

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

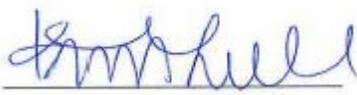
- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.  
 A.  Offset operators or lease holders  
 B.  Royalty, overriding royalty owners, revenue owners  
 C.  Application requires published notice  
 D.  Notification and/or concurrent approval by SLO  
 E.  Notification and/or concurrent approval by BLM  
 F.  Surface owner  
 G.  For all of the above, proof of notification or publication is attached, and/or,  
 H.  No notice required

<b>FOR OCD ONLY</b>
<input type="checkbox"/> Notice Complete
<input type="checkbox"/> 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

  
 \_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Phone Number

\_\_\_\_\_  
 e-mail Address



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

December 3, 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 authorize lease commingling at the Eagle 2 State Tank Battery located in the SE/4 NW/4 (Unit F) of Section 2, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico.**

Dear Ms. Sandoval:

Matador Production Company (OGRID No. 228937) seeks administrative approval for lease commingling, pursuant to 19.15.12.7 NMAC, at the **Eagle 2 State Tank Battery** of production from the Lea; Bone Spring Pool (37570), from *all existing and future wells drilled in the following spacing units:*

(a) The 80-acre, more or less, spacing unit in the Bone Spring formation underlying the W/2 SW/4 of Section 2. The spacing unit is currently dedicated to the **Eagle 2 State #2 well** (API No. 30-025-37863);

(b) The 80-acre, more or less, spacing unit in the Bone Spring formation underlying the E/2 NW/4 of Section 2. The spacing unit is currently dedicated to the **Eagle 2 State #3 well** (API No. 30-025-38042);

(c) The 80-acre, more or less, spacing unit in the Bone Spring formation underlying the W/2 NW/4 of Section 2. The spacing unit is currently dedicated to the **Eagle 2 State #4 well** (API No. 30-025-38622);

(d) The 80-acre, more or less, spacing unit in the Bone Spring formation underlying the E/2 SW/4 of Section 2. The spacing unit is currently dedicated to the **Eagle 2 State #5 well** (API No. 30-025-38451);

(e) The 160-acre, more or less, spacing unit in the Bone Spring formation underlying the E/2 E/2 of Section 2. The spacing unit is currently dedicated to the **Eagle 2 State #6H well** (API No. 30-025-40330); and

T 505.988.4421 F 505.983.6043  
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849  
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208  
[www.hollandhart.com](http://www.hollandhart.com)

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

(f) 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.

Oil and gas production from these spacing units will be commingled and sold at the **Eagle 2 State Tank Battery** located in the SE/4 NW/4 (Unit F) of Section 2.

Matador also requests approval to measure production from these wells using the well test method. Production will be allocated on a daily basis based on the most recent individual well tests of oil, gas and water. These well tests will last a minimum of 24 hours and will be conducted at various frequencies depending on the production life of the well, as set forth in Matador's application.

**Exhibit 1** 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 SE/4 NW/4 (Unit F) of Section 2.

**Exhibit 2** is a C-102 for each of the wells currently permitted or drilled within the existing spacing units, together with the available six-month production reports.

**Exhibit 3** 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 4** 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, Matador is still in the process of confirming the status of the communitization agreement for the Eagle 2 State #6H well, which was drilled and completed by a prior operator, for the subject acreage and will provide that information to the Division upon receipt.

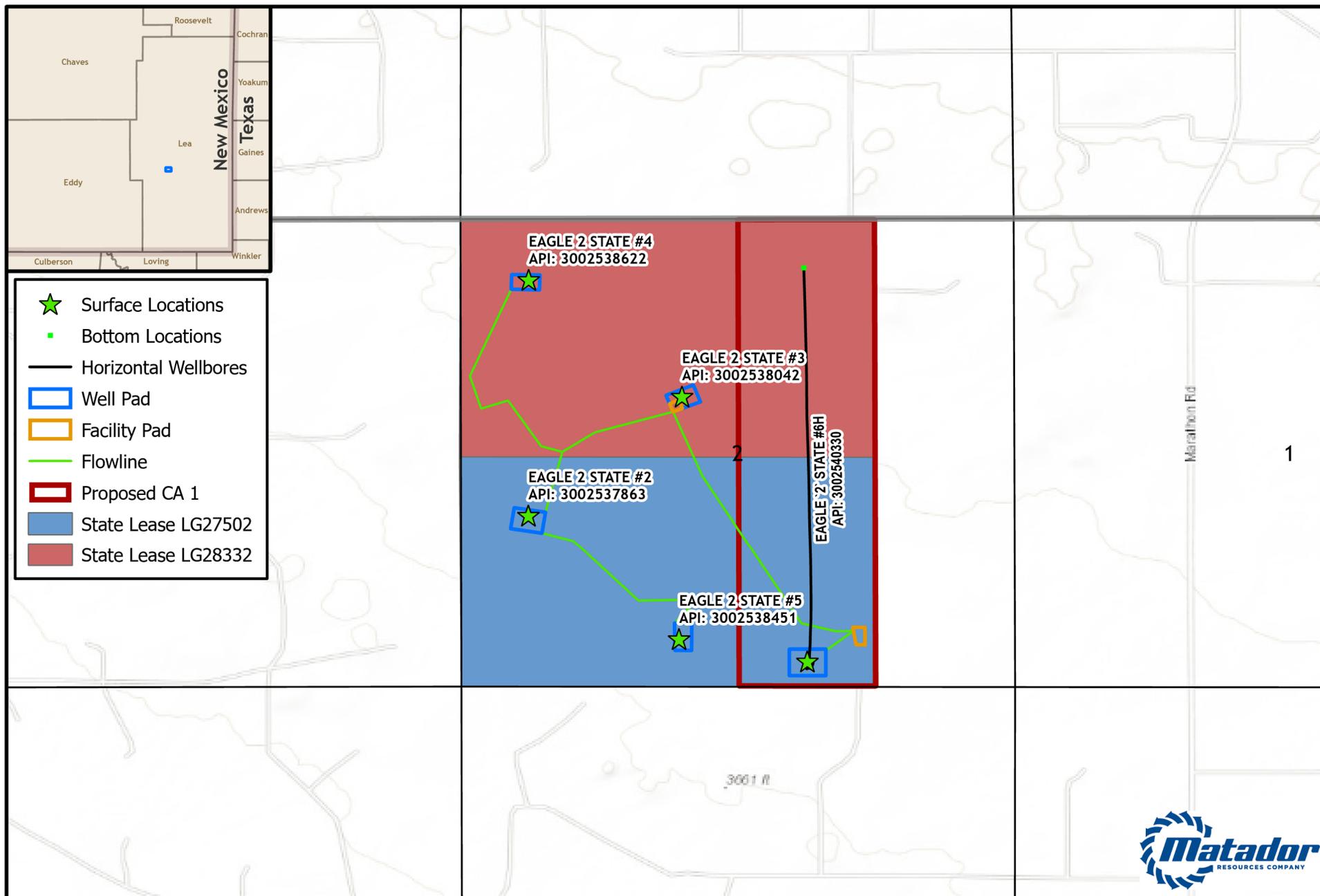
Thank you for your attention to this matter, and please feel free to call if you have any questions or require additional information.

Sincerely,



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

# Eagle 2 State Commingling Plat



## EXHIBIT 1

Southeast New Mexico

Map Prepared by: agreeen  
 Project: ComminglingPlat  
 Date: 10/28/2021  
 Coordinate System: GCS WGS 1984

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.

State of New Mexico

DISTRICT I  
1626 N. FRANCE DR., ROSBS, NM 86240

Energy, Minerals and Natural Resources Department.

Form C-102

DISTRICT II  
1301 W. GRAND AVENUE, ARTESIA, NM 80210

OIL CONSERVATION DIVISION  
1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT III  
1000 Rio Brazos Rd., Artec, NM 87410

DISTRICT IV  
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-025-37863	Pool Code 37570	Pool Name Lea; Bone Spring
Property Code 35083	Property Name EAGLE 2 STATE	Well Number 2
OGRID No. 20165	Operator Name SAMSON RESOURCES	Elevation 3670'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	2	20-S	34-E		1980	SOUTH	660	WEST	LEA

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

Dedicated Acres 80	Joint or Infill	Consolidation Code	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

LOT 4	LOT 3	LOT 2	LOT 1
40.65 AC	40.75 AC	40.85 AC	40.95 AC

GEODETTIC COORDINATES  
NAD 27 NME

Y=582995.8 N  
X=745289.7 E

LAT.=32°00'23.5" N  
LONG.=103°53'68.41" W

LAT.=32°36'00.85" N  
LONG.=103°32'12.63" W

660'

1980'

**OPERATOR CERTIFICATION**

I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*R. Burditt*  
Signature \_\_\_\_\_ Date \_\_\_\_\_  
R. Burditt 1/7/2008  
Printed Name

---

**SURVEYOR CERTIFICATION**

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 and correct to the best of my belief.

APRIL 2, 2007  
Date Surveyed \_\_\_\_\_ JR  
Signature & Seal of Professional Surveyor  
*Gary Eidson* 4/20/07  
07211.0426  
Certificate No. GARY EIDSON 12841

EXHIBIT 2

**DISTRICT I**  
1625 N. FRENCH DR., HOBBS, NM 88240

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

**DISTRICT II**  
1301 W. GRAND AVENUE, ARTESIA, NM 88210

**OIL CONSERVATION DIVISION**  
1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

**DISTRICT III**  
1000 Rio Brazos Rd., Aztec, NM 87410

**DISTRICT IV**  
1220 S. ST. FRANCIS DR., SANTA FE, NM 87605

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

AMENDED REPORT

API Number 30-025-38042		Pool Code 37570	Pool Name LEA; BONE SPRING
Property Code 35083	Property Name EAGLE 2 STATE		Well Number 3
OCRID No. 20165	Operator Name SAMSON RESOURCES		Elevation 3675'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	2	20-S	34-E		1980	NORTH	2130	WEST	LEA

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
Dedicated Acres 80		Joint or Infill	Consolidation Code	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**

	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>R. Burditt</i> Signature Date R. Burditt 1/9/2008 Printed Name</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>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 and correct to the best of my belief.</p> <p>JUNE 15, 2006</p> <p>Date Surveyed MR Signature &amp; Seal of Professional Surveyor <i>Ronald G. Edson</i> 6/27/06 66.111002 Certificate No. GARY EDSON 12641 RONALD G. EDSON 3239</p>

DISTRICT I  
1425 N FRENCH DR., BOBRO, NM 86240

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT II  
1301 W. GRAND AVENUE, ARTEDIA, NM 86210

OIL CONSERVATION DIVISION  
1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number <b>3D-025-38622</b>	Pool Code <b>37570</b>	Pool Name <b>Lea Bone Spring</b>
Property Code <b>35083</b>	Property Name <b>EAGLE 2 STATE</b>	Well Number <b>4</b>
OGRID No. <b>20165</b>	Operator Name <b>SAMSON RESOURCES</b>	Elevation <b>3681'</b>

Surface Location

UL or lot No	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	2	20-S	34-E		660	NORTH	660	WEST	LEA

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

Dedicated Acres	Joint or Infill	Consolidation Code	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

	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>[Signature]</i> 11-28-07 Signature Date <b>Kenneth C. Dickson</b> Printed Name</p>	
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>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 and correct to the best of my belief.</p> <p>APRIL 2, 2007 Date Surveyed JR Signature &amp; Seal of Professional Surveyor <i>[Signature]</i> 4/20/07 07:11:0425</p>	
	<p>Certificate No. GARY EIDSON 12641</p>	

DISTRICT I  
1625 N FRENCH DR., BOBBS, NM 88240

DISTRICT II  
1301 W GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
1220 S. ST FRANCIS DR., SANTA FE, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION  
1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number <b>30-025-38451</b>	Pool Code <b>37570</b>	Pool Name <b>Lea Bone Spring</b>
Property Code <b>35083</b>	Property Name <b>EAGLE 2 STATE</b>	Well Number <b>5</b>
OGRID No. <b>20165</b>	Operator Name <b>SAMSON RESOURCES</b>	Elevation <b>3662'</b>

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	2	20-S	34-E		580	SOUTH	2105	WEST	LEA

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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
<b>80</b>			

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

LOT 4	LOT 3	LOT 2	LOT 1
40.65 AC	40.75 AC	40.85 AC	40.95 AC

**OPERATOR CERTIFICATION**

I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Duke Roush* 6/26/07  
Signature Date

**Duke Roush**  
Printed Name

---

**SURVEYOR CERTIFICATION**

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 and correct to the best of my belief.



**RONALD J. EIDSON**  
Professional Surveyor  
3239

Date of Survey: 06/26/07  
Signature: *Ronald J. Eidson*  
Printed Name: **RONALD J. EIDSON**

Certificate No. **GARY EIDSON 12041**  
**RONALD J. EIDSON 3239**

**GEODETTIC COORDINATES**  
NAD 27 NME  
Y=581602.0 N  
X=746741.9 E  
LAT.=32.596374' N  
LONG.=103.532160' W

2105'  
580'

**DISTRICT I**  
1826 N. French Dr., Hobbs, NM 88240  
Phone (575) 393-8161 Fax: (575) 393-0720



State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised August 1, 2011

**DISTRICT II**  
1301 W. Grand Avenue, Artesia, NM 88210  
Phone (575) 748-6178 Fax: (575) 748-9720



**CONSERVATION DIVISION**

1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

Submit one copy to appropriate  
District Office

**DISTRICT III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone (505) 354-6178 Fax: (505) 354-6170



**DISTRICT IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone (505) 476-3460 Fax: (505) 476-3462

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

AMENDED REPORT

API Number 30-025-40330		Pool Code 37570	Pool Name LEA-BONE SPRING
Property Code 308211	Property Name EAGLE "2" STATE		Well Number 6H
OGRID No. 272295	Operator Name THREE RIVERS OPERATING COMPANY, LLC		Elevation 3665'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	2	20 S	34 E		330	SOUTH	1950	EAST	LEA

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
LOT 2	2	20 S	34 E		515497	NORTH	1980	EAST	LEA

Dedicated Acres 160	Joint or Infill	Consolidation Code	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

<p><b>PROPOSED BOTTOM HOLE LOCATION</b> Lot - N 32°36'29.16" Long - W 103°31'43.46" NMSPC- N 585895.312 E 789095.648 (NAD-83) Lot - N 32°36'28.72" Long - W 103°31'41.69" NMSPC- N 585832.275 E 747914.943 (NAD-27)</p>		<p><b>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.</p> <p>Signature: <i>Joe T. Janica</i> Date: 12/20/2012 Printed Name: Joe T. Janica Email Address: joejanica@valornet.com</p>
		<p><b>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 and correct to the best of my belief.</p> <p>OCTOBER 4 2012 Date Surveyed Signature &amp; Seal of Professional Surveyor Certificate No. Gary L. Jones 7977 BASIN SURVEYS 25332</p>

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 Commingled)

LEASE TYPE:  Fee  State  Federal

Is this an Amendment to existing Order?  Yes  No If "Yes", please include the appropriate Order No.  
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

- (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- Lea; Bone Spring (37570)  
(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.

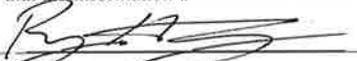
**(D) OFF-LEASE STORAGE and MEASUREMENT**  
Please attached sheets with the following information

- (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:  TITLE: Production Engineer DATE: 10-18-21  
TYPE OR PRINT NAME Ryan Hernandez TELEPHONE NO.: (972) 619-1276  
E-MAIL ADDRESS: rhernandez@matadorresources.com

**EXHIBIT 3**

# 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

October 18, 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 surface commingle (lease commingle) gas and oil production from the spacing units comprising Section 2, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico (the “Lands”)**

To Whom This May Concern,

Matador Production Company (“Matador”), OGRID: 228937, requests to commingle oil and gas production located on the Lands, and future production from the Lands as described herein.

Specifically, Matador requests to surface commingle current production from five (5) wells located on the Lands and future production from the Lands as described herein. Production will be allocated on a daily basis based on the most recent individual well tests of oil, gas, and water. These well tests will last a minimum of 24 hours and will be conducted following the guidelines shown below:

Period	From:	To:	Test frequency per month
Initial Production	First Production	Peak production or 30 days after first production	10
Plateau	End of initial production	Peak decline rate	3
Decline	End of Plateau	P&A	3

Gas exiting each test separator will flow into a gathering line, as depicted on **Exhibit A**, either the Targa (Versado Gas Processors LLC) line or to the DCP Midstream line. Each test separator will have its own 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 Laboratory Services attached as **Exhibit B** hereto.

The flow stream from each wellhead is demonstrated in the Process Flow Diagram (PFD) attached as **Exhibit A** hereto.

The PFD shows that the water, oil, and gas exit the wellbore and flow into a test 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 Processors LLC or DCP Midstream line, as applicable, 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 will be properly measured and allocated correctly using the same measurement equipment as the pipeline sales measurement specifications accepted by API as industry standard.

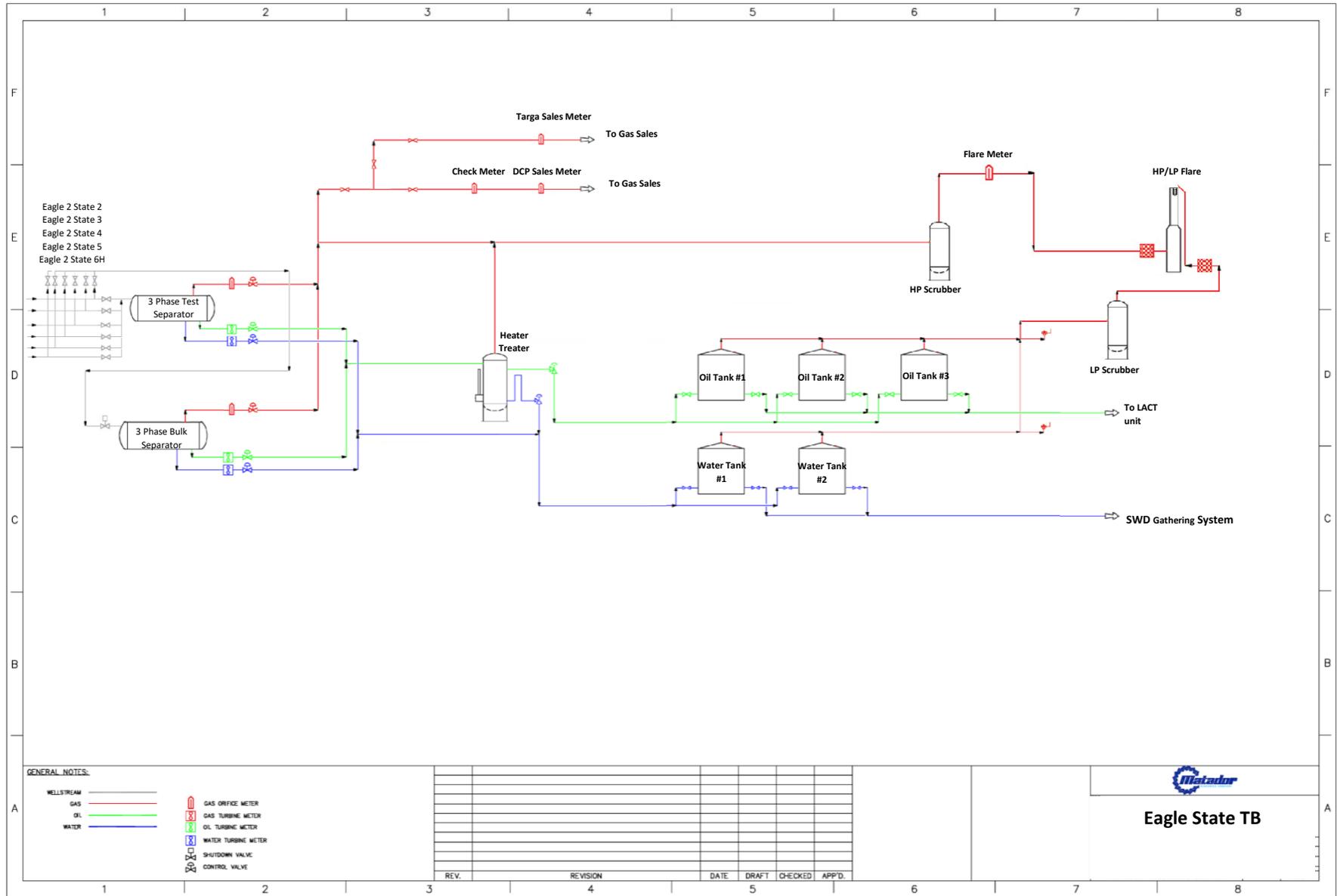
Very truly yours,

MATADOR PRODUCTION COMPANY



Ryan Hernandez  
Production Engineer

RH/bkf  
Enclosures





<b>10140G</b>	<b>40-10081</b>	<b>Eagle 2 State 6</b>	
Sample Point Code	Sample Point Name	Sample Point Location	
<b>Laboratory Services</b>	<b>2021040888</b>	<b>0812</b>	<b>Klint F - Spot</b>
Source Laboratory	Lab File No	Container Identity	Sampler
<b>USA</b>	<b>USA</b>	<b>USA</b>	<b>New Mexico</b>
District	Area Name	Field Name	Facility Name
<b>Apr 17, 2021 13:40</b>	<b>Apr 17, 2021 13:40</b>	<b>Apr 20, 2021 09:58</b>	<b>Apr 22, 2021</b>
Date Sampled	Date Effective	Date Received	Date Reported
<b>61.00</b>	<b>102.21</b>	<b>Torrance</b>	<b>51 @ 90</b>
Ambient Temp (°F)	Flow Rate (Mcf)	Analyst	Press PSI @ Temp °F Source Conditions
<b>Matador Resources</b>			<b>NG</b>
Operator			Lab Source Description

Component	Normalized Mol %	Un-Normalized Mol %	GPM
H2S (H2S)	0.0000	0	
Nitrogen (N2)	3.3990	3.39866	
CO2 (CO2)	0.1140	0.11371	
Methane (C1)	60.8590	60.85877	
Ethane (C2)	17.1090	17.10944	4.5740
Propane (C3)	11.7060	11.70615	3.2240
I-Butane (IC4)	1.1680	1.16819	0.3820
N-Butane (NC4)	3.4860	3.48557	1.0990
I-Pentane (IC5)	0.6290	0.6292	0.2300
N-Pentane (NC5)	0.6600	0.66001	0.2390
Hexanes Plus (C6+)	0.8700	0.87031	0.3770
<b>TOTAL</b>	<b>100.0000</b>	<b>100.0000</b>	<b>10.1250</b>

Gross Heating Values (Real, BTU/ft³)			
14.696 PSI @ 60.00 Å°F		14.73 PSI @ 60.00 Å°F	
Dry	Saturated	Dry	Saturated
1,465.0000	1,441.0000	1,468.4	1,444.3

Calculated Total Sample Properties	
GPA2145-16 *Calculated at Contract Conditions	
Relative Density Real	Relative Density Ideal
0.8853	0.8810
Molecular Weight	
25.5178	

C6+ Group Properties		
Assumed Composition		
C6 - 60.000%	C7 - 30.000%	C8 - 10.000%

Field H2S .2 PPM
---------------------

**PROTREND STATUS:** Passed By Validator on Apr 23, 2021  
**DATA SOURCE:** Imported

**PASSED BY VALIDATOR REASON:** Close enough to be considered reasonable.

**VALIDATOR:** Dustin Armstrong

**VALIDATOR COMMENTS:** OK

Method(s): Gas C6+ - GPA 2261, Extended Gas - GPA 2286, Calculations - GPA 2172

Analyzer Information			
Device Type:	Gas Chromatograph	Device Make:	Shimadzu
Device Model:	GC-2014	Last Cal Date:	Apr 13, 2021

<b>Party</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip Code</b>
Foran Oil Company	5400 LBJ Freeway, Ste 1500	Dallas	TX	75240
MRC Permian Company	5400 LBJ Freeway Ste 1500	Dallas	TX	75240
New Mexico State Land Office	P O Box 1148	Santa Fe	NM	87504
XTO Energy Inc	P.O. Box 840791	Dallas	TX	75207
Magnum Hunter Production Inc	202 S. Cheyenne Ave., Suite 1000	Tulsa	OK	74103-3001
Slash Exploration Ltd Ptnrshp	c/o Kyle A Armstong, Pres of Armstrong Energy Corporation P O Box 1973	Roswell	NM	88202-1973
ABUELO, LLC	JACKIE SUE JONES, MGR. 21 Crook Drive	ARTESIA	NM	88210
Bean Family Limited Partnership	PO Box 45750	Rio Rancho	NM	87174
Brian D Stokes	11 Berrendo Meadows Circle	Roswell	NM	88201
Buckhead Energy LLC	P.O. Box 471288	Fort Worth	TX	76147
CFR Royalty Partners LP	6300 Ridglea Place Suite 950	Fort Worth	TX	76116-5704
Clarkyle, Ltd	% Robert G Armstrong PO Box 1973	Roswell	NM	88202-1973
David Stanford Plett	1405 Limestone Lane	Cedar Park	TX	78613
Debra Jean Smith	3944 Todd Lane Unit 604	Gulf Shores	AL	36542
ERGODIC RESOURCES, LLC	ROBERT MICHAEL BOLING P. O. BOX 2021	ROSWELL	NM	88202-2021
Guy's Oil & Gas Ltd., Co. James G Stokes	P.O. Box 5115 2732 Albany Dr	Hobbs McKinney	NM TX	88241 75070
Joyce Newsom	5405 Y-O Road	Roswell	NM	88203
Lauri S Stokes	2716 N Pennsylvania Ave., Apt 38	Roswell	NM	88201
Leonard R Stokes	PO Box 1067	Capitan	NM	88316-1067
Lois N Brown	115 North Wind Loop	Roswell	NM	88201
MARK E. BOLING REVOCABLE TRUST	THOMAS A. CROW, TRUSTEE 8210 LOUISIANA BLVD, NE, STE B	ALBUQUE RQUE	NM	87113
Nuevo Seis Limited Partnership	P.O. Box 2588	Roswell	NM	88202-2588
ROBERT ARMSTRONG	P O BOX 1973	ROSWELL	NM	88201
Robert B Naylor	701 Bahia St	Roswell	NM	88201
Stacy Moore Boling	PO Box 1617	Artesia	NM	88211

## EXHIBIT 4

Verde Vista Energy Co

P.O. Box 310

Roswell NM

88202-  
0310



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

November 18, 2021

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

**TO: ALL AFFECTED PARTIES**

**Re: Application of Matador Production Company to authorize lease commingling at the Eagle 2 State Tank Battery located in the SE/4 NW/4 (Unit F) of Section 2, Township 20 South, Range 34 East, NMPM, Lea 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,

Kaitlyn A. Luck  
ATTORNEY FOR  
MATADOR PRODUCTION COMPANY

T 505.988.4421 F 505.983.6043  
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849  
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208  
www.hollandhart.com

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

Parent ID	Mail Date	MailClass	Company	Name	Address 1	Address 2	City	ST	Zip	Tracking No	Well
31309	11/18/2021	Certified w/ Return Receipt (Signature)		New Mexico State Land Office	PO Box 1148		Santa Fe	NM	87504-1148	94148118 98765851 103393	71403 - Matador - Eagle 2 State PLC C107B - NMSLO - notice list - 28
31309	11/18/2021	Certified w/ Return Receipt (Signature)		Verde Vista Energy Co	PO Box 310		Roswell	NM	88202-0310	94148118 98765851 103324	71403 - Matador_Eagle 2 State PLC C107B - notice list - 27
31309	11/18/2021	Certified w/ Return Receipt (Signature)		Stacy Moore Boling	PO Box 1617		Artesia	NM	88211-1617	94148118 98765851 103355	71403 - Matador_Eagle 2 State PLC C107B - notice list - 26
31309	11/18/2021	Certified w/ Return Receipt (Signature)		Robert B Naylor	701 Bahia St		Roswell	NM	88201-1369	94148118 98765851 103171	71403 - Matador_Eagle 2 State PLC C107B - notice list - 25
31309	11/18/2021	Certified w/ Return Receipt (Signature)		ROBERT ARMSTRONG	PO Box 1973		Roswell	NM	88202-1973	94148118 98765851 103188	71403 - Matador_Eagle 2 State PLC C107B - notice list - 24

31309	11/18/2021	Certified w/ Return Receipt (Signature )		Nuevo Seis Limited Partnership	PO Box 2588		Roswell	NM	88202-2588	9414811898765851103195	71403 - Matador_Eagle 2 State PLC C107B - notice list - 23
31309	11/18/2021	Certified w/ Return Receipt (Signature )	Mark E. Boling Revocable Trust	THOMAS A. CROW, TRUSTEE	8210 Louisiana Blvd NE Ste B		Albuquerque	NM	87113-1761	9414811898765851103126	71403 - Matador_Eagle 2 State PLC C107B - notice list - 22
31309	11/18/2021	Certified w/ Return Receipt (Signature )		Lois N Brown	115 North Wind Loop		Roswell	NM	88201-8363	9414811898765851103157	71403 - Matador_Eagle 2 State PLC C107B - notice list - 21
31309	11/18/2021	Certified w/ Return Receipt (Signature )		Leonard R Stokes	PO Box 1067		Capitan	NM	88316-1067	9414811898765851103119	71403 - Matador_Eagle 2 State PLC C107B - notice list - 20
31309	11/18/2021	Certified w/ Return Receipt (Signature )		Lauri S Stokes	2716 N Pennsylvania Ave Apt 38		Roswell	NM	88201-5881	9414811898765851103683	71403 - Matador_Eagle 2 State PLC C107B - notice list - 19

31309	11/18/2021	Certified w/ Return Receipt (Signature )		Joyce Newsom	5405 Y O Rd		Roswell	NM	88203-9656	9414811898765851103690	71403 - Matador_Eagle 2 State PLC C107B - notice list - 18
31309	11/18/2021	Certified w/ Return Receipt (Signature )		James G Stokes	2732 Albany Dr		McKinney	TX	75072-3396	9414811898765851103621	71403 - Matador_Eagle 2 State PLC C107B - notice list - 17
31309	11/18/2021	Certified w/ Return Receipt (Signature )		Guys Oil & Gas Ltd., Co.	PO Box 5115		Hobbs	NM	88241-5115	9414811898765851103652	71403 - Matador_Eagle 2 State PLC C107B - notice list - 16
31309	11/18/2021	Certified w/ Return Receipt (Signature )		ERGODIC RESOURCES, LLC	Robert Michael Bolingp. O. Box 2021		Roswell	NM	88202	9414811898765851103614	71403 - Matador_Eagle 2 State PLC C107B - notice list - 15
31309	11/18/2021	Certified w/ Return Receipt (Signature )		Debra Jean Smith	3944 Todd Ln Unit 604		Gulf Shores	AL	36542-2987	9414811898765851103973	71403 - Matador_Eagle 2 State PLC C107B - notice list - 14

31309	11/18/2021	Certified w/ Return Receipt (Signature )		David Stanford Plett	1405 Limestone Ln		Cedar Park	TX	78613-2615	9414811898765851103935	71403 - Matador_Eagle 2 State PLC C107B - notice list - 13
31309	11/18/2021	Certified w/ Return Receipt (Signature )		Clarkyle, Ltd	Robert G Armstrongpo Box 1973		Roswell	NM	88202	9414811898765851103980	71403 - Matador_Eagle 2 State PLC C107B - notice list - 12
31309	11/18/2021	Certified w/ Return Receipt (Signature )		CFR Royalty Partners LP	6300 Ridglea Pl Ste 950		Fort Worth	TX	76116-5716	9414811898765851103942	71403 - Matador_Eagle 2 State PLC C107B - notice list - 11
31309	11/18/2021	Certified w/ Return Receipt (Signature )		Buckhead Energy LLC	PO Box 471288		Fort Worth	TX	76147-1288	9414811898765851103997	71403 - Matador_Eagle 2 State PLC C107B - notice list - 10
31309	11/18/2021	Certified w/ Return Receipt (Signature )		Brian D Stokes	11 Berrendo Meadows Cir		Roswell	NM	88201-3434	9414811898765851103904	71403 - Matador_Eagle 2 State PLC C107B - notice list - 9

31309	11/18/2021	Certified w/ Return Receipt (Signature )		Bean Family Limited Partnershp	PO Box 45750		Rio Rancho	NM	87174-5750	9414811898765851103928	71403 - Matador_Eagle 2 State PLC C107B - notice list - 8
31309	11/18/2021	Certified w/ Return Receipt (Signature )		ABUELO, LLC	21 Crook Dr Jackie Sue Jones Mgr		Artesia	NM	88210-9227	9414811898765851103966	71403 - Matador_Eagle 2 State PLC C107B - notice list - 7
31309	11/18/2021	Certified w/ Return Receipt (Signature )	Slash Exploration Ltd Ptnrshp	c/o Kyle A Armstong, Pres	PO Box 1973	Of Armstrong Energy Corporation	Roswell	NM	88202-1973	9414811898765851103911	71403 - Matador_Eagle 2 State PLC C107B - notice list - 6
31309	11/18/2021	Certified w/ Return Receipt (Signature )		Magnum Hunter Production Inc	202 S Cheyenne Ave Ste 1000		Tulsa	OK	74103-3001	9414811898765851103775	71403 - Matador_Eagle 2 State PLC C107B - notice list - 5
31309	11/18/2021	Certified w/ Return Receipt (Signature )		XTO Energy Inc	PO Box 840791		Dallas	TX	75284-0791	9414811898765851103737	71403 - Matador_Eagle 2 State PLC C107B - notice list - 4

31309	11/18/2021	Certified w/ Return Receipt (Signature )		New Mexico State Land Office	PO Box 1148		Santa Fe	NM	87504-1148	9414811898765851103782	71403 - Matador_Eagle 2 State PLC C107B - notice list - 3
31309	11/18/2021	Certified w/ Return Receipt (Signature )		MRC Permian Company	5400 Lbj Fwy Ste 1500		Dallas	TX	75240-1017	9414811898765851103744	71403 - Matador_Eagle 2 State PLC C107B - notice list - 2
31309	11/18/2021	Certified w/ Return Receipt (Signature )		Foran Oil Company	5400 Lbj Fwy Ste 1500		Dallas	TX	75240-1017	9414811898765851103799	71403 - Matador_Eagle 2 State PLC C107B - notice list - 1

# Affidavit of Publication

STATE OF NEW MEXICO  
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

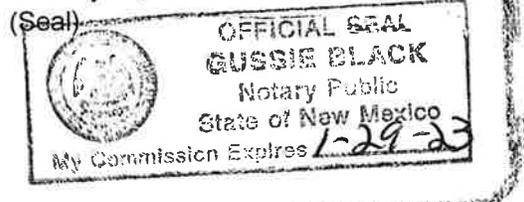
Beginning with the issue dated  
November 23, 2021  
and ending with the issue dated  
November 23, 2021.

  
\_\_\_\_\_  
Publisher

Sworn and subscribed to before me this  
23rd day of November 2021.

  
\_\_\_\_\_  
Business Manager

My commission expires  
January 29, 2023



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

### LEGAL NOTICE November 23, 2021

To: All affected parties, including Foran Oil Company; MRC Permian Company; New Mexico State Land Office; XTO Energy Inc; Magnum Hunter Production Inc; Slash Exploration Ltd Ptnrshp c/o Kyle A Armstong, Pres of Armstrong Energy Corporation; Abuelo, LLC; Bean Family Limited Partnership; Brian D Stokes, his heirs and devisees; Buckhead Energy LLC; CFR Royalty Partners LP; Clarkyle, Ltd % Robert G Armstrong; David Stanford Plett, his heirs and devisees; Debra Jean Smith, her heirs and devisees; Ergodic Resources, LLC; Guy's Oil & Gas Ltd., Co.; James G Stokes, his heirs and devisees; Joyce Newsom, her heirs and devisees; Lauri S. Stokes, her heirs and devisees; Leonard R. Stokes, his heirs and devisees; Lois N. Brown, her heirs and devisees; Mark E. Boling Revocable Trust; Nuevo Seis Limited Partnership; Robert Armstrong, his heirs and devisees; Robert B Naylor, his heirs and devisees; Stacy Moore Boling, her heirs and devisees; and Verde Vista Energy Co.

Application of Matador Production Company to authorize pool commingling at the Eagle 2 State Tank Battery located in the SE/4 NW/4 (Unit F) of Section 2, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico. Pursuant to 19.15.12.7 NMAC, Matador Production Company (OGRID No. 228937) seeks administrative approval for lease commingling, at the Eagle 2 State Tank Battery of production from the Lea Bone Spring Pool (37570), from all existing and future wells drilled in the following spacing units:

- (a) The 80-acre, more or less, spacing unit in the Bone Spring formation underlying the W/2 SW/4 of Section 2. The spacing unit is currently dedicated to the Eagle 2 State #2 well (API No. 30-025-37863);
- (b) The 80-acre, more or less, spacing unit in the Bone Spring formation underlying the E/2 NW/4 of Section 2. The spacing unit is currently dedicated to the Eagle 2 State #3 well (API No. 30-025-38042);
- (c) The 80-acre, more or less, spacing unit in the Bone Spring formation underlying the W/2 NW/4 of Section 2. The spacing unit is currently dedicated to the Eagle 2 State #4 well (API No. 30-025-38622);
- (d) The 80-acre, more or less, spacing unit in the Bone Spring formation underlying the E/2 SW/4 of Section 2. The spacing unit is currently dedicated to the Eagle 2 State #5 well (API No. 30-025-38451);
- (e) The 160-acre, more or less, spacing unit in the Bone Spring formation underlying the E/2 E/2 of Section 2. The spacing unit is currently dedicated to the Eagle 2 State #6H well (API No. 30-025-40330); and
- (f) 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.

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 or KPerkins@matadorresources.com. #37060

67100754

00260960

HOLLAND & HART LLC  
PO BOX 2208  
SANTA FE, NM 87504-2208

**From:** [Engineer, OCD, EMNRD](#)  
**To:** [Adam Rankin](#)  
**Cc:** [McClure, Dean, EMNRD](#); [Kautz, Paul, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); [lisa@rwbyram.com](mailto:lisa@rwbyram.com); [Dawson, Scott](#)  
**Subject:** Approved Administrative Order CTB-1016  
**Date:** Friday, April 15, 2022 11:11:53 AM  
**Attachments:** [CTB1016 Order.pdf](#)

---

NMOCD has issued Administrative Order CTB-1016 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
30-025-37863	Eagle 2 State #2	W/2 SW/4	2-20S-34E	37570
30-025-38042	Eagle 2 State #3	E/2 NW/4	2-20S-34E	37570
30-025-38622	Eagle 2 State #4	W/2 NW/4	2-20S-34E	37570
30-025-38451	Eagle 2 State #5	E/2 SW/4	2-20S-34E	37570
30-025-40330	Eagle 2 State #6H	W/2 E/2	2-20S-34E	37570

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  
OIL CONSERVATION DIVISION**

**APPLICATION FOR SURFACE COMMINGLING  
SUBMITTED BY MATADOR PRODUCTION COMPANY                      ORDER NO. CTB-1016**

**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 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 wells which have not yet been approved to be drilled, but will produce from a pool and lease identified in Exhibit A.
8. Applicant submitted or intends to submit one or more proposed communitization agreement(s) (“Proposed Agreement(s)”) to the BLM or NMSLO, as applicable, identifying the acreage of each lease to be consolidated into a single pooled area (“Pooled Area”), as described in Exhibit B.

### **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. For each Pooled Area described in Exhibit B, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil and gas production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.

No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit Form C-103 to OCD with a copy of the decision and a

description of the approved lands, as applicable. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, this Order shall terminate on the date of such action, and Applicant shall cease commingling the production from the Pooled Area. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), Applicant shall comply with the approved Agreement(s), and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingle application to OCD to conform this Order with the approved Agreement(s). If OCD denies the new surface commingle application, this Order shall terminate on the date of such action.

Applicant shall allocate the oil and gas production to each lease within a Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the Pooled Area described in Exhibit B until the Proposed Agreement which includes the Pooled Area is approved. After the Proposed Agreement is approved, the oil and gas production from the Pooled Area shall be allocated as required by the BLM's or NMSLO's, as applicable, approval of the Agreement, including any production that had been allocated previously in accordance with this Order.

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 allocation of oil and gas production shall be based on the production life of each well as measured for three periods: (a) the initial production period shall be measured from the first production until the earlier of either the peak production rate or thirty (30) days after the first production; (b) the plateau period shall be measured from the end of the initial production period to the peak decline rate; and (c) the decline period shall be measured from the end of the plateau period until the well is plugged and abandoned.

During the initial production period, the oil and gas production for each well identified in Exhibit A shall be allocated using a production curve calculated from a minimum of ten (10) well tests per month, except that any day in which a well test cannot achieve an accurate result due to a temporary change in oil and gas production shall not be included in the computation of time determining the well test schedule. The production curve shall be calculated by interpolating daily production for each day using the known daily production obtained by well tests and shall use a method of interpolation that is at minimum as accurate as maintaining a constant rate of change for each day's production between the known daily production values.

During the plateau period, the oil and gas production for each well identified in Exhibit A shall be allocated using a minimum of three (3) well tests per month.

During the decline period, the oil and gas production for each well identified in Exhibit A shall be allocated as follows: (a) a minimum of three (3) well tests per month when the decline rate is greater than twenty-two percent (22%) per month; (b) a minimum of two (2) well tests per month when the decline rate is between twenty-two percent (22%) and ten percent (10%) per month; and (c) a minimum of one (1) well test per month when the decline rate is less than ten percent (10%) per month.

Upon OCD's request, Applicant shall submit a Form C-103 to the OCD Engineering Bureau that contains the decline rate curve and other relevant information demonstrating the production life of a well.

Applicant shall conduct a well test by separating and metering the oil and gas production from that well for either (a) a minimum of twenty-four (24) consecutive hours; or (b) a combination of nonconsecutive periods that meet the following conditions: (i) each period shall be a minimum of six (6) hours; and (ii) the total duration of the nonconsecutive periods shall be a minimum of eighteen (18) hours.

The well test requirements of this Order shall be suspended for any well shut-in for a period that continues for more than fifteen (15) days until the well commences production.

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**

  
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**ADRIENNE E. SANDOVAL  
DIRECTOR**

**DATE:** 4/15/2022

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit A

Order: **CTB-1016**

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

Central Tank Battery: **Eagle 2 State Tank Battery**

Central Tank Battery Location: **UL F, Section 2, Township 20 South, Range 34 East**

Gas Title Transfer Meter Location: **UL F, Section 2, Township 20 South, Range 34 East**

### Pools

Pool Name	Pool Code
<b>LEA; BONE SPRING</b>	<b>37570</b>

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

Lease	UL or Q/Q	S-T-R
<b>LG 28330002</b>	<b>N/2</b>	<b>2-20S-34E</b>
<b>LG 27500002</b>	<b>S/2</b>	<b>2-20S-34E</b>

### Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
<b>30-025-37863</b>	<b>Eagle 2 State #2</b>	<b>W/2 SW/4</b>	<b>2-20S-34E</b>	<b>37570</b>
<b>30-025-38042</b>	<b>Eagle 2 State #3</b>	<b>E/2 NW/4</b>	<b>2-20S-34E</b>	<b>37570</b>
<b>30-025-38622</b>	<b>Eagle 2 State #4</b>	<b>W/2 NW/4</b>	<b>2-20S-34E</b>	<b>37570</b>
<b>30-025-38451</b>	<b>Eagle 2 State #5</b>	<b>E/2 SW/4</b>	<b>2-20S-34E</b>	<b>37570</b>
<b>30-025-40330</b>	<b>Eagle 2 State #6H</b>	<b>W/2 E/2</b>	<b>2-20S-34E</b>	<b>37570</b>

State of New Mexico  
Energy, Minerals and Natural Resources Department

**Exhibit B**

Order: **CTB-1016**  
Operator: **Matador Production Company (228937)**

**Pooled Areas**

Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Bone Spring NMSLO PUN 1328977	W/2 E/2	2-20S-34E	160.85	A

**Leases Comprising Pooled Areas**

Lease	UL or Q/Q	S-T-R	Acres	Pooled Area ID
LG 28330002	W/2 NE/4	2-20S-34E	80.85	A
LG 27500002	W/2 SE/4	2-20S-34E	80	A

**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 Rd., Aztec, NM 87410  
 Phone:(505) 334-6178 Fax:(505) 334-6170  
**District IV**  
 1220 S. St Francis Dr., Santa Fe, NM 87505  
 Phone:(505) 476-3470 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 64894

**CONDITIONS**

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 64894
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

**CONDITIONS**

Created By	Condition	Condition Date
dmclure	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.	4/15/2022