

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Geological & Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND  
 REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: \_\_\_\_\_ OGRID Number: \_\_\_\_\_  
 Well Name: \_\_\_\_\_ API: \_\_\_\_\_  
 Pool: \_\_\_\_\_ Pool Code: \_\_\_\_\_

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION  
 INDICATED BELOW**

1) **TYPE OF APPLICATION:** Check those which apply for [A]

A. Location – Spacing Unit – Simultaneous Dedication

☐ NSL      ☐ NSP (PROJECT AREA)      ☐ NSP (PRORATION UNIT)      ☐ SD

B. Check one only for [ I ] or [ II ]

[ I ] Commingling – Storage – Measurement

☐ DHC    ☐ CTB    ☐ PLC    ☐ PC    ☐ OLS    ☐ OLM

[ II ] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery

☐ WFX    ☐ PMX    ☐ SWD    ☐ IPI    ☐ EOR    ☐ PPR

2) **NOTIFICATION REQUIRED TO:** Check those which apply.

- A. ☐ Offset operators or lease holders  
 B. ☐ Royalty, overriding royalty owners, revenue owners  
 C. ☐ Application requires published notice  
 D. ☐ Notification and/or concurrent approval by SLO  
 E. ☐ Notification and/or concurrent approval by BLM  
 F. ☐ Surface owner  
 G. ☐ For all of the above, proof of notification or publication is attached, and/or,  
 H. ☐ No notice required

**FOR OCD ONLY**

- ☐ Notice Complete  
☐ Application  
 Content  
 Complete

- 3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note: Statement must be completed by an individual with managerial and/or supervisory capacity.**

Print or Type Name

Date

Phone Number

Signature

e-mail Address



**Kaitlyn A. Luck**  
Phone (505) 954-7286  
kaluck@hollandhart.com

September 24, 2021

**VIA ONLINE FILING**

Adrienne Sandoval  
Director, Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

**Re: Application of Matador Production Company to amend Administrative Order CTB-948-A to add a well and to authorize pool and lease commingling of that well at the Marlan Downey East Tank Battery located in the NW/4 SE/4 (Unit J) of Section 4, Township 23 South, Range 35 East, NMPM, Eddy County, New Mexico.**

Dear Ms. Sandoval:

Matador Production Company (OGRID No. 228937) seeks to amend Administrative Order CTB-948-A ("Order CTB-948-A"), attached as **Exhibit 1**. Order CTB-948-A authorizes lease commingling, off-lease storage, off-lease measurement, and off-lease marketing at the **Marlan Downey East Tank Battery** of production from the Rock Lake; Bone Spring, South (52769) pool from *all existing and future wells drilled in the following "spacing units"*:

(a) The 240-acre, more or less, spacing unit underlying the W/2 SE/4 of Section 4 and the W/2 E/2 of Section 9. The spacing unit is currently dedicated to the **Marlan Downey State Com 04 09 23S 35E #113H well** (API No. 30-025-46254);

(b) The 240-acre, more or less, spacing unit underlying the E/2 SE/4 of Section 4 and the E/2 E/2 of Section 9. The spacing unit is currently dedicated to the **Marlan Downey State Com 04 09 23S 35E #114H well** (API No. 30-025-46255); and

(c) Pursuant to 19.15.12.10.C(4)(g), *future spacing units connected to this central tank battery* with notice provided only to the interest owners within these future "spacing units."

Pursuant to 19.15.12.7 NMAC, Matador seeks to amend the terms of Order CTB-948-A to add to the terms of the order the production from the Rock Lake; Bone Spring, South (52766) pool in all existing and future infill wells drilled in the following spacing unit:

(a) The 160-acre, more or less, spacing unit underlying the W/2 W/2 of Section 33, Township 22 South, Range 35 East. The spacing unit is currently dedicated to the **Bill Alexander State Com 33-22S-35E AR #111H well** (API No. 30-025-44286).

Oil and gas production from this spacing unit will be commingled and sold at the **Marlan Downey East Tank Battery** located in the NW/4 SE/4 (Unit J) of Section 4. Prior to commingling, gas production from each spacing unit will be separately metered using individual test separators with calibrated orifice meters that are manufactured to AGA specifications. Oil production from each spacing unit will also be separately metered using turbine meters.

**Exhibit 2** is a land plat showing Matador's current development plan, flow lines, and central tank battery ("production facility") in the subject area. The plat identifies the wellbores, the existing spacing units, and the common surface facilities located in the NW/4 SE/4 (Unit J) of Section 4.

**Exhibit 3** is a C-102 for each of the wells currently permitted or drilled within the spacing unit to be added to Order CTB-948-A, together with the available production reports.

**Exhibit 4** is a completed Application for Surface Commingling (Diverse Ownership) Form C-107-B, that includes a statement from Ryan Hernandez, Production Engineer with Matador, identifying the facilities and the measurement devices to be utilized, a detailed schematic of the surface facilities (attachment A to the statement) and a referenced gas sample (attachment B to the statement).

Ownership is diverse between the above-described spacing units. **Exhibit 5** is a list of the interest owners (including any owners of royalty or overriding royalty interests) affected by this application, an example of the letters sent by certified mail advising the interest owners that any objections must be filed in writing with the Division within 20 days from the date the Division receives this application, and proof of mailing. A copy of this application has been provided to the New Mexico State Land Office since state lands are involved.

Finally, attached as **Exhibit 6** are the draft or approved communitization agreements for the acreage subject to this application.

Thank you for your attention to this matter, and please feel free to call if you have any questions or require additional information.

Sincerely,



Kaitlyn A. Luck  
**ATTORNEY FOR MATADOR PRODUCTION  
COMPANY**

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

**APPLICATION FOR SURFACE COMMINGLING  
SUBMITTED BY MATADOR PRODUCTION COMPANY      ORDER NO. CTB-948-A**

**ORDER**

The Director of the New Mexico Oil Conservation Division ("OCD"), having considered the application and the recommendation of the Engineering Bureau, issues the following Order.

**FINDINGS OF FACT**

1. Matador Production Company ("Applicant") submitted a complete application to surface commingle and off-lease measure the oil and gas production ("Application") from the pools, leases, and wells identified in Exhibit A.
2. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7(B) NMAC.
3. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
5. Applicant provided notice of the Application to the Bureau of Land Management ("BLM") or New Mexico State Land Office ("NMSLO"), as applicable.
6. Applicant in the notice for the Application stated that it sought authorization to add additional pools, leases, and wells and identified the parameters to make such additions.
7. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil and gas production from an infill well which produces from a pool and spacing unit dedicated to a well identified in Exhibit A.

**CONCLUSIONS OF LAW**

8. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, and 19.15.12 NMAC.
9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10(A)(2), (C)(4)(c), and (C)(4)(e) NMAC, as applicable.

10. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10(B)(1) or (C)(1) NMAC, as applicable.
11. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10(B)(3) and (C)(4)(h) NMAC.
12. Applicant satisfied the notice requirements for the subsequent addition of pools, leases, and wells in the notice for the Application, in accordance with 19.15.12.10(C)(4)(g) NMAC. Subsequent additions of pools, leases, and wells within Applicant's defined parameters, as modified herein, will not, in reasonable probability, reduce the commingled production's value or otherwise adversely affect the interest owners in the production to be added.
13. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

### **ORDER**

1. Applicant is authorized to surface commingle and off-lease measure oil and gas production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to surface commingle and off-lease measure, as applicable, oil and gas production from an infill well producing from the same pool and spacing unit dedicated to a well identified in Exhibit A.

2. This Order supersedes Order CTB-948.
3. The allocation of oil and gas production to an infill well shall be determined in the same manner as oil and gas production to the well dedicated to the pool and spacing unit.
4. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling.
5. Applicant shall measure the commingled oil at a central tank battery described in Exhibit A in accordance with 19.15.18.15 NMAC or 19.15.23.8 NMAC.
6. Applicant shall measure the commingled gas at a central delivery point described in Exhibit A in accordance with 19.15.19.9 NMAC, provided however that if the gas is flared, and regardless whether OCD has granted an exception pursuant to 19.15.18.12(B) NMAC, Applicant shall report the gas in accordance with 19.15.18.12(F) NMAC.
7. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10(C)(2) NMAC.
8. Applicant may submit an application to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by this Order by submitting a Form C-107-B via the OCD Fee Portal in accordance with 19.15.12.10(C)(4)(g) NMAC.

9. Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau identifying an infill well prior to commingling and off-lease measuring, as applicable, oil and gas production from an infill well with the production from another well.
10. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
11. OCD retains jurisdiction and reserves the right to modify or revoke this Order as it deems necessary to prevent waste or protect correlative rights, public health, or the environment.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL  
DIRECTOR**

AS/dm

**DATE:** 9/28/2020

State of New Mexico  
Energy, Minerals and Natural Resources Department

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## Exhibit A

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Order: CTB-948-A

Operator: Matador Production Company (228937)

Central Tank Battery: Marlan Downey East Tank Battery

Central Tank Battery Location (NMPM): Unit J, Section 4, Township 23 South, Range 35 East

Gas Custody Transfer Meter Location (NMPM): Unit J, Section 4, Township 23 South, Range 35 East

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### Pools

Pool Name	Pool Code
ROCK LAKE; BONE SPRING, SOUTH	52769

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### Leases as defined in 19.15.12.7(C) NMAC

Lease	Location (NMPM)	
CA BS NMSLO 1380459	W/2 E/2 Sec 9, W/2 SE/4 Sec 4	T23S-R35E
CA BS NMSLO, Marlan 114H	E/2 E/2 Sec 9, E/2 SE/4 Sec 4	T23S-R35E

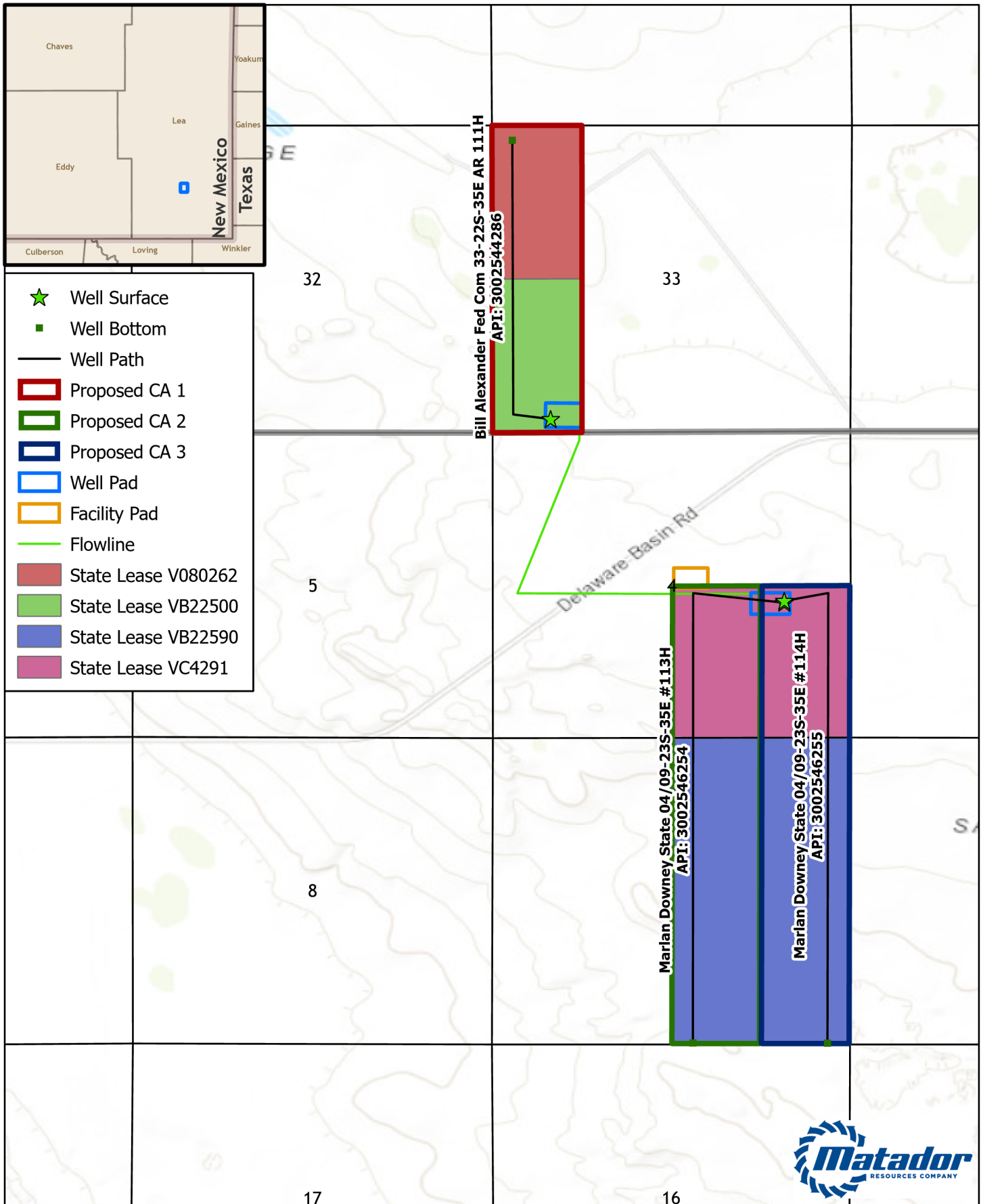
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### Wells

Well API	Well Name	Location (NMPM)	Pool Code	Train
30-025-46254	Marlan Downey 4 9 23S 35E State Com 113H	Sec 4-T23S-R35E	52769	
30-025-46255	Marlan Downey 4 9 23S 35E State Com 114H	Sec 4-T23S-R35E	52769	



# Marlan Downey & Bill Alexander Commingling Plat



Southeast New Mexico

GIS Standard Map Disclaimer:  
This cartographic product is for informational purposes and may not have been prepared for, or be suitable for legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information.

0 500 1,000 2,000 3,000 Feet

## EXHIBIT 2

Map Prepared by: agreeen  
Project: ComminglingPlat  
Date: 9/10/2021  
Coordinate System: GCS WGS 1984



District I  
1625 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, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV  
1220 S. St. Francis Dr., Santa 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.  
Santa 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

<sup>1</sup> API Number <b>30-025-46254</b>	<sup>2</sup> Pool Code <b>52769</b>	<sup>3</sup> Pool Name <b>ROCK LAKE, BONE SPRING, SOUTH</b>
<sup>4</sup> Property Code <b>325951</b>	<sup>5</sup> Property Name <b>MARLAN DOWNEY STATE 04&amp;09-23S-35E AR</b>	<sup>6</sup> Well Number <b>113H</b>
<sup>7</sup> GRID No. <b>228937</b>	<sup>8</sup> Operator Name <b>MATADOR PRODUCTION COMPANY</b>	<sup>9</sup> Elevation <b>3543'</b>

<sup>10</sup>Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>I</b>	<b>4</b>	<b>23-S</b>	<b>35-E</b>	<b>-</b>	<b>2377'</b>	<b>SOUTH</b>	<b>973'</b>	<b>EAST</b>	<b>LEA</b>

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>O</b>	<b>9</b>	<b>23-S</b>	<b>35-E</b>	<b>-</b>	<b>90'</b>	<b>SOUTH</b>	<b>2231'</b>	<b>EAST</b>	<b>LEA</b>

<sup>11</sup> Dedicated Acres <b>240</b>	<sup>12</sup> Joint or Infill	<sup>13</sup> Consolidation Code	<sup>14</sup> Order No.
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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.

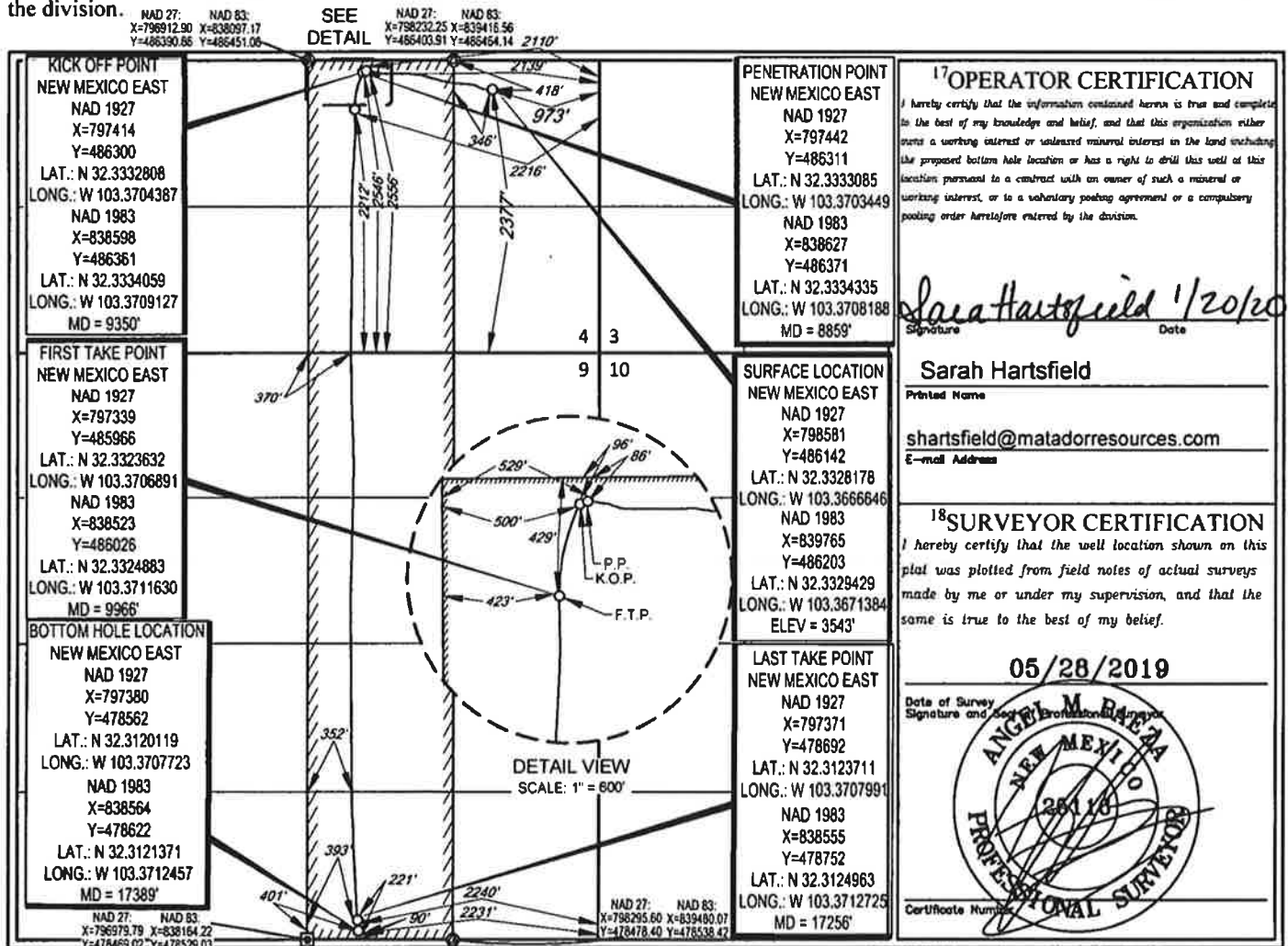


EXHIBIT 3

<b>Production Summary Report</b> <b>API: 30-025-46255</b> <b>MARLAN DOWNEY 4 9 23S 35E STATE COM #114H</b> <b>Printed On: Friday, September 17 2021</b>											
Year	Pool	Month	Production				Injection				
			Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure
2019	[52769] ROCK LAKE;BONE SPRING, SOUTH	Dec	12699	15379	83511	31	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	Jan	26053	31772	43448	31	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	Feb	21055	26328	22015	29	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	Mar	20381	31557	19844	31	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	Apr	14734	19918	13986	30	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	May	15600	34741	16260	31	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	Jun	10198	21777	9862	30	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	Jul	12416	32969	15112	31	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	Aug	10231	25229	8261	29	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	Sep	10054	30599	8432	30	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	Oct	8057	28606	7243	30	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	Nov	7809	22836	9751	30	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	Dec	7087	24512	7846	31	0	0	0	0	0
2021	[52769] ROCK LAKE;BONE SPRING, SOUTH	Jan	7210	29975	6591	31	0	0	0	0	0
2021	[52769] ROCK LAKE;BONE SPRING, SOUTH	Feb	4533	16330	2937	22	0	0	0	0	0
2021	[52769] ROCK LAKE;BONE SPRING, SOUTH	Mar	6001	16417	3393	31	0	0	0	0	0
2021	[52769] ROCK LAKE;BONE SPRING, SOUTH	Apr	5807	17638	5118	30	0	0	0	0	0
2021	[52769] ROCK LAKE;BONE SPRING, SOUTH	May	6248	27882	8030	31	0	0	0	0	0
2021	[52769] ROCK LAKE;BONE SPRING, SOUTH	Jun	4215	18367	7254	23	0	0	0	0	0
2021	[52769] ROCK LAKE;BONE SPRING, SOUTH	Jul	5731	23438	6751	31	0	0	0	0	0

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

**HOBBS OCD**  
**RECEIVED**  
JAN 22 2020

FORM C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

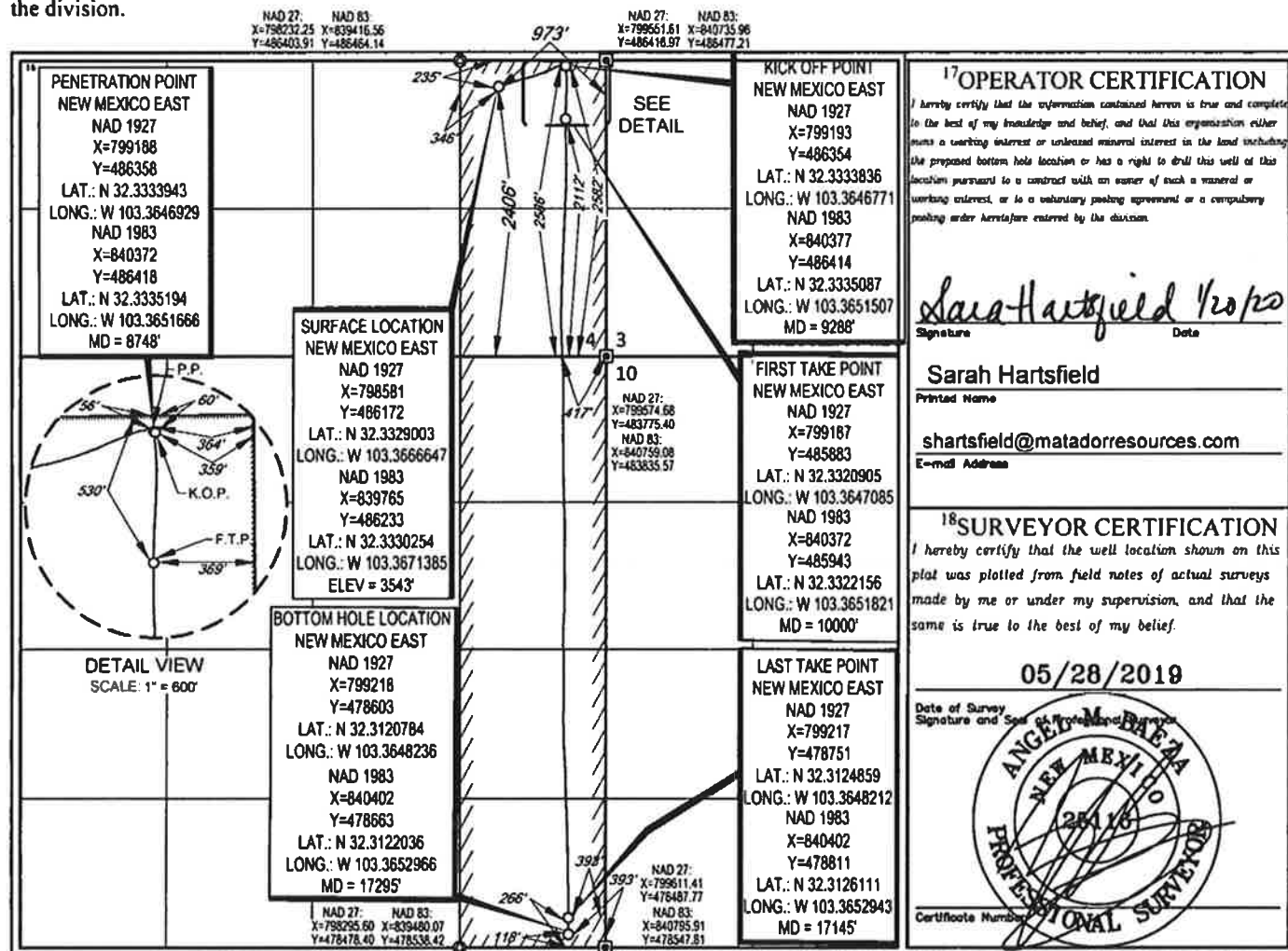
<sup>1</sup> API Number 30-025-46255		<sup>2</sup> Pool Code 52769		<sup>3</sup> Pool Name ROCK LAKE; BONE SPRING, SOUTH	
<sup>4</sup> Property Code 325951		<sup>5</sup> Property Name MARLAN DOWNEY STATE 04&09-23S-35E AR			<sup>6</sup> Well Number 114H
<sup>7</sup> OGRID No. 228937		<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY			<sup>9</sup> Elevation 3543'

<sup>10</sup>Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	4	23-S	35-E	-	2406'	SOUTH	973'	EAST	LEA

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	9	23-S	35-E	-	118'	SOUTH	393'	EAST	LEA
<sup>11</sup> Dedicated Acres 240		<sup>12</sup> Joint or Infill		<sup>13</sup> Consolidation Code		<sup>14</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 the division.



S:\SURVEY\MATADOR\_RESOURCES\MARLAN\_DOWNEY\_STATE\_COM\_09-23S-35E\FINAL\_PRODUCT\SWD\_MARLAN\_DOWNEY\_STATE\_04&09-23S-35E\_AR\_114H.DWG 1/20/2020 8:53:36 AM jrichardson



<b>Production Summary Report</b> <b>API: 30-025-46254</b> <b>MARLAN DOWNEY 4 9 23S 35E STATE COM #113H</b> <b>Printed On: Friday, September 17 2021</b>											
Year	Pool	Month	Production				Injection				
			Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure
2019	[52769] ROCK LAKE;BONE SPRING, SOUTH	Dec	13990	18040	80296	30	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	Jan	29601	33852	38435	29	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	Feb	23988	29549	20952	29	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	Mar	23679	44113	20418	31	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	Apr	18261	42330	20380	30	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	May	16502	50066	18719	31	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	Jun	13212	42658	15149	30	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	Jul	11063	43254	15238	31	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	Aug	8702	33375	9021	29	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	Sep	8178	33589	8603	30	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	Oct	7274	32648	7350	30	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	Nov	7977	35709	8726	30	0	0	0	0	0
2020	[52769] ROCK LAKE;BONE SPRING, SOUTH	Dec	7348	39332	9288	31	0	0	0	0	0
2021	[52769] ROCK LAKE;BONE SPRING, SOUTH	Jan	6603	36547	6898	31	0	0	0	0	0
2021	[52769] ROCK LAKE;BONE SPRING, SOUTH	Feb	4321	22100	3552	22	0	0	0	0	0
2021	[52769] ROCK LAKE;BONE SPRING, SOUTH	Mar	6103	33480	4534	31	0	0	0	0	0
2021	[52769] ROCK LAKE;BONE SPRING, SOUTH	Apr	5221	33070	6845	30	0	0	0	0	0
2021	[52769] ROCK LAKE;BONE SPRING, SOUTH	May	4887	32841	8205	31	0	0	0	0	0
2021	[52769] ROCK LAKE;BONE SPRING, SOUTH	Jun	3533	22467	7843	23	0	0	0	0	0
2021	[52769] ROCK LAKE;BONE SPRING, SOUTH	Jul	4422	26720	7753	31	0	0	0	0	0

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State of New Mexico  
Energy, Minerals & Natural Resources  
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OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa 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

<sup>1</sup> API Number 30-025-44286	<sup>2</sup> Pool Code 52766	<sup>3</sup> Pool Name ROCK LAKE; BONE SPRING
<sup>4</sup> Property Code 320481	<sup>5</sup> Property Name BILL ALEXANDER STATE COM 33-22S-35E AR	<sup>6</sup> Well Number #111H
<sup>7</sup> GRID No. 228937	<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY	<sup>9</sup> Elevation 3530'

<sup>10</sup>Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	33	22-S	35-E	-	249'	SOUTH	882'	WEST	LEA

<sup>11</sup>Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	33	22-S	35-E	-	213'	NORTH	399'	WEST	LEA

<sup>12</sup> Dedicated Acres 160	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</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 the division.

	<b>LAST PERFORATION POINT</b> NEW MEXICO EAST NAD 1927 X=794590 Y=493952 LAT.: N 32.3543821 LONG.: W 103.3793587 NAD 1983 X=835774 Y=494013 LAT.: N 32.3545070 LONG.: W 103.3798338 MD = 14487'	<b>BOTTOM HOLE LOCATION</b> NEW MEXICO EAST NAD 1927 X=794590 Y=494100 LAT.: N 32.3547869 LONG.: W 103.3793540 NAD 1983 X=835774 Y=494160 LAT.: N 32.3549118 LONG.: W 103.3798291 MD = 14605'	<b><sup>17</sup>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.  <i>Sara Hartsfield</i> 9/24/18 Signature Date Sara Hartsfield Printed Name shartsfield@matadorresources.com E-mail Address	
	<b>FIRST PERFORATION POINT</b> NEW MEXICO EAST NAD 1927 X=794631 Y=489514 LAT.: N 32.3421816 LONG.: W 103.3793524 NAD 1983 X=835816 Y=489574 LAT.: N 32.3423066 LONG.: W 103.3798271 MD = 10005'	<b>PENETRATION POINT</b> NEW MEXICO EAST NAD 1927 X=794631 Y=489072 LAT.: N 32.3409688 LONG.: W 103.3793657 NAD 1983 X=835815 Y=489133 LAT.: N 32.3410937 LONG.: W 103.3798404 MD = 8790'		<b><sup>18</sup>SURVEYOR CERTIFICATION</b> I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.  10/05/2017 Date of Survey Signature and Seal of Professional Surveyor  Certificate Number
	<b>SURFACE LOCATION</b> NEW MEXICO EAST NAD 1927 X=795130 Y=489274 LAT.: N 32.3415098 LONG.: W 103.3777455 NAD 1983 X=836314 Y=489334 LAT.: N 32.3416347 LONG.: W 103.3782201			

S:\SURVEY\MATADOR\_RESOURCES\BILL\_ALEXANDER\_STATE\_COM\_33-22S-35E\FINAL\_PRODUCTS\AD\_BILL\_ALEXANDER\_STATE\_COM\_33-22S-35E\_AR\_111H.DWG 5/24/2018 12:16:31 PM adisabella

<b>Production Summary Report</b> <b>API: 30-025-44286</b> <b>BILL ALEXANDER STATE COM #111H</b> <b>Printed On: Friday, September 17 2021</b>											
		Production					Injection				
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure
2018	[52766] ROCK LAKE;BONE SPRING	May	14426	20530	78934	31	0	0	0	0	0
2018	[52766] ROCK LAKE;BONE SPRING	Jun	26237	30078	35949	23	0	0	0	0	0
2018	[52766] ROCK LAKE;BONE SPRING	Jul	28321	37049	27045	31	0	0	0	0	0
2018	[52766] ROCK LAKE;BONE SPRING	Aug	21380	37767	20133	30	0	0	0	0	0
2018	[52766] ROCK LAKE;BONE SPRING	Sep	18775	47062	20851	30	0	0	0	0	0
2018	[52766] ROCK LAKE;BONE SPRING	Oct	9462	18407	8617	27	0	0	0	0	0
2018	[52766] ROCK LAKE;BONE SPRING	Nov	3932	0	4235	30	0	0	0	0	0
2018	[52766] ROCK LAKE;BONE SPRING	Dec	698	0	412	28	0	0	0	0	0
2019	[52766] ROCK LAKE;BONE SPRING	Jan	13217	24148	13240	31	0	0	0	0	0
2019	[52766] ROCK LAKE;BONE SPRING	Feb	14222	62088	18505	28	0	0	0	0	0
2019	[52766] ROCK LAKE;BONE SPRING	Mar	11208	66338	17220	31	0	0	0	0	0
2019	[52766] ROCK LAKE;BONE SPRING	Apr	3261	19660	5210	11	0	0	0	0	0
2019	[52766] ROCK LAKE;BONE SPRING	May	507	0	6033	9	0	0	0	0	0
2019	[52766] ROCK LAKE;BONE SPRING	Jun	2	0	2116	6	0	0	0	0	0
2019	[52766] ROCK LAKE;BONE SPRING	Jul	1248	2148	8885	31	0	0	0	0	0
2019	[52766] ROCK LAKE;BONE SPRING	Aug	3506	2869	11271	31	0	0	0	0	0
2019	[52766] ROCK LAKE;BONE SPRING	Sep	3569	3655	8809	30	0	0	0	0	0
2019	[52766] ROCK LAKE;BONE SPRING	Oct	3058	2530	6171	25	0	0	0	0	0
2019	[52766] ROCK LAKE;BONE SPRING	Nov	3257	3773	5801	29	0	0	0	0	0
2019	[52766] ROCK LAKE;BONE SPRING	Dec	4380	5913	7191	30	0	0	0	0	0
2020	[52766] ROCK LAKE;BONE SPRING	Jan	5190	8791	8707	31	0	0	0	0	0
2020	[52766] ROCK LAKE;BONE SPRING	Feb	4464	9643	6765	29	0	0	0	0	0
2020	[52766] ROCK LAKE;BONE SPRING	Mar	4875	11064	7856	31	0	0	0	0	0
2020	[52766] ROCK LAKE;BONE SPRING	Apr	4234	10476	6505	30	0	0	0	0	0
2020	[52766] ROCK LAKE;BONE SPRING	May	112	26	0	1	0	0	0	0	0
2020	[52766] ROCK LAKE;BONE SPRING	Jun	1	0	0	1	0	0	0	0	0
2020	[52766] ROCK LAKE;BONE SPRING	Jul	4525	7811	5223	27	0	0	0	0	0
2020	[52766] ROCK LAKE;BONE SPRING	Aug	4314	12006	6366	31	0	0	0	0	0
2020	[52766] ROCK LAKE;BONE SPRING	Sep	3921	14450	5951	29	0	0	0	0	0
2020	[52766] ROCK LAKE;BONE SPRING	Oct	3908	18078	6291	31	0	0	0	0	0
2020	[52766] ROCK LAKE;BONE SPRING	Nov	3275	15210	5156	30	0	0	0	0	0
2020	[52766] ROCK LAKE;BONE SPRING	Dec	777	2308	1660	10	0	0	0	0	0
2021	[52766] ROCK LAKE;BONE SPRING	Jan	2680	7383	3379	31	0	0	0	0	0
2021	[52766] ROCK LAKE;BONE SPRING	Feb	1860	5191	2239	20	0	0	0	0	0
2021	[52766] ROCK LAKE;BONE SPRING	Mar	0	0	0	0	0	0	0	0	0
2021	[52766] ROCK LAKE;BONE SPRING	Apr	1939	4817	2552	24	0	0	0	0	0
2021	[52766] ROCK LAKE;BONE SPRING	May	2427	7513	2503	31	0	0	0	0	0
2021	[52766] ROCK LAKE;BONE SPRING	Jun	313	661	349	24	0	0	0	0	0
2021	[52766] ROCK LAKE;BONE SPRING	Jul	1203	2484	1286	29	0	0	0	0	0

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
811 S. First St., Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St Francis Dr, Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-B  
Revised August 1, 2011

**OIL CONSERVATION DIVISION**  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Submit the original application  
to the Santa Fe office with one  
copy to the appropriate District  
Office.

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: Matador Production Company

OPERATOR ADDRESS: 5400 LBJ Freeway Tower 1 Suite 1500 Dallas, TX 75240

APPLICATION TYPE:

☐ Pool Commingling ☐ Lease Commingling ☒ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingling)

LEASE TYPE: ☐ Fee ☒ State ☐ Federal

Is this an Amendment to existing Order? ☒ Yes ☐ No If "Yes", please include the appropriate Order No. \_\_\_ CTB-948-A \_\_\_  
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
☒ Yes ☐ No

**(A) POOL COMMINGLING**  
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production	Calculated Value of Commingled Production	Volumes
ROCK LAKE; BONE SPRING (52766)	1,232 BTU/scf	1,172 BTU/scf 43.6°	\$63.39/bbl oil (May '21 realized price)	300 mcf/d
ROCK LAKE; BONE SPRING (52766)	42.0°			100 bopd
ROCK LAKE; BONE SPRING, SOUTH (52769)	1,163 BTU/scf			2,000 mcf/d
ROCK LAKE; BONE SPRING, SOUTH (52769)	44.0°		\$3.50/mcf (May '21 realized price)	350 bopd

- (2) Are any wells producing at top allowables? ☐ Yes ☒ No  
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No.  
(4) Measurement type: ☒ Metering ☐ Other (Specify)  
(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

**(B) LEASE COMMINGLING**  
Please attach sheets with the following information

- (1) Pool Name and Code-  
(2) Is all production from same source of supply? ☐ Yes ☐ No  
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No  
(4) Measurement type: ☐ Metering ☐ Other (Specify)

**(C) POOL and LEASE COMMINGLING**  
Please attach sheets with the following information

- (1) Complete Sections A and E.

**(D) OFF-LEASE STORAGE and MEASUREMENT**  
Please attached sheets with the following information

- (1) Is all production from same source of supply? ☐ Yes ☐ No  
(2) Include proof of notice to all interest owners.

**(E) ADDITIONAL INFORMATION (for all application types)**  
Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.  
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.  
(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Ryan Hernandez TITLE: Production Engineer DATE: 9-15-21

TYPE OR PRINT NAME Ryan Hernandez TELEPHONE NO.: (972) 619-1276

E-MAIL ADDRESS: rhernandez@matadorresources.com

**EXHIBIT 4**



# Matador Production Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240

Voice 972.371.5427 • Fax 972.371.5201

[rhernandez@matadorresources.com](mailto:rhernandez@matadorresources.com)

**Ryan Hernandez**  
Production Engineer

September 15, 2021

New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

**Re: Application of Matador Production Company for administrative approval to amend Administrative Order CTB-948-A to surface commingle (lease and pool) gas and oil production from the spacing units comprised of the SE/4 of Section 4 and E/2 of Section 9, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico and the W/2W/2 of Section 33, Township 22 South, Range 35 East, NMPM, Lea County, New Mexico (the “Lands”).**

To Whom This May Concern,

Under NMOCDC Order No. CTB-948-A, Matador Production Company (“Matador”), OGRID: 228937, was authorized to surface commingle production from the Rock Lake; Bone Spring, South (Pool Code 52769) from production in the SE/4 of Section 4 and E/2 of Section 9, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico. Pursuant to this application, Matador seeks to amend Order No. CTB-948-A to add approval to surface commingle production from the Rock Lake; Bone Spring (Pool Code 52766) in the W/2W/2 of Section 33, Township 22 South, Range 35 East, NMPM, Lea County, New Mexico (together with the SE/4 of Section 4 and E/2 of Section 9, Township 23 South, Range 35 East, the “Lands”).

Matador requests to commingle current oil and gas production from three (3) distinct wells located on the Lands and future production from the Lands as described herein. All wells will be metered through individual test separators with an oil turbine meter and gas orifice meter. The gas commingling will occur after individual measurement at each well. Gas exiting each well test flows into one gathering line, as depicted on **Exhibit A**, that will flow either to Versado Gas Processing, LLC or Lucid Energy Delaware, LLC gathering line. Each well on the Lands will have its own test separator with an orifice meter manufactured and assembled in accordance with American Gas Association (AGA) specifications. All primary and secondary Electronic Flow Measurement (EFM) equipment is tested and calibrated by a reputable third-party measurement company in accordance with industry specifications.

The orifice meter is the preferred measurement device utilized by midstream and E&P companies in natural gas measurement. The gas samples are obtained at the time of the meter

testing/calibration and the composition and heating value are determined by a laboratory in accordance with American Petroleum Institute (API) specifications to ensure accurate volume and Energy (MMBTU) determinations. See example from Fesco Laboratory attached as **Exhibit B** hereto.

The flow stream from each wellhead is demonstrated in the Process Flow Diagram (PFD) attached as **Exhibit A** hereto. This PFD shows that the water, oil, and gas exit the wellbore and flow into a wellhead three-phase separator which separates the oil, gas, and water. The oil is measured via turbine meter which is calibrated periodically in accordance with industry specifications by a third party measurement company for accuracy. The gas is measured on a volume and MMBTU basis by an orifice meter and supporting EFM equipment in accordance with American Petroleum Association (API) Chapter 21.1. The gas is then sent into a gathering line where it is commingled with each of the other wells' metered gas, as shown on **Exhibit A**. The gathering line gas is then metered by another orifice meter at the tank battery check to show the total volume of gas leaving the Tank Battery. This meter is tested and calibrated in accordance with industry specifications and volume and energy are determined on an hourly, daily, and monthly basis. Once the gas exits this final tank battery sales check it travels directly into a third party sales connect meter. Versado Gas Processing, LLC or Lucid Energy Delaware, LLC has its own orifice meter that measures the gas for custody transfer. These meters are also calibrated periodically to ensure the measurement accuracy.

In conclusion, all the oil and gas produced on the Lands is and will be metered at each wellhead and allocated correctly using the same measurement equipment as the pipeline sales measurement specifications accepted by API as industry standard.

Very truly yours,

MATADOR PRODUCTION COMPANY

A handwritten signature in black ink, appearing to read 'Ryan Hernandez', with a stylized flourish at the end.

Ryan Hernandez  
Production Engineer



**FESCO, Ltd.**  
**1100 Fesco Ave. - Alice, Texas 78332**

**For:** Matador Production Company  
One Lincoln Centre  
5400 LBJ Freeway, Suite 1500  
Dallas, Texas 75240

**Sample:** Marlan Downey 4 9 23S 35E State COM No. 113H  
First Stage Separator  
Spot Gas Sample @ 279 psig & 80 °F

Date Sampled: 12/20/2019

Job Number: 193990.001

**CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286**

COMPONENT	MOL%	GPM
Hydrogen Sulfide*	0.400	
Nitrogen	1.964	
Carbon Dioxide	10.447	
Methane	68.198	
Ethane	10.371	2.840
Propane	5.152	1.453
Isobutane	0.622	0.208
n-Butane	1.480	0.478
2-2 Dimethylpropane	0.006	0.002
Isopentane	0.400	0.150
n-Pentane	0.367	0.136
Hexanes	0.298	0.126
Heptanes Plus	<u>0.295</u>	<u>0.119</u>
Totals	100.000	5.513

**Computed Real Characteristics Of Heptanes Plus:**

Specific Gravity ----- 3.318 (Air=1)  
Molecular Weight ----- 95.71  
Gross Heating Value ----- 5017 BTU/CF

**Computed Real Characteristics Of Total Sample:**

Specific Gravity ----- 0.830 (Air=1)  
Compressibility (Z) ----- 0.9960  
Molecular Weight ----- 23.93  
Gross Heating Value  
Dry Basis ----- 1163 BTU/CF  
Saturated Basis ----- 1143 BTU/CF

\*Hydrogen Sulfide tested on location by: Stain Tube Method (GPA 2377)  
Results: 251.6 Gr/100 CF, 4000 PPMV or 0.400 Mol %

Base Conditions: 15.025 PSI & 60 Deg F

Sampled By: (24) D. Field  
Analyst: NG  
Processor: NG  
Cylinder ID: T-5234

Certified: FESCO, Ltd. - Alice, Texas

David Dannhaus 361-661-7015

**CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286**  
**TOTAL REPORT**

COMPONENT	MOL %	GPM	WT %
Hydrogen Sulfide*	0.400		0.570
Nitrogen	1.964		2.299
Carbon Dioxide	10.447		19.210
Methane	68.198		45.712
Ethane	10.371	2.840	13.030
Propane	5.152	1.453	9.492
Isobutane	0.622	0.208	1.511
n-Butane	1.480	0.478	3.594
2,2 Dimethylpropane	0.006	0.002	0.018
Isopentane	0.400	0.150	1.206
n-Pentane	0.367	0.136	1.106
2,2 Dimethylbutane	0.003	0.001	0.011
Cyclopentane	0.000	0.000	0.000
2,3 Dimethylbutane	0.033	0.014	0.119
2 Methylpentane	0.093	0.040	0.335
3 Methylpentane	0.062	0.026	0.223
n-Hexane	0.107	0.045	0.385
Methylcyclopentane	0.038	0.013	0.134
Benzene	0.021	0.006	0.069
Cyclohexane	0.048	0.017	0.169
2-Methylhexane	0.012	0.006	0.050
3-Methylhexane	0.016	0.007	0.067
2,2,4 Trimethylpentane	0.000	0.000	0.000
Other C7's	0.024	0.011	0.099
n-Heptane	0.023	0.011	0.096
Methylcyclohexane	0.028	0.012	0.115
Toluene	0.031	0.011	0.119
Other C8's	0.022	0.010	0.101
n-Octane	0.007	0.004	0.033
Ethylbenzene	0.004	0.002	0.018
M & P Xylenes	0.005	0.002	0.022
O-Xylene	0.001	0.000	0.004
Other C9's	0.008	0.004	0.042
n-Nonane	0.002	0.001	0.011
Other C10's	0.004	0.002	0.024
n-Decane	0.001	0.001	0.006
Undecanes (11)	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
Totals	100.000	5.513	100.000

Computed Real Characteristics of Total Sample

Specific Gravity ----- 0.830 (Air=1)

Compressibility (Z) ----- 0.9960

Molecular Weight ----- 23.93

Gross Heating Value

Dry Basis ----- 1163 BTU/CF

Saturated Basis ----- 1143 BTU/CF

**FESCO, Ltd.****1100 Fesco Ave. - Alice, Texas 78332****Sample:** Marlan Downey 4 9 23S 35E State COM No. 113H

First Stage Separator

Spot Gas Sample @ 279 psig &amp; 80 °F

Date Sampled: 12/20/2019

Job Number: 193990.001

**GLYCALC FORMAT**

<b>COMPONENT</b>	<b>MOL%</b>	<b>GPM</b>	<b>Wt %</b>
Carbon Dioxide	10.447		19.210
Hydrogen Sulfide	0.400		0.570
Nitrogen	1.964		2.299
Methane	68.198		45.712
Ethane	10.371	2.840	13.030
Propane	5.152	1.453	9.492
Isobutane	0.622	0.208	1.511
n-Butane	1.486	0.480	3.612
Isopentane	0.400	0.150	1.206
n-Pentane	0.367	0.136	1.106
Cyclopentane	0.000	0.000	0.000
n-Hexane	0.107	0.045	0.385
Cyclohexane	0.048	0.017	0.169
Other C6's	0.191	0.081	0.688
Heptanes	0.113	0.048	0.446
Methylcyclohexane	0.028	0.012	0.115
2,2,4 Trimethylpentane	0.000	0.000	0.000
Benzene	0.021	0.006	0.069
Toluene	0.031	0.011	0.119
Ethylbenzene	0.004	0.002	0.018
Xylenes	0.006	0.002	0.026
Octanes Plus	<u>0.044</u>	<u>0.022</u>	<u>0.217</u>
Totals	100.000	5.513	100.000

**Real Characteristics Of Octanes Plus:**

Specific Gravity ----- 4.095 (Air=1)  
Molecular Weight ----- 118.14  
Gross Heating Value ----- 6234 BTU/CF

**Real Characteristics Of Total Sample:**

Specific Gravity ----- 0.830 (Air=1)  
Compressibility (Z) ----- 0.9960  
Molecular Weight ----- 23.93  
Gross Heating Value  
Dry Basis ----- 1163 BTU/CF  
Saturated Basis ----- 1143 BTU/CF

**Marlan Downey State Com**

**#113H**

**Marlan Downey State Com**

**#113H**

**Bill Alexander 111H**

Owner Name	Address	City	State	Zip Code
Caza Petroleum, LLC	200 N. Loraine St. Suite 1550	Midland	TX	79701
Highland (TX) Energy Co	11886 Greenville Avenue, Ste 106	Dallas	TX	75243
MRC Permian Company	5400 LBJ Freeway Ste 1500	Dallas	TX	75240
New Mexico State Land Office	P O Box 1148	Santa Fe	NM	87504
Strategic Energy Income Fnd IV, LP	1521 N. Cooper St., Suite 400	Arlington	TX	76011
Susan Marie Thoma	P O Box 329	Elbert	CO	80106
The Allar Company	PO Box 1567	Graham	TX	76450-1567

## EXHIBIT 5





**Kaitlyn A. Luck**  
**Phone** (505) 954-7286  
**Fax** (505) 819-5579  
kaluck@hollandhart.com

September 24, 2021

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**TO: ALL AFFECTED PARTIES**

**Re: Application of Matador Production Company to amend Administrative Order CTB-948-A to add a well and to authorize pool and lease commingling of that well at the Marlan Downey East Tank Battery located in the NW/4 SE/4 (Unit J) of Section 4, Township 23 South, Range 35 East, NMPM, Eddy County, New Mexico.**

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application, which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date at the Division's Santa Fe office located at 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Kyle Perkins  
Matador Production Company  
(972) 371-5202  
kperkins@matadorresources.com

Sincerely,

A handwritten signature in blue ink, appearing to read "Kaitlyn Luck", written over a horizontal line.

Kaitlyn A. Luck  
ATTORNEY FOR  
MATADOR PRODUCTION COMPANY



# Shipment Confirmation Acceptance Notice

## A. Mailer Action

**Note to Mailer:** The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

**Matador\_Marlan Downey**  
**CTB-948-A amended**  
**CM# 83379.0001**

Shipment Date: 09/24/2021

Shipped From:

Name: HOLLAND & HART LLP (1)

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®*	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	7
Total	7

\*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

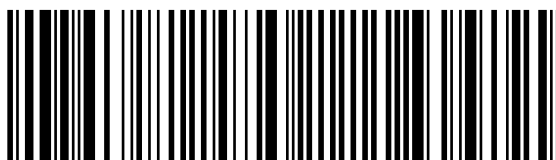
## B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.  
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0031 8973 95



## Firm Mailing Book For Accountable Mail

Name and Address of Sender <b>HOLLAND &amp; HART LLP (1)</b> <b>110 N GUADALUPE ST # 1</b> <b>SANTA FE NM 87501</b>		Check type of mail or service <input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Priority Mail Express <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Priority Mail		Affix Stamp Here <i>(for additional copies of this receipt).</i> <b>Postmark with Date of Receipt.</b>												
USPS Tracking/Article Number	Addressee (Name, Street, City, State, & ZIP Code™)	Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee		
1. <b>9214 8901 9403 8350 9958 12</b>	Caza Petroleum LLC 200 N Loraine St Suite 1550 Midland TX 79701	0.53	3.75	Handling Charge - if Registered and over \$50,000 in value							1.85					
2. <b>9214 8901 9403 8350 9958 29</b>	Highland (TX) Energy Co 11886 Greenville Avenue Ste 106 Dallas TX 75243	0.53	3.75									1.85				
3. <b>9214 8901 9403 8350 9958 36</b>	MRC Permian Company 5400 LBJ Freeway Ste 1500 Dallas TX 75240	0.53	3.75								1.85					
4. <b>9214 8901 9403 8350 9958 43</b>	New Mexico State Land Office PO BOX 1148 Santa Fe NM 87504	0.53	3.75								1.85					
5. <b>9214 8901 9403 8350 9958 50</b>	Strategic Energy Income Fnd IV LP 1521 N Cooper St Suite 400 Arlington TX 76011	0.53	3.75								1.85					
6. <b>9214 8901 9403 8350 9958 67</b>	Susan Marie Thoma PO BOX 329 Elbert CO 80106	0.53	3.75								1.85					
7. <b>9214 8901 9403 8350 9958 74</b>	The Allar Company PO BOX 1567 Graham TX 76450-1567	0.53	3.75								1.85					
Total Number of Pieces Listed by Sender <b>7</b>	Total Number of Pieces Received at Post Office	Postmaster, Per (Name of receiving employee)														



AUBREY DUNN  
COMMISSIONER

*State of New Mexico*  
*Commissioner of Public Lands*

310 OLD SANTA FE TRAIL  
P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

Jaime Grainger  
Matador Production Company  
5400 LBJ Freeway, Suite 1500  
Dallas, TX 75240

June 26<sup>th</sup>, 2018

Re: Communitization Agreement Approval  
Bill Alexander State Com #111H  
Vertical Extent: Bone Spring  
Township: 22 South, Range 35 East, NMPM  
Section 33: W2W2  
Lea County, New Mexico

Dear Ms Grainger,

The Commissioner of Public Lands has this date approved the Bill Alexander State Com #111H Communitization Agreement for the Bone Spring formation effective 9/19/2017. Enclosed are three Certificates of Approval.

The agreement shall remain in effect for One Year, and as long thereafter as communitized substances are produced from the communitized area in paying quantities.

If we may be of further service, please contact Niranjana Khalsa at (505) 827-6628.

Sincerely,

A handwritten signature in black ink, appearing to be "A. Dunn", is written over the printed name of the Commissioner.

AUBREY DUNN  
COMMISSIONER OF PUBLIC LANDS

**EXHIBIT 6**

**NEW MEXICO STATE LAND OFFICE****CERTIFICATE OF APPROVAL****COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

**Matador Production Company  
Bill Alexander State Com #111H  
Vertical Extent: Bone Spring  
Township: 22 South, Range: 35 East, NMPM  
Section 33 : W2W2  
Lea County, New Mexico**

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **September 19, 2017**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **26<sup>th</sup> Day of June, 2018**.

  
**COMMISSIONER OF PUBLIC LANDS**  
of the State of New Mexico

**NEW MEXICO STATE LAND OFFICE****CERTIFICATE OF APPROVAL****COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

**Matador Production Company  
Bill Alexander State Com #111H  
Vertical Extent: Bone Spring  
Township: 22 South, Range: 35 East, NMPM  
Section 33 : W2W2  
Lea County, New Mexico**

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- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
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**COMMISSIONER OF PUBLIC LANDS**  
of the State of New Mexico

**NEW MEXICO STATE LAND OFFICE****CERTIFICATE OF APPROVAL****COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

**Matador Production Company  
Bill Alexander State Com #111H  
Vertical Extent: Bone Spring  
Township: 22 South, Range: 35 East, NMPM  
Section 33 : W2W2  
Lea County, New Mexico**

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- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
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IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **26<sup>th</sup> Day of June, 2018**.

  
\_\_\_\_\_  
**COMMISSIONER OF PUBLIC LANDS**  
of the State of New Mexico



**NM State Land Office  
Oil, Gas, & Minerals Division**

**STATE/STATE OR  
STATE/FEE**  
Revised March 2017

**COMMUNITIZATION AGREEMENT**

ONLINE Version

Bill Alexander State Com 33-22S-35E #111H

KNOW ALL MEN BY THESE PRESENTS:

Well Name: \_\_\_\_\_

STATE OF NEW MEXICO )  
SS)

API #: 30 - \_\_\_\_ - \_\_\_\_

COUNTY OF **Lea** )

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of **September 19**, 20 **17**, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the Commissioner of Public Lands to be fair and equitable.

WHEREAS, the parties hereto, own working, royalty, or other leasehold interests or operating rights under the oil and gas leases and lands subject to this agreement, which leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the **Bone Spring** formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communitize and pool their respective interests in said leases subject to this agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

ONLINE version  
March, 2017

State/State  
State/Fee

NOW THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the undersigned as follows:

1. The lands covered by this agreement (hereinafter referred to as the "communitized area") are described as follows:

Subdivisions

**W2W2**

Of Sect(s) **33** Twnshp **22 South** Rng **35 East** NMPM **Lea** County, NM

containing **160** acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and/or depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.

3. Subject to Paragraph 4, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

4. **Matador Production Company** shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by **Matador Production Company**

5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be

terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

13. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

14. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

9:57

ONLINE version

March, 2017

State/State

State/Fee

Signature of Authorized Agent

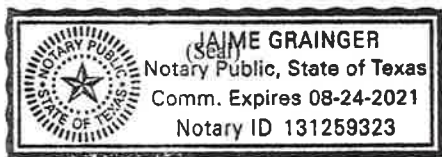
### Acknowledgment in an Individual Capacity

State of **Texas** )  
 )  
 ) SS)  
County of **Dallas** )

This instrument was acknowledged before me on September 19, 2017 Date

By **Craig N. Adams**, as Executive Vice President of Matador Production Company

Name(s) of Person(s)



*Jaime Graengh*  
Signature of Notarial Officer

My commission expires: 8-24-2021

### Acknowledgment in an Representative Capacity

State of )  
County of )  
SS)

This instrument was acknowledged before me on \_\_\_\_\_ Date \_\_\_\_\_

By

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: \_\_\_\_\_

ONLINE version  
March, 2017

State/State  
State/Fee

LEASE #: **VB-2250**

LESSEE OF RECORD: **MRC Permian Company**

BY: **Craig N. Adams - Executive Vice President**

Name & Title of Authorized Agent

 *mult pad*  
Signature of Authorized Agent

**Acknowledgment in an Individual Capacity**

State of **Texas** )

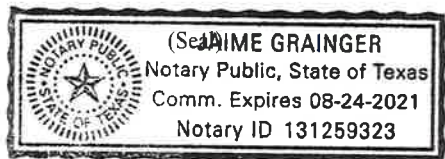
SS)

County of **Dallas** )

This instrument was acknowledged before me on September 19, 2017 Date

By **Craig N. Adams, as Executive Vice President of MRC Permian Company**

Name(s) of Person(s)



  
Signature of Notarial Officer

My commission expires: 8-24-2021

**Acknowledgment in an Representative Capacity**

State of )

SS)

County of )

This instrument was acknowledged before me on \_\_\_\_\_ Date

By

Name(s) of Person(s)

(Seal)

\_\_\_\_\_  
Signature of Notarial Officer

My commission expires: \_\_\_\_\_

ONLINE version  
March, 2017

State/State  
State/Fee

6

2017 SEP 19 9:57



LEASE #: **V-8026**

LLC

LESSEE OF RECORD: **Caza Petroleum, Inc.**

BY: V. P. LANO  
Name & Title of Authorized Agent

Signature of Authorized Agent

### Acknowledgment in an Individual Capacity

State of )  
County of )  
SS)

This instrument was acknowledged before me on

Date \_\_\_\_\_

By

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: \_\_\_\_\_

### Acknowledgment in an Representative Capacity

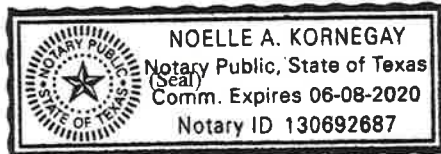
State of )  
County of )  
SS)

This instrument was acknowledged before me on

Date 5/13/18

By

Name(s) of Person(s)



Signature of Notarial Officer

Signature of Notarial Officer

My commission expires: 06/08/2020

2018 JUN -5 AM 10:22

Released to Imaging: 12/20/2021 4:46:51 PM

Received by OCD: 9/24/2021 4:04:17 PM



## EXHIBIT "A"

Attached to and made part of the Communitization Agreement dated September 19, 2017, by and between Matador Production Company, Et Al, and the State of New Mexico, covering the W2W2 of Section 33, Township 22 South, Range 35 East, N.M.P.M., Lea County, New Mexico.

Operator of Communitized Area: Matador Production Company

### DESCRIPTION OF LEASES COMMITTED:

#### **TRACT NO. 1:**

Lessor: State of New Mexico by Commissioner of Public Lands  
 Lessee of Record: MRC Permian Company  
 Description of Township 22 South, Range 35 East, N.M.P.M., Lea County, NM  
 Lands Committed: Section 33: S2  
 Number of Acres: 320.00

#### **TRACT NO.2:**

Lessor: State of New Mexico by Commissioner of Public Lands  
 Lessee of Record: Caza Petroleum, Inc.  
 Description of Township 22 South, Range 33 East, N.M.P.M., Lea County, NM  
 Lands Committed: Section 33: N2  
 Number of Acres: 320.00

### **RECAPITULATION**

Tract No.	Number of Acres Committed	Percentage of Interest in Communitized Area
Tract 1:	320.00	50.00000000%
Tract 2:	320.00	50.00000000%
<b>TOTAL:</b>	<b>640.00</b>	<b>100.0000%</b>

ONLINE version

State/State

March, 2017

State/Fee



**Commissioner**

**Stephanie Garcia Richard**

***State of New Mexico***  
***Commissioner of Public Lands***

310 OLD SANTA FE TRAIL  
P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

**COMMISSIONER'S OFFICE**

Phone (505) 827-5760

Fax (505) 827-5766

[www.nmstatelands.org](http://www.nmstatelands.org)

Stephanie Kinsman  
Matador Production Company  
5400 LBJ Freeway, Suite 1500  
Dallas, TX 75240

February 25<sup>th</sup>, 2020

Re: Communitization Agreement Approval  
Marlan Downey 4-9-23S-35E State Com #113H  
Vertical Extent: Bone Spring  
Township: 23 South, Range 35 East, NMPM  
Sect 4: W2SE4  
Sect 9: W2E2  
Lea County, New Mexico

Dear Ms Kinsman,

The Commissioner of Public Lands has this date approved the Marlan Downey 4-9-23S-35E State Com #113H Communitization Agreement for the Bone Spring formation effective 7/31/2019. Enclosed are three Certificates of Approval.

The agreement shall remain in effect for One Year, and as long thereafter as communitized substances are produced from the communitized area in paying quantities.

Approval of this agreement does not warrant or certify that the operator and/or other working interest owners hold legal or equitable title to the leases which are committed hereto, nor does the Commissioner's approval constitute adjudication of any federal or private interests, or warrant or certify that the information supplied by the operator regarding federal or private interests is accurate.

If we may be of further service, please contact Niranjana Khalsa at (505) 827-6628.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Garcia Richard".

Stephanie Garcia Richard  
COMMISSIONER OF PUBLIC LANDS

**NEW MEXICO STATE LAND OFFICE**

## CERTIFICATE OF APPROVAL

**COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

**Matador Production Company**  
**Marlan Downey 4-9-23S-35E State Com #113H**  
**Vertical Extent: Bone Spring**  
**Township: 23 South, Range: 35 East, NMPM**  
**Section 4: W2SE4**  
**Section 9: W2E2**  
**Lea County, New Mexico**

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **July 31, 2019**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
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NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **25<sup>th</sup> Day of February, 2020**.



**COMMISSIONER OF PUBLIC LANDS**

**of the State of New Mexico**

**NEW MEXICO STATE LAND OFFICE**

## CERTIFICATE OF APPROVAL

**COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

**Matador Production Company**  
**Marlan Downey 4-9-23S-35E State Com #113H**  
**Vertical Extent: Bone Spring**  
**Township: 23 South, Range: 35 East, NMPM**  
**Section 4: W2SE4**  
**Section 9: W2E2**  
**Lea County, New Mexico**


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- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **25<sup>th</sup> Day of February, 2020**.

  
**COMMISSIONER OF PUBLIC LANDS**  
of the State of New Mexico

**NEW MEXICO STATE LAND OFFICE**

## CERTIFICATE OF APPROVAL

**COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

**Matador Production Company**  
**Marlan Downey 4-9-23S-35E State Com #113H**  
**Vertical Extent: Bone Spring**  
**Township: 23 South, Range: 35 East, NMPM**  
**Section 4: W2SE4**  
**Section 9: W2E2**  
**Lea County, New Mexico**

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **July 31, 2019**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

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**COMMISSIONER OF PUBLIC LANDS**  
**of the State of New Mexico**

NM State Land Office  
Oil, Gas, & Minerals Division

STATE/FEDERAL OR  
STATE/FEDERAL/FEE  
Revised Feb. 2013

ONLINE Version  
COMMUNITIZATION AGREEMENT

Contract No. \_\_\_\_\_

Well Name: Marlan Downey 4 9 23S 35E State Com #113H

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto,"  
W I T N E S S E T H:

WHEREAS, the Act of February 25, 1920, 41 Stat. 437, as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a federal oil and gas lease, or any portions thereof, with other lands, whether or not owned by the United States, when separate tracts under such federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area, and such communitization or pooling is determined to be in the public interest; and,

WHEREAS, the Commissioner of Public Lands of the State of New Mexico, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such pooling is determined to be in the public interest; and,

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of the agreement;

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Subdivisions W/2 SE/4 of Section 4 & W/2 E/2 of Section 9,  
Sect 4&9, T 23S, R 35E, NMPM Lea County NM  
containing 240 acres, more or less, and this agreement shall include only the  
Bone Spring Formation underlying said lands and the hydrocarbons (hereinafter  
referred to as "communitized substances") producible from such formation.



2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "B" designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States and the State of New Mexico, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any federal lease bearing a sliding-or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is July Month 31 Day, 2019 Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his duly authorized representative, and by the Commissioner or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced or can be produced from the communitized area in paying quantities; provided, that the two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of the capability of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.



12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

**IN WITNESS WHEREOF**, the parties hereto have executed this agreement as of the day and year first written and have set opposite their respective names the date of execution.

Operator: Matador Production Company

Lessees of Record: MRC Permian Company

By: Craig N. Adams – Executive Vice President  
Name & Title of Authorized Agent

  
Signature of Authorized Agent

Attach additional page(s) if needed.

[Acknowledgments are on following page.]

**Acknowledgment in an Individual Capacity**

State of \_\_\_\_\_ )

County of \_\_\_\_\_ ) SS )

This instrument was acknowledged before me on \_\_\_\_\_

DATE

By \_\_\_\_\_

Name(s) of Person(s)

(Seal)

\_\_\_\_\_  
Signature of Notarial Officer

My commission expires: \_\_\_\_\_

**Acknowledgment in a Representative Capacity**

State of Texas )

County of Dallas ) SS )

This instrument was acknowledged before me on August 7, 2019

DATE

By Craig N. Adams

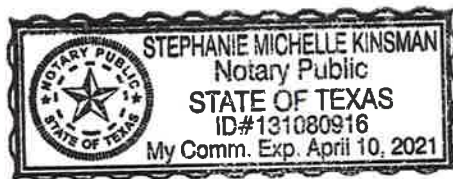
Name(s) of Person(s)

as Executive Vice President of Matador Production Company

Type of authority, e.g., officer, trustee, etc

Name of party on behalf of whom instrument was executed

(Seal)



Stephanie M Kinsman

Signature of Notarial Officer

My commission expires: 4-10-2021

**Acknowledgment in an Individual Capacity**

State of \_\_\_\_\_ )

County of \_\_\_\_\_ ) S S )

This instrument was acknowledged before me on \_\_\_\_\_  
DATE

By \_\_\_\_\_

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: \_\_\_\_\_

**Acknowledgment in a Representative Capacity**

State of Texas )

County of Dallas ) S S )

This instrument was acknowledged before me on August 7, 2019  
DATE

By Craig N. Adams

Name(s) of Person(s)

as Executive Vice President of MRC Permian Company

Type of authority, e.g., officer, trustee, etc

Name of party on behalf of whom instrument was executed

(Seal)



Stephanie M Kinsman  
Signature of Notarial Officer

My commission expires: 4-10-2021

**EXHIBIT A**

To Communitization Agreement dated July 31, 2019

Plat of communitized area covering the:

Subdivisions W/2 SE/4 of Section 4 & W/2 E/2 of Section 9

of Sect. 4&9, T 23S, R 35E, NMPM, Lea County, NM.

**EXHIBIT B**

To Communitization Agreement dated July 31 2019, embracing the  
 Subdivisions W/2 SE/4 of Section 4 & W/2 E/2 of Section 9  
 of Section 4 & 9, T 23S, R 35E, N.M.P.M., Lea County, NM

Operator of Communitized Area: Matador Production Company

**DESCRIPTION OF LEASES COMMITTED****TRACT NO. 1**

Lease Serial No.: VC0429  
 Lease Date: 8/1/2018  
 Lease Term: 5 years  
 Lessor: State of New Mexico  
 Original Lessee: Federal Abstract Company  
 Present Lessee: MRC Permian Company  
 Description of Land Committed: Subdivisions W/2 SE/4,  
 Sect 4, Twp 23S, Rng 35E NMPM, Lea County, NM  
 Number of Acres: 80  
 Royalty Rate: 20%  
 Name and Percent ORRI Owners: \_\_\_\_\_  
 Name and Percent WI Owners: Matador Production Company – 100%

**TRACT NO. 2**

Lease Serial No.: VB2259  
 Lease Date: 4/1/2013  
 Lease Term: 5 years  
 Lessor: State of New Mexico  
 Original Lessee: MRC Permian Company  
 Present Lessee: MRC Permian Company  
 Description of Land Committed: Subdivisions W/2 E/2,  
 Sect 9, Twp 23S, Rng 35E, NMPM, Lea County, NM  
 Number of Acres: 160  
 Royalty Rate: 18.75%  
 Name and Percent ORRI Owners: \_\_\_\_\_  
 Name and Percent WI Owners: Matador Production Company – 100%

**TRACT NO. 3**

Lease Serial No.: \_\_\_\_\_  
Lease Date: \_\_\_\_\_  
Lease Term: \_\_\_\_\_  
Lessor: \_\_\_\_\_  
Original Lessee: \_\_\_\_\_  
Present Lessee: \_\_\_\_\_  
Description of Land Committed: Subdivisions \_\_\_\_\_,  
Sect \_\_\_\_\_, Twp \_\_\_\_\_, Rng \_\_\_\_\_, NMPM, \_\_\_\_\_ County, NM  
Number of Acres: \_\_\_\_\_  
Royalty Rate: \_\_\_\_\_  
Name and Percent ORRI Owners: \_\_\_\_\_  
Name and Percent WI Owners: \_\_\_\_\_

**TRACT NO. 4**

Lease Serial No.: \_\_\_\_\_  
Lease Date: \_\_\_\_\_  
Lease Term: \_\_\_\_\_  
Lessor: \_\_\_\_\_  
Original Lessee: \_\_\_\_\_  
Present Lessee: \_\_\_\_\_  
Description of Land Committed: Subdivisions \_\_\_\_\_,  
Sect \_\_\_\_\_, Twp \_\_\_\_\_, Rng \_\_\_\_\_, NMPM, \_\_\_\_\_ County, NM  
Number of Acres: \_\_\_\_\_  
Royalty Rate: \_\_\_\_\_  
Name and Percent ORRI Owners: \_\_\_\_\_  
Name and Percent WI Owners: \_\_\_\_\_

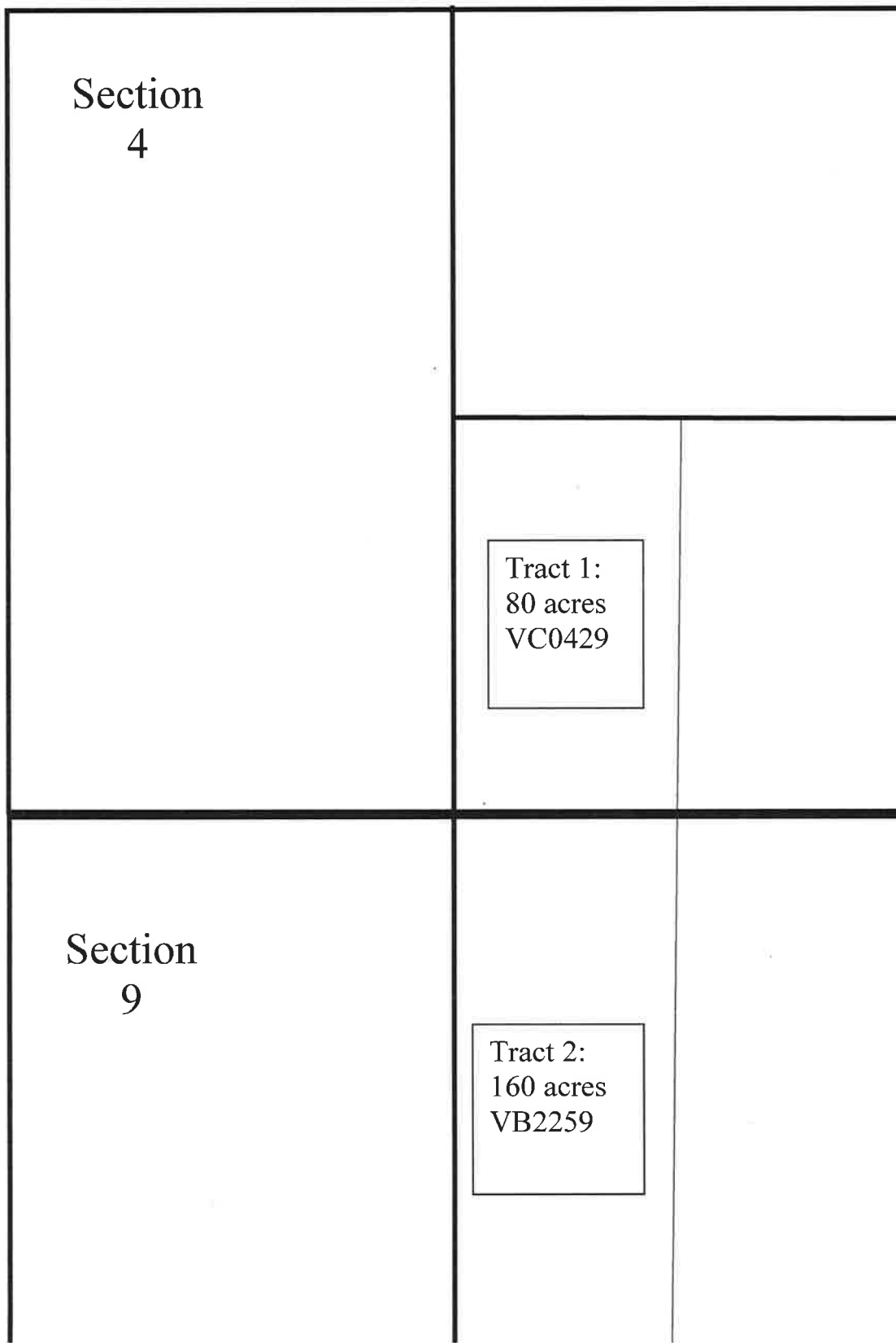


**RECAPITULATION**

<b>Tract numbers</b>	<b>Number of Acres Committed</b>	<b>Percentage of Interest in Communitized Area</b>
Tract No.1	<u>80</u>	<u>33.33%</u>
Tract No.2	<u>160</u>	<u>66.67%</u>
Tract No.3	<u>                    </u>	<u>                    </u>
Tract No.4	<u>                    </u>	<u>                    </u>

EXHIBIT "A"

**PLAT OF COMMUNITIZED AREA COVERING THE W2 SE/4 OF SECTION 4 & W/2  
E/2 OF SECTION 9, TOWNSHIP 23 SOUTH, RANGE 35 EAST, N.M.P.M.,  
LEA COUNTY, NEW MEXICO**





**Commissioner**

**Stephanie Garcia Richard**

***State of New Mexico***  
***Commissioner of Public Lands***

310 OLD SANTA FE TRAIL  
P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

**COMMISSIONER'S OFFICE**

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

Stephanie Kinsman  
Matador Production Company  
5400 LBJ Freeway, Suite 1500  
Dallas, TX 75240

February 25<sup>th</sup>, 2020

Re: Communitization Agreement Approval  
Marlan Downey 4-9-23S-35E State Com #114H  
Vertical Extent: Bone Spring  
Township: 23 South, Range 35 East, NMPM  
Sect 4: E2SE4  
Sect 9: E2E2  
Lea County, New Mexico

Dear Ms Kinsman,

The Commissioner of Public Lands has this date approved the Marlan Downey 4-9-23S-35E State Com #114H Communitization Agreement for the Bone Spring formation effective 7/31/2019. Enclosed are three Certificates of Approval.

The agreement shall remain in effect for One Year, and as long thereafter as communitized substances are produced from the communitized area in paying quantities.

Approval of this agreement does not warrant or certify that the operator and/or other working interest owners hold legal or equitable title to the leases which are committed hereto, nor does the Commissioner's approval constitute adjudication of any federal or private interests, or warrant or certify that the information supplied by the operator regarding federal or private interests is accurate.

If we may be of further service, please contact Niranjana Khalsa at (505) 827-6628.

Sincerely,

A handwritten signature in dark ink, appearing to read "Stephanie Garcia Richard", followed by a stylized flourish.

Stephanie Garcia Richard  
COMMISSIONER OF PUBLIC LANDS

**NEW MEXICO STATE LAND OFFICE****CERTIFICATE OF APPROVAL****COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

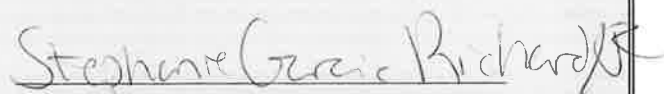
**Matador Production Company**  
**Marlan Downey 4-9-23S-35E State Com #114H**  
**Vertical Extent: Bone Spring**  
**Township: 23 South, Range: 35 East, NMPM**  
**Section 4: E2SE4**  
**Section 9: E2E2**  
**Lea County, New Mexico**

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **July 31, 2019**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **25<sup>th</sup> Day of February, 2020**.



**COMMISSIONER OF PUBLIC LANDS**  
**of the State of New Mexico**

**NEW MEXICO STATE LAND OFFICE**

## CERTIFICATE OF APPROVAL

**COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**


**Matador Production Company**  
**Marlan Downey 4-9-23S-35E State Com #114H**  
**Vertical Extent: Bone Spring**  
**Township: 23 South, Range: 35 East, NMPM**  
**Section 4: E2SE4**  
**Section 9: E2E2**  
**Lea County, New Mexico**

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **July 31, 2019**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

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**COMMISSIONER OF PUBLIC LANDS**  
**of the State of New Mexico**

**NEW MEXICO STATE LAND OFFICE****CERTIFICATE OF APPROVAL****COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

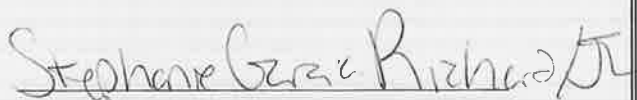
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**Marlan Downey 4-9-23S-35E State Com #114H**  
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IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **25<sup>th</sup> Day of February, 2020**.



**COMMISSIONER OF PUBLIC LANDS**  
**of the State of New Mexico**



**NM State Land Office  
Oil, Gas, & Minerals Division**

**STATE/FEDERAL OR  
STATE/FEDERAL/FEE**

Revised Feb. 2013

**ONLINE Version  
COMMUNITIZATION AGREEMENT**

Contract No. \_\_\_\_\_

Well Name: Marlan Downey 4 9 23S 35E State Com #114H

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto,"

**W I T N E S S E T H:**

WHEREAS, the Act of February 25, 1920, 41 Stat. 437, as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a federal oil and gas lease, or any portions thereof, with other lands, whether or not owned by the United States, when separate tracts under such federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area, and such communitization or pooling is determined to be in the public interest; and,

WHEREAS, the Commissioner of Public Lands of the State of New Mexico, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such pooling is determined to be in the public interest; and,

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of the agreement;

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

**1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:**

Subdivisions E/2 SE/4 of Section 4 & E/2 E/2 of Section 9,

Sect 4&9, T 23S, R 35E, NMPM Lea County NM

containing 240 acres, more or less, and this agreement shall include only the

Bone Spring formation underlying said lands and the hydrocarbons (hereinafter referred to as "communitized substances") producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "B" designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States and the State of New Mexico, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any federal lease bearing a sliding-or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is July Month 31 Day, 2019 Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his duly authorized representative, and by the Commissioner or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced or can be produced from the communitized area in paying quantities; provided, that the two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of the capability of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

**IN WITNESS WHEREOF**, the parties hereto have executed this agreement as of the day and year first written and have set opposite their respective names the date of execution.

Operator: Matador Production Company

Lessees of Record: MRC Permian Company

By: Craig N. Adams – Executive Vice President

Name & Title of Authorized Agent

  
Signature of Authorized Agent

Attach additional page(s) if needed.

[Acknowledgments are on following page.]

**Acknowledgment in an Individual Capacity**

State of \_\_\_\_\_ )

County of \_\_\_\_\_ ) S S )

This instrument was acknowledged before me on \_\_\_\_\_

DATE

By \_\_\_\_\_

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: \_\_\_\_\_

**Acknowledgment in a Representative Capacity**

State of Texas )

County of Dallas ) S S )

This instrument was acknowledged before me on August 7, 2019

DATE

By Craig N. Adams

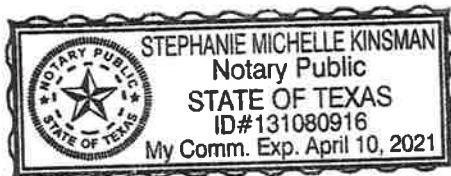
Name(s) of Person(s)

as Executive Vice President of Matador Production Company

Type of authority, e.g., officer, trustee, etc

Name of party on behalf of whom instrument was executed

(Seal)



Stephanie M Kinsman

Signature of Notarial Officer

My commission expires: 4-10-2021



**Acknowledgment in an Individual Capacity**

State of \_\_\_\_\_ )

County of \_\_\_\_\_ ) ss )

This instrument was acknowledged before me on \_\_\_\_\_  
DATE

By \_\_\_\_\_  
Name(s) of Person(s)

(Seal)

\_\_\_\_\_  
Signature of Notarial Officer

My commission expires: \_\_\_\_\_

**Acknowledgment in a Representative Capacity**

State of Texas )

County of Dallas ) ss )

This instrument was acknowledged before me on August 7, 2019  
DATE

By Craig N. Adams  
Name(s) of Person(s)

as Executive Vice President of MRC Permian Company

Type of authority, e.g., officer, trustee, etc

Name of party on behalf of whom instrument was executed

(Seal)



Stephanie M Kinsman  
Signature of Notarial Officer

My commission expires: 4.10.2021



**EXHIBIT A**

To Communitization Agreement dated July 31, 2019

Plat of communitized area covering the:

Subdivisions E/2 SE/4 of Section 4 & E/2 E/2 of Section 9

of Sect. 4&9, T 23S, R 35E, NMPM, Lea County, NM.

**EXHIBIT B**

To Communitization Agreement dated July 31, 2019, embracing the

Subdivisions E/2 SE/4 of Section 4 & E/2 E/2 of Section 9of Section 4 & 9, T 23S, R 35E, N.M.P.M., Lea County, NMOperator of Communitized Area: Matador Production Company**DESCRIPTION OF LEASES COMMITTED****TRACT NO. 1**Lease Serial No.: VC0429Lease Date: 8/1/2018Lease Term: 5 yearsLessor: State of New MexicoOriginal Lessee: Federal Abstract CompanyPresent Lessee: MRC Permian CompanyDescription of Land Committed: Subdivisions E/2 SE/4,Sect 4, Twp 23S, Rng 35E, NMPM, Lea County, NMNumber of Acres: 80Royalty Rate: 20%

Name and Percent ORRI Owners: \_\_\_\_\_

Name and Percent WI Owners: Matador Production Company – 100%**TRACT NO. 2**Lease Serial No.: VB2259Lease Date: 4/1/2013Lease Term: 5 yearsLessor: State of New MexicoOriginal Lessee: MRC Permian CompanyPresent Lessee: MRC Permian CompanyDescription of Land Committed: Subdivisions E/2 E/2,Sect 9, Twp 23S, Rng 35E, NMPM, Lea County, NMNumber of Acres: 160Royalty Rate: 18.75%

Name and Percent ORRI Owners: \_\_\_\_\_

Name and Percent WI Owners: Matador Production Company – 100%

**TRACT NO. 3**

Lease Serial No.: \_\_\_\_\_

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

Lease Term: \_\_\_\_\_

Lessor: \_\_\_\_\_

Original Lessee: \_\_\_\_\_

Present Lessee: \_\_\_\_\_

Description of Land Committed: Subdivisions \_\_\_\_\_,

Sect \_\_\_\_\_, Twp \_\_\_\_\_, Rng \_\_\_\_\_, NMPM, \_\_\_\_\_ County, NM

Number of Acres: \_\_\_\_\_

Royalty Rate: \_\_\_\_\_

Name and Percent ORRI Owners: \_\_\_\_\_

Name and Percent WI Owners: \_\_\_\_\_

**TRACT NO. 4**

Lease Serial No.: \_\_\_\_\_

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

Lease Term: \_\_\_\_\_

Lessor: \_\_\_\_\_

Original Lessee: \_\_\_\_\_

Present Lessee: \_\_\_\_\_

Description of Land Committed: Subdivisions \_\_\_\_\_,

Sect \_\_\_\_\_, Twp \_\_\_\_\_, Rng \_\_\_\_\_, NMPM, \_\_\_\_\_ County, NM

Number of Acres: \_\_\_\_\_

Royalty Rate: \_\_\_\_\_

Name and Percent ORRI Owners: \_\_\_\_\_

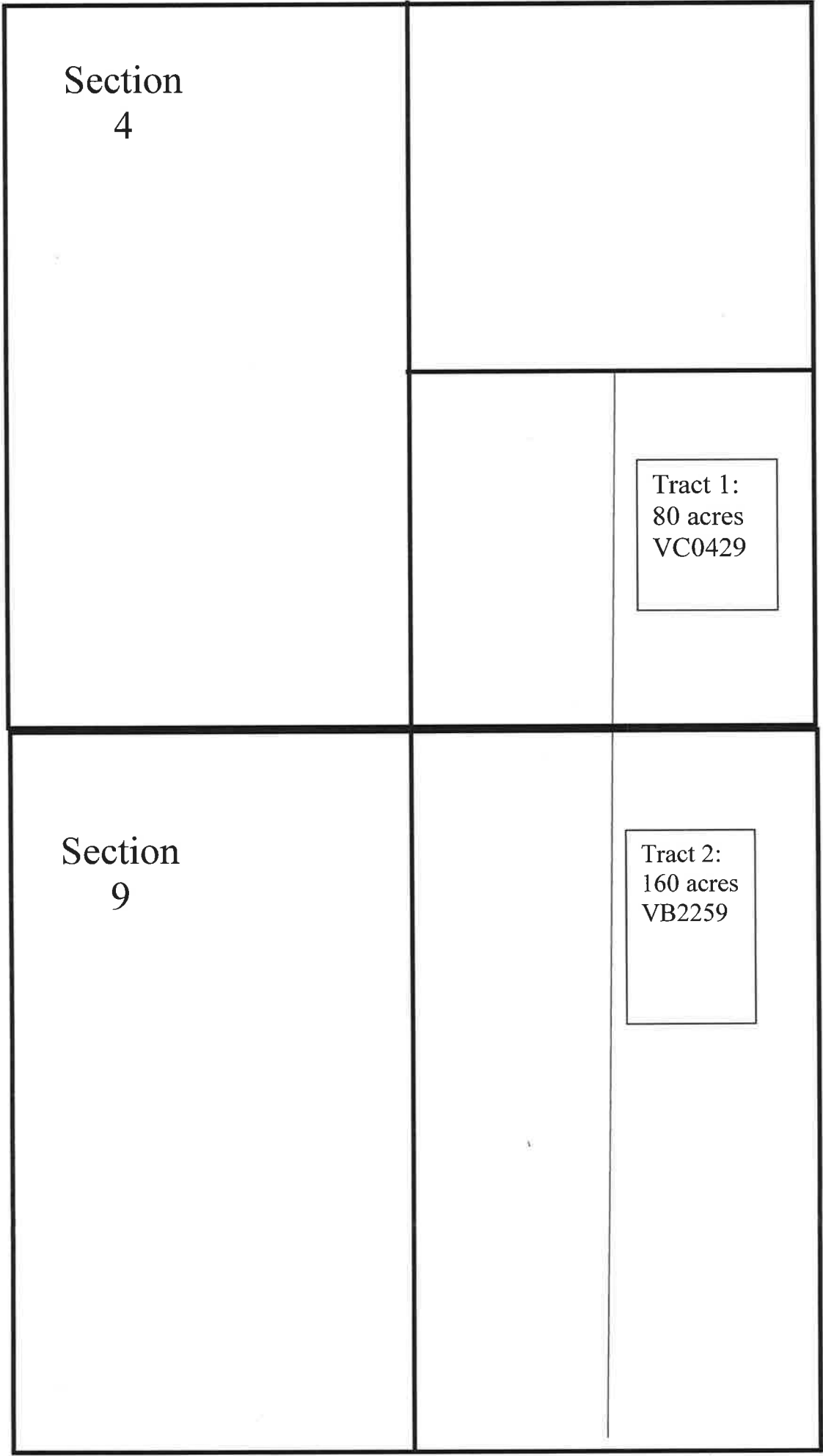
Name and Percent WI Owners: \_\_\_\_\_

**RECAPITULATION**

<b>Tract numbers</b>	<b>Number of Acres Committed</b>	<b>Percentage of Interest in Communitized Area</b>
Tract No.1	<u>80</u>	<u>33.33%</u>
Tract No.2	<u>160</u>	<u>66.67%</u>
Tract No.3	<u>                    </u>	<u>                    </u>
Tract No.4	<u>                    </u>	<u>                    </u>

EXHIBIT "A"

**PLAT OF COMMUNITIZED AREA COVERING THE E/2 OF SE/4 OF SECTION 4 &  
E/2 OF E/2 OF SECTION 9, TOWNSHIP 23 SOUTH, RANGE 35 EAST, N.M.P.M.,  
LEA COUNTY, NEW MEXICO**



# Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

## Affidavit of Publication

Ad # 0004932835

This is not an invoice

HOLLAND & HART  
POBOX 2208

SANTA FE, NM 87504-2208

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

10/01/2021

  
Legal Clerk

Subscribed and sworn before me this October 1, 2021:

  
State of WI, County of Brown  
NOTARY PUBLIC

1-7-25

My commission expires

### Legal Notice (Publication)

To: All affected parties, including: 1836 Royalty Partners LLC; Big Three Energy Group LLC; Blind Side, LLC; Camarie Oil and Gas, LLC; Featherstone Development Corp; Gumesinda Carrasco Onsurez Rev; Jubilee Royalty Holdings LLC; Michael Price, his heirs and devisees; MRC Permian Company; MRC Permian LKE Company, LLC; Office of Natural Resources; Prospector LLC; Robert B Callison, his heirs and devisees; Ross Duncan Properties LLC; Sandra K Grant, her heirs and devisees; Tundra AD3 LP; Valspark Oil and Gas, LLC; XPLOR Resources LLC; State Line Operating a.k.a. Flat Creek Resources, LLC; and Bureau of Land Management

Application of Matador Production Company to authorize pool and lease commingling at the Norris Thornton 1/2 Tank Battery located in the NE/4 SE/4 (Unit I) of Section 23, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico. Pursuant to 19.15.12.7 NMAC, Matador Production Company (OGRID No. 228937) seeks administrative approval for pool and lease commingling, at the Norris Thornton 1/2 Tank Battery of production from the Purple Sage; Wolfcamp (Gas) Pool (98220); Cass Draw; Bone Spring Pool (10380); and the Carlsbad; Morrow, South (Gas) (73960) pools from all existing and future wells drilled in the following spacing units:

(a) The 40-acre, more or less, spacing unit in the Purple Sage; Wolfcamp (Gas) Pool (Pool code 98220) and the Cass Draw Bone Spring Pool (Pool Code 10380) underlying the SE/4 SE/4 (Unit P) of Section 23. The spacing unit is currently dedicated to the Norris-Thornton Com #1 well (API No. 30-015-41920); and

(b) The 321.74-acre, more or less, spacing unit in the Carlsbad; Morrow, South (Gas) Pool (Pool code 73960) underlying S/2 of Section 23. The spacing unit is currently dedicated to the Norris-Thornton Com #2 well (API No. 30-015-42700); and

(c) Pursuant to 19.15.12.10.C(4)(g) NMAC, future spacing units connected to this central tank battery with notice provided only to the interest owners within these future spacing units.

Any objection to this application must be filed in writing within twenty days from date of publication with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division. If you have any questions about this application, please contact Kyle Perkins, Matador Production Company, (972) 371-5202, KPerkins@matadorresources.com.

Sept. 30, 2021

KATHLEEN ALLEN  
Notary Public  
State of Wisconsin

Ad # 0004932835

PO #:

# of Affidavits 1

This is not an invoice



**From:** [Engineer, OCD, EMNRD](#)  
**To:** [Kaitlyn A. Luck](#)  
**Cc:** [McClure, Dean, EMNRD](#); [Kautz, Paul, EMNRD](#); [Hawkins, James, EMNRD](#); [Powell, Brandon, EMNRD](#); [lisa@rwbyram.com](#); [Glover, James](#); [Paradis, Kyle Q](#); [Walls, Christopher](#)  
**Subject:** Approved Administrative Order PLC-794  
**Date:** Monday, December 20, 2021 4:03:58 PM  
**Attachments:** [PLC794 Order.pdf](#)

NMOCD has issued Administrative Order PLC-794 which authorizes Matador Production Company (228937) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool Code
30-025-46254	Marlan Downey 04 09 23S 35E State Com #113H	W/2 SE/4 W/2 E/2	4-23S-35E 9-23S-35E	52769
30-025-46255	Marlan Downey 04 09 23S 35E State Com #114H	E/2 SE/4 E/2 E/2	4-23S-35E 9-23S-35E	52769
30-025-44286	Bill Alexander State Com #111H	W/2 W/2	33-22S-35E	52766

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure  
 Petroleum Engineer, Oil Conservation Division  
 New Mexico Energy, Minerals and Natural Resources Department  
 (505) 469-8211

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Notice

**Order: PLC-793**

**Operator: Matador Production Company (228937)**

**Publication Date: 10/1/2021**

**Submittal Date: 9/24/2021**

### Noticed Persons

Date	Person	Certified Tracking Number	Status
11/26/2021	1836 Royalty Partners LLC 306 W Wall St Sui	9214 8901 9403 8350 9947 61	Delivered
10/19/2021	1836 Royalty Partners LLC 116 S FM 1187 Ale	9214 8901 9403 8350 9947 78	Delivered
9/29/2021	Big Three Energy Group LLC PO BOX 429 Ro	9214 8901 9403 8350 9947 85	Delivered
9/29/2021	Blind Side LLC PO BOX 429 Roswell NM 8820	9214 8901 9403 8350 9947 92	Delivered
9/27/2021	Camarie Oil and Gas LLC 2502 Camarie Midl	9214 8901 9403 8350 9948 08	Delivered
9/29/2021	Featherstone Development Corp PO BOX 429 J	9214 8901 9403 8350 9948 15	Delivered
9/28/2021	Gumesinda Carrasco Onsurez Rev PO BOX 59	9214 8901 9403 8350 9948 22	Delivered
9/28/2021	Jubilee Royalty Holdings LLC PO BOX 192 Ne	9214 8901 9403 8350 9948 39	Delivered
9/28/2021	Michael Price 5450 Governor Circle Stockton C	9214 8901 9403 8350 9948 46	Delivered
9/27/2021	MRC Permian Company 5400 LBJ Fwy Suite 1	9214 8901 9403 8350 9948 53	Delivered
9/27/2021	MRC Permian LKE Company LLC 5400 LBJ J	9214 8901 9403 8350 9948 60	Delivered
9/27/2021	Office of Natural Resources PO BOX 25627 De	9214 8901 9403 8350 9948 77	Delivered
9/29/2021	Prospector LLC PO BOX 429 Roswell NM 882	9214 8901 9403 8350 9948 84	Delivered
10/26/2021	Robert B Callison 1303 S Country Club Circle	9214 8901 9403 8350 9948 91	In-Transit
9/29/2021	Robert B Callison 406 Cimarron Trail Carlsba	9214 8901 9403 8350 9949 07	Delivered
9/30/2021	Ross Duncan Properties LLC PO BOX 647 Art	9214 8901 9403 8350 9949 14	Delivered
9/30/2021	Sandra K Grant 9210 Dona Lugo Way Stockto	9214 8901 9403 8350 9949 21	Delivered
9/27/2021	Tundra AD3 LP 2100 Ross Ave Suite 1870 Dall	9214 8901 9403 8350 9949 38	Delivered
9/27/2021	Valspark Oil and Gas LLC 36 Positano Loop R	9214 8901 9403 8350 9949 45	Delivered
9/27/2021	XPLOR Resources LLC 1104 North Shore Driv	9214 8901 9403 8350 9949 52	Delivered
9/30/2021	State Line Operating a k a Flat Creek Resourc	9214 8901 9403 8350 9949 69	Delivered
9/28/2021	Bureau of Land Management 301 Dinosaur Trl	9214 8901 9403 8350 9949 76	Unknown
9/28/2021	Bureau of Land Management 620 E Greene St	9214 8901 9403 8350 9949 83	Delivered

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

**APPLICATION FOR SURFACE COMMINGLING  
SUBMITTED BY MATADOR PRODUCTION COMPANY**

**ORDER NO. PLC-794**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

**FINDINGS OF FACT**

1. Matador Production Company (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7.B. NMAC.
4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
5. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
6. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.
7. Applicant in the notice for the Application stated that it sought authorization to add additional pools, leases, and wells and identified the parameters to make such additions.
8. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil and gas production from wells which have not yet been approved to be drilled, but will produce from a pool and lease identified in Exhibit A.

### **CONCLUSIONS OF LAW**

9. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
10. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.
11. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.
12. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.C.(1) NMAC, as applicable.
13. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10.B.(3) NMAC and 19.15.12.10.C.(4)(h) NMAC.
14. Applicant satisfied the notice requirements for the subsequent addition of pools, leases, and wells in the notice for the Application, in accordance with 19.15.12.10.C.(4)(g) NMAC. Subsequent additions of pools, leases, and wells within Applicant's defined parameters, as modified herein, will not, in reasonable probability, reduce the commingled production's value or otherwise adversely affect the interest owners in the production to be added.
15. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

### **ORDER**

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery described in Exhibit A.

Applicant is authorized to surface commingle oil and gas production from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A at a central tank battery described in Exhibit A.

2. This Order supersedes Order CTB-948-A.
3. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil and gas production to each well not

included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.

4. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling.
5. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
6. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8.B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8.E. NMAC.
7. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
8. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
9. Applicant may submit an application to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by this Order by submitting a Form C-107-B in accordance with 19.15.12.10.C.(4)(g) NMAC.
10. If a well is not included in Exhibit A but produces from a pool or lease identified in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well and proposed method to determine the allocation of oil and gas production to it.
11. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
12. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
13. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL  
DIRECTOR**

**DATE:** 12/20/21



State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit A

Order: **PLC-794**

Operator: **Matador Production Company (228937)**

Central Tank Battery: **Marlan Downey East Tank Battery**

Central Tank Battery Location: **Unit J, Section 4, Township 23 South, Range 35 East**

Gas Title Transfer Meter Location: **Unit J, Section 4, Township 23 South, Range 35 East**

### Pools

Pool Name	Pool Code
<b>ROCK LAKE; BONE SPRING</b>	<b>52766</b>
<b>ROCK LAKE; BONE SPRING, SOUTH</b>	<b>52769</b>

### Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
<b>CA Bone Spring NMSLO PUN 1380459</b>	<b>W/2 SE/4</b>	<b>4-23S-35E</b>
	<b>W/2 E/2</b>	<b>9-23S-35E</b>
<b>CA Bone Spring NMSLO PUN 1385363</b>	<b>E/2 SE/4</b>	<b>4-23S-35E</b>
	<b>E/2 E/2</b>	<b>9-23S-35E</b>
<b>CA Bone Spring NMSLO PUN 1369178</b>	<b>W/2 W/2</b>	<b>33-22S-35E</b>

### Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
<b>30-025-46254</b>	<b>Marlan Downey 04 09 23S 35E State</b>	<b>W/2 SE/4</b>	<b>4-23S-35E</b>	<b>52769</b>
	<b>Com #113H</b>	<b>W/2 E/2</b>	<b>9-23S-35E</b>	
<b>30-025-46255</b>	<b>Marlan Downey 04 09 23S 35E State</b>	<b>E/2 SE/4</b>	<b>4-23S-35E</b>	<b>52769</b>
	<b>Com #114H</b>	<b>E/2 E/2</b>	<b>9-23S-35E</b>	
<b>30-025-44286</b>	<b>Bill Alexander State Com #111H</b>	<b>W/2 W/2</b>	<b>33-22S-35E</b>	<b>52766</b>

**District I**

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**District IV**

1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

CONDITIONS

Action 51845

**CONDITIONS**

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 51845
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

**CONDITIONS**

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	12/20/2021