

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



Adam G. Rankin
Phone (505) 954-7294
Fax (505) 819-5579
AGRankin@hollandhart.com

June 1, 2022

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 for administrative approval to surface commingle (lease) oil and gas production from spacing units within the N/2 of Section 12 and the NE/4 of Section 11, Township 21 South, Range 27 East, Eddy County, New Mexico.

Dear Ms. Sandoval:

Matador Production Company (OGRID No. 228937), pursuant to 19.15.12.10 NMAC, seeks administrative approval to surface commingle (lease) diversely owned oil and gas production at the **Bo Howard Tank Battery** *insofar as all existing and future infill wells drilled in the following spacing units:*

(a) The 240-acre spacing unit comprised of the N/2 N/2 of Section 12 and N/2 NE/4 of Section 11, in the Avalon; Bone Spring, East [3713] – currently dedicated to the **Bo Howard 1211 Fed Com #121H well** (API. No. 30-015-49427);

(b) The 240-acre spacing unit comprised of the S/2 N/2 of Section 12 and S/2 NE/4 of Section 11, in the Avalon; Bone Spring, East [3713] – currently dedicated to the **Bo Howard 1211 Fed Com #122H well** (API. No. 30-015-49428); and

(c) Pursuant to 19.15.12.10.C(4)(g), *future Avalon; Bone Spring, East [3713] spacing units connected to the Bo Howard Tank Battery* with notice provided only to the owners of interests to be added.

Oil and gas production from these spacing units will be commingled and sold at the Bo Howard Tank Battery located in the NE/4 NE/4 of Section 12. Gas production from each separator will be separately metered with calibrated orifice meters that are manufactured to AGA specifications. Oil production from each separator will be separately metered using turbine meters.

Exhibit 1 is a land plat showing Matador's current development plan, well pads, and central tank battery ("Facility Pad") in the subject area. The plat also identifies the wellbores (including surface/bottomhole locations) and lease/spacing unit boundaries.

Exhibit 2 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 an example gas analysis (attachment B to the statement).

Exhibit 3 is a C-102 for each of the wells currently drilled within the existing spacing units.

Exhibit 4 includes relevant communitization agreements.

Ownership is diverse between the above-described spacing units, each of which are either subject to a pooling agreement or a pooling order and are therefore considered “leases” as defined by 19.15.12.7(C) NMAC. **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.

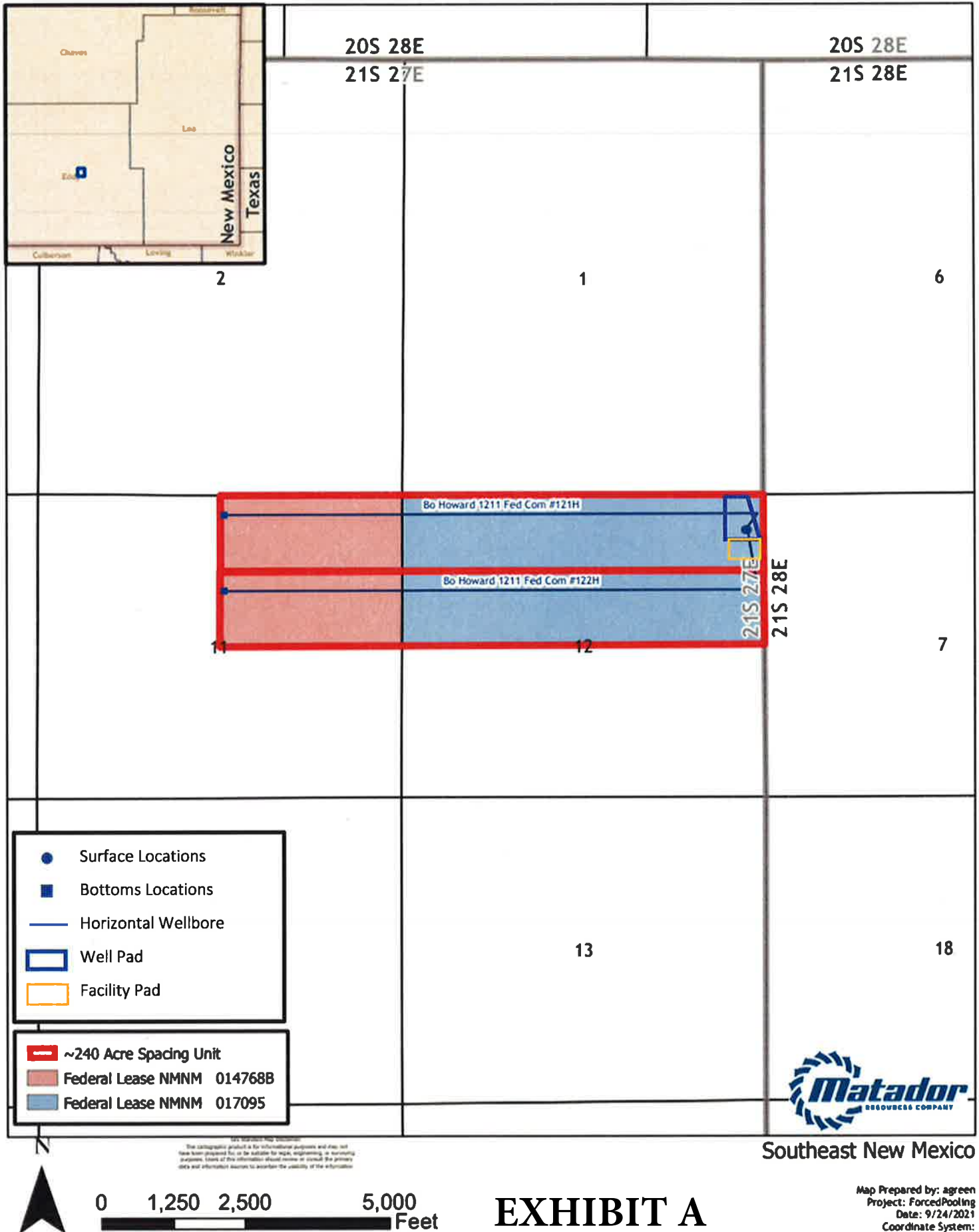
Thank you for your attention to this matter, and please feel free to call if you have any questions or require additional information.

Sincerely,



Adam G. Rankin
ATTORNEY FOR
MATADOR PRODUCTION COMPANY

Bo Howard



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- Avalon; Bone Spring, East [3717]
(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: 3-28-22

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

E-MAIL ADDRESS: rhernandez@matadorresources.com

EXHIBIT B

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

Ryan Hernandez
Production Engineer

March 24, 2022

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) gas and oil production from the spacing units comprised of the N/2 of Section 12 and the NE/4 of Section 11 Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico (the “Lands”).

To Whom This May Concern,

Matador Production Company (“Matador”), OGRID: 228937, requests to commingle current oil and gas production from two (2) 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**, the Longwood RB Pipeline, LLC 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 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. Longwood RB Pipeline, LLC has its own orifice meter that measures the gas for custody transfer. These meters are also calibrated periodically to ensure the measurement accuracy.

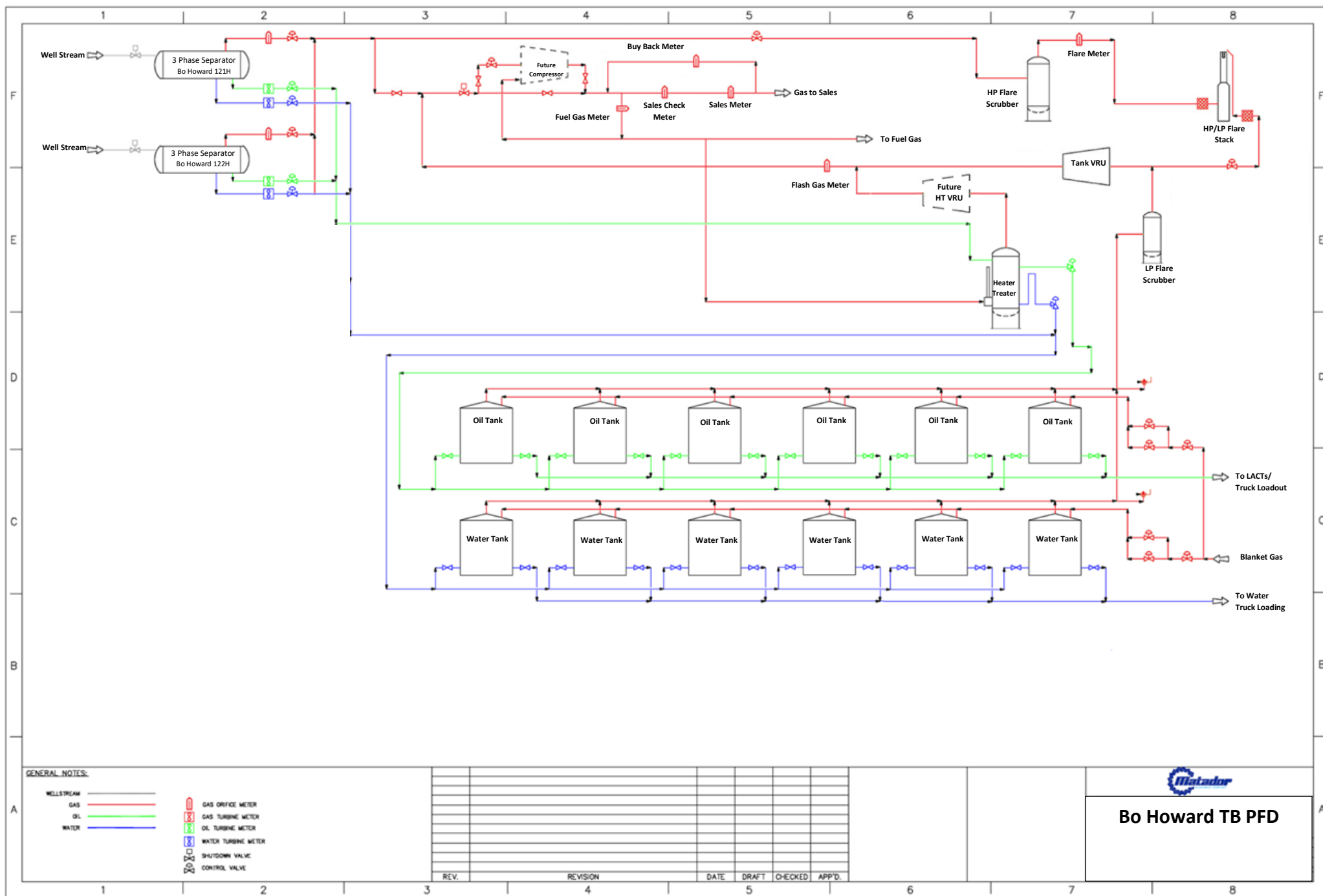
In conclusion, all the oil and gas produced on the Lands is and will be metered at each wellhead and allocated correctly using the same measurement equipment as the pipeline sales measurement specifications accepted by API as industry standard.

Very truly yours,

MATADOR PRODUCTION COMPANY

A handwritten signature in black ink, appearing to read 'RH' followed by a stylized flourish.

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: Leatherneck 3029 Federal COM No. 127H
First Stage Separator
Spot Gas Sample @ 69 psig & 105 °F

Date Sampled: 07/16/2021

Job Number: 212238.001

CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286

COMPONENT	MOL%	GPM
Hydrogen Sulfide*	< 0.001	
Nitrogen	1.273	
Carbon Dioxide	0.184	
Methane	67.615	
Ethane	14.724	4.038
Propane	8.326	2.352
Isobutane	1.171	0.393
n-Butane	2.843	0.919
2-2 Dimethylpropane	0.021	0.008
Isopentane	0.733	0.275
n-Pentane	0.777	0.289
Hexanes	1.019	0.430
Heptanes Plus	<u>1.314</u>	<u>0.580</u>
Totals	100.000	9.285

Computed Real Characteristics Of Heptanes Plus:

Specific Gravity ----- 3.543 (Air=1)
Molecular Weight ----- 102.04
Gross Heating Value ----- 5515 BTU/CF

Computed Real Characteristics Of Total Sample:

Specific Gravity ----- 0.869 (Air=1)
Compressibility (Z) ----- 0.9945
Molecular Weight ----- 25.04
Gross Heating Value
Dry Basis ----- 1505 BTU/CF
Saturated Basis ----- 1480 BTU/CF

*Hydrogen Sulfide tested on location by: Stain Tube Method (GPA 2377)
Results: 0.314 Gr/100 CF, 5.0 PPMV or 0.000 Mol %

Base Conditions: 15.025 PSI & 60 Deg F

Sampled By: (14) L. Turner
Analyst: RG
Processor: RG
Cylinder ID: G-0121

Certified: FESCO, Ltd. - Alice, Texas

Conan Pierce 361-661-7015

CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286
TOTAL REPORT

COMPONENT	MOL %	GPM	WT %
Hydrogen Sulfide*	< 0.001		< 0.001
Nitrogen	1.273		1.424
Carbon Dioxide	0.184		0.323
Methane	67.615		43.322
Ethane	14.724	4.038	17.681
Propane	8.326	2.352	14.662
Isobutane	1.171	0.393	2.718
n-Butane	2.843	0.919	6.599
2,2 Dimethylpropane	0.021	0.008	0.061
Isopentane	0.733	0.275	2.112
n-Pentane	0.777	0.289	2.239
2,2 Dimethylbutane	0.029	0.012	0.100
Cyclopentane	0.000	0.000	0.000
2,3 Dimethylbutane	0.096	0.040	0.330
2 Methylpentane	0.324	0.138	1.115
3 Methylpentane	0.181	0.076	0.623
n-Hexane	0.389	0.164	1.339
Methylcyclopentane	0.134	0.049	0.450
Benzene	0.044	0.013	0.137
Cyclohexane	0.112	0.039	0.376
2-Methylhexane	0.075	0.036	0.300
3-Methylhexane	0.067	0.032	0.268
2,2,4 Trimethylpentane	0.000	0.000	0.000
Other C7's	0.137	0.061	0.543
n-Heptane	0.129	0.061	0.516
Methylcyclohexane	0.164	0.068	0.643
Toluene	0.086	0.030	0.316
Other C8's	0.138	0.066	0.607
n-Octane	0.039	0.020	0.178
Ethylbenzene	0.002	0.001	0.008
M & P Xylenes	0.032	0.013	0.136
O-Xylene	0.005	0.002	0.021
Other C9's	0.041	0.021	0.207
n-Nonane	0.011	0.006	0.056
Other C10's	0.031	0.019	0.175
n-Decane	0.020	0.013	0.114
Undecanes (11)	<u>0.047</u>	<u>0.033</u>	<u>0.301</u>
Totals	100.000	9.285	100.000

Computed Real Characteristics of Total Sample

Specific Gravity -----	0.869	(Air=1)
Compressibility (Z) -----	0.9945	
Molecular Weight -----	25.04	
Gross Heating Value		
Dry Basis -----	1505	BTU/CF
Saturated Basis -----	1480	BTU/CF

FESCO, Ltd.**1100 Fesco Ave. - Alice, Texas 78332****Sample:** Leatherneck 3029 Federal COM No. 127H

First Stage Separator

Spot Gas Sample @ 69 psig & 105 °F

Date Sampled: 07/16/2021

Job Number: 212238.001

GLYCALC FORMAT

COMPONENT	MOL%	GPM	Wt %
Carbon Dioxide	0.184		0.323
Hydrogen Sulfide	< 0.001		< 0.001
Nitrogen	1.273		1.424
Methane	67.615		43.322
Ethane	14.724	4.038	17.681
Propane	8.326	2.352	14.662
Isobutane	1.171	0.393	2.718
n-Butane	2.864	0.927	6.660
Isopentane	0.733	0.275	2.112
n-Pentane	0.777	0.289	2.239
Cyclopentane	0.000	0.000	0.000
n-Hexane	0.389	0.164	1.339
Cyclohexane	0.112	0.039	0.376
Other C6's	0.630	0.266	2.168
Heptanes	0.542	0.238	2.077
Methylcyclohexane	0.164	0.068	0.643
2,2,4 Trimethylpentane	0.000	0.000	0.000
Benzene	0.044	0.013	0.137
Toluene	0.086	0.030	0.316
Ethylbenzene	0.002	0.001	0.008
Xylenes	0.037	0.015	0.157
Octanes Plus	<u>0.327</u>	<u>0.178</u>	<u>1.638</u>
Totals	100.000	9.285	100.000

Real Characteristics Of Octanes Plus:

Specific Gravity -----	4.356	(Air=1)
Molecular Weight -----	125.49	
Gross Heating Value -----	6695	BTU/CF

Real Characteristics Of Total Sample:

Specific Gravity -----	0.869	(Air=1)
Compressibility (Z) -----	0.9945	
Molecular Weight -----	25.04	
Gross Heating Value		
Dry Basis -----	1505	BTU/CF
Saturated Basis -----	1480	BTU/CF

EXHIBIT 3

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

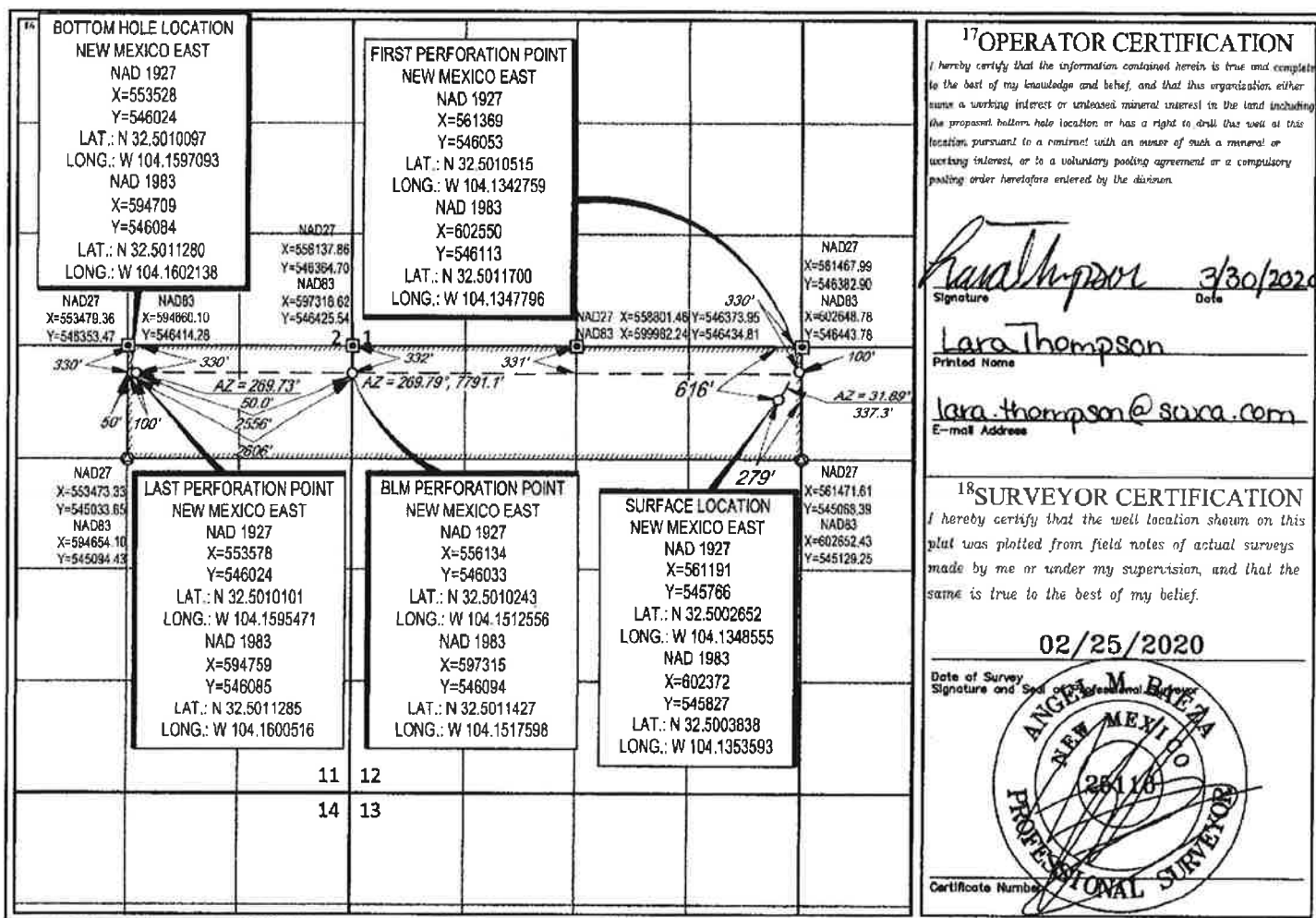
State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 3713		³ Pool Name Avalon, Bonespring					
⁴ Property Code		⁵ Property Name BO HOWARD 1211 FED COM			⁶ Well Number 121H				
⁷ OGRID No.		⁸ Operator Name MATADOR PRODUCTION COMPANY			⁹ Elevation 3193'				
¹⁰ Surface Location									
UL or lot no. A	Section 12	Township 21-S	Range 27-E	Lot Idn -	Feet from the 616'	North/South line NORTH	Feet from the 279'	East/West line EAST	County EDDY
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. B	Section 11	Township 21-S	Range 27-E	Lot Idn -	Feet from the 330'	North/South line NORTH	Feet from the 2606'	East/West line EAST	County EDDY
¹² Dedicated Acres 240		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ 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\BO_HOWARD_1211_12-215-27\FINAL_PRODUCTS\ILO_BO_HOWARD_1211_FED_COM_121H_REV2.DWG 3/5/2020 3:22:58 PM jrichardson

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

¹ API Number	² Pool Code	³ Pool Name
	3713	Avalon, BoneSpring
⁴ Property Code	⁵ Property Name	⁶ Well Number
	BO HOWARD 1211 FED COM	122H
⁷ OGRID No.	⁸ Operator Name	⁹ Elevation
	MATADOR PRODUCTION COMPANY	3193'

¹⁰Surface Location

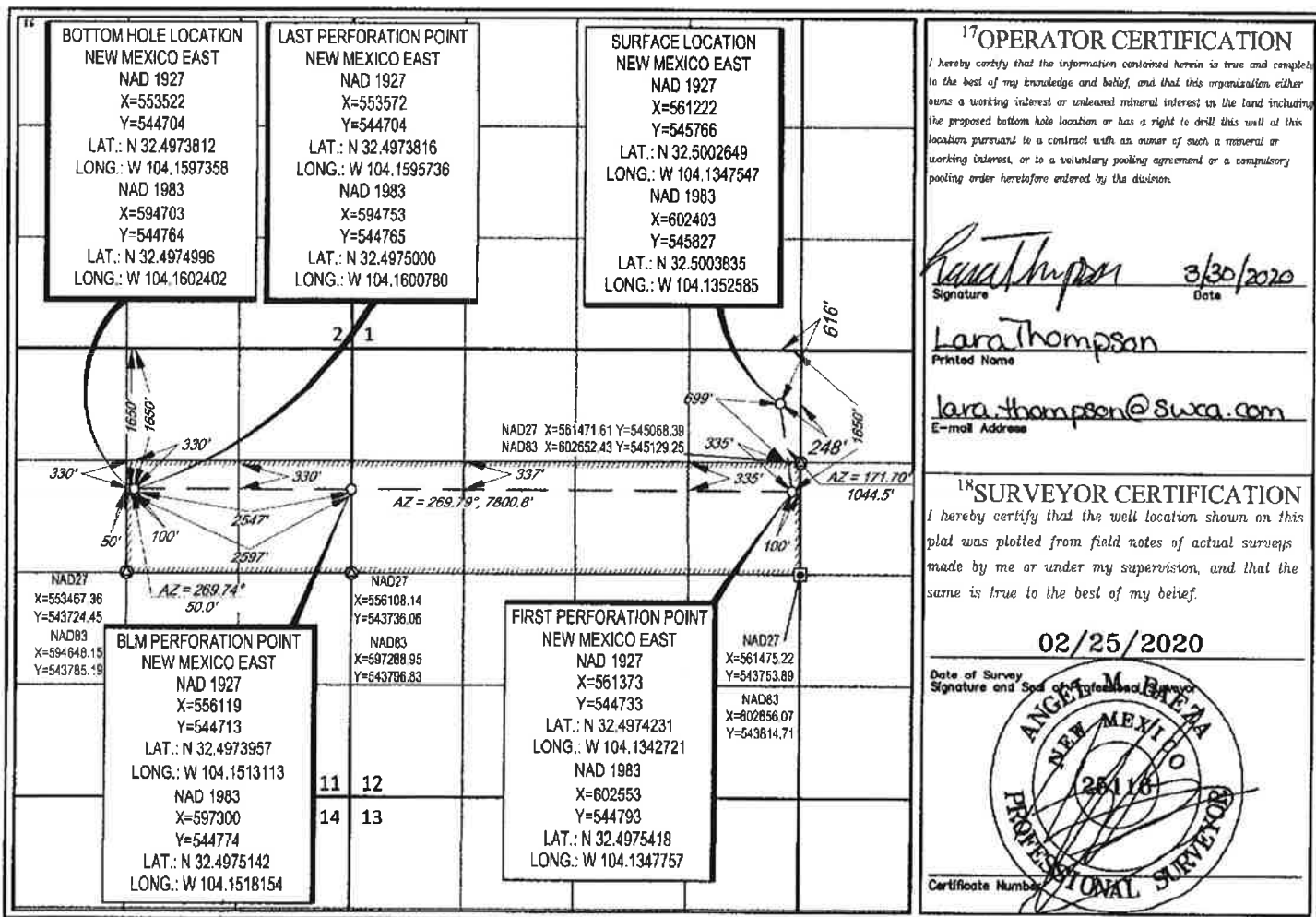
UT. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	12	21-S	27-E	-	616'	NORTH	248'	EAST	EDDY

¹¹Bottom Hole Location If Different From Surface

UT. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	11	21-S	27-E	-	1650'	NORTH	2597'	EAST	EDDY

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
240			

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\BO_HOWARD_1211_12-215-27\FINAL_PRODUCTS\LO_BO_HOWARD_1211_FED_COM_122H_REV2.DWG 3/5/2020 3:20:23 PM jrichardson

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the **6th** day of **April, 2022**, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

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 portion 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 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 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 this 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:

N2N2 of Section 12 & the N2NE4 of Sections 11, Township 21 South, Range 27 East, Eddy County, New Mexico.

Containing **240.00** acres, and this agreement shall include only the Bone Spring Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator

EXHIBIT 4

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. The Operator of the communitized area shall be **Matador Production Company 5400 Lyndon B Johnson Fwy, Suite 1500, Dallas, Texas, 75240**. All matters of operations 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 four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, 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, 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 there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of $1/8^{\text{th}}$ or $12 \frac{1}{2}$ percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining $7/8^{\text{th}}$ should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the

communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

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 if such failure results from, compliance with any such laws, orders, rules or regulations.

10. The date of this agreement is **April 6, 2022**, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, 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 production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-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.
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 interests 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 land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. 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.
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 the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.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 above written and have set opposite their respective names the date of execution.

Operator: Matador Production Company

Signature of Authorized Agent

By: Craig N. Adams, Executive Vice President & COO

Name & Title of Authorized Agent

Date: _____

ACKNOWLEDGEMENT

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this ____ day of _____, 2022, before me, a Notary Public for the State of Texas, personally appeared Craig N. Adams, known to me to be the Executive Vice President & COO of Matador Production Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

MRC Permian Company

By: _____

Craig N. Adams, Executive Vice President & COO
Print Name

Date: _____

ACKNOWLEDGEMENT

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this ____ day of _____, 2022, before me, a Notary Public for the State of Texas, personally appeared Craig N. Adams, known to me to be the Executive Vice President & COO of MRC Permian Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

EXHIBIT “A”

Plat of communitized area covering **240.00** acres in N2N2 of Section 12 & the N2NE4 of Sections 11, Township 21 South, Range 27 East, Eddy County, New Mexico.

Bo Howard 1211 Fed Com #121H

	Tract 2 NMNM-014768B 80.00 Acres	Tract 1 NMNM-017095 160.00 Acres
Section 11		Section 12

EXHIBIT “B”

Attached to and made a part of that certain Communitization Agreement dated April 6, 2022, embracing the following described land in the N2N2 of Section 12 & the N2NE4 of Sections 11, Township 21 South, Range 27 East, Eddy County, New Mexico.

Operator of Communitized Area: **Matador Production Company**

DESCRIPTION OF LEASES COMMITTED**Tract No. 1**

Lease Serial Number:	NMNM-017095
Description of Land Committed:	Township 21 South, Range 27 East, Section 12: N2N2
Number of Acres:	160.00
Current Lessee of Record:	XTO Holdings, LLC
Name of Working Interest Owners:	MRC Permian Company Chevron U.S.A., Inc. <i>(Compulsory Pooled)</i> Devon Energy Production Company, LP <i>(Compulsory Pooled)</i>

Tract No. 2

Lease Serial Number:	NMNM-014768B
Description of Land Committed:	Township 21 South, Range 27 East, Section 11: N2NE4
Number of Acres:	80.00
Current Lessee of Record:	Southwest Royalties, Inc
Name of Working Interest Owners:	MRC Permian Company Chevron U.S.A., Inc. <i>(Compulsory Pooled)</i> Devon Energy Production Company, LP <i>(Compulsory Pooled)</i>

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	160.00	66.67%
2	80.00	33.33%
Total	240.00	100.00%

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the **6th** day of **April, 2022**, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

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 portion 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 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 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 this 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:

S2N2 of Section 12 & the S2NE4 of Sections 11, Township 21 South, Range 27 East, Eddy County, New Mexico.

Containing **240.00** acres, and this agreement shall include only the Bone Spring Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, 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. The Operator of the communitized area shall be **Matador Production Company 5400 Lyndon B Johnson Fwy, Suite 1500, Dallas, Texas, 75240**. All matters of operations 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 four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, 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, 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 there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of $1/8^{\text{th}}$ or $12 \frac{1}{2}$ percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining $7/8^{\text{th}}$ should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the

communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

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 if such failure results from, compliance with any such laws, orders, rules or regulations.

10. The date of this agreement is **April 6, 2022**, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, 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 production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-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.
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 interests 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 land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. 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.
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 the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.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 above written and have set opposite their respective names the date of execution.

Operator: Matador Production Company

Signature of Authorized Agent

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

Date: _____

ACKNOWLEDGEMENT

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this ____ day of _____, 2022, before me, a Notary Public for the State of Texas, personally appeared Craig N. Adams, known to me to be the Executive Vice President & COO of Matador Production Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

MRC Permian Company

By: _____

Craig N. Adams, Executive Vice President & COO
Print Name

Date: _____

ACKNOWLEDGEMENT

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this ____ day of _____, 2022, before me, a Notary Public for the State of Texas, personally appeared Craig N. Adams, known to me to be the Executive Vice President & COO of MRC Permian Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

Plat of communitized area covering **240.00** acres in S2N2 of Section 12 & the S2NE4 of Sections 11, Township 21 South, Range 27 East, Eddy County, New Mexico.

The map displays two adjacent sections of land, Section 11 on the left and Section 12 on the right. Section 11 is divided into two tracts: Tract 2 (NMNM-014768B, 80.00 Acres) and Tract 1 (NMNM-017095, 160.00 Acres). Tract 2 is shaded light blue and is located in the upper right portion of Section 11. Tract 1 is also shaded light blue and is located in the lower right portion of Section 11. The map includes a north arrow in the top left corner and a scale bar in the top right corner. The scale bar indicates distances of 0, 100, and 200 feet. The map is bounded by a solid black line on the left and top, and a dashed black line on the right and bottom.

Section	Tract	Acres
Section 11	Tract 2	80.00
Section 11	Tract 1	160.00

EXHIBIT “B”

Attached to and made a part of that certain Communitization Agreement dated April 6, 2022, embracing the following described land in the S2N2 of Section 12 & the S2NE4 of Sections 11, Township 21 South, Range 27 East, Eddy County, New Mexico.

Operator of Communitized Area: **Matador Production Company**

DESCRIPTION OF LEASES COMMITTED**Tract No. 1**

Lease Serial Number:	NMNM-017095
Description of Land Committed:	Township 21 South, Range 27 East, Section 12: S2N2
Number of Acres:	160.00
Current Lessee of Record:	XTO Holdings, LLC
Name of Working Interest Owners:	MRC Permian Company Chevron U.S.A., Inc. <i>(Compulsory Pooled)</i> Devon Energy Production Company, LP <i>(Compulsory Pooled)</i>

Tract No. 2

Lease Serial Number:	NMNM-014768B
Description of Land Committed:	Township 21 South, Range 27 East, Section 11: S2NE4
Number of Acres:	80.00
Current Lessee of Record:	Southwest Royalties, Inc
Name of Working Interest Owners:	MRC Permian Company Chevron U.S.A., Inc. <i>(Compulsory Pooled)</i> Devon Energy Production Company, LP <i>(Compulsory Pooled)</i>

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	160.00	66.67%
2	80.00	33.33%
Total	240.00	100.00%

Party	Interest Type	Address
Abo Empire, LLC	WI	P.O. Box 900 Artesia, NM 88211-0900
Anthracite Energy, Inc	WI	P. O. Box 52370 Midland, TX 79770
Bernard Lee House, Jr.	ORRI	1202 Shirley Lane Midland, TX 79705
Big Three Energy Group, LLC	WI	P.O. Box 429 Roswell, NM 88202-0429
Camarie Oil & Gas, LLC	ORRI	2502 Camarie Ave. Midland, TX 79705
Carol Rowell Tavernier	ORRI	552 E. Fellows Dr. Orange, CA 92865-2857
Carrie McVay, Trustee of the Carrie McVay Trust dated March 2, 2018	ORRI	3225 Willard St. San Diego, CA 92122
Catherine Erb	ORRI	P.O. Box 5279 Austin, TX 78763
Charles Leon House	ORRI	3101 Palo Verde Glen Midland, TX 79705
Chevron U.S.A. Inc.	WI / ORRI	1400 Smith Street Houston , TX 77002
CPC Petroleum LLC	WI	P. O. Box 100069 Ft. Worth, TX 76185
Estate of Dean W. Rowell	ORRI	552 E. Fellows Dr. Orange, CA 92865-2857
Devon Energy Production Company, L.P.	WI	333 W. Sheridan Avenue Oklahoma City, OK 73102
Donald R. Creamer	ORRI	P.O. Box 10014 Midland, TX 79702
EOG Resources Assets LLC	ORRI	1111 Bagby, Sky Lobby 2 Houston, TX 77002
Kim M. Kirkpatrick	ORRI	31 Blue Mule Drive Edgewood, New Mexico 87015
Featherstone Development Corporation	WI	P.O. Box 429 Roswell, NM 88202-0429
James Cody Kirkpatrick	ORRI	16885 SE 252nd Avenue Umatilla, Florida 32784
Janet Lewis	ORRI	P.O. Box 233 Driggs, ID 83422
Jon S. Brown	WI	P. O. Box 246 Palestine, TX 75802
Kim Margaret Kirkpatrick	ORRI	2109 Tierra Lane High Ridge, MO 63049
Llano Natural Resources, LLC	ORRI	4929 S. Loop 289, Suite 206 Lubbock, TX 79414
Mable Claire Reeves	ORRI	c/o William Travis Reeves, AiF 1804 Cheyenne Drive Richardson, TX 75080
McMullen Minerals, LLC	ORRI	P.O. Box 470857 Fort Worth, TX 76147
Oxy Y-1 Company	WI	5 Greenway Plaza, Suite 110 Houston, TX 77046
Parrot Head Resources, LLC	WI	P.O. Box 429 Roswell, NM 88202-0429
Pegasus Resources, LLC	ORRI	2821 West 7th Street, Suite 500 Fort Worth, TX 76107

EXHIBIT 5

Prospector LLC	WI	P.O. Box 429 Roswell, NM 88202-0429		
Sharbro Energy, LLC	WI	P.O. Box 840 Artesia, NM 88211-0840		
Silverado Oil & Gas, LLP	ORRI	P.O. Box 52308 Tulsa, OK 74152		
Southwest Royalties, Inc.	ORRI	P.O. Box 53570 Midland, TX 79710		
Starrett Royalty, LLC	ORRI	P.O. Box 700093 Tulsa, OK 74170		
Taybecs Royalties, LLC	ORRI	P.O. Box 220 Jenks, OK 74037		
True North Exploration, Inc.	WI	P.O. Box 5061 Midland, TX 79704		
Tumbler Energy Partners, LLC	ORRI	3811 Turtle Creek Blvd., Suite 1100 Dallas, TX 75219		
United States of America	RI	P.O. Box 25165, Entrance N1, Building 85, Eighth Street Denver Federal Center, CO 80225		
WilderPan, LLC	ORRI	P.O. Box 50088 Midland, TX 79710		
Michael D. Hayes and Kathryn A. Hayes, Co- Trustees of the Hayes Revocable Trust	WI	3608 Meadowridge Lane Midland, TX 79707		
Eric S. Locker	WI	1513 Flintridge Road Austin, TX 78746-4350		
Ross K. Locker	WI	P.O. Drawer 490 Jefferson, TX 75657-0490		
Jami Huber Owen	WI	3323 Providence Drive Midland, TX 79707		
D. H. Essex Agency Account	WI	P.O. Box 50577 Midland, TX 79710		
Bureau of Land Management	301 Dinosaur Trail	Santa Fe	NM	87508
Bureau of Land Management	620 E Greene St.	Carlsbad	NM	88220



Adam G. Rankin
Phone (505) 954-7294
Fax (505) 819-5579
AGRankin@hollandhart.com

May 23, 2022

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PARTIES

Re: Application of Matador Production Company for administrative approval to surface commingle (lease) oil and gas production from spacing units within the N/2 of Section 12 and the NE/4 of Section 11, Township 21 South, Range 27 East, 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 be "A.G. Rankin", written over a horizontal line.

Adam G. Rankin
ATTORNEY FOR
MATADOR PRODUCTION COMPANY

Parent ID	Mail Date	Company	Name	Address_1	Address_2	City	ST	Zip	MailClass	Tracking	Well
31309	05/23/2022		Bureau of Land Management	301 Dinosaur Trl		Santa Fe	NM	87508-1560	Certified with Return Receipt (Signature)	94148118 98765879 997141	72483 - MRC - Bo Howard PLC C107B - notice list - 1
31309	05/23/2022		Catherine Erb	PO Box 5279		Austin	TX	78763-5279	Certified with Return Receipt (Signature)	94148118 98765879 997349	72483 - MRC - Bo Howard PLC C107B - notice list - 10
31309	05/23/2022		Charles Leon House	3101 Palo Verde Gln		Midland	TX	79705-1602	Certified with Return Receipt (Signature)	94148118 98765879 997387	72483 - MRC - Bo Howard PLC C107B - notice list - 11
31309	05/23/2022		Chevron U.S.A. Inc.	1400 Smith St		Houston	TX	77002-7327	Certified with Return Receipt (Signature)	94148118 98765879 997011	72483 - MRC - Bo Howard PLC C107B - notice list - 12
31309	05/23/2022		CPC Petroleum LLC	PO Box 100069		Ft Worth	TX	76185-0069	Certified with Return Receipt (Signature)	94148118 98765879 997066	72483 - MRC - Bo Howard PLC C107B - notice list - 13
31309	05/23/2022		Estate of Dean W. Rowell	552 E Fellows Dr		Orange	CA	92865-2857	Certified with Return Receipt (Signature)	94148118 98765879 997028	72483 - MRC - Bo Howard PLC C107B - notice list - 14
31309	05/23/2022		Devon Energy Production Company, L.P.	333 W Sheridan Ave		Oklahoma City	OK	73102-5010	Certified with Return Receipt (Signature)	94148118 98765879 997004	72483 - MRC - Bo Howard PLC C107B - notice list - 15
31309	05/23/2022		Donald R. Creamer	PO Box 10014		Midland	TX	79702-7014	Certified with Return Receipt (Signature)	94148118 98765879 997042	72483 - MRC - Bo Howard PLC C107B - notice list - 16
31309	05/23/2022		EOG Resources Assets LLC	1111 Bagby St Lbby 2HOUSTON		Houston	TX	77002-2589	Certified with Return Receipt (Signature)	94148118 98765879 997080	72483 - MRC - Bo Howard PLC C107B - notice list - 17
31309	05/23/2022		Kim M. Kirkpatrick	31 Blue Mule Dr		Edgewood	NM	87015	Certified with Return Receipt (Signature)	94148118 98765879 997035	72483 - MRC - Bo Howard PLC C107B - notice list - 18

Parent ID	Mail Date	Company	Name	Address_1	Address_2	City	ST	Zip	MailClass	Tracking	Well
31309	05/23/2022		Featherstone Development Corporation	PO Box 429		Roswell	NM	88202-0429	Certified with Return Receipt (Signature)	94148118 98765879 997073	72483 - MRC - Bo Howard PLC C107B - notice list - 19
31309	05/23/2022		Bureau of Land Management	620 E Greene St		Carlsbad	NM	88220-6292	Certified with Return Receipt (Signature)	94148118 98765879 997134	72483 - MRC - Bo Howard PLC C107B - notice list - 2
31309	05/23/2022		James Cody Kirkpatrick	16885 SE 252nd Ave		Umatilla	FL	32784-9372	Certified with Return Receipt (Signature)	94148118 98765879 997417	72483 - MRC - Bo Howard PLC C107B - notice list - 20
31309	05/23/2022		Janet Lewis	PO Box 233		Driggs	ID	83422-0233	Certified with Return Receipt (Signature)	94148118 98765879 997455	72483 - MRC - Bo Howard PLC C107B - notice list - 21
31309	05/23/2022		Jon S. Brown	PO Box 246		Palestine	TX	75802-0246	Certified with Return Receipt (Signature)	94148118 98765879 997424	72483 - MRC - Bo Howard PLC C107B - notice list - 22
31309	05/23/2022		Kim Margaret Kirkpatrick	2109 Terra Ln		High Ridge	MO	63049-1828	Certified with Return Receipt (Signature)	94148118 98765879 997493	72483 - MRC - Bo Howard PLC C107B - notice list - 23
31309	05/23/2022		Llano Natural Resources, LLC	4929 S Loop 289 Ste 206		Lubbock	TX	79424	Certified with Return Receipt (Signature)	94148118 98765879 997448	72483 - MRC - Bo Howard PLC C107B - notice list - 24
31309	05/23/2022	c/o William Travis Reeves, AiF	Mable Claire Reeves	1804 Cheyenne Dr		Richardson	TX	75080-2904	Certified with Return Receipt (Signature)	94148118 98765879 997431	72483 - MRC - Bo Howard PLC C107B - notice list - 25
31309	05/23/2022		McMullen Minerals, LLC	PO Box 470857		Ft Worth	TX	76147-0857	Certified with Return Receipt (Signature)	94148118 98765879 997479	72483 - MRC - Bo Howard PLC C107B - notice list - 26
31309	05/23/2022		Oxy Y-1 Company	5 Greenway Plz Ste 110		Houston	TX	77046-0521	Certified with Return Receipt (Signature)	94148118 98765879 997516	72483 - MRC - Bo Howard PLC C107B - notice list - 27

Parent ID	Mail Date	Company	Name	Address_1	Address_2	City	ST	Zip	MailClass	Tracking	Well
31309	05/23/2022		Parrot Head Resources, LLC	PO Box 429		Roswell	NM	88202-0429	Certified with Return Receipt (Signature)	94148118 98765879 997554	72483 - MRC - Bo Howard PLC C107B - notice list - 28
31309	05/23/2022		Pegasus Resources, LLC	2821 W 7th St Ste 500		Ft Worth	TX	76107-8913	Certified with Return Receipt (Signature)	94148118 98765879 997561	72483 - MRC - Bo Howard PLC C107B - notice list - 29
31309	05/23/2022		Abo Empire, LLC	PO Box 900		Artesia	NM	88211-0900	Certified with Return Receipt (Signature)	94148118 98765879 997172	72483 - MRC - Bo Howard PLC C107B - notice list - 3
31309	05/23/2022		Prospector LLC	PO Box 429		Roswell	NM	88202-0429	Certified with Return Receipt (Signature)	94148118 98765879 997523	72483 - MRC - Bo Howard PLC C107B - notice list - 30
31309	05/23/2022		Sharbro Energy, LLC	PO Box 840		Artesia	NM	88211-0840	Certified with Return Receipt (Signature)	94148118 98765879 997509	72483 - MRC - Bo Howard PLC C107B - notice list - 31
31309	05/23/2022		Silverado Oil & Gas, LLP	PO Box 52308		Tulsa	OK	74152-0308	Certified with Return Receipt (Signature)	94148118 98765879 997547	72483 - MRC - Bo Howard PLC C107B - notice list - 32
31309	05/23/2022		Southwest Royalties, Inc.	PO Box 53570		Midland	TX	79710-3570	Certified with Return Receipt (Signature)	94148118 98765879 997585	72483 - MRC - Bo Howard PLC C107B - notice list - 33
31309	05/23/2022		Starrett Royalty, LLC	PO Box 700093		Tulsa	OK	74170-0093	Certified with Return Receipt (Signature)	94148118 98765879 997530	72483 - MRC - Bo Howard PLC C107B - notice list - 34
31309	05/23/2022		Taybecs Royalties, LLC	PO Box 220		Jenks	OK	74037-0220	Certified with Return Receipt (Signature)	94148118 98765879 997578	72483 - MRC - Bo Howard PLC C107B - notice list - 35
31309	05/23/2022		True North Exploration, Inc.	PO Box 5061		Midland	TX	79704-5061	Certified with Return Receipt (Signature)	94148118 98765879 996212	72483 - MRC - Bo Howard PLC C107B - notice list - 36

Parent ID	Mail Date	Company	Name	Address_1	Address_2	City	ST	Zip	MailClass	Tracking	Well
31309	05/23/2022		Tumbler Energy Partners, LLC	3811 Turtle Creek Blvd Ste 1100		Dallas	TX	75219-4487	Certified with Return Receipt (Signature)	94148118 98765879 996250	72483 - MRC - Bo Howard PLC C107B - notice list - 37
31309	05/23/2022		United States of America	PO Box 25165	Entrance N1, Building 85, Eighth Street	Denver	CO	80225-0165	Certified with Return Receipt (Signature)	94148118 98765879 996267	72483 - MRC - Bo Howard PLC C107B - notice list - 38
31309	05/23/2022		WilderPan, LLC	PO Box 50088		Midland	TX	79710-0088	Certified with Return Receipt (Signature)	94148118 98765879 996229	72483 - MRC - Bo Howard PLC C107B - notice list - 39
31309	05/23/2022		Anthracite Energy, Inc	PO Box 52370		Midland	TX	79710-2370	Certified with Return Receipt (Signature)	94148118 98765879 997318	72483 - MRC - Bo Howard PLC C107B - notice list - 4
31309	05/23/2022	Co-Trustees of the Hayes Revocable Trust	Michael D. Hayes and Kathryn A. Hayes,	3608 Meadowridge Ln		Midland	TX	79707-4543	Certified with Return Receipt (Signature)	94148118 98765879 996205	72483 - MRC - Bo Howard PLC C107B - notice list - 40
31309	05/23/2022		Eric S. Locker	1513 Flintridge Rd		West Lake Hills	TX	78746-4350	Certified with Return Receipt (Signature)	94148118 98765879 996298	72483 - MRC - Bo Howard PLC C107B - notice list - 41
31309	05/23/2022		Ross K. Locker	PO Box 490		Jefferson	TX	75657-0490	Certified with Return Receipt (Signature)	94148118 98765879 996243	72483 - MRC - Bo Howard PLC C107B - notice list - 42
31309	05/23/2022		Jami Huber Owen	3323 Providence Dr		Midland	TX	79707-4813	Certified with Return Receipt (Signature)	94148118 98765879 996281	72483 - MRC - Bo Howard PLC C107B - notice list - 43
31309	05/23/2022		D. H. Essex Agency Account	PO Box 50577		Midland	TX	79710-0577	Certified with Return Receipt (Signature)	94148118 98765879 996236	72483 - MRC - Bo Howard PLC C107B - notice list - 44
31309	05/23/2022		Bernard Lee House, Jr.	1202 Shirley Ln		Midland	TX	79705-6531	Certified with Return Receipt (Signature)	94148118 98765879 997356	72483 - MRC - Bo Howard PLC C107B - notice list - 5

Parent ID	Mail Date	Company	Name	Address_1	Address_2	City	ST	Zip	MailClass	Tracking	Well
31309	05/23/2022		Big Three Energy Group, LLC	PO Box 429		Roswell	NM	88202-0429	Certified with Return Receipt (Signature)	94148118 98765879 997363	72483 - MRC - Bo Howard PLC C107B - notice list - 6
31309	05/23/2022		Camarie Oil & Gas, LLC	2502 Camarie Ave		Midland	TX	79705-6309	Certified with Return Receipt (Signature)	94148118 98765879 997325	72483 - MRC - Bo Howard PLC C107B - notice list - 7
31309	05/23/2022		Carol Rowell Tavernier	552 E Fellows Dr		Orange	CA	92865-2857	Certified with Return Receipt (Signature)	94148118 98765879 997301	72483 - MRC - Bo Howard PLC C107B - notice list - 8
31309	05/23/2022	the Carrie McVay Trust dated March 2,	Carrie McVay, Trustee of	3225 Willard St		San Diego	CA	92122-2920	Certified with Return Receipt (Signature)	94148118 98765879 997394	72483 - MRC - Bo Howard PLC C107B - notice list - 9

Carlsbad Current Argus.
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Holland & Hart LLP

Affidavit of Publication

Ad # 0005272921

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HOLLAND & HART
POBOX 2208

SANTA FE, NM 87504

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:

05/26/2022

Legal Clerk

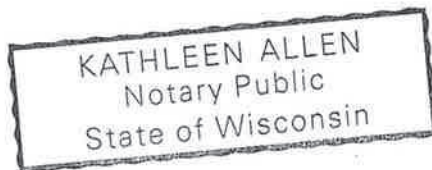
Subscribed and sworn before me this May 26, 2022:



State of WI, County of Brown
NOTARY PUBLIC

1-2-05

My commission expires



Ad # 0005272921

PO #:

of Affidavits 1

This is not an invoice

Legal Notice (Publication)

To: All affected parties; Abo Empire, LLC; Anthracite Energy, Inc; Bernard Lee House, Jr., his heirs and devisees; Big Three Energy Group, LLC; Camarie Oil & Gas, LLC; Carol Rowell Tavernier, her heirs and devisees; Carrie McVay, Trustee of the Carrie McVay Trust dated March 2, 2018; Catherine Erb, her heirs and devisees; Charles Leon House, his heirs and devisees; Chevron U.S.A. Inc.; CPC Petroleum LLC; Estate of Dean W. Rowell, his heirs and devisees; Devon Energy Production Company, L.P.; Donald R. Creamer, his heirs and devisees; EOG Resources Assets LLC; Kim M. Kirkpatrick, her heirs and devisees; Featherstone Development Corporation; James Cody Kirkpatrick, his heirs and devisees; Janet Lewis, her heirs and devisees; Jon S. Brown, his heirs and devisees; Kim Margaret Kirkpatrick, her heirs and devisees; Llano Natural Resources, LLC; Mable Claire Reeves, her heirs and devisees; McMullen Minerals, LLC; Oxy Y-1 Company; Parrot Head Resources, LLC; Pegasus Resources, LLC; Prospector LLC; Sharbro Energy, LLC; Silverado Oil & Gas, LLP; Southwest Royalties, Inc.; Starrett Royalty, LLC; Taybec Royalties, LLC; True North Exploration, Inc.; Tumbler Energy Partners, LLC; United States of America; WilderPan, LLC; Michael D. Hayes and Kathryn A. Hayes, Co-Trustees of the Hayes Revocable Trust; Eric S. Locker, his heirs and devisees; Ross K. Locker, his heirs and devisees; Jamil Huber Owen, his or her heirs and devisees; D. H. Essex Agency Account; and Bureau of Land Management.

Application of Matador Production Company for administrative approval to surface commingle (lease) oil and gas production from spacing units within the N/2 of Section 12 and the NE/4 of Section 11, Township 21 South, Range 27 East, Eddy County, New Mexico. Matador Production Company (OGRID No. 228937), pursuant to 19.15.12.10 NMAC, seeks administrative approval to surface commingle (lease) diversely owned oil and gas production at the Bo Howard Tank Battery insofar as all existing and future infill wells drilled in the following spacing units:

(a) The 240-acre spacing unit comprised of the N/2 N/2 of Section 12 and N/2 NE/4 of Section 11, in the Avalon; Bone Spring, East [3713] – currently dedicated to the Bo Howard 1211 Fed Com #121H well (API. No. 30-015-49427);

(b) The 240-acre spacing unit comprised of the S/2 N/2 of Section 12 and S/2 NE/4 of Section 11, in the Avalon; Bone Spring, East [3713] – currently dedicated to the Bo Howard 1211 Fed Com #122H well (API. No. 30-015-49428); and

(c) Pursuant to 19.15.12.10.C(4)(g), future Avalon; Bone Spring, East [3713] spacing units connected to the Bo Howard Tank Battery with notice provided only to the owners of interests to be added.

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.
#5272921, Current Argus,
May 26, 2022

From: [Engineer, OCD, FMNRD](#)
To: [Adam Rankin](#); [Paula M. Vance](#)
Cc: [McClure, Dean, FMNRD](#); [Wrinkle, Justin, FMNRD](#); [Powell, Brandon, FMNRD](#); lisa@rwbyram.com; [Paradis, Kyle Q](#); [Walls, Christopher](#)
Subject: Approved Administrative Order CTB-1055
Date: Monday, August 29, 2022 12:49:07 PM
Attachments: [CTB1055 Order.pdf](#)

NMOCD has issued Administrative Order CTB-1055 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
30-015-49427	Bo Howard 1211 Federal Com #121H	N/2 NE/4	11-21S-27E	3713
		N/2 N/2	12-21S-27E	
30-015-49428	Bo Howard 1211 Federal Com #122H	S/2 NE/4	11-21S-27E	3713
		S/2 N/2	12-21S-27E	

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-1055

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 prospectively include additional pools, leases, and wells in accordance with 19.15.12.10.C.(4)(g) NMAC.
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 a 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 commingling application to OCD to conform this Order with the approved Agreement(s). If Applicant fails to submit the new surface commingling application or OCD denies the new surface commingling 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 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, provided the pools, leases, and subsequently drilled wells are within the identified parameters included in the Application.
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, proposed method to determine the allocation of oil and gas production to it, and the location(s) that commingling of its production will occur.
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 E. SANDOVAL
DIRECTOR**

DATE: 8/29/2022

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **CTB-1055**

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

Central Tank Battery: **Bo Howard Tank Battery**

Central Tank Battery Location: **UL A, Section 12, Township 21 South, Range 27 East**

Gas Title Transfer Meter Location: **UL A, Section 12, Township 21 South, Range 27 East**

Pools

Pool Name	Pool Code
AVALON; BONE SPRING, EAST	3713

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
NMNM 017095	N/2	12-21S-27E
NMNM 014768B	NE/4	11-21S-27E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-49427	Bo Howard 1211 Federal Com #121H	N/2 NE/4	11-21S-27E	3713
		N/2 N/2	12-21S-27E	
30-015-49428	Bo Howard 1211 Federal Com #122H	S/2 NE/4	11-21S-27E	3713
		S/2 N/2	12-21S-27E	

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit B

Order: **CTB-1055**
Operator: **Matador Production Company (228937)**

Pooled Areas

Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Bone Spring NMNM 105771638	N/2 NE/4 N/2 N/2	11-21S-27E 12-21S-27E	240	A
CA Bone Spring NMNM 105771639	S/2 NE/4 S/2 N/2	11-21S-27E 12-21S-27E	240	B

Leases Comprising Pooled Areas

Lease	UL or Q/Q	S-T-R	Acres	Pooled Area ID
NMNM 017095	N/2 N/2	12-21S-27E	160	A
NMNM 014768B	N/2 NE/4	11-21S-27E	80	A
NMNM 017095	S/2 N/2	12-21S-27E	180	B
NMNM 014768B	S/2 NE/4	11-21S-27E	80	B

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 112848

CONDITIONS

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 112848
	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.	8/29/2022