL of Section 17, 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' FWL of Section 17, 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 (~12,473' TVD) to a Total Measured Depth of approximately 17,237' 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.

Devon Energy Production Company, LP, will own an approximate 0.250000000 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 W/2 of Section 17, 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 \$2,032,281.00 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.

Enclosure(s)

Please elect one of the following and return to sender.

Devon Energy Production Company, LP hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Leslie Fed Com #202H well, located in Lea County, New Mexico.

Devon Energy Production Company, 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 Leslie Fed Com #202H well, located in Lea County, New Mexico.

\_\_\_\_\_ Devon Energy Production Company, LP is interested in selling its interest in this unit, please contact us to discuss.

Devon Energy Production Company, LP

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 AUTHORZATION FOR EXPENDITURE

DATE:	January 30, 2018			AFE NO .:	300023 031 01 001
WELL NAME:	Leslie Fed Com 202H			FIELO:	
LOCATION:	Section 17-25S-35E			MO/TVD:	17237/12473
COUNTY/STATE:	Lea, NM			LATERAL LENGTH:	about 4500'
WRC WI:					
SEOLOGIC TARGET:	Wolfcamp				
REMARKS:	Drill, complete and equip a horizo	intal upper V	Volfcamp well with 22 st	acas	

	COSTS	COMPLETION	PRODUCTION		TOTAL
INTANGIBLE COSTS		COSTS	COSTS	FAGILITY COSTS	COSTS
Land / Logal / Regulatory \$	181,500	*	\$	· •	181,500
Location, Surveys & Damages		8,000	4,000	20,000	232,500
Drilling	766,000				766,000
Comenting & Floet Equip	227,000				227,000
Logging / Formation Evaluation	4	6,000			6,000
Mud Logging	27,600				27,600
Mud Circulation System	56.160				55,160
Mud & Chamicais	141,000	30,000			171,000
Mud / Wastewater Disposal	155.000				155,000
Freight / Transportation	43,200	19,500		2.5CC	65,200
Rig Supervision / Engineering	139,500	39,600	5,400	14,400	199,100
Drill Bits	111,200	+			111,200
Fuel & Power	126,000			-	128,000
Water	70,000	328,000	the second s		396,000
Drig & Completion Overhead	10,500	16,000			28,500
Pluquing & Abandonmant					
Directional Drilling, Surveys	230 000				230 000
Completion Unit, Swab, CTU	200 000	70.000	15,000		95,000
Perforating, Wireline, Stickline		102,300	(3,000		102,300
		38,500	<u> </u>		38.500
High Pressure Pump Truck					
Stimulation	*	2,155,000		and the second	2,155,000
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
Rentai - 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	•	332.359
TOTAL INTANGIBLES >	3,076,034	3,269,915	125,640	51,900	6,523,489
	DRILLING	COMPLETION	PRODUCTION		TOTAL
TANGIBLE COSTS	COSTS	COSTS	COSTS	FACILITY COSTS	COSTS
Surface Casing \$	56,675	5	1	<u> </u>	56,675
Intermediate Casing	153 750				153 750
Drilling Liner	342,725				342 725
Production Casing	289 685				289,685
Production Liner			·····		
			50.000		50,000
Tubing	70,000		25,000	<u></u>	95,000
Wallhead	10,000				58,600
Packers, Liner Hangers		\$2,800	6,000		
Tanks	<u> </u>			60,000	000,08
Production Vessels			63,CO0	25.000	88,000
Flow Lines			90,000	•	90,000
Rad string					
A - Marin I Mt Environment	· · · ·				
Antificial Lift Equipment			20,000		20,000
Compressor			20,000	10,060	20,000
Compressor Instalistion Costs				10,000	20,000 10,000 84,000
Compressor					20,609
Compressor Installation Costs Surface Pumps Non-cantrollable Surface					20,000 10,000 84,000
Compressor Instaliation Costs Surface Pumps			5,300	64,000	20,000 10,000 84,000 5,000
Compressor Installation Costs Surface Pumps Non-cantrollable Surface			5,300	64,000	20,000 10,000 84,000 5,000
Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhols Downhole Pumps			5,300	64,000	20,000 10,000 84,000 5,000
Compressor Instaliation Coals Surface Pumps Non-controllable Surface Non-controllable Oxembols Downhole Pumps Measurement & Meter Installation			5,300	64,000	20.000 10.000 84.000 5.000
Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhols Downhole Pumps			5,300	64,000	20.000 10.000 84.000 5.000
Compressor Instalistion Coals Surface Pumps Non-controllable Surface Non-controllable Ownhole Downhole Pumps Measurement & Meter Installation Gas Conditioning / Dehydration Interconnecting Facility Piping			<u> </u>		20 000 10,000 84,000 5,000 
Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhols Downhole Pumps Measurament 6 Meter Installation Gas Contditioning / Dohydration Interconnecting Facility Piping Gathering / Bulk Lines			5,000	44,000 49,000 80,000	20 000 10.000 84.000 5.000 81.500 80.000
Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhols Downhole Pumps Massurfament & Meler Installation Gas Conditioning / Dohydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers			5,300 12,500 	44.000 49.000 50.000 4.000	20 000 10,000 84,000 5,000 61,500 80,000 5,000
Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurament & Meter Installation Gas Contificioning / Dohydraition Interconnecting Facility Piping Gathering / Buik Lines Valves, Dumps, Controllers Tank / Facility Containment			5,300 12 500 2,000	44,000 49,000 30,000 4,000 12,560	20.000 10.000 5.000 5.000 5.000 5.000 5.000 5.000 12.500
Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Masaurament & Meter Installation Gas Conditioning / Dohydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment Pare Stack			5,000 12 500 2,000	44,000 49,000 80,000 4,000 12,560 17,560	20.000 10.000 84.000 5.000 61.500 80.000 5.000 5.000 12.500 17.500
Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhols Downhole Pumps Massurament & Meter Installation Gas Conditioning / Dohydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment Pare Stack Electrical / Grounding			5,300 12 500 2,000	44,000 49,000 50,000 4,000 4,000 12,550 17,500 5,600	20,000 10,000 54,000 5,000 61,500 80,000 5,000 12,500 17,500 5,000 5,000
Comprissor Installation Coals Surface Pumps Non-cantrollable Cowmhols Downhole Pumps Neasurement & Meter Installation Gas Contrilloning / Dohydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Oungs, Controllers Tank / Facility Containment Pizre Stack Electrical / Grounding Communications / SCADA			5,000 12 500 2,000	44,000 49,000 80,000 12,560 17,500 5,600 7,560	20 060 10,000 84,000 5,000 5,000 61,500 6,000 12,500 12,500 17,500 17,500 5,000 7,500
Compressor Instalistion Coals Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Massurfament & Meter Installation Gas Conditioning / Dahydration Interconnecting Facility Piping Gathering / Bulk Linse Valves, Dumps, Controllers Tank / Facility Constiment Plate Stack Electrical / Grounding Communications / SCRDA Listrumentation / Saloty			5,000 12 500 2,000	44,000 49,000 80,000 4,000 17,500 17,500 5,000 7,500 7,500 22,000	20,000 10,000 64,000 5,000 61,500 90,000 17,500 17,500 17,500 32,005 32,269
Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhols Downhole Pumps Neasurament & Meter Installation Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment Pipro Stack Electrical / Grounding Communication / SCADA			5,000 12 500 2,000	44,000 49,000 80,000 12,560 17,500 5,600 7,560	20000 10,000 84,000 5,000 5,000 80,000 6,000 12,500 12,500 17,500 7,500

PREPARED BY MATADOR PRODUCTION COMPANY:

.

Orilling Engineer:	Hake Hanney	Team Lead - WTX/NM WTE	
Completions Engineer:	Wayton Wolf	WTE	
Production Enginaer:	John Remand		
OR RESOURCES COM	PANY APPROVAL		
Executive VP, COO/CFO		VP - Res Engineering	VP - Drilling
	DEL	ЭMR	86
Executive VP, Legal	CA	Exec Dir - Exploration	
President	Ú.		
- Testoern	MYH		
PERATING PARTNER A	PPROVAL:	р. в. на	
PERATING PARTNER A	PPROVAL:	Working Interest (%):	Fax ID <sup>+</sup>
	PPROVAL:	Working Interest (%): Date:	Tax ID:

AFE - Version 3

#### 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. 16181, for a non-standard spacing and proration unit and compulsory pooling, regarding the Leslie Fed. Com. Well Nos. 201H and 215H, Wolfcamp wells in the W/2W/2 of Section 17;

2. Case No. 16182, for a non-standard spacing and proration unit and compulsory pooling, regarding the Leslie Fed. Com. Well No. 202H, a Wolfcamp well in the E/2W/2 of Section 17,

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,

-

Such James Bruce

Attorney for Matador Production Company

#### EXHIBIT A

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

Energen Resources Corporation 605 Richard Arrington Avenue, Jr. Blvd. North Birmingham, Alabama 35203-2707

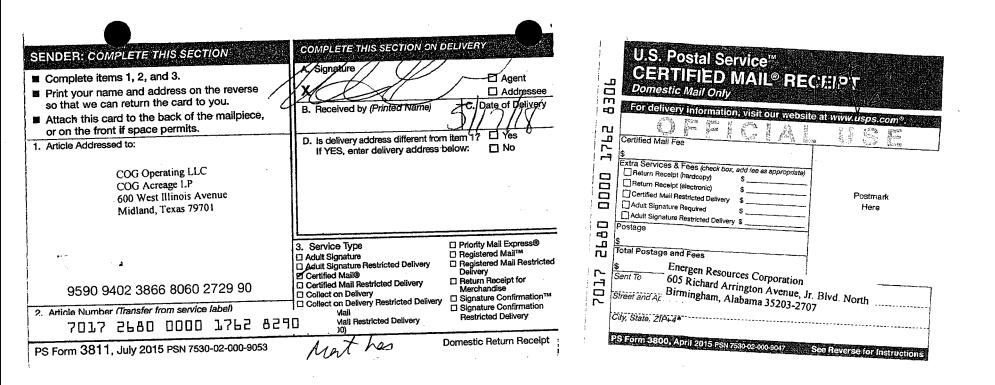
GCM Exploration, Inc. Suite 200 420 Throckmorton Fort Worth, Texas 76102

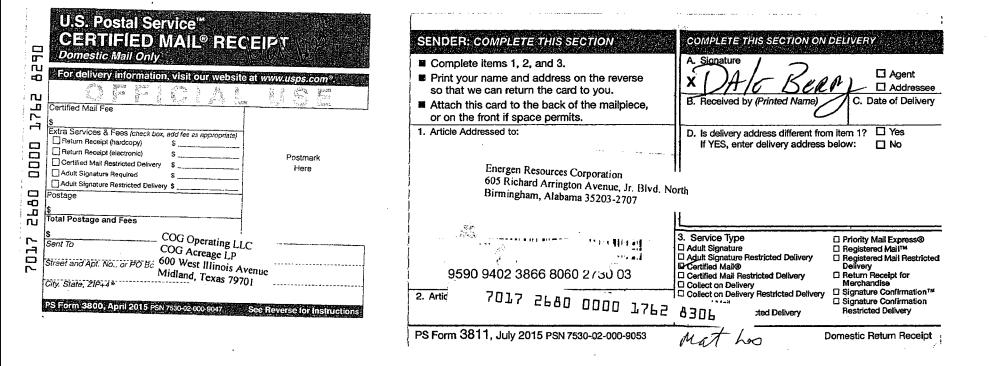
TD Minerals LLC Suite 900 8110 Westchester Drive Dallas, Texas 75225

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





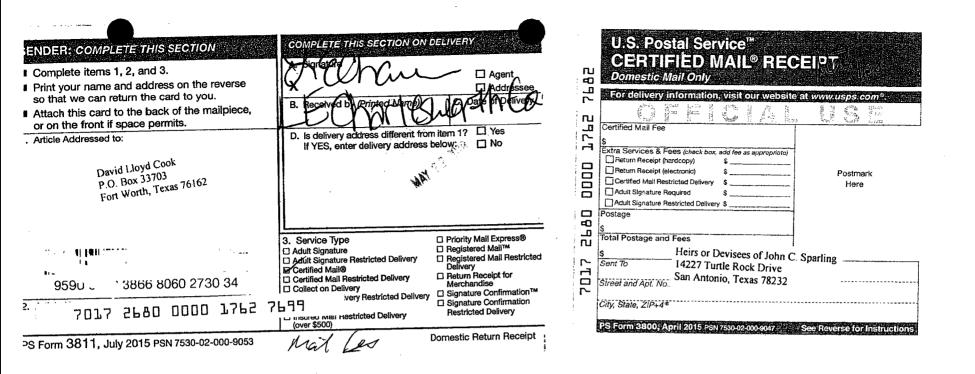
<ul> <li>SENDER: COMPLETE THIS SECTION</li> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> <li>1. Article Addressed to:</li> <li>GCM Exploration, Inc. Suite 200 420 Throckmorton Fort Worth, Texas 76102</li> </ul>	COMPLETE THIS SECTION ON DELIVERY	No       Certified Mail Fee         S       Extra Services & Fees (check box, add fee as eppropriate)         Return Receipt (hardcopy)       S         Return Receipt (leictronic)       S         Certified Mail Restricted Delivery       Postmark         Aduit Signature Required       S         Postage       S         Total Postage and Fees
	3. Service Type       □ Priority Mail Express®         □ Adult Signature       □ Registered Mail™         □ Adult Signature Restricted Delivery       □ Registered Mail Restricted Delivery         □ Certified Mail®       □ Return Receipt for Merchandise         □ Collect on Delivery       □ Signature Confirmation™         □ Collect on Delivery       □ Signature Confirmation         □ Collect on Delivery       □ Signature Confirmation	City, State, 2/P+4*
PS Form 3811, July 2015 PSN 7530-02-000-9053	Mat Los Domestic Return Receipt	;

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U.S. Postal Service" CERTIFIED MAIL® RECEIPT Domestic Mail Only For delivery information, visit our website at www.usps.com Certified Mail Fee Certified Mail Fee S Extra Services & Fees (check box, add fee as appropriate) Return Receipt (hardcopy) S Return Receipt (hardcopy) S Certified Mail Restricted Delivery S Postage S Total Postage and Equice	<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>Article Addressed to:</li> <li>TD Minerals LLC Suite 900 8110 Westchester Drive Dallas, Texas 75225</li> </ul>	COMPLETE THIS SECTION ON DELIVERY         A. Signature         X       Agent         Addressee         B. Received by Printed Name)       C. Date of Delivery         Addressee         B. Received by Printed Name)       C. Date of Delivery         Addresse         B. Received by Printed Name)       C. Date of Delivery         Addresse       Strike         B. Is delivery address different from item 1?       Yes         If YES, enter delivery address below:       No
Sireel and Api, No., or Pi Fort Worth, Texas 76102	2. Article Number (Transfer from service label) 7017 2680 0000 1762	3. Service Type       Priority Mail Express®         Adult Signature       Registered Mail™         Adult Signature Restricted Delivery       Registered Mail™         Adult Signature Restricted Delivery       Registered Mail Restricted Delivery         Certified Mail Restricted Delivery       Return Receipt for Merchandise         Collect on Delivery       Signature Confirmation™         Collect on Delivery       Signature Confirmation Restricted Delivery
PS Form 3800, April 2015 PSN 7530-02-000 8047 See Reverse for Instructions	PS Form 3811, July 2015 PSN 7530-02-000-9053	Mat Les Domestic Return Receipt

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<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> </ul>	COMPLETE THIS SECTION ON A. Signature X. B. Received by (Printed Marke)	C. Date of Delivery
1. Article Addressed to: Heirs or Devisees of John C. Sparling 14227 Turtle Rock Drive San Antonio, Texas 78232	D. Is delivery address different fron If YES, enter delivery address	
9590 940∠ 3866 8060 2730 58	3. Service Type Adult Signature Adult Signature Restricted Delivery Certified Mail® Certified Mail Restricted Delivery Collect on Delivery	<ul> <li>□ Priority Mail Express@</li> <li>□ Registered Mail™</li> <li>□ Registered Mail Restricte Delivery</li> <li>□ Return Receipt for Merchandise</li> <li>□ Signature Confirmation™</li> </ul>
2. A 7017 2680 0000 1762 7	Collect on Delivery Restricted Delivery           Desired Mail           Stricted Delivery	Signature Confirmation     Signature Confirmation     Restricted Delivery



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### Offset Operators or Working Interest Owners

E/2 Section Section 7 COG Operating LLC

Section 8 EOG Resources, Inc.

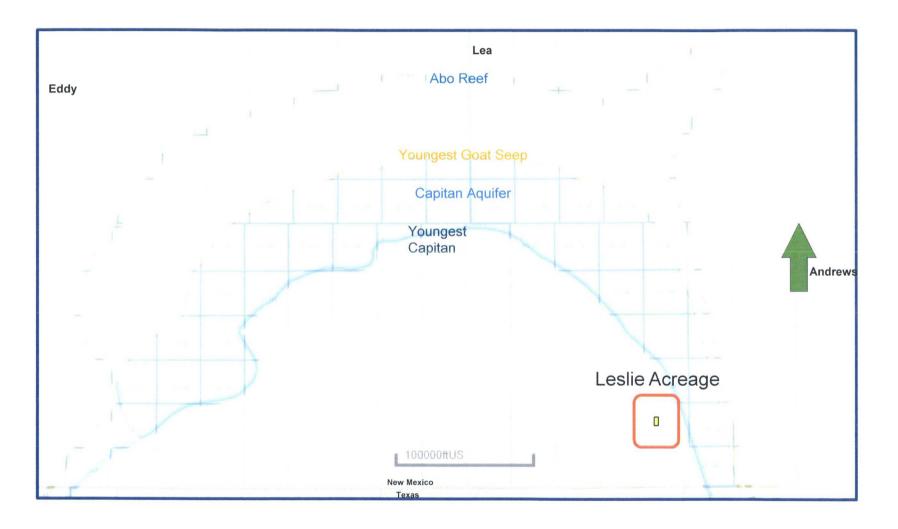
<u>E/2 Section 17</u> Matador Production Company

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

<u>E/2 Section 19</u> Energen Resources Company

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

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

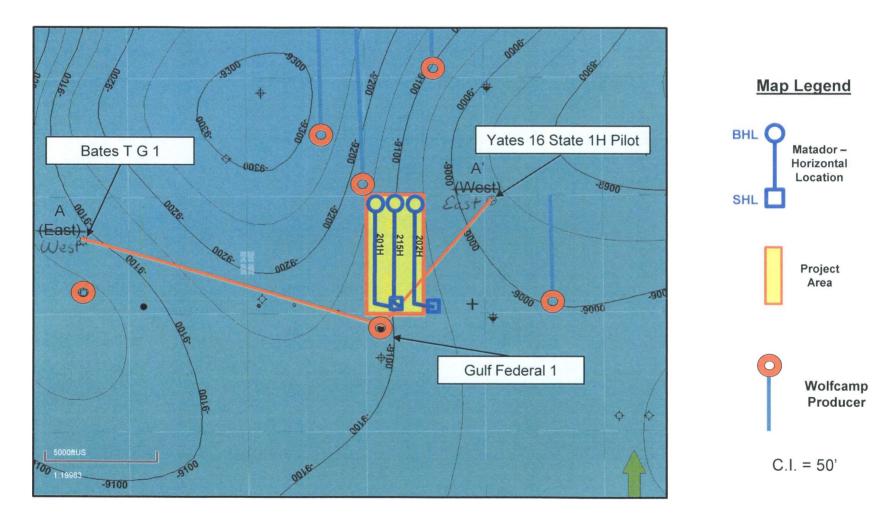




Leslie Fed Com #201H, #202H & #215H

Matador Exhibit 6

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

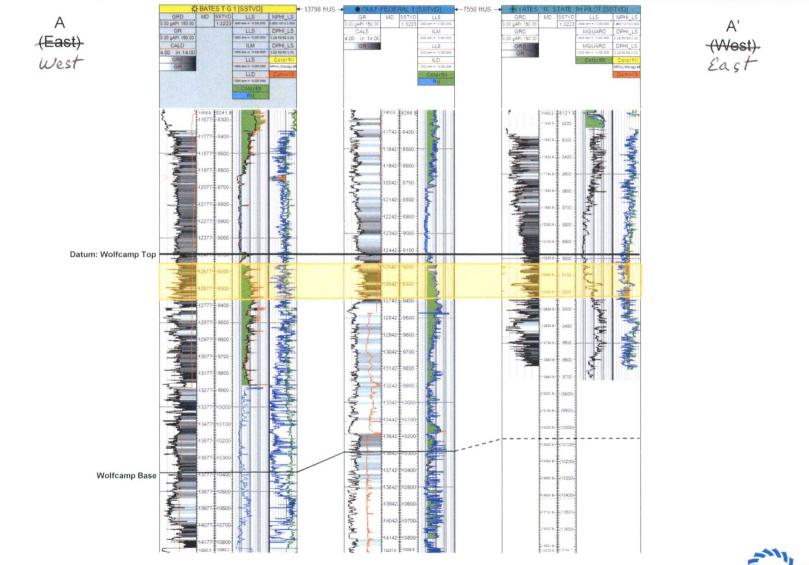




Matador

Matador Exhibit 8

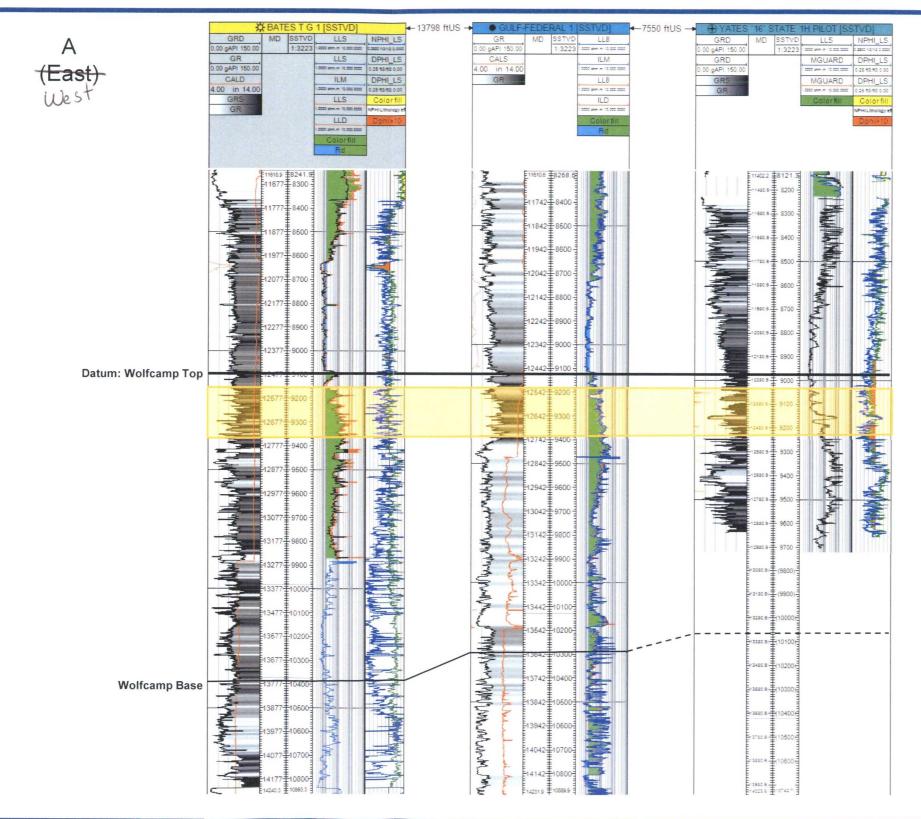
# Dogie Draw; Wolfcamp, (Pool Code 17980) Stratigraphic Cross Section (Top of Wolfcamp Subsea)





Leslie Fed Com #201H, #202H & #215H

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



Leslie Fed Com #201H, #202H & #215H

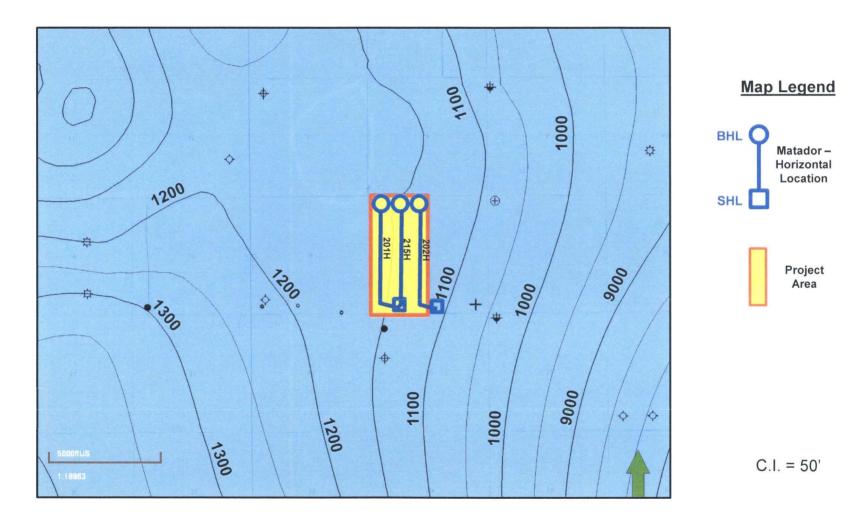
# Matador Exhibit 8

A' <del>(West)</del> East



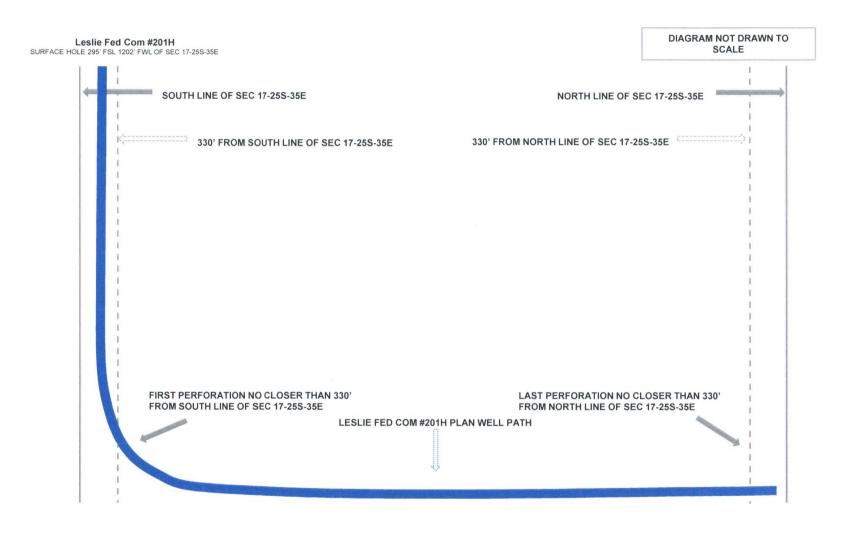
Matador Exhibit 9

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



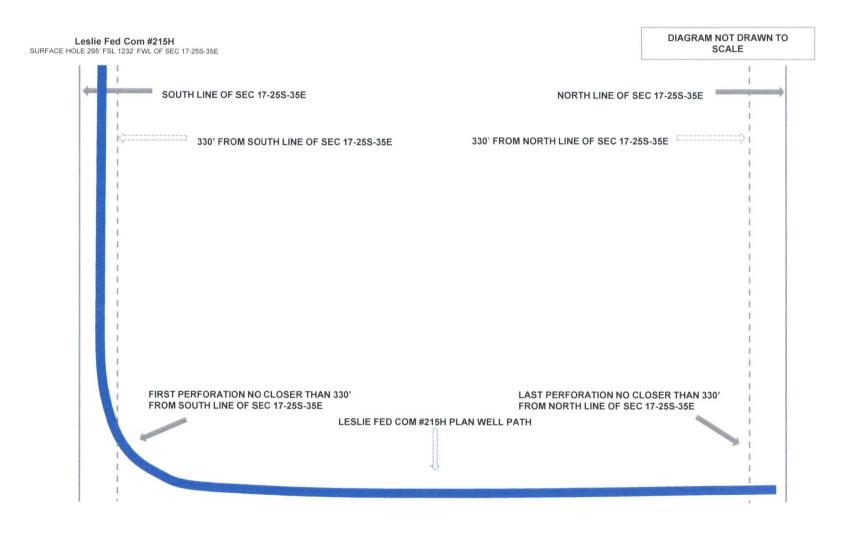


# Dogie Draw; Wolfcamp, (Pool Code 17980) Leslie Fed Com #201H Completion





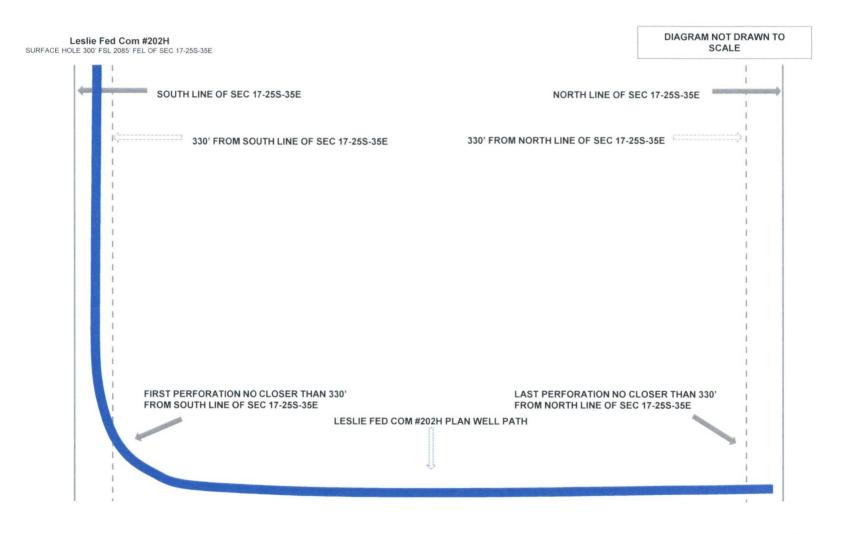
# Dogie Draw; Wolfcamp, (Pool Code 17980) Leslie Fed Com #215H Completion





### Matador Exhibit 10C

# Dogie Draw; Wolfcamp, (Pool Code 17980) Leslie Fed Com #202H Completion





Leslie Fed Com #202H