

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

Patricia

Signature

Date

Phone Number

e-mail Address



Paula M. Vance
Associate
Phone (505) 988-4421
Fax (505) 819-5579
pmvance@hollandhart.com

November 15, 2023

VIA ONLINE FILING

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

Re: Application of Matador Production Company to amend NMOCD Order PLC-865 and for administrative approval to surface commingle (pool and lease) oil and gas production from the spacing units comprising Sections 3 and 10, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico (the “Lands”)

Dear Mr. Fuge:

Matador Production Company (OGRID No. 228937) (“Matador”) seeks to amend Administrative Order PLC-865 (“Order PLC-865”), attached as **Exhibit 1**. Order PLC-865 authorizes pool and lease commingling, off-lease measurement, and off-lease storage at the **Nina Cortell South Central Tank Battery** of production from *all existing and future infill wells drilled in the following spacing units*:

(a) The 319.92-acre spacing unit comprised of the W/2 W/2 of Sections 3 and 10, in the Bilbrey Basin, Bone Spring [5695] – currently dedicated to the **Nina Cortell Fed Com #125H** (API. No. 30-025-49627)

(b) The 319.92-acre spacing unit comprised of the W/2 E/2 of Sections 3 and 10, in the Bilbrey Basin, Bone Spring [5695] – currently dedicated to the **Nina Cortell Fed Com #133H** (API. No. 30-025-50513);

(c) The 319.92-acre spacing unit comprised of the E/2 E/2 of Sections 3 and 10, in the Bilbrey Basin, Bone Spring [5695] – currently dedicated to the **Nina Cortell Fed Com #134H** (API. No. 30-025-50801);

(d) The 320-acre spacing unit comprised of the W/2 E/2 of Sections 3 and 10, in the WC-025 G-09 S233216K, UPR Wolfcamp [98166] – currently dedicated to the **Nina Cortell Fed Com #203H** (API. No. 30-025-49628);

(e) The 320-acre spacing unit comprised of the E/2 E/2 of Sections 3 and 10, in the WC-025 G-09 S233216K, UPR Wolfcamp [98166] – currently dedicated to the **Nina Cortell Fed Com #204H** (API. No. 30-025-49629); and



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pmvance@hollandhart.com

(f) Pursuant to 19.15.12.10.C(4)(g), *future leases, pools or leases and pools connected to the Nina Cortell South Tank Battery* with notice provided only to the owners of interests to be added.

Pursuant to 19.15.12.10.C(4)(g), Matador seeks to amend the terms of Order PLC-865 to add to the terms of the order the production from all existing and future infill wells drilled in the following spacing unit:

(a) The 319.92-acre spacing unit comprised of the W/2 W/2 of Sections 3 and 10, in the Bilbrey Basin, Bone Spring [5695] – currently dedicated to the **Nina Cortell Fed Com #131H** (API. No. 30-025-50258);

(b) The 319.92-acre spacing unit comprised of the E/2 W/2 of Sections 3 and 10, in the Bilbrey Basin, Bone Spring [5695] – currently dedicated to the **Nina Cortell Fed Com #132H** (API. No. 30-025-51189);

(c) The 320-acre spacing unit comprised of the E/2 W/2 of Sections 3 and 10, in the WC-025 G-09 S233216K, UPR Wolfcamp [98166] – currently dedicated to the **Nina Cortell Fed Com #202H** (API. No. 30-025-51287); and

(d) The 160-acre spacing unit comprised of the W/2 W/2 of Section 10, in the WC-025 G-09 S233216K, UPR Wolfcamp [98166] – currently dedicated to the **Nina Cortell Fed Com #211H** (API. No. 30-025-51629).

Oil and gas production from these spacing units will be commingled and sold at the **Nina Cortell South Central Tank Battery** located in the SW/4 SE/4 (Unit O) of Section 10. Gas production from the separator will be individually metered with a calibrated orifice meter that is manufactured to AGA specifications. Oil production from the separator will be separately metered using turbine meters.

Exhibit 2 is a land plat showing Matador's current development plan, flow lines, 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 3 is a completed Application for Surface Commingling (Diverse Ownership) Form C-107-B, that includes a statement from Oscar Gonzalez, Production Engineer with Matador, identifying the facilities and the measurement devices to be utilized, a detailed schematic of the surface facilities (exhibit A to the statement) and a referenced gas sample (exhibit B to the statement).

Exhibit 4 is a C-102 for each of the wells currently permitted or drilled within the existing spacing units and those to be added to Order PLC-865, together with the available production reports.



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Exhibit 5 are the draft or approved communitization agreements for the acreage subject to this application.

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 6** 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 and the Bureau of Land Management since state and federal lands are involved.

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Paula M. Vance".

Paula M. Vance
**ATTORNEY FOR MATADOR PRODUCTION
COMPANY**

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

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

ORDER NO. PLC-865

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 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.
4. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
5. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.
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 or gas title transfer meter 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 or gas title transfer meter 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 it with production from another well.
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 and 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**



DYLAN M. FUGE
DIRECTOR (ACTING)

DATE: 3/30/23

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **PLC-865**

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

Central Tank Battery: **Nina Cortell South Tank Battery**

Central Tank Battery Location: **UL O, Section 10, Township 22 South, Range 32 East**

Gas Title Transfer Meter Location: **UL O, Section 10, Township 22 South, Range 32 East**

Pools

Pool Name	Pool Code
BILBREY BASIN;BONE SPRING	5695
WC-025 G-09 S233216K;UPR WOLFCAMP	98166

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
CA Bone Spring NMNM 105720807 (143833)	W/2 W/2	3-22S-32E
	W/2 W/2	10-22S-32E
NMNM 105305436 (135247)	E/2 minus H	3-22S-32E
Fee	H	3-22S-32E
NMNM 105417983 (086147)	E/2	10-22S-32E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-49627	Nina Cortell Federal Com #125H	W/2 W/2	3-22S-32E	5695
		W/2 W/2	10-22S-32E	
30-025-50513	Nina Cortell Federal Com #133H	W/2 E/2	3-22S-32E	5695
		W/2 E/2	10-22S-32E	
30-025-50801	Nina Cortell Federal Com #134H	E/2 E/2	3-22S-32E	5695
		E/2 E/2	10-22S-32E	
30-025-49628	Nina Cortell Federal Com #203H	W/2 E/2	3-22S-32E	98166
		W/2 E/2	10-22S-32E	
30-025-49629	Nina Cortell Federal Com #204H	E/2 E/2	3-22S-32E	98166
		E/2 E/2	10-22S-32E	

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit B

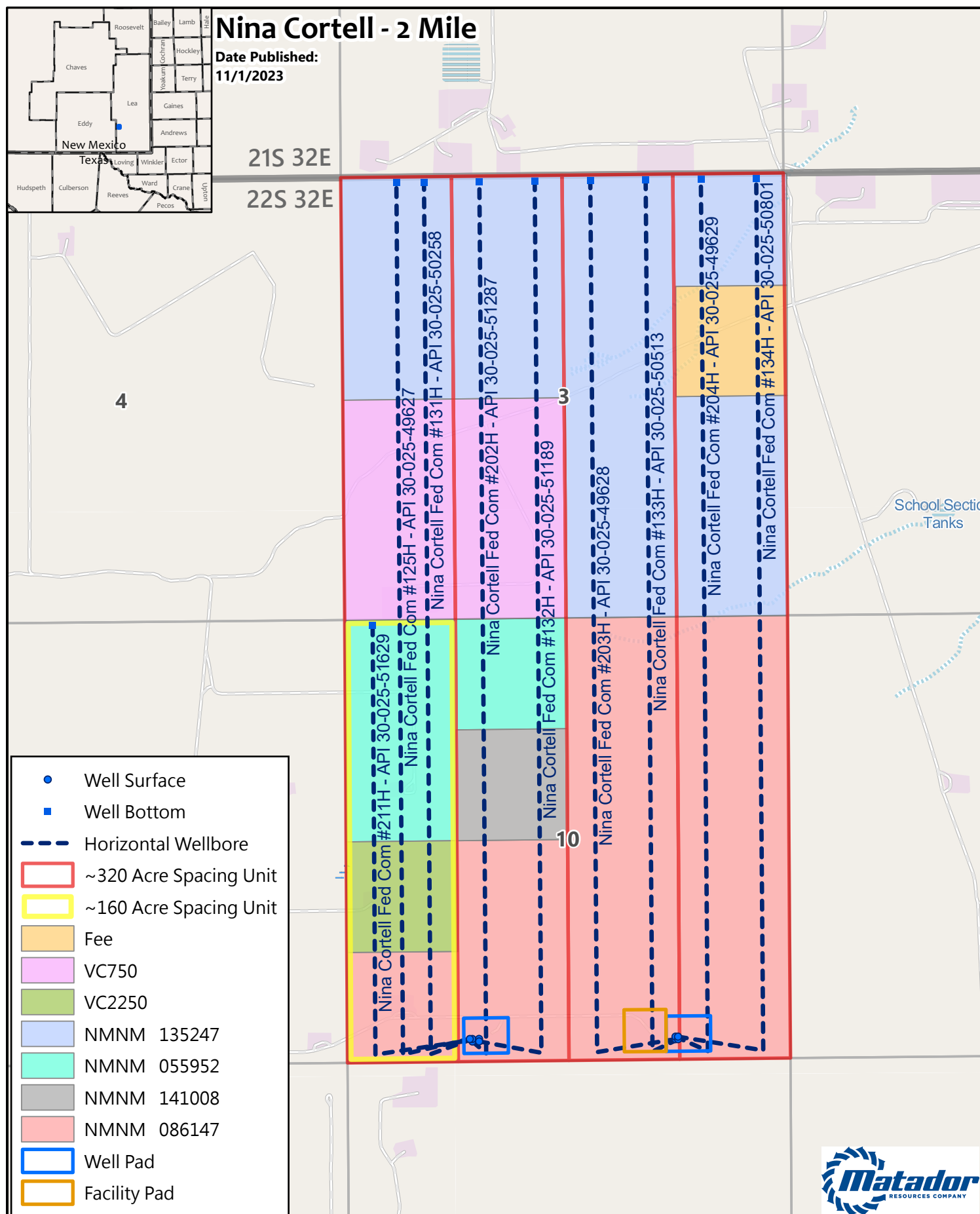
Order: **PLC-865**
Operator: **Matador Production Company (228937)**

Pooled Areas

Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Bone Spring NMNM 105724617 (143942)	W/2 E/2 W/2 E/2	3-22S-32E 10-22S-32E	319.92	A
CA Bone Spring BLM	E/2 E/2 E/2 E/2	3-22S-32E 10-22S-32E	319.92	B
CA Wolfcamp NMNM 105762321	W/2 E/2 W/2 E/2	3-22S-32E 10-22S-32E	319.92	C
CA Wolfcamp NMNM 105823709	E/2 E/2 E/2 E/2	3-22S-32E 10-22S-32E	319.92	D

Leases Comprising Pooled Areas

Lease	UL or Q/Q	S-T-R	Acres	Pooled Area ID
NMNM 105305436 (135247)	W/2 E/2	3-22S-32E	159.92	A
NMNM 105417983 (086147)	W/2 E/2	10-22S-32E	160	A
NMNM 105305436 (135247)	A I P	3-22S-32E	119.92	B
Fee	H	3-22S-32E	40	B
NMNM 105417983 (086147)	E/2 E/2	10-22S-32E	160	B
NMNM 105305436 (135247)	W/2 E/2	3-22S-32E	159.92	C
NMNM 105417983 (086147)	W/2 E/2	10-22S-32E	160	C
NMNM 105305436 (135247)	A I P	3-22S-32E	119.92	D
Fee	H	3-22S-32E	40	D
NMNM 105417983 (086147)	E/2 E/2	10-22S-32E	160	D



GIS Standard Map Disclaimer:

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

0 500 1,000 2,000 Feet

1:18,000

Project: V

1 inch equals 1,500 feet

EXHIBIT

2

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. PLC - 865

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
BILBREY BASIN; BONE SPRING [5695]	43.0°	43.4° oil 1,404 BTU/CF	.5102.57/bbl oil Deemed 40°/Sweet (Jul '22 realized price) \$9.31/mcf (Jul '22 realized price)	4,300 bopd
BILBREY BASIN; BONE SPRING [5695]	1413 BTU/CF			7,800 mcf
WC-025 G-09 S233216K; UPR WOLFCAMP [98166]	43.8 °			2,700 bopd
WC-025 G-09 S233216K; UPR WOLFCAMP [98166]	1395 BTU/CF			5,100 mcf

(2) Are any wells producing at top allowables? ☐ Yes ☒ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No.

(4) Measurement type: ☒ Metering ☐ Other (Specify)

(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

(1) Pool Name and Code-

(2) Is all production from same source of supply? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No

(4) Measurement type: ☐ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

(1) Is all production from same source of supply? ☐ Yes ☐ No

(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE: Oscar Gonzalez

TITLE: Production Engineer

DATE: 09/11/2023

TYPE OR PRINT NAME Oscar Gonzalez

TELEPHONE NO.: (972) 629-2147

E-MAIL ADDRESS: ogonzalez@matadorresources.com

EXHIBIT
3

Matador Production Company

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

Voice 972.587.4638 • Fax 972.371.5201

ogonzalez@matadorresources.com

Oscar Gonzalez
Production Engineer

September 11, 2023

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

Re: Application of Matador Production Company for Administrative Approval to Amend Administrative Order PLC-865 to Surface Commingle (pool and lease commingle) production from the spacing units comprising of Section 3 and Section 10, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico (the "Lands").

To Whom This May Concern,

Under NMOCD Order No. PLC-865, Matador Production Company ("Matador"), OGRID: 228937, was authorized to surface commingle production from the W/2W/2 of Sections 10 & 3 (in the Bone Spring formation) and the E/2 of Section 10 & 3, Township 22 South, Range 32 East (in the Bone Spring and Wolfcamp formation), NMPM, Lea County, New Mexico. Pursuant to this application, Matador seeks to amend Order No. PLC-865 to gain authority to also surface commingle production from (i) the Wolfcamp formation in the W/2 W/2 of Sections 10 & 3, and (ii) both the Bone Spring and Wolfcamp formations in the E/2 W/2 of Sections 10 & 3, as described below.

Specifically, Matador requests to surface commingle current and upcoming production from nine (9) wells located on the Lands and future production from the Lands as described herein.

Gas exiting each separator will flow into one gathering line, as depicted on **Exhibit A**, the Longwood Midstream LLC or Pronto Midstream line. Each 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 Fesco, Ltd 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 leave the wellbore and flow into a wellhead 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. 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 Midstream LLC or Pronto Midstream 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 "Oscar Gonzalez", with a stylized, cursive script.

Oscar Gonzalez
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: Nina Cartell Federal COM No. 125H
First Stage Separator
Spot Gas Sample @ 190 psig & 113 °F

Date Sampled: 03/29/2022

Job Number: 221671.001

CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286

COMPONENT	MOL%	GPM
Hydrogen Sulfide*	< 0.001	
Nitrogen	2.374	
Carbon Dioxide	0.365	
Methane	69.063	
Ethane	14.402	3.946
Propane	7.964	2.248
Isobutane	0.925	0.310
n-Butane	2.418	0.781
2-2 Dimethylpropane	0.007	0.003
Isopentane	0.515	0.193
n-Pentane	0.573	0.213
Hexanes	0.429	0.181
Heptanes Plus	<u>0.965</u>	<u>0.396</u>
Totals	100.000	8.272

Computed Real Characteristics Of Heptanes Plus:

Specific Gravity ----- 3.375 (Air=1)
Molecular Weight ----- 97.29
Gross Heating Value ----- 5211 BTU/CF

Computed Real Characteristics Of Total Sample:

Specific Gravity ----- 0.825 (Air=1)
Compressibility (Z) ----- 0.9953
Molecular Weight ----- 23.79
Gross Heating Value
Dry Basis ----- 1413 BTU/CF
Saturated Basis ----- 1389 BTU/CF

*Hydrogen Sulfide tested on location by: Stain Tube Method (GPA 2377)
Results: <0.013 Gr/100 CF, <0.2 PPMV or <0.001 Mol %

Base Conditions: 15.025 PSI & 60 Deg F

Sampled By: (24) D. Morales
Analyst: RG
Processor: RG
Cylinder ID: T-1391

EXHIBIT
B

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	2.374		2.796
Carbon Dioxide	0.365		0.675
Methane	69.063		46.574
Ethane	14.402	3.946	18.204
Propane	7.964	2.248	14.762
Isobutane	0.925	0.310	2.260
n-Butane	2.418	0.781	5.908
2,2 Dimethylpropane	0.007	0.003	0.021
Isopentane	0.515	0.193	1.562
n-Pentane	0.573	0.213	1.738
2,2 Dimethylbutane	0.004	0.002	0.014
Cyclopentane	0.000	0.000	0.000
2,3 Dimethylbutane	0.062	0.026	0.225
2 Methylpentane	0.130	0.055	0.471
3 Methylpentane	0.071	0.030	0.257
n-Hexane	0.162	0.068	0.587
Methylcyclopentane	0.108	0.039	0.382
Benzene	0.094	0.027	0.309
Cyclohexane	0.169	0.059	0.598
2-Methylhexane	0.021	0.010	0.088
3-Methylhexane	0.026	0.012	0.110
2,2,4 Trimethylpentane	0.000	0.000	0.000
Other C7's	0.076	0.034	0.317
n-Heptane	0.052	0.025	0.219
Methylcyclohexane	0.128	0.053	0.528
Toluene	0.063	0.022	0.244
Other C8's	0.082	0.039	0.380
n-Octane	0.025	0.013	0.120
Ethylbenzene	0.007	0.003	0.031
M & P Xylenes	0.014	0.006	0.062
O-Xylene	0.004	0.002	0.018
Other C9's	0.047	0.024	0.249
n-Nonane	0.010	0.006	0.054
Other C10's	0.027	0.016	0.160
n-Decane	0.004	0.003	0.024
Undecanes (11)	<u>0.008</u>	<u>0.005</u>	<u>0.053</u>
Totals	100.000	8.272	100.000

Computed Real Characteristics of Total Sample

Specific Gravity -----	0.825	(Air=1)
Compressibility (Z) -----	0.9953	
Molecular Weight -----	23.79	
Gross Heating Value		
Dry Basis -----	1413	BTU/CF
Saturated Basis -----	1389	BTU/CF

FESCO, Ltd.**1100 Fesco Ave. - Alice, Texas 78332****Sample:** Nina Cartell Federal COM No. 125H

First Stage Separator

Spot Gas Sample @ 190 psig & 113 °F

Date Sampled: 03/29/2022

Job Number: 221671.001

GLYCALC FORMAT

COMPONENT	MOL%	GPM	Wt %
Carbon Dioxide	0.365		0.675
Hydrogen Sulfide	< 0.001		< 0.001
Nitrogen	2.374		2.796
Methane	69.063		46.574
Ethane	14.402	3.946	18.204
Propane	7.964	2.248	14.762
Isobutane	0.925	0.310	2.260
n-Butane	2.425	0.784	5.929
Isopentane	0.515	0.193	1.562
n-Pentane	0.573	0.213	1.738
Cyclopentane	0.000	0.000	0.000
n-Hexane	0.162	0.068	0.587
Cyclohexane	0.169	0.059	0.598
Other C6's	0.267	0.113	0.967
Heptanes	0.283	0.120	1.116
Methylcyclohexane	0.128	0.053	0.528
2,2,4 Trimethylpentane	0.000	0.000	0.000
Benzene	0.094	0.027	0.309
Toluene	0.063	0.022	0.244
Ethylbenzene	0.007	0.003	0.031
Xylenes	0.018	0.007	0.080
Octanes Plus	<u>0.203</u>	<u>0.106</u>	<u>1.040</u>
Totals	100.000	8.272	100.000

Real Characteristics Of Octanes Plus:

Specific Gravity ----- 4.228 (Air=1)
Molecular Weight ----- 121.89
Gross Heating Value ----- 6472 BTU/CF

Real Characteristics Of Total Sample:

Specific Gravity ----- 0.825 (Air=1)
Compressibility (Z) ----- 0.9953
Molecular Weight ----- 23.79
Gross Heating Value
Dry Basis ----- 1413 BTU/CF
Saturated Basis ----- 1389 BTU/CF

District I
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State of New Mexico
Energy, Minerals & Natural Resources
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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 30-025-49629		² Pool Code 98166		³ Pool Name WC-025 G-09 S233216K, UPR WOLFCAMP	
⁴ Property Code 320841		⁵ Property Name NINA CORTELL FED COM			⁶ Well Number 204H
⁷ OGRID No. 228937		⁸ Operator Name MATADOR PRODUCTION COMPANY			⁹ Elevation 3789'

¹⁰Surface Location

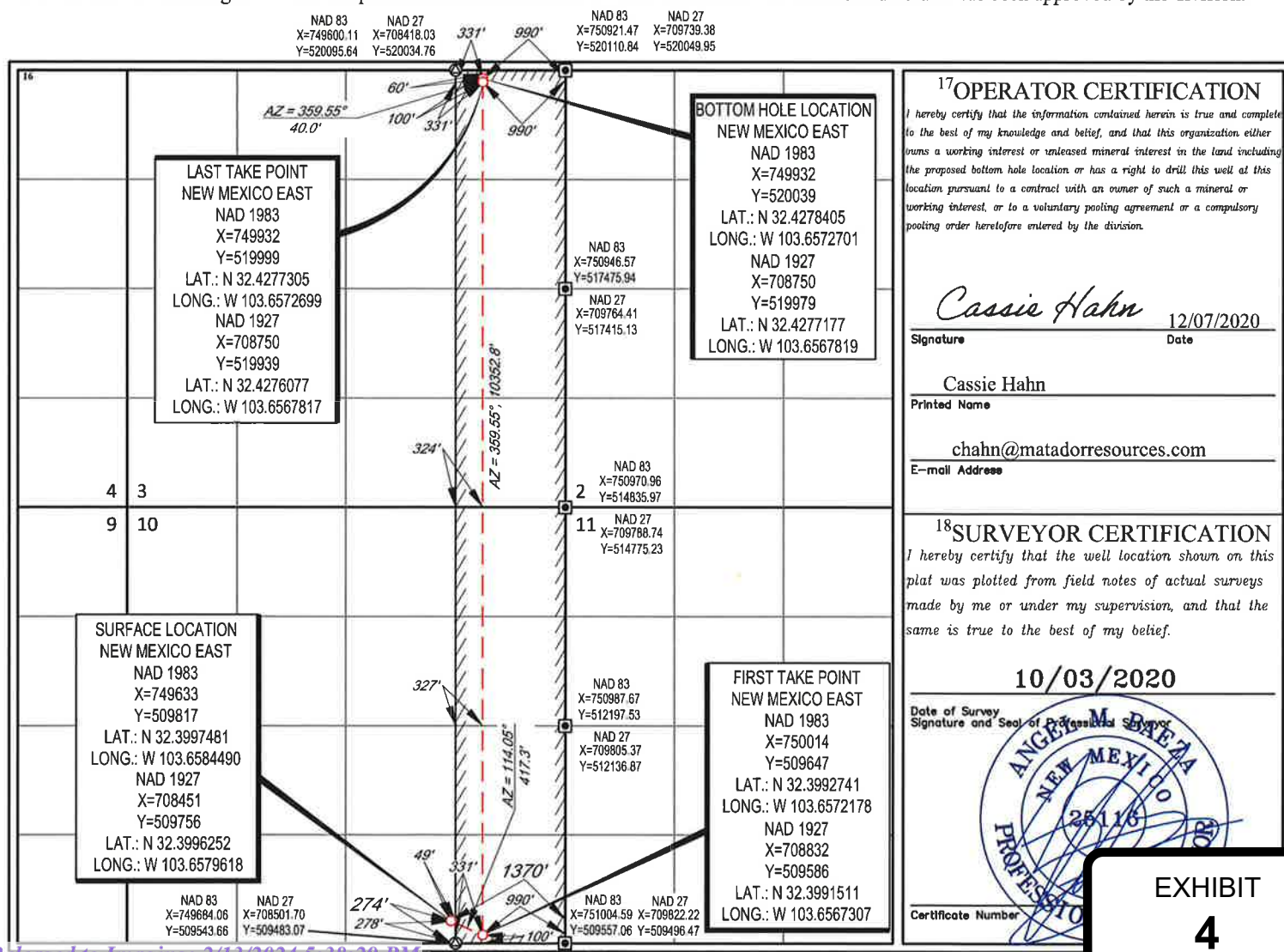
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	10	22-S	32-E	-	274'	SOUTH	1370'	EAST	LEA

¹¹Bottom 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
1	3	22-S	32-E	-	60'	NORTH	990'	EAST	LEA

¹² Dedicated Acres 320	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.



EXHIBIT

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-50801		² Pool Code 5695		³ Pool Name BILBREY BASIN, BONE SPRING	
⁴ Property Code 320841		⁵ Property Name NINA CORTELL FED COM			⁶ Well Number 134H
⁷ OGRID No. 228937		⁸ Operator Name MATADOR PRODUCTION COMPANY			⁹ Elevation 3790'

¹⁰Surface Location

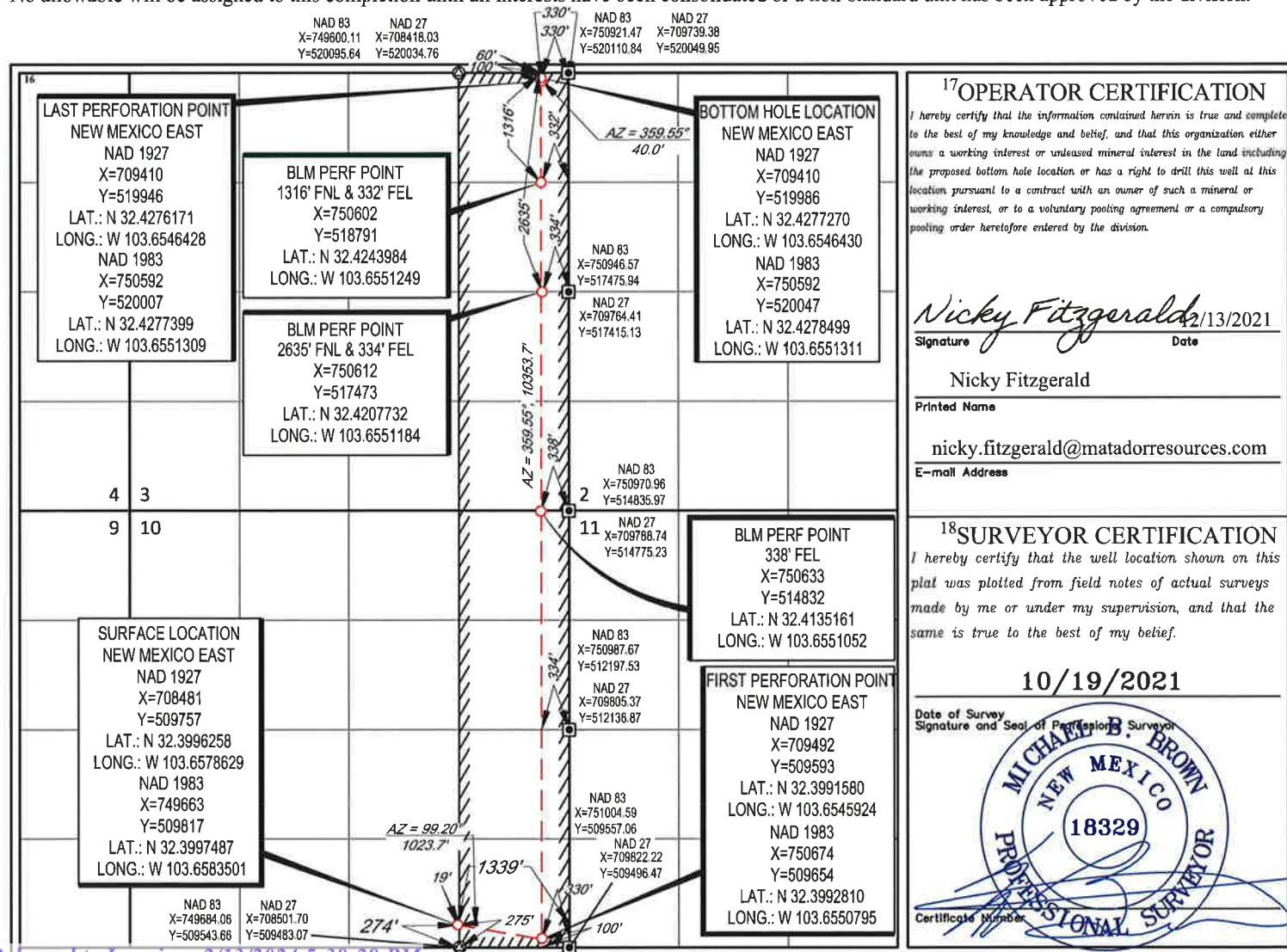
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	10	22-S	32-E	-	274'	SOUTH	1339'	EAST	LEA

¹¹Bottom 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
1	3	22-S	32-E	-	60'	NORTH	330'	EAST	LEA

¹² Dedicated Acres 319.92	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--	-------------------------------	----------------------------------	-------------------------

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-49628		² Pool Code 98166	³ Pool Name WC-025 G-09 S233216K, UPR WOLFCAMP
⁴ Property Code 320841	⁵ Property Name NINA CORTELL FED COM		⁶ Well Number 203H
⁷ GRID No. 228937	⁸ Operator Name MATADOR PRODUCTION COMPANY		⁹ Elevation 3789'

¹⁰Surface Location

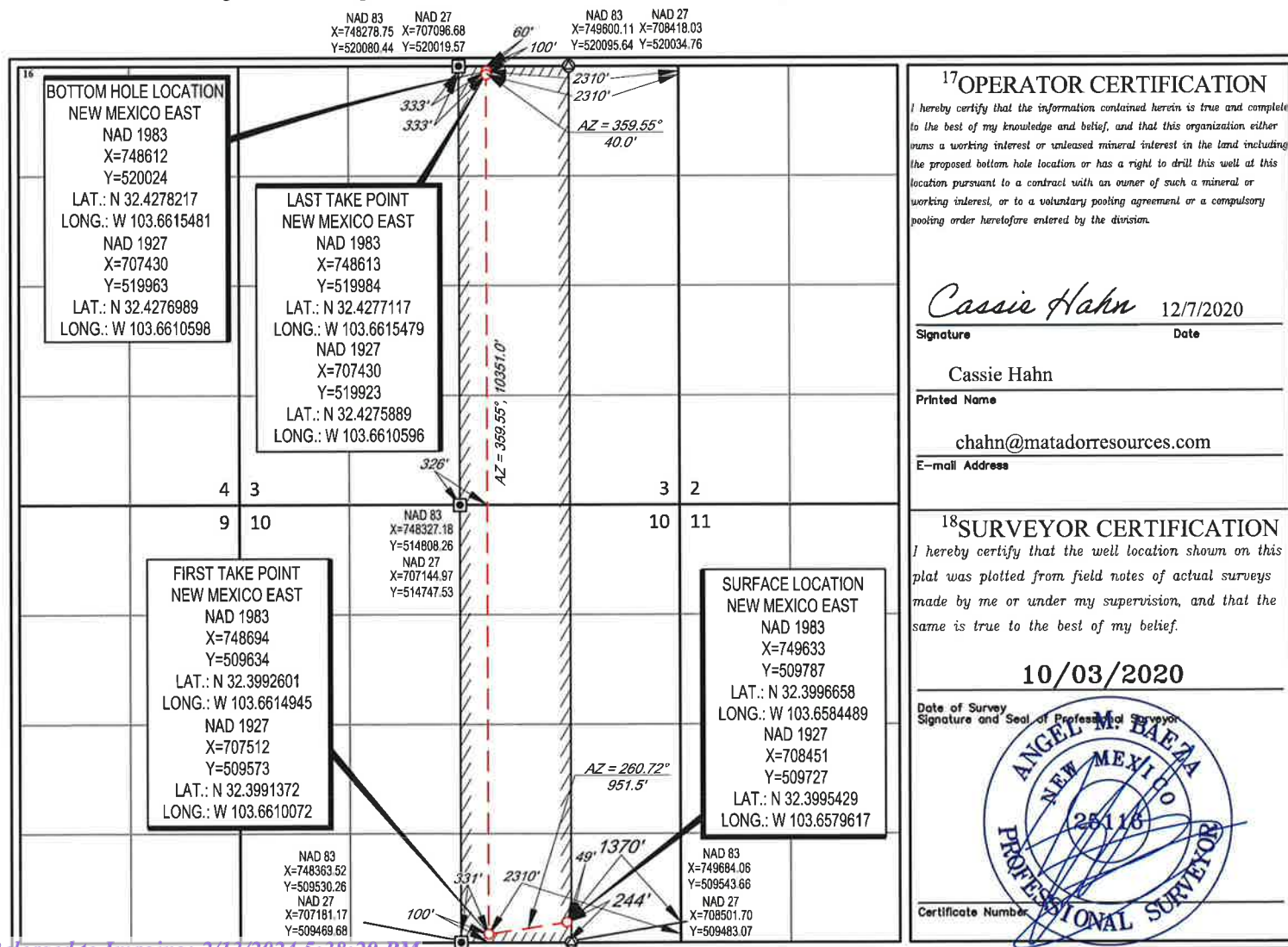
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	10	22-S	32-E	-	244'	SOUTH	1370'	EAST	LEA

¹¹Bottom 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
2	3	22-S	32-E	-	60'	NORTH	2310'	EAST	LEA

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
---	-------------------------------	----------------------------------	-------------------------

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-50513		² Pool Code 5695		³ Pool Name BILBREY BASIN, BONE SPRING	
⁴ Property Code 320841		⁵ Property Name NINA CORTELL FED COM			⁶ Well Number 133H
⁷ GRID No. 228937		⁸ Operator Name MATADOR PRODUCTION COMPANY			⁹ Elevation 3790'

¹⁰Surface Location

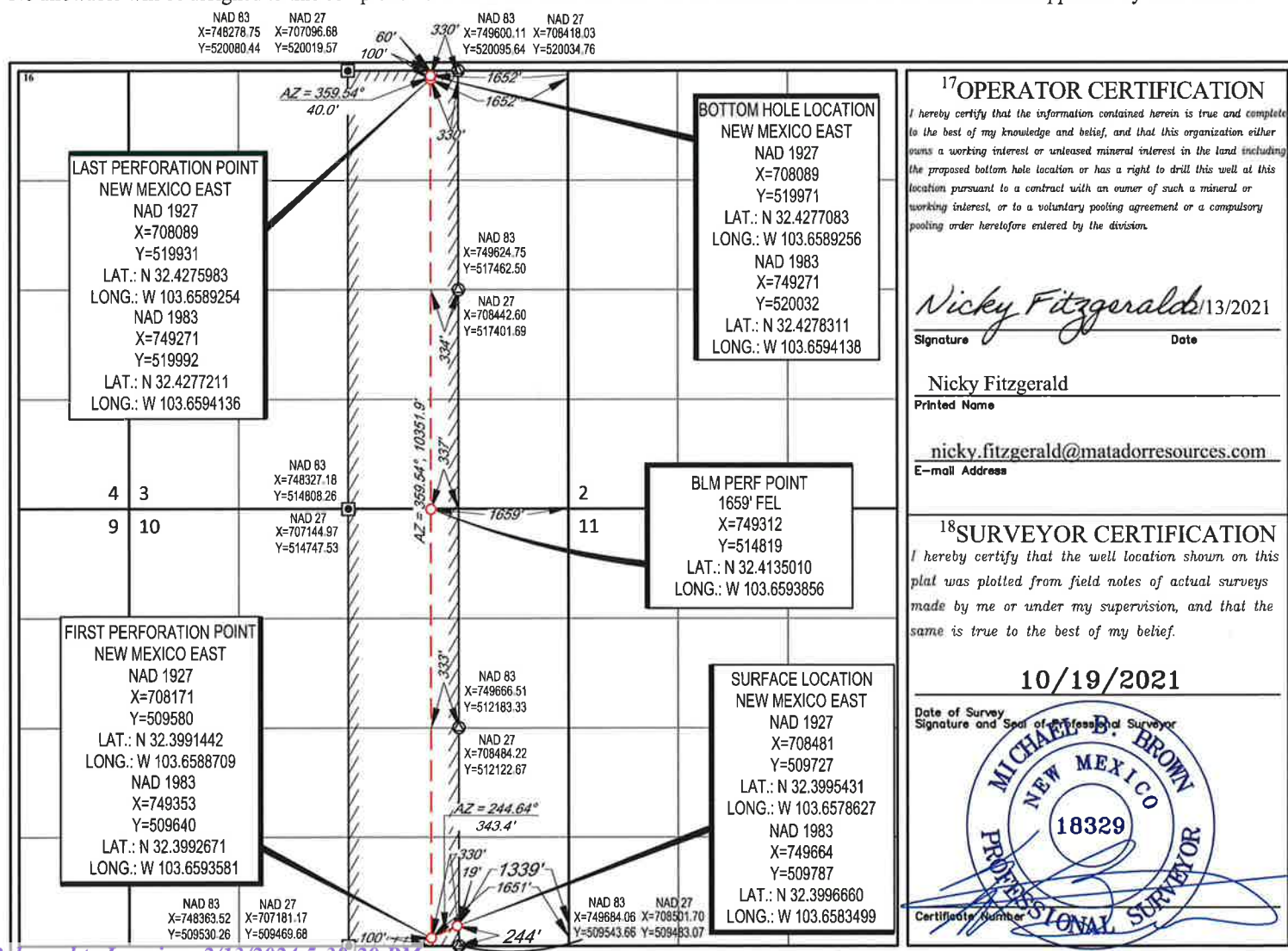
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	10	22-S	32-E	-	244'	SOUTH	1339'	EAST	LEA

¹¹Bottom 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
2	3	22-S	32-E	-	60'	NORTH	1652'	EAST	LEA

¹² Dedicated Acres 319.92	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--	-------------------------------	----------------------------------	-------------------------

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-51629	² Pool Code 98166	³ Pool Name WC-025 G-09 S233216K, UPR WOLFCAMP
⁴ Property Code 320841	⁵ Property Name NINA CORTELL FED COM	⁶ Well Number 211H
⁷ GRID No. 228937	⁸ Operator Name MATADOR PRODUCTION COMPANY	⁹ Elevation 3791'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	10	22-S	32-E	-	272'	SOUTH	1571'	WEST	LEA

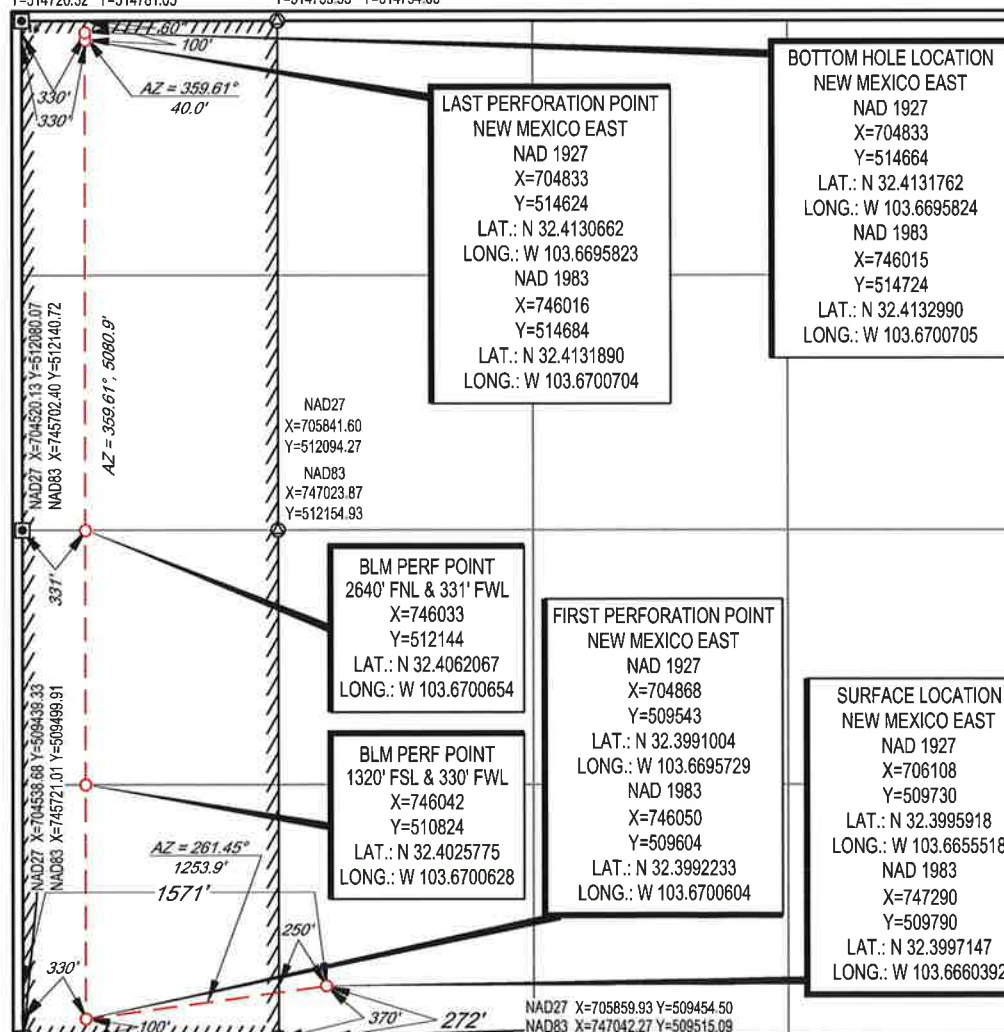
¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	10	22-S	32-E	-	60'	NORTH	330'	WEST	LEA

¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
---	-------------------------------	----------------------------------	-------------------------

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NAD27 NAD83 NAD27 NAD83
X=704502.84 X=745685.04 X=705823.91 X=747006.11
Y=514720.32 Y=514781.05 Y=514733.93 Y=514794.66

¹⁷OPERATOR CERTIFICATION

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 undivided 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.

Nicky Fitzgerald 12/13/2021
Signature Date

Nicky Fitzgerald
Printed Name

nicky.fitzgerald@matadorresources.com
E-mail Address

¹⁸SURVEYOR 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 to the best of my belief.

10/19/2021

Date of Survey
Signature and Seal of Professional Surveyor

MICHAEL B. BROWN
NEW MEXICO
18329
PROFESSIONAL SURVEYOR
Certificate Number

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-5128	² Pool Code 98166	³ Pool Name WC-025 G-09 S233216K; Upper Wolfcamp
⁴ Property Code	⁵ Property Name NINA CORTELL FED COM	⁶ Well Number 202H
⁷ OGRID No. 228937	⁸ Operator Name MATADOR PRODUCTION COMPANY	⁹ Elevation 3789'

¹⁰Surface Location

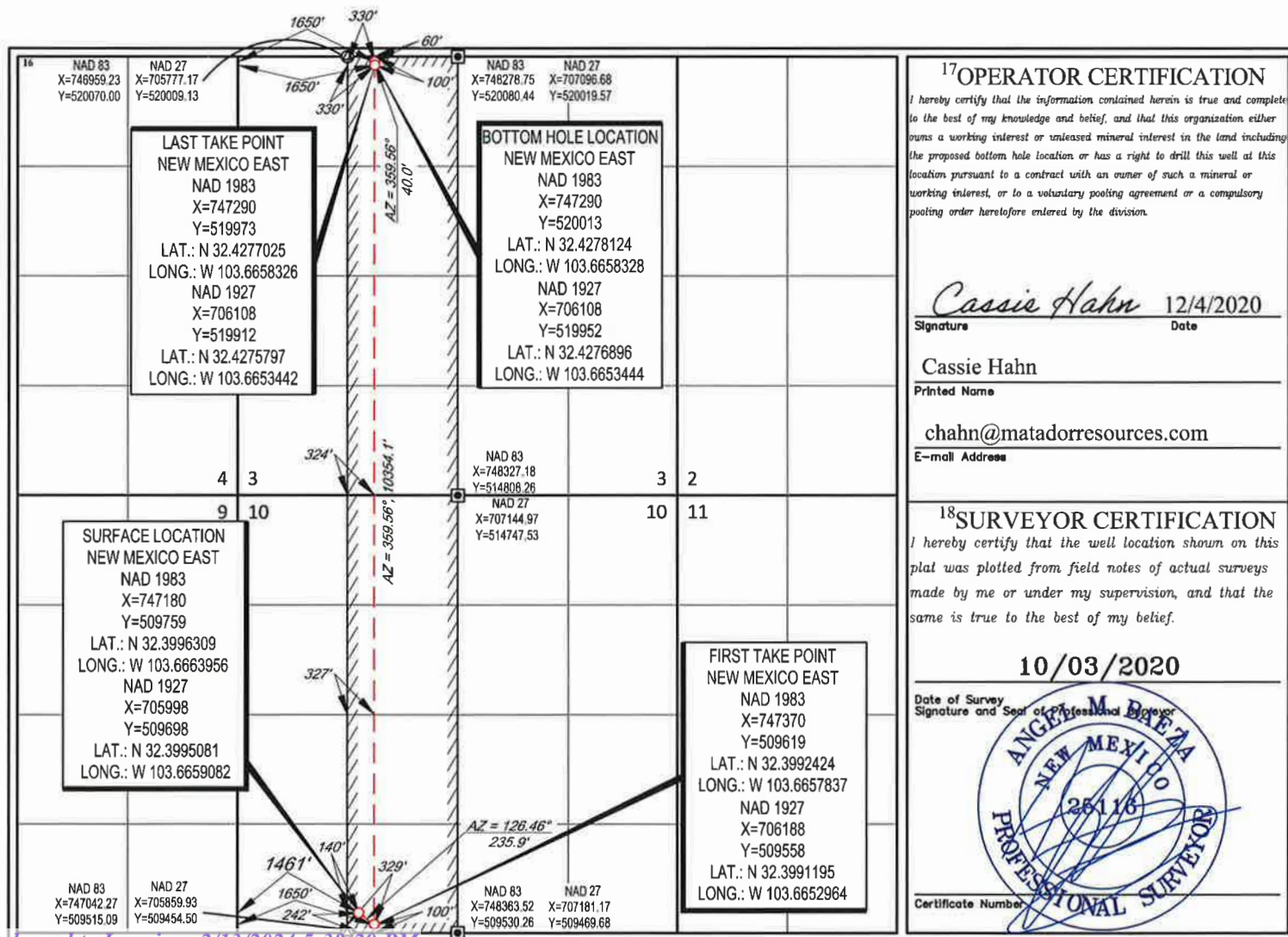
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	10	22-S	32-E	-	242'	SOUTH	1461'	WEST	LEA

¹¹Bottom 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
3	3	22-S	32-E	-	60'	NORTH	1650'	WEST	LEA

¹² Dedicated Acres 320	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.



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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-51189		² Pool Code 5695		³ Pool Name BILBREY BASIN, BONE SPRING	
⁴ Property Code 320841		⁵ Property Name NINA CORTELL FED COM			⁶ Well Number 132H
⁷ OGRID No. 228937		⁸ Operator Name MATADOR PRODUCTION COMPANY			⁹ Elevation 3791'

¹⁰Surface Location

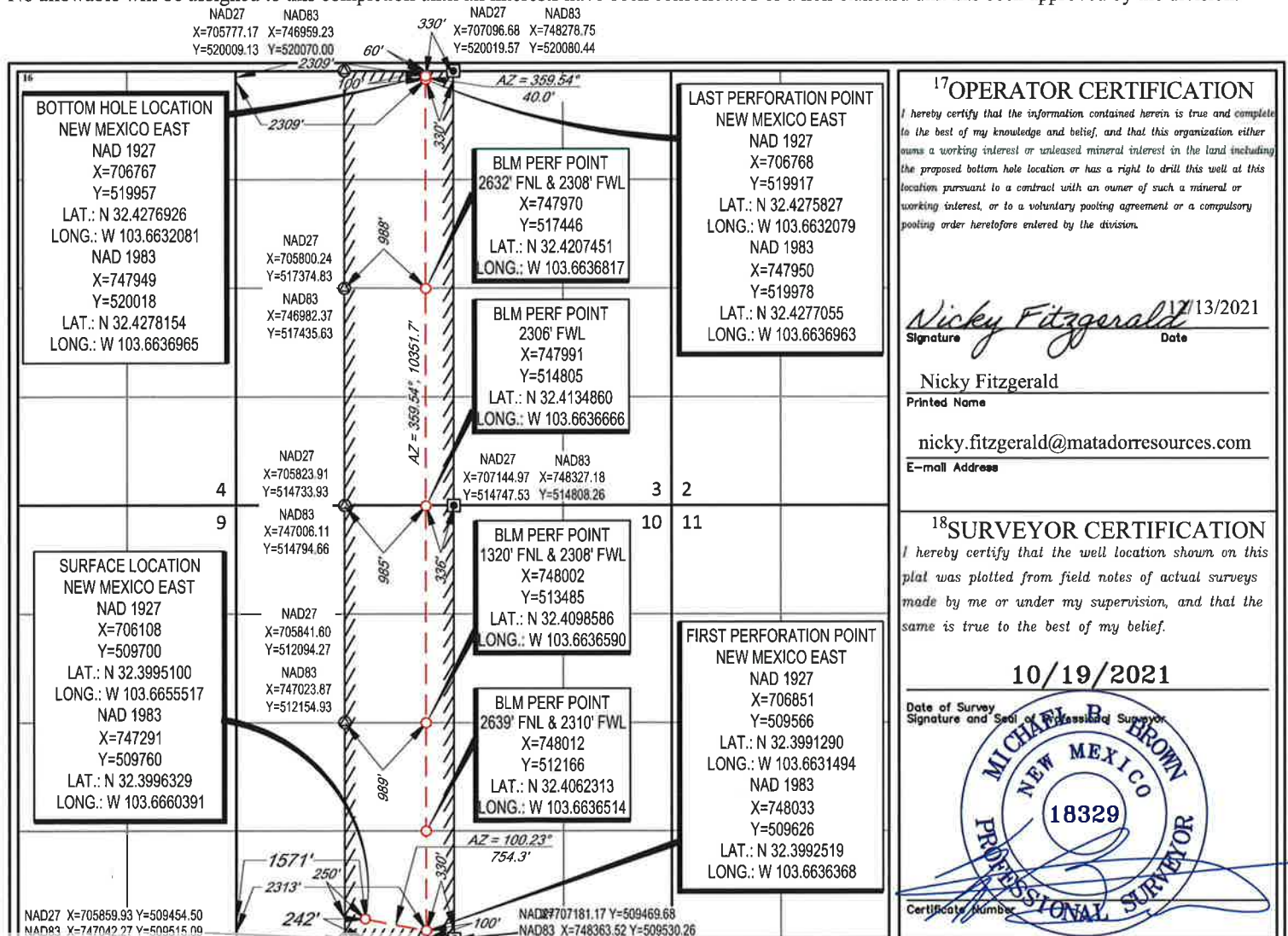
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	10	22-S	32-E	-	242'	SOUTH	1571'	WEST	LEA

¹¹Bottom 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
3	3	22-S	32-E	-	60'	NORTH	2309'	WEST	LEA

¹² Dedicated Acres 319.92	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--	-------------------------------	----------------------------------	-------------------------

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-50258		² Pool Code 5695	³ Pool Name BILBREY BASIN, BONE SPRING
⁴ Property Code 320841	⁵ Property Name NINA CORTELL FED COM		⁶ Well Number 131H
⁷ OGRID No. 228937	⁸ Operator Name MATADOR PRODUCTION COMPANY		⁹ Elevation 3790'

¹⁰Surface Location

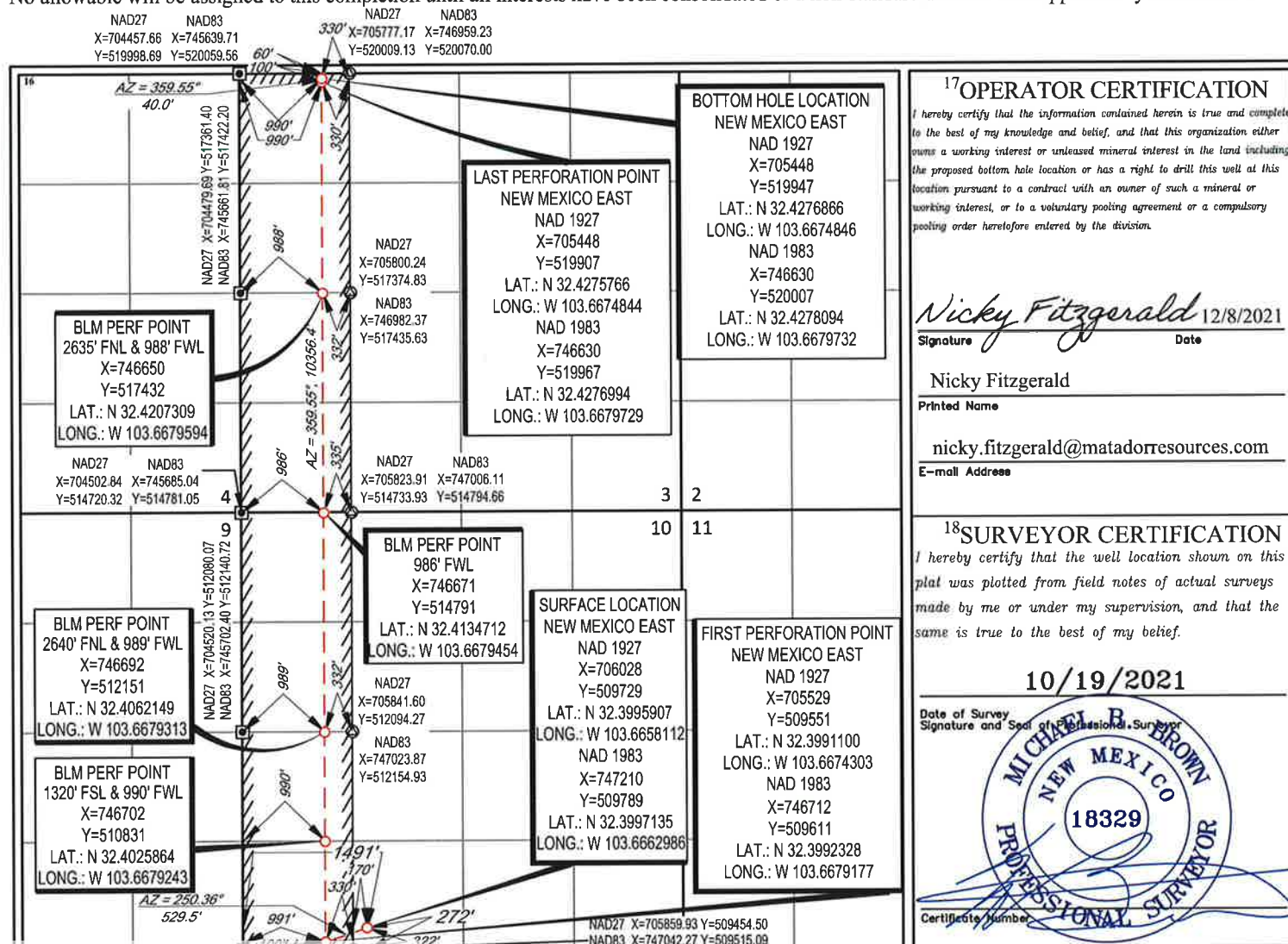
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	10	22-S	32-E	-	272'	SOUTH	1491'	WEST	LEA

¹¹Bottom 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
4	3	22-S	32-E	-	60'	NORTH	990'	WEST	LEA

¹² Dedicated Acres 319.92	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--	-------------------------------	----------------------------------	-------------------------

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-49627		² Pool Code 5695	³ Pool Name BILBREY BASIN; BONE SPRING
⁴ Property Code 320841	⁵ Property Name NINA CORTELL FED COM		⁶ Well Number 125H
⁷ GRID No. 228937	⁸ Operator Name MATADOR PRODUCTION COMPANY		⁹ Elevation 3789'

¹⁰Surface Location

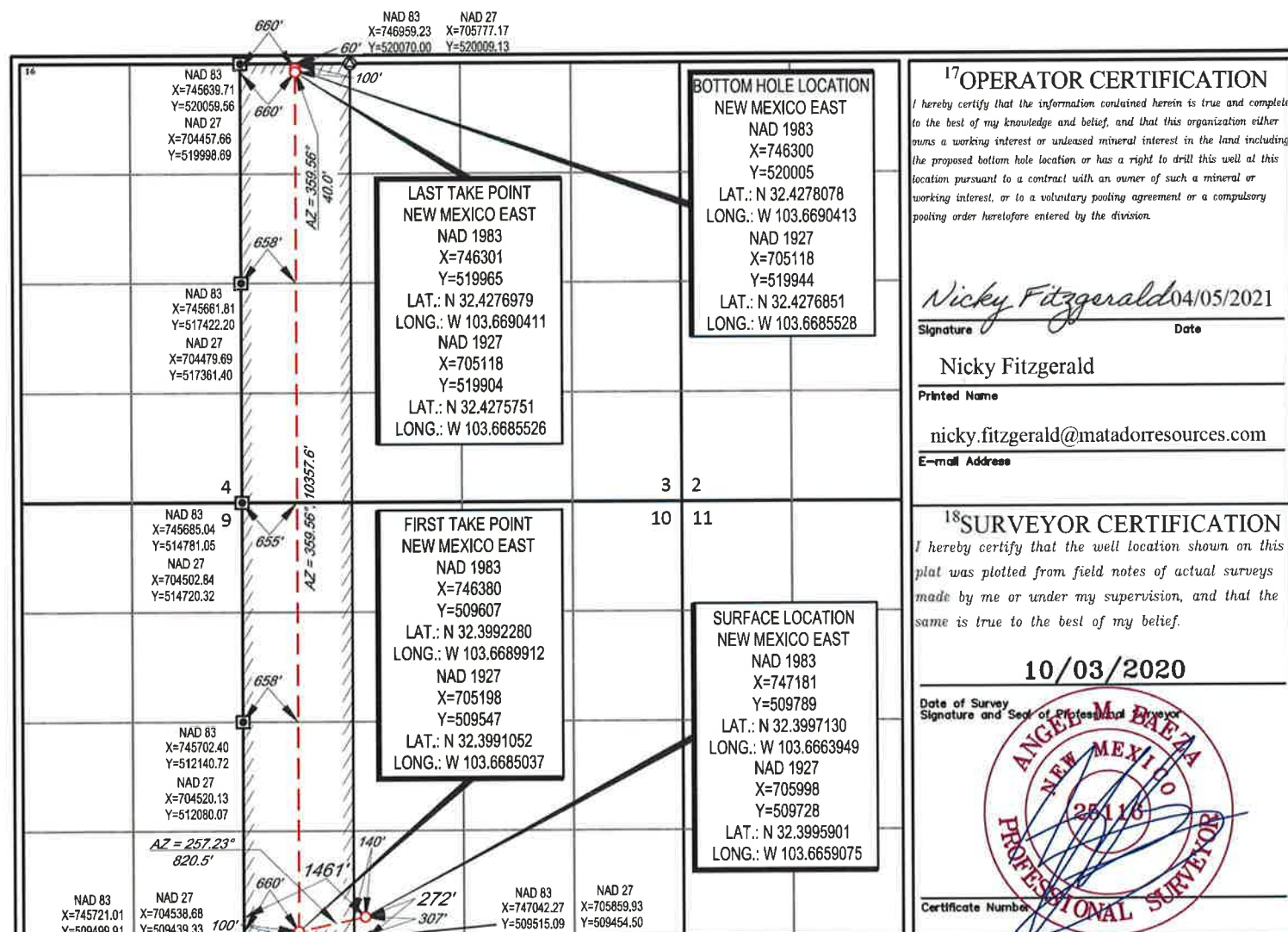
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	10	22-S	32-E	-	272'	SOUTH	1461'	WEST	LEA

¹¹Bottom 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
4	3	22-S	32-E	-	60'	NORTH	660'	WEST	LEA

¹² Dedicated Acres 319.92	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.

¹⁷OPERATOR CERTIFICATION

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.

Nicky Fitzgerald 04/05/2021
Signature Date

Nicky Fitzgerald

Printed Name

nicky.fitzgerald@matadorresources.com

E-mail Address

¹⁸SURVEYOR 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 to the best of my belief.

10/03/2020

Date of Survey
Signature and Seal of Professional Surveyor



Certificate Number

Production Summary Report API: 30-025-49629 NINA CORTELL FEDERAL COM #204H Printed On: Monday, October 02 2023											
		Production					Injection				
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure
2023	[98166] WC-025 G-09 S233216K;UPR WOLFCAMP	Mar	0	0	6	0	0	0	0	0	0
2023	[98166] WC-025 G-09 S233216K;UPR WOLFCAMP	Apr	15138	28166	73245	27	0	0	0	0	0
2023	[98166] WC-025 G-09 S233216K;UPR WOLFCAMP	May	10869	20744	51678	28	0	0	0	0	0
2023	[98166] WC-025 G-09 S233216K;UPR WOLFCAMP	Jun	12999	25621	54023	30	0	0	0	0	0
2023	[98166] WC-025 G-09 S233216K;UPR WOLFCAMP	Jul	11376	8323	15604	11	0	0	0	0	0

Production Summary Report API: 30-025-50801 NINA CORTELL FEDERAL COM #134H Printed On: Monday, October 02 2023											
		Production					Injection				
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure
2023	[5695] BILBREY BASIN;BONE SPRING	Mar	10781	646	73948	14	0	0	0	0	0
2023	[5695] BILBREY BASIN;BONE SPRING	Apr	14590	24342	55453	28	0	0	0	0	0
2023	[5695] BILBREY BASIN;BONE SPRING	May	15154	25171	45547	29	0	0	0	0	0
2023	[5695] BILBREY BASIN;BONE SPRING	Jun	15874	28079	46985	30	0	0	0	0	0
2023	[5695] BILBREY BASIN;BONE SPRING	Jul	14423	9449	13267	11	0	0	0	0	0

Production Summary Report API: 30-025-49628 NINA CORTELL FEDERAL COM #203H Printed On: Monday, October 02 2023											
		Production				Injection					
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure
2023	[98166] WC-025 G-09 S233216K;UPR WOLFCAMP	Mar	0	0	0	0	0	0	0	0	0
2023	[98166] WC-025 G-09 S233216K;UPR WOLFCAMP	Apr	18497	35801	69016	27	0	0	0	0	0
2023	[98166] WC-025 G-09 S233216K;UPR WOLFCAMP	May	11329	21943	43450	29	0	0	0	0	0
2023	[98166] WC-025 G-09 S233216K;UPR WOLFCAMP	Jun	11845	24410	42681	30	0	0	0	0	0
2023	[98166] WC-025 G-09 S233216K;UPR WOLFCAMP	Jul	3651	21625	37439	27	0	0	0	0	0

Production Summary Report API: 30-025-50513 NINA CORTELL FEDERAL COM #133H Printed On: Monday, October 02 2023											
		Production					Injection				
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure
2023	[5695] BILBREY BASIN;BONE SPRING	Mar	12282	796	70419	15	0	0	0	0	0
2023	[5695] BILBREY BASIN;BONE SPRING	Apr	17971	30940	62179	28	0	0	0	0	0
2023	[5695] BILBREY BASIN;BONE SPRING	May	13274	21494	38455	29	0	0	0	0	0
2023	[5695] BILBREY BASIN;BONE SPRING	Jun	15767	26291	41743	30	0	0	0	0	0
2023	[5695] BILBREY BASIN;BONE SPRING	Jul	5136	25325	41136	31	0	0	0	0	0

Production Summary Report											
API: 30-025-49627											
NINA CORTELL FEDERAL COM #125H											
Printed On: Monday, October 02 2023											
		Production					Injection				
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure
2022	[5695] BILBREY BASIN;BONE SPRING	Mar	6794	9237	94337	14	0	0	0	0	0
2022	[5695] BILBREY BASIN;BONE SPRING	Apr	29501	36447	123193	30	0	0	0	0	0
2022	[5695] BILBREY BASIN;BONE SPRING	May	13216	17116	49283	22	0	0	0	0	0
2022	[5695] BILBREY BASIN;BONE SPRING	Jun	19946	25862	59151	30	0	0	0	0	0
2022	[5695] BILBREY BASIN;BONE SPRING	Jul	22419	27918	78572	31	0	0	0	0	0
2022	[5695] BILBREY BASIN;BONE SPRING	Aug	19840	25319	58324	28	0	0	0	0	0
2022	[5695] BILBREY BASIN;BONE SPRING	Sep	22172	27646	58684	30	0	0	0	0	0
2022	[5695] BILBREY BASIN;BONE SPRING	Oct	23712	28280	57205	31	0	0	0	0	0
2022	[5695] BILBREY BASIN;BONE SPRING	Nov	20433	27172	43240	30	0	0	0	0	0
2022	[5695] BILBREY BASIN;BONE SPRING	Dec	21373	32246	46642	31	0	0	0	0	0
2023	[5695] BILBREY BASIN;BONE SPRING	Jan	21300	40681	48384	31	0	0	0	0	0
2023	[5695] BILBREY BASIN;BONE SPRING	Feb	14411	28589	41322	28	0	0	0	0	0
2023	[5695] BILBREY BASIN;BONE SPRING	Mar	17539	1297	44266	31	0	0	0	0	0
2023	[5695] BILBREY BASIN;BONE SPRING	Apr	14425	30913	34490	28	0	0	0	0	0
2023	[5695] BILBREY BASIN;BONE SPRING	May	13119	21442	28259	29	0	0	0	0	0
2023	[5695] BILBREY BASIN;BONE SPRING	Jun	12849	26995	28645	30	0	0	0	0	0
2023	[5695] BILBREY BASIN;BONE SPRING	Jul	4421	8130	8715	11	0	0	0	0	0

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the **25th** day of **August, 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:

Lot 1, SE/4NE/4 , E/2SE/4 of Section 3 and the E/2E/2 of Section 10, Township 22S, Range 32E, Lea County, New Mexico.

Containing **319.92** 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

EXHIBIT

5

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 **August 25, 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
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 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
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 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

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

MRC Permian LKE Company, LLC

By: _____

Craig N. Adams Executive Vice President
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 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

**SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING
INTEREST**

COMMUNITIZATION AGREEMENT: _____

I, the undersigned, hereby certify, on behalf of **Matador Production Company**, the Operator under the captioned Communitization Agreement, that all working interest owners shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the true and correct owners of the leases committed to the Communitization Agreement, and the consents of the requisite working interest owners have been obtained.

I, further certify that the Communitization Agreement follows the standard form except for Sections 1 and 10.

NAME: _____

Signature of office

Printed: Craig N. Adams

TITLE: Executive Vice President

Phone number : (972) -371-5200

EXHIBIT “A”

Plat of communitized area covering 319.92 acres in the Lot 1, SE/4NE/4, E/2SE/4 of Section 3 and the E/2E/2, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Nina Cortell Fed Com #114H, #128H & #134H

			Tract 1 NMNM-135247 Acres 119.92
	3		Tract 2 Fee Acres 40.00
			Tract 1 NMNM-135247 Acres 119.92
			Tract 3 NMNM-086147 Acres 160.00
	10		

EXHIBIT "B"

Attached to and made a part of that certain Communitization Agreement Dated August 25, 2022, embracing the following described land in the Lot 1, SE/4NE/4, E/2SE/4 of Section 3 and the E/2E/2, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Operator of Communitized Area: Matador Production Company

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

Lease Serial No.: NMNM 135247
Description of Land Committed: Township 22 South, Range 32 East,
Section 3: NE/4NE/4 & the E/2SE/4
Number of Acres: 119.92
Current Lessee of Record: MRC Permian LKE Company, LLC
Name of Working Interest Owner(s): MRC Permian LKE Company, LLC
Overriding Royalty Interest Owner(s): None

Tract No. 2

Lease Serial No.: Fee
Description of Land Committed: Township 22 South, Range 32 East,
Section 3: SE/4NE/4
Number of Acres: 40.00
Current Lessee of Record: MRC Permian Company
Name of Working Interest Owner(s): MRC Permian Company
Overriding Royalty Interest Owner(s): None

Tract No. 3

Lease Serial No.: NMNM-086147
Description of Land Committed: Township 22 South, Range 32 East,
Sec 10: E/2E/2
Number of Acres: 160.00
Current Lessee of Record: MRC Permian Company
Name of Working Interest Owner(s): MRC Permian Company
Overriding Royalty Interest Owners: None

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	119.92	37.49%
2	40.00	12.50%
3	160.00	50.01%
Total	319.92	100.00%

30712709_v1

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the **1st** day of **January, 2023**, 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:

Lot 1, SE/4NE/4 , E/2SE/4 of Section 3 and the E/2E/2 of Section 10, Township 22S, Range 32E, Lea County, New Mexico.

Containing **319.92** acres, and this agreement shall include only the **Wolfcamp** 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 **January 1, 2023**, 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
Name & Title of Authorized Agent

Date: _____

ACKNOWLEDGEMENT

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this ____ day of _____, 2023, before me, a Notary Public for the State of Texas, personally appeared Craig N. Adams, known to me to be the Executive Vice President 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
Print Name

Date: _____

ACKNOWLEDGEMENT

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this ____ day of _____, 2023, before me, a Notary Public for the State of Texas, personally appeared Craig N. Adams, known to me to be the Executive Vice President 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

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

MRC Permian LKE Company, LLC

By: _____

Craig N. Adams Executive Vice President
Print Name

Date: _____

ACKNOWLEDGEMENT

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this ____ day of _____, 2023, before me, a Notary Public for the State of Texas, personally appeared Craig N. Adams, known to me to be the Executive Vice President of MRC Permian LKE Company, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

**SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING
INTEREST**

COMMUNITIZATION AGREEMENT: _____

I, the undersigned, hereby certify, on behalf of **Matador Production Company**, the Operator under the captioned Communitization Agreement, that all working interest owners shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the true and correct owners of the leases committed to the Communitization Agreement, and the consents of the requisite working interest owners have been obtained.

I, further certify that the Communitization Agreement follows the standard form except for Sections 1 and 10.

NAME: _____

Signature of office

Printed: Craig N. Adams

TITLE: Executive Vice President

Phone number : (972) -371-5200

EXHIBIT “A”

Plat of communitized area covering **319.92** acres in the Lot 1, SE/4NE/4, E/2SE/4 of Section 3 and the E/2E/2 of Section 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Nina Cortell Fed Com #204H & #224H

			Tract 1 NMNM-135247 Acres 119.92
	3		Tract 2 Fee Acres 40.00
			Tract 1 NMNM-135247 Acres 119.92
			Tract 3 NMNM-086147 Acres 160.00
	10		

EXHIBIT “B”

Attached to and made a part of that certain Communitization Agreement Dated January 1, 2023 embracing the following described land in the Lot 1, SE/4NE/4, E/2SE/4 of Section 3 and the E/2E/2 of Section 10 , Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Operator of Communitized Area: Matador Production Company

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

Lease Serial No.: NMNM 135247
Description of Land Committed: Township 22 South, Range 32 East,
Section 3: NE/4NE/4 & the E/2SE/4
Number of Acres: 119.92
Current Lessee of Record: MRC Permian LKE Company, LLC
Name of Working Interest Owner(s): MRC Permian LKE Company, LLC
Overriding Royalty Interest Owner(s): None

Tract No. 2

Lease Serial No.: Fee
Description of Land Committed: Township 22 South, Range 32 East,
Section 3: SE/4NE/4
Number of Acres: 40.00
Current Lessee of Record: MRC Permian Company
Name of Working Interest Owner(s): MRC Permian Company
Overriding Royalty Interest Owner(s): None

Tract No. 3

Lease Serial No.: NMNM-086147
Description of Land Committed: Township 22 South, Range 32 East,
Sec 10: E/2E/2
Number of Acres: 160.00
Current Lessee of Record: MRC Permian Company
Name of Working Interest Owner(s): MRC Permian Company
Overriding Royalty Interest Owners: None

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	119.92	37.49%
2	40.00	12.50%
3	160.00	50.01%
Total	319.92	100.00%

30712713_v1

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the **1st** day of **September, 2021**, 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:

W/2E/2 of Sections 3 & 10, Township 22S, Range 32E, Lea County, New Mexico.

Containing **319.92** acres, more or less, and this agreement shall include only the **Bone Spring** Formation underlying said lands and the natural gas and associated liquid hydrocarbons 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 the date first written above, 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

Date: 10/20/21

By: 

Name: Jonathan Filbert

Title: Senior Vice President - Land

RH
Pdd

CORPORATE ACKNOWLEDGEMENT

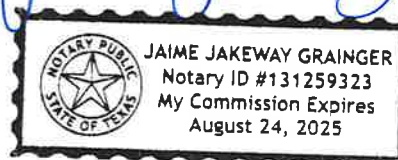
STATE OF TEXAS)

COUNTY OF DALLAS)

On this 20th day of October, 2021, before me, a Notary Public for the State of Texas, personally appeared Jonathan Filbert, known to me to be the Senior Vice President - Land of **Matador Production Company**, a Texas corporation, on behalf of said corporation.

8/24/2025
My Commission Expires


Notary Public



WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD

MRC PERMIAN COMPANY

Date: 10/20/21

By: 

Name: Jonathan Filbert

Title: Senior Vice President - Land

RH
Pdd

MRC PERMIAN LKE COMPANY, LLC

Date: 10/20/21

By: 

Name: Jonathan Filbert

Title: Senior Vice President - Land

RH
Pdd

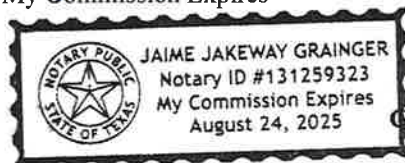
CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS)
COUNTY OF DALLAS)

On this 20th day of OCTOBER, 2021, before me, a Notary Public for the State of Texas, personally appeared **Jonathan Filbert**, known to me to be the **Senior Vice President - Land** of **MRC Permian Company**, a Texas corporation, on behalf of said corporation.

8/24/2025
My Commission Expires


Notary Public



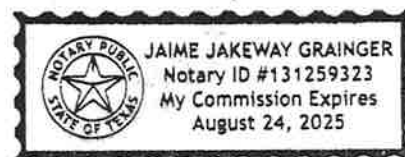
CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS)
COUNTY OF DALLAS)

On this 20th day of OCTOBER, 2021, before me, a Notary Public for the State of Texas, personally appeared **Jonathan Filbert**, known to me to be the **Senior Vice President - Land** of **MRC Permian LKE Company, LLC**, a Texas corporation, on behalf of said corporation.

8/24/2025
My Commission Expires


Notary Public



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

Date: _____ By: _____

Name: _____

Title: _____

CORPORATE ACKNOWLEDGEMENT

STATE OF _____)
COUNTY OF _____)

On this ____ day of _____, 2021, before me, a Notary Public for the State of _____, personally appeared _____, known to me to be the of _____, on behalf of said corporation.

My Commission Expires

Notary Public

ACKNOWLEDGMENT

STATE OF _____)
COUNTY OF _____)

On this ____ day of _____, 2021, before me, a Notary Public for the State of _____, personally appeared _____, who acknowledged to me that he/she executed this said document in his/her official capacity.

My Commission Expires

Notary Public

SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING INTEREST

COMMUNITIZATION AGREEMENT:

I, the undersigned, hereby certify, on behalf of **Matador Production Company**, the Operator under the captioned Communitization Agreement, that all working interest owners shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the true and correct owners of the leases committed to the Communitization Agreement, and the consents of the requisite working interest owners have been obtained.

I, further certify that the Communitization Agreement follows the standard form except for Sections 1 and 10.

BY:



Signature of officer

Name: Jonathan Filbert

Title: Senior Vice President - Land

Phone number: (972)-371-5200

RH
Pdd

EXHIBIT "A"

Plat of communitized area covering **319.92** acres in the W/2E/2 of Sections 3 & 10, Township 22 South,
Range 32 East, N.M.P.M., Lea County, New Mexico.

Nina Cortell Fed Com 113H, 127H, 133H

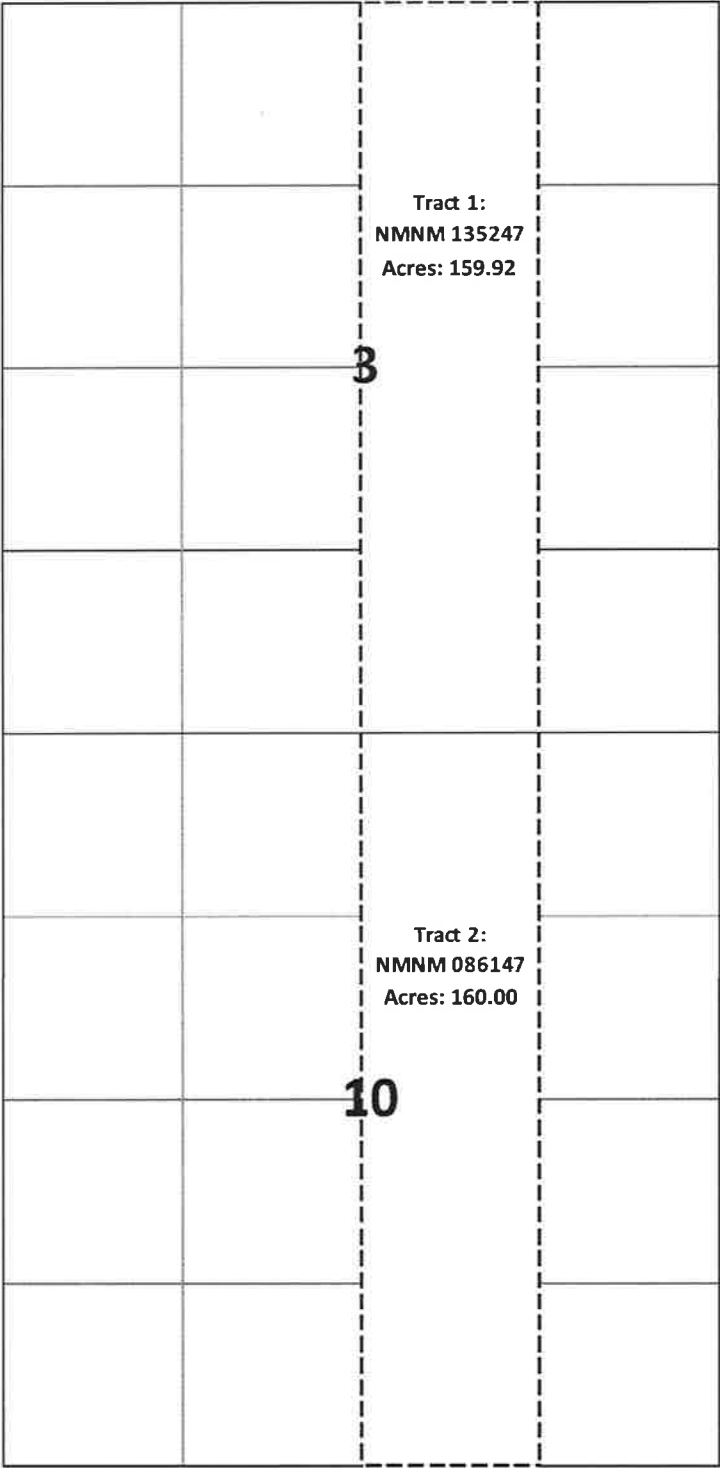


EXHIBIT "B"

Attached to and made a part of that certain Communitization Agreement Dated September 1, 2021 embracing the following described land in the W/2E/2 of Sections 3 and 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Operator of Communitized Area: Matador Production Company

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial No.: NMNM 135247

Description of Land Committed: Township 22 South, Range 32 East, Section 3: Lot 2, SW/4NE/4, W/2SE/4

Number of Acres: 159.92

Current Lessee of Record: MRC Permian LKE Company, LLC

Name of Working Interest Owner(s): MRC Permian LKE Company, LLC

Overriding Royalty Interest Owner(s): None

Tract No. 2

Lease Serial No.: NMNM 086147

Description of Land Committed: Township 22 South, Range 32 East, Section 10: W/2E/2

Number of Acres: 160.00

Current Lessee of Record: ConocoPhillips Company (*Compulsory Pooled*)

Name of Working Interest Owner(s): ConocoPhillips Company (*Compulsory Pooled*)

Overriding Royalty Interest Owner(s): None

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	159.92	49.99%
2	160.00	50.01%
Total	319.92	100.00%

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
MATADOR PRODUCTION COMPANY**

**CASE NO. 21795
ORDER NO. R-21666**

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard these matters through a Hearing Examiner on April 8, 2021, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Orders:

FINDINGS OF FACT

1. Matador Production Company ("Operator") submitted an application ("Application") to compulsorily pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.

10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the

well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of

the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.

29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



ADRIENNE SANDOVAL
DIRECTOR
AES/kms

Date: 4/20/2021

CASE NO. 21795
ORDER NO. R-21666

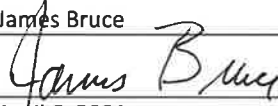
Page 5 of 8

Exhibit "A"

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case:	21795
Date	April 8, 2021
Applicant	Matador Production Company
Designated Operator & OGRID (affiliation if applicable)	Matador Production Company/OGRID No. 228937
Applicant's Counsel:	James Bruce
Case Title:	Application of Matador Production Company for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	ConocoPhillips Company/Holland & Hart LLP
Well Family	Nina Cortell Bone Spring Wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Entire Bone Spring formation
Pool Name and Pool Code:	Bilbrey Basin; Bone Spring/Pool Code 5695
Well Location Setback Rules:	Statewide rules and current horizontal well rules
Spacing Unit Size:	Quarter-quarter sections/40 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	40 acres
Orientation:	South-North
Description: TRS/County	W/2E/2 §10 and W/2E/2 §3-22S-32E, NMPM, Lea County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	Exhibits C-2 and C-3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Nina Cortell Fed. Com. Well No. 127H, API No. Pending SHL: 244 FSL and 1230 FEL (Unit P) §10-22S-32E BHL: 60 feet FNL and 1980 feet FEL (Unit B) §3-22S-32E FTP: 100 FSL & 1980 FEL §10 LTP: 100 FNL & 1980 FEL §3 Bone Spring Sand/TVD 10850 feet/MD 21114 feet

EXHIBIT E

Horizontal Well First and Last Take Points	See above
Completion Target (Formation, TVD and MD)	See above
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit C, page 4
Requested Risk Charge	Cost + 200%/Exhibit A, Case No. 21795
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit B
Proof of Published Notice of Hearing (10 days before hearing)	Not necessary
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibits C-2 and C-3
Tract List (including lease numbers and owners)	Exhibit C-2
Pooled Parties (including ownership type)	Exhibit C-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit C-4
List of Interest Owners (i.e. Exhibit A of JOA)	Exhibit C-3
Chronology of Contact with Non-Joined Working Interests	Exhibit C-4
Overhead Rates In Proposal Letter	\$8000/\$800
Cost Estimate to Drill and Complete	Exhibit C-5
Cost Estimate to Equip Well	Exhibit C-5
Cost Estimate for Production Facilities	Exhibit C-5
Geology	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibits C-1 and C-2
Gunbarrel/Lateral Trajectory Schematic	Exhibits D-2 and D-3
Well Orientation (with rationale)	Standup/Exhibit D
Target Formation	Bone Spring
HSU Cross Section	Exhibit D-3
Depth Severance Discussion	Not Applicable
Forms, Figures and Tables	
C-102	Exhibit C-1

Tracts	Exhibit C-1 and C-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibits C-1 and C-3
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit C-1
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D-3
Cross Section (including Landing Zone)	Exhibit D-3
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	James Bruce
Signed Name (Attorney or Party Representative):	
Date:	April 6, 2021

CASE NO. 21795
ORDER NO. R-21666

Page 8 of 8

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the **1st** day of **November, 2021**, 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:

Lot 2, SW/4NE/4, W/2SE/4 of Section 3 and the W/2E/2 of Section 10, Township 22S, Range 32E, Lea County, New Mexico.

Containing **319.92** acres, and this agreement shall include only the Wolfcamp Formation underlying said lands and the the natural gas and associated liquid hydrocarbons 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 **November 1, 2021**, 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
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 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 LKE Company, LLC

By: _____

Craig N. Adams Executive Vice President
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 of MRC Permian LKE Company, LLC, 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 **319.92** acres in the Lot 2, SW/4NE/4, W/2SE/4 of Section 3 and the W/2E/2 of Section 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

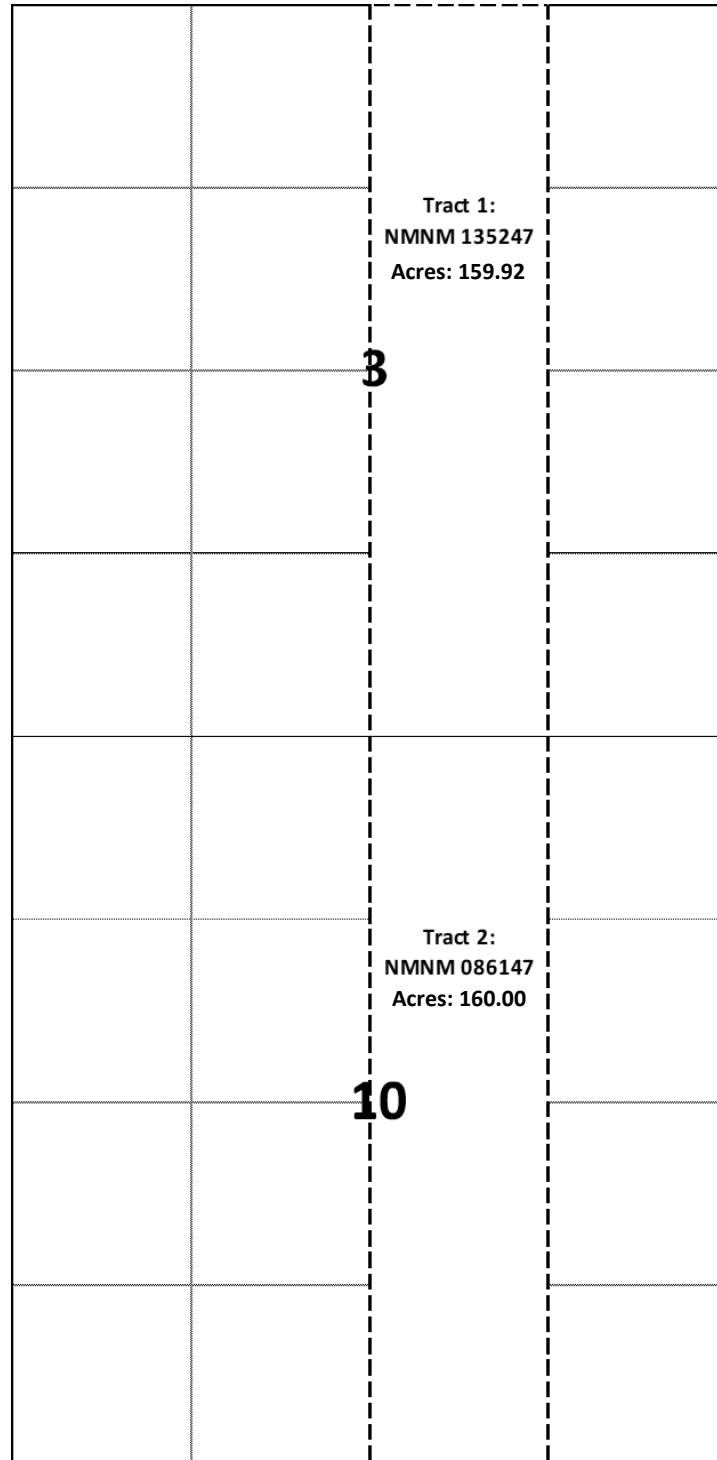
Nina Cortell Fed Com #203H

EXHIBIT "B"

Attached to and made a part of that certain Communitization Agreement Dated November 1, 2021 embracing the following described land in the Lot 2, SW/4NE/4, W/2SE/4 of Section 3 and the W/2E/2 of Section 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Operator of Communitized Area: Matador Production Company

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

Lease Serial No.: NMNM 135247
Description of Land Committed: Township 22 South, Range 32 East,
 Section 3: Lot 2, SW/4NE/4, W/2SE/4
Number of Acres: 159.92
Current Lessee of Record: MRC Permian LKE Company, LLC
Name of Working Interest Owner(s): MRC Permian LKE Company, LLC
Overriding Royalty Interest Owner(s): None

Tract No. 2

Lease Serial No.: NMNM 086147
Description of Land Committed: Township 22 South, Range 32 East,
 Section 10: W/2E/2
Number of Acres: 160.00
Current Lessee of Record: ConocoPhillips Company (*Compulsory Pooled*)
Name of Working Interest Owner(s): ConocoPhillips Company (*Compulsory Pooled*)
Overriding Royalty Interest Owner(s): None

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	159.92	49.99%
2	160.00	50.01%
Total	319.92	100.00%

30712715_v1

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the **1st** day of **January 2023**, 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:

Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10, Township 22S, Range 32E, Lea County, New Mexico.

Containing **319.92** 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 **January 1, 2023**, 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
Name & Title of Authorized Agent

Date: _____

ACKNOWLEDGEMENT

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this ____ day of _____, 2023, before me, a Notary Public for the State of Texas, personally appeared Craig N. Adams, known to me to be the Executive Vice President 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
Print Name

Date: _____

ACKNOWLEDGEMENT

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this ____ day of _____, 2023, before me, a Notary Public for the State of Texas, personally appeared Craig N. Adams, known to me to be the Executive Vice President 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

**SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING
INTEREST**

COMMUNITIZATION AGREEMENT: _____

I, the undersigned, hereby certify, on behalf of **Matador Production Company**, the Operator under the captioned Communitization Agreement, that all working interest owners shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the true and correct owners of the leases committed to the Communitization Agreement, and the consents of the requisite working interest owners have been obtained.

I, further certify that the Communitization Agreement follows the standard form except for Sections 1 and 10.

NAME: _____

Signature of office

Printed: Craig N. Adams

TITLE: Executive Vice President

Phone number : (972) -371-5200

EXHIBIT "A"

Plat of communitized area covering **319.92** acres in the Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Nina Cortell Fed Com #112H, #132H & #126H

	Tract 1 NMNM- 135247 Acres 79.92		
		3	
	Tract 2 VC-0075 Acres 80.00		
	Tract 3 NMNM- 055952 Acres 40.00		
	Tract 4 NMNM- 141008 Acres 40.00		
		10	
	Tract 5 NMNM- 086147 Acres 80.00		

EXHIBIT “B”

Attached to and made a part of that certain Communitization Agreement Dated January 1, 2023 embracing the following described land in the Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

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

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

Lease Serial Number:	NMNM-135247
Description of Land Committed:	Township 22 South, Range 32 East, Section 3: Lot 3, SE/4NW/4
Number of Acres:	79.92
Current Lessee of Record:	MRC Permian LKE Company, LLC
Name of Working Interest Owners:	MRC Permian LKE Company, LLC
Overriding Royalty Interest Owners:	None

Tract No. 2

Lease Serial Number:	VC-0075
Description of Land Committed:	Township 22 South, Range 32 East, Section 3: E/2SW/4
Number of Acres:	80.00
Current Lessee of Record:	MRC Permian Company
Name of Working Interest Owners:	MRC Permian Company
Overriding Royalty Interest Owners:	None

Tract No. 3

Lease Serial Number: NMNM-055952

Description of Land Committed: Township 22 South, Range 32 East,
Section 10: NE/4NW/4

Number of Acres: 40.00

Current Lessee of Record: David Pietenpol

Name of Working Interest Owners: MRC Permian Company
JSG Energy, LLC
McCurdy Energy, LLC
Osprey Oil and Gas, LLC

Overriding Royalty Interest Owners: Abyss, Inc.
Adley Properties LLC
Beverly Jean Renfro Barr, Trustee of the Family
Trust created under the Last Will and Testament of
Richard Kevin Barr
Capstan Properties, LP
Cynthia Mae Wilson, Trustee of the Bypass Trust
established under the Last Will and Testament
of Scott E. Wilson
Hunt Oil Company
Jack Lowry, whose marital status is unknown
Judson Land and Minerals, LP
Lyra Properties, LLC
Magic Dog Oil & Gas, Ltd.
Marjean Martin Murphy, Trustee of the Marjean
Martin Murphy Heritage Trust u/t/a dated August 22,
2014
Mountain Lion Oil & Gas, LLC
Peanut Oil Co.
Richard C. Geesaman and wife, Breida Geesaman

Tract No. 4

Lease Serial Number: NMNM-141008

Description of Land Committed: Township 22 South, Range 32 East,
Section 10: SE/4NW/4

Number of Acres: 40.00

Current Lessee of Record: MRC Permian Company

Name of Working Interest Owners: MRC Permian Company

Overriding Royalty Interest Owners: None

Tract No. 5

Lease Serial No.: NMNM-086147
Description of Land Committed: Township 22 South, Range 32 East,
Sec 10: E/2SW/4
Number of Acres: 80.00
Current Lessee of Record: MRC Permian Company
Name of Working Interest Owner(s): MRC Permian Company
Overriding Royalty Interest Owners: None

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	79.92	24.98%
2	80.00	25.01%
3	40.00	12.50%
4	40.00	12.50%
5	80.00	25.01%
Total	319.92	100.00%

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the **1st** day of **January, 2023**, 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:

Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10, Township 22S, Range 32E, Lea County, New Mexico.

Containing **319.92** acres, and this agreement shall include only the Wolfcamp 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 **January 1, 2023**, 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
Name & Title of Authorized Agent

Date: _____

ACKNOWLEDGEMENT

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this ____ day of _____, 2023, before me, a Notary Public for the State of Texas, personally appeared Craig N. Adams, known to me to be the Executive Vice President 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
Print Name

Date: _____

ACKNOWLEDGEMENT

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this ____ day of _____, 2023, before me, a Notary Public for the State of Texas, personally appeared Craig N. Adams, known to me to be the Executive Vice President 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

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

MRC Permian LKE Company, LLC

By: _____

Craig N. Adams

Print Name

Date: _____

Acknowledgment in a Representative Capacity

STATE OF TEXAS §

COUNTY OF DALLAS §

This instrument was acknowledged before me on _____, 2023, by
Craig N. Adams, as Executive Vice President, for **MRC Permian Company** on behalf
of said corporation.

Signature

Name (Print)

My commission expires_

**SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING
INTEREST**

COMMUNITIZATION AGREEMENT: _____

I, the undersigned, hereby certify, on behalf of **Matador Production Company**, the Operator under the captioned Communitization Agreement, that all working interest owners shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the true and correct owners of the leases committed to the Communitization Agreement, and the consents of the requisite working interest owners have been obtained.

I, further certify that the Communitization Agreement follows the standard form except for Sections 1 and 10.

NAME: _____

Signature of office

Printed: Craig N. Adams

TITLE: Executive Vice President

Phone number : (972) -371-5200

EXHIBIT "A"

Plat of communitized area covering **319.92** acres in the Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Nina Cortell Fed Com #202H

	Tract 1 NMNM- 135247 Acres 79.92		
		3	
	Tract 2 VC-0075 Acres 80.00		
	Tract 3 NMNM- 055952 Acres 40.00		
	Tract 4 NMNM- 141008 Acres 40.00		
		10	
	Tract 5 NMNM- 086147 Acres 80.00		

EXHIBIT “B”

Attached to and made a part of that certain Communitization Agreement Dated January 1, 2023, embracing the following described land in the Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

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

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

Lease Serial Number:	NMNM-135247
Description of Land Committed:	Township 22 South, Range 32 East, Section 3: Lot 3, SE/4NW/4
Number of Acres:	79.92
Current Lessee of Record:	MRC Permian LKE Company, LLC
Name of Working Interest Owners:	MRC Permian LKE Company, LLC
Overriding Royalty Interest Owners:	None

Tract No. 2

Lease Serial Number:	VC-0075
Description of Land Committed:	Township 22 South, Range 32 East, Section 3: E/2SW/4
Number of Acres:	80.00
Current Lessee of Record:	MRC Permian Company
Name of Working Interest Owners:	MRC Permian Company
Overriding Royalty Interest Owners:	None

Tract No. 3

Lease Serial Number:	NMNM-055952
Description of Land Committed:	Township 22 South, Range 32 East, Section 10: NE/4NW/4
Number of Acres:	40.00
Current Lessee of Record:	David Pietenpol
Name of Working Interest Owners:	MRC Permian Company JSG Energy, LLC McCurdy Energy, LLC Osprey Oil and Gas, LLC
Overriding Royalty Interest Owners:	Abyss, Inc. Adley Properties LLC Beverly Jean Renfro Barr, Trustee of the Family Trust created under the Last Will and Testament of Richard Kevin Barr Capstan Properties, LP Cynthia Mae Wilson, Trustee of the Bypass Trust established under the Last Will and Testament of Scott E. Wilson Hunt Oil Company Jack Lowry, whose marital status is unknown Judson Land and Minerals, LP Lyra Properties, LLC Magic Dog Oil & Gas, Ltd. Marjean Martin Murphy, Trustee of the Marjean Martin Murphy Heritage Trust u/t/a dated August 22, 2014 Mountain Lion Oil & Gas, LLC Peanut Oil Co. Richard C. Geesaman and wife, Breida Geesaman

Tract No. 4

Lease Serial Number:	NMNM-141008
Description of Land Committed:	Township 22 South, Range 32 East, Section 10: SE/4NW/4
Number of Acres:	40.00
Current Lessee of Record:	MRC Permian Company
Name of Working Interest Owners:	MRC Permian Company
Overriding Royalty Interest Owners:	None

Tract No. 5

Lease Serial No.: NMNM-086147
Description of Land Committed: Township 22 South, Range 32 East,
Sec 10: E/2SW/4
Number of Acres: 80.00
Current Lessee of Record: MRC Permian Company
Name of Working Interest Owner(s): MRC Permian Company
Overriding Royalty Interest Owners: None

RECAPITULATION

30712712_v1

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	79.92	24.98%
2	80.00	25.01%
3	40.00	12.50%
4	40.00	12.50%
5	80.00	25.01%
Total	319.92	100.00%

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

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

Revised August, 2021

ONLINE Version

COMMUNITIZATION AGREEMENT

API Initial Well: 30-0_____ - _____

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

W I T N E S S E T H:

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

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

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

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

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

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

Subdivisions Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10,

Sect(s) 3&10, T 22S, R 32E, NMPM, Lea County, NM

containing 319.92 acres, more or less, and this agreement shall include only the **Bone**

Spring Formation or pool, underlying said lands and the **oil & gas** (hereinafter referred to as

"communitized substances") producible from such formation.

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

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is January _____ Month 1 _____ Day, 2023 Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his duly authorized representative, and by the Commissioner or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules & regulations; provided, that the two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of the capability of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the

Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

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

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

Operator: Matador Production Company

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

Signature of Authorized Agent

ACKNOWLEDGEMENT

STATE OF TEXAS §

COUNTY OF DALLAS §

This instrument was acknowledged before me on _____, 2023, by **Craig N. Adams, as Executive Vice President for Matador Production Company**, on behalf of said corporation.

Signature

Name (Print)
My commission expires _____

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

MRC Permian Company

By: _____

Craig N. Adams

Print Name

Date: _____

Acknowledgment in a Representative Capacity

STATE OF TEXAS §

COUNTY OF DALLAS §

This instrument was acknowledged before me on _____, 2023, by **Craig N. Adams, as Executive Vice President**, for **MRC Permian Company** on behalf of said corporation.

Signature

Name (Print)

My commission expires _____

EXHIBIT "A"

Plat of communized area covering **319.92** acres in the Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Nina Cortell Fed Com #112H, #132H & #126H

	Tract 1 NMNM- 135247 Acres 79.92		
			3
	Tract 2 VC-0075 Acres 80.00		
	Tract 3 NMNM- 055952 Acres 40.00		
	Tract 4 NMNM- 141008 Acres 40.00		
			10
	Tract 5 NMNM- 086147 Acres 80.00		

EXHIBIT "B"

Attached to and made a part of that certain Communitization Agreement Dated January 1, 2023, embracing the following described land in the Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

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

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

Lease Serial Number:	NMNM-135247
Description of Land Committed:	Township 22 South, Range 32 East, Section 3: Lot 3, SE/4NW/4
Number of Acres:	79.92
Current Lessee of Record:	MRC Permian LKE Company, LLC
Name of Working Interest Owners:	MRC Permian LKE Company, LLC

Tract No. 2

Lease Serial No.:	VC-0075
Lease Date:	4/1/2017
Lease Term:	5 Years
Lessor:	State of New Mexico
Present Lessee:	MRC Permian Company
Description of Land Committed:	Township 22 South, Range 32 East, Section 3: E/2SW/4
Subdivisions:	
Number of Acres:	80.00
Royalty Rate:	1/5 th
Name and WI Owners:	MRC Permian Company

Tract No. 3

Lease Serial Number: NMNM-055952
Description of Land Committed: Township 22 South, Range 32 East,
Section 10: NE/4NW/4
Number of Acres: 40.00
Current Lessee of Record: David Pietenpol
Name of Working Interest Owners: MRC Permian Company
JSG Energy, LLC
McCurdy Energy, LLC
Osprey Oil and Gas, LLC

Tract No. 4

Lease Serial Number: NMNM-141008
Description of Land Committed: Township 22 South, Range 32 East,
Section 10: SE/4NW/4
Number of Acres: 40.00
Current Lessee of Record: MRC Permian Company
Name of Working Interest Owners: MRC Permian Company

Tract No. 5

Lease Serial No.: NMNM-086147
Description of Land Committed: Township 22 South, Range 32 East,
Sec 10: E/2SW/4
Number of Acres: 80.00
Current Lessee of Record: MRC Permian Company
Name of Working Interest Owner(s): MRC Permian Company

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	79.92	24.98%
2	80.00	25.01%
3	40.00	12.50%
4	40.00	12.50%
5	80.00	25.01%
Total	319.92	100.00%

30832377_v1

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

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

Revised August, 2021

**ONLINE Version
COMMUNITIZATION AGREEMENT**

API Initial Well: 30-0_____ - _____

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

W I T N E S S E T H:

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

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

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

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

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

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

Subdivisions Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10,

Sect(s) 3&10, T 22S, R 32E, NMPM, Lea County, NM

containing 319.92 acres, more or less, and this agreement shall include only the

Wolfcamp Formation or pool, underlying said lands and the **oil & gas** (hereinafter referred to as

"communitized substances") producible from such formation.

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

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is January _____ Month 1 _____ Day, 2023 Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his duly authorized representative, and by the Commissioner or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules & regulations; provided, that the two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of the capability of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the

Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

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

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

Operator: Matador Production Company

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

Signature of Authorized Agent

ACKNOWLEDGEMENT

STATE OF TEXAS §

COUNTY OF DALLAS §

This instrument was acknowledged before me on _____, 2023, by **Craig N. Adams, as Executive Vice President for Matador Production Company**, on behalf of said corporation.

Signature

Name (Print)
My commission expires _____

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

MRC Permian Company

By: _____

Craig N. Adams

Print Name

Date: _____

Acknowledgment in a Representative Capacity

STATE OF TEXAS §

COUNTY OF DALLAS §

This instrument was acknowledged before me on _____, 2023, by **Craig N. Adams, as Executive Vice President**, for **MRC Permian Company** on behalf of said corporation.

Signature

Name (Print)

My commission expires _____

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

MRC Permian LKE Company, LLC

By: _____

Craig N. Adams

Print Name

Date: _____

Acknowledgment in a Representative Capacity

STATE OF TEXAS §

COUNTY OF DALLAS §

This instrument was acknowledged before me on _____, 2023, by **Craig N. Adams, as Executive Vice President**, for **MRC Permian Company** on behalf of said corporation.

Signature

Name (Print)

My commission expires__

EXHIBIT "A"

Plat of communitized area covering **319.92** acres in the Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Nina Cortell Fed Com #202H

	Tract 1 NMNM- 135247 Acres 79.92		
	Tract 2 VC-0075 Acres 80.00		
	Tract 3 NMNM- 055952 Acres 40.00		
	Tract 4 NMNM- 141008 Acres 40.00		
	Tract 5 NMNM- 086147 Acres 80.00		

3

10

EXHIBIT "B"

Attached to and made a part of that certain Communitization Agreement Dated January 1, 2023 embracing the following described land in the Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

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

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

Lease Serial Number:	NMNM-135247
Description of Land Committed:	Township 22 South, Range 32 East, Section 3: Lot 3, SE/4NW/4
Number of Acres:	79.92
Current Lessee of Record:	MRC Permian LKE Company, LLC
Name of Working Interest Owners:	MRC Permian LKE Company, LLC

Tract No. 2

Lease Serial No.:	VC-0075
Lease Date:	4/1/2017
Lease Term:	5 Years
Lessor:	State of New Mexico
Present Lessee:	MRC Permian Company
Description of Land Committed:	Township 22 South, Range 32 East, Section 3: E/2SW/4
Subdivisions:	
Number of Acres:	80.00
Royalty Rate:	1/5 th
Name and WI Owners:	MRC Permian Company

Tract No. 3

Lease Serial Number: NMNM-055952
Description of Land Committed: Township 22 South, Range 32 East,
Section 10: NE/4NW/4
Number of Acres: 40.00
Current Lessee of Record: David Pietenpol
Name of Working Interest Owners: MRC Permian Company
JSG Energy, LLC
McCurdy Energy, LLC
Osprey Oil and Gas, LLC

Tract No. 4

Lease Serial Number: NMNM-141008
Description of Land Committed: Township 22 South, Range 32 East,
Section 10: SE/4NW/4
Number of Acres: 40.00
Current Lessee of Record: MRC Permian Company
Name of Working Interest Owners: MRC Permian Company

Tract No. 5

Lease Serial No.: NMNM-086147
Description of Land Committed: Township 22 South, Range 32 East,
Sec 10: E/2SW/4
Number of Acres: 80.00
Current Lessee of Record: MRC Permian Company
Name of Working Interest Owner(s): MRC Permian Company

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	79.92	24.98%
2	80.00	25.01%
3	40.00	12.50%
4	40.00	12.50%
5	80.00	25.01%
Total	319.92	100.00%

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COMMISSIONER

Stephanie Garcia Richard

State of New Mexico
Commissioner of Public Lands

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

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

Preston Cazale
MRC Permian Company
5400 LBJ Freeway, Suite 1500
Dallas, TX 75240

January 7th, 2022

Re: Communitization Agreement Approval
Nina Cortell Federal Com #125H 500002.194
Vertical Extent: Bone Spring
Township: 22 South, Range 32 East, NMPM
Section 3: W2W2
Section 10: W2W2

Lea County, New Mexico

Dear Mr. Cazale,

The Commissioner of Public Lands has this date approved the Nina Cortell Federal Com #125H Communitization Agreement for the Bone Spring formation effective 9-01-2021. Enclosed are three Certificates of Approval.

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

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

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

Sincerely,

A handwritten signature in blue ink that reads "Stephanie Garcia Richard" followed by a stylized flourish.

Stephanie Garcia Richard
Commissioner of Public Lands

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

Matador Production Company
Nina Cortell Federal Com #125H
Bone Spring
Township: 22 South, Range: 32 East, NMPM
Section 3: W2W2
Section 10: W2W2

Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **September 01, 2021**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

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

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

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 7th day of January, 2022.

Stephanie Garcia Richards/SS

COMMISSIONER OF PUBLIC LANDS

of the State of New Mexico

NM State Land Office
Oil, Gas, & Minerals Division

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

ONLINE Version
COMMUNITIZATION AGREEMENT

Contract No. _____

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

W I T N E S S E T H:

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

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

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

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

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

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

Subdivisions W/2W/2 of Sections 3 & 10, Township 22 South, Range 32 East

Sect 3&10, T 22S, R 32E, NMPM Lea County NM containing 319.92 acres, more or less, and this agreement shall include only the Bone Spring Formation underlying said lands and the natural gas and associated liquid hydrocarbons (hereinafter referred to as "communitized substances") producible from such formation.

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

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is September Month 1st Day, 2021 Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his duly authorized representative, and by the Commissioner or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced or can be produced from the communitized area in paying quantities; provided, that the two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of the capability of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

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

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

OPERATOR: MATADOR PRODUCTION COMPANY

Date: 9/21/2021

By: 

Name: Jonathan Filbert

Title: Senior Vice President - Land

RH
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CORPORATE ACKNOWLEDGEMENT

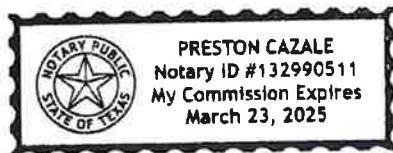
STATE OF TEXAS

§

COUNTY OF DALLAS

§

On this 21 day of September, 2021, before me, a Notary Public for the State of Texas, personally appeared Jonathan Filbert, known to me to be the Senior Vice President - Land of **Matador Production Company**, a Texas corporation, on behalf of said corporation.



Preston Cazale
Signature

Preston Cazale
Name (Print)
My commission expires 3/23/2025

WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORDMRC PERMIAN COMPANYDate: 9/21/2021By: [Signature]Name: Jonathan FilbertTitle: Senior Vice President - LandRH
pddMRC PERMIAN LKE COMPANY, LLCDate: 9/21/2021By: [Signature]Name: Jonathan FilbertTitle: Senior Vice President - LandRH
pdd

CORPORATE ACKNOWLEDGEMENT

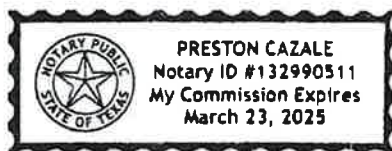
STATE OF TEXAS

§

COUNTY OF DALLAS

§

On this 21 day of September, 2021, before me, a Notary Public for the State of Texas, personally appeared **Jonathan Filbert**, known to me to be the **Senior Vice President - Land** of **MRC Permian Company**, a Texas corporation, on behalf of said corporation.



Preston Cazale
Signature

Preston Cazale
Name (Print)
My commission expires 3/23/2025

CORPORATE ACKNOWLEDGEMENT

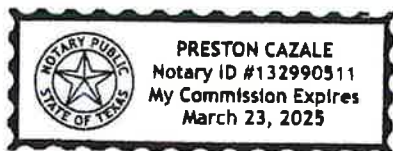
STATE OF TEXAS

§

COUNTY OF DALLAS

§

On this 21 day of September, 2021, before me, a Notary Public for the State of Texas, personally appeared **Jonathan Filbert**, known to me to be the **Senior Vice President - Land** of **MRC Permian LKE Company, LLC**, a Texas corporation, on behalf of said corporation.



Preston Cazale
Signature

Preston Cazale
Name (Print)
My commission expires 3/23/2025

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

Date: _____ **By:** _____
Name: _____
Title: _____

CORPORATE ACKNOWLEDGEMENT

STATE OF _____)
COUNTY OF _____)

On this ____ day of _____, 2021, before me, a Notary Public for the State of _____, personally appeared _____, known to me to be the _____ of _____, on behalf of said corporation.

My Commission Expires

Notary Public

ACKNOWLEDGMENT

STATE OF _____)
COUNTY OF _____)

On this ____ day of _____, 2021, before me, a Notary Public for the State of _____, personally appeared _____, who acknowledged to me that he/she executed this said document in his/her official capacity.

My Commission Expires

Notary Public

EXHIBIT "A"

Plat of communitized area covering 319.92 acres in the W/2W/2 of Sections 3 & 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Nina Cortell Fed Com 125H

Tract 1 NMNM 135247 Acres: 79.92			
Tract 2 VC-0075 Acres: 80.00			
Tract 3 NMNM 055952 Acres: 80.00			
Tract 4 VC-0225 Acres: 40.00			
Tract 5 NMNM 086147 Acres: 40.00			

3**10**

EXHIBIT "B"

Attached to and made a part of that certain Communitization Agreement Dated September 1, 2021 embracing the following described land in the W/2W/2 of Sections 3 and 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Operator of Communitized Area: Matador Production Company

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

Lease Serial No.:	NMNM 135247
Description of Land Committed:	Township 22 South, Range 32 East, Section 3: Lot 4, SW/4NW/4
Number of Acres:	79.92
Current Lessee of Record:	MRC Permian LKE Company, LLC
Name of Working Interest Owner(s):	MRC Permian LKE Company, LLC
Overriding Royalty Interest Owner(s):	None

Tract No. 2

Lease Serial No.:	VC-0075
Description of Land Committed:	Township 22 South, Range 32 East, Section 3: W/2SW/4
Number of Acres:	80.00
Current Lessee of Record:	MRC Permian Company
Name of Working Interest Owner(s):	MRC Permian Company
Overriding Royalty Interest Owner(s):	None

Tract No. 3

Lease Serial No.: NMNM-055952
Description of Land Committed: Township 22 South, Range 32 East,
Section 10: W/2NW/4
Number of Acres: 80.00
Current Lessee of Record: David Pietenpol
Name of Working Interest Owner(s): MRC Permian Company
Cynthia Mae Wilson, Trustee of the Bypass Trust
established under the Last Will and Testament
of Scott E. Wilson (*Compulsory Pooled*)
Overriding Royalty Interest Owners: Abyss, Inc.
Adley Properties LLC
Beverly Jean Renfro Barr, Trustee of the Family Trust created
under the Last Will and Testament of Richard Kevin Barr
Capstan Properties, LP
Cynthia Mae Wilson, Trustee of the Bypass Trust
established under the Last Will and Testament
of Scott E. Wilson
Hunt Oil Company
Jack Lowry, whose marital status is unknown
Judson Land and Minerals, LP
Lyra Properties, LLC
Magic Dog Oil & Gas, Ltd.
Marjean Martin Murphy, Trustee of the Marjean Martin Murphy
Heritage Trust u/t/a dated August 22, 2014
Mountain Lion Oil & Gas, LLC
Peanut Oil Co.
Richard C. Geesaman and wife, Breida Geesaman

Tract No. 4

Lease Serial No.: VC-0225
Description of Land Committed: Township 22 South, Range 32 East,
Section 10: NW/4SW/4
Number of Acres: 40.00
Current Lessee of Record: MRC Permian Company
Name of Working Interest Owner(s): MRC Permian Company
Overriding Royalty Interest Owners: None

Tract No. 5

Lease Serial No.: NMNM-086147
Description of Land Committed: Township 22 South, Range 32 East,
Sec 10: SW/4SW/4
Number of Acres: 40.00
Current Lessee of Record: ConocoPhillips Company (*Compulsory Pooled*)
Name of Working Interest Owner(s): Conoco Phillips Company (*Compulsory Pooled*)
Overriding Royalty Interest Owners: None

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	79.92	25.00%
2	80.00	25.00%
3	80.00	25.00%
4	40.00	12.50%
5	40.00	12.50%
Total	319.92	100.00%



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
New Mexico State Office
301 Dinosaur Trail
Santa Fe, New Mexico 87508
www.blm.gov/new-mexico



IN REPLY REFER TO:

NMNM139606
3105.2 (NM920)

MAY 07 2019

Reference:
Communitization Agreement
Nina Cortell Fed Com 202H
Section 3: W2W2
T. 22 S., R. 32 E., N.M.P.M.
Lea County, NM

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

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM139606 involving 79.92 acres of Federal land in lease NMNM 135247, and 80 acres of State land, Lea County, New Mexico, which comprise a 159.92 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath the W2W2 Sec. 3, T. 22 S., R. 32 E., NMPM, Lea County, NM, and is effective January 4, 2019. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

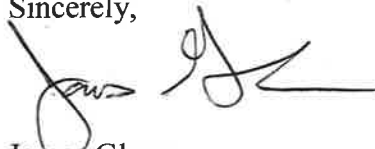
Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is accurate.

Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

If you have any questions regarding this approval, please contact James Glover, Geologist at (505) 954-2139 or Mustafa Haque at (505) 954-2088.

Please furnish all interested principals with appropriate evidence of this approval.

Sincerely,

A handwritten signature in black ink, appearing to be 'J. Glover', written over a horizontal line.

James Glover
Supervisory Geologist
Branch of Reservoir Management
Division of Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver

NM Taxation & Revenue Dept. (Revenue Processing Div.)

NMOCD

NM (9200)

NM (P0220-CFO, File Room)

NMSO (NM925, File)

NM STATE LAND COMM

Determination - Approval - Certification

Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:


- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement 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 that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.
- B. Approve the attached Communitization Agreement covering the W2W2 of sec. 3, T. 22 S., R. 32 E., NMPM, as to all producible hydrocarbons from the Bone Spring formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) are not met.

Approval also requires operator to submit copies of sundries or any other documentation regarding activity with this well to the Bureau of Land Management (BLM), Calrsbad Field Office pursuant to Item 9 of the approved Communitization Agreement.

- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved:

MAY 07 2019



James Glover
Supervisory Geologist
Branch of Reservoir Management
Division of Minerals

Effective: January 4, 2019

Contract No.: Com. Agr. NMNM139606

RECEIVED

JAN 31 2019

BLM, NMSO
SANTA FEFederal Communitization AgreementContract No. NMNM139606

THIS AGREEMENT entered into as of the 4th day of January, 2019, 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:

Township 22 South, Range 32 East, N.M.P.M.**W2W2 of Section 3, Lea County, New Mexico**

Containing 159.92 acres, and this agreement shall include only the Bone Spring Formation underlying said lands and the natural gas and associated liquid hydrocarbons 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.

- Released to Imaging: 2/13/2024 5:38:29 PM
- Received by OCD: 11/15/2023 12:55:37 PM
3. The Operator of the communitized area shall be Matador Production Company, 5400 LBJ Freeway, 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.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

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.
- Page 142 of 377

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 January 4, 2019, 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.

- Released to Imaging: 2/13/2024 5:38:29 PM
- Received by OCD: 11/15/2023 12:55:37 PM
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

Date: 1-4-19

By: 

Name: Craig N. Adams 

Title: Executive Vice President, Land, Legal and Administration

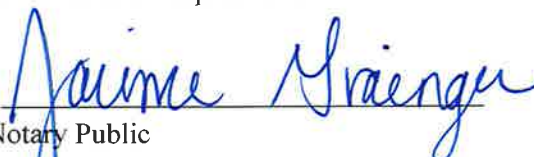
CORPORATE ACKNOWLEDGEMENT

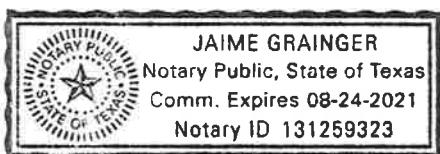
STATE OF TEXAS)

COUNTY OF DALLAS)

The foregoing instrument was acknowledged before me this 4th day of January, 2019 by Craig N. Adams, Executive Vice President – Land, Legal and Administration of **MATADOR PRODUCTION COMPANY**, a Texas corporation, on behalf of said corporation.

My Commission Expires: 8-24-2021


Notary Public



WORKING INTEREST OWNER/RECORD TITLE OWNER:

Date: 1-4-19

MRC PERMIAN COMPANY

By: 

Name: Craig N. Adams

CH
pdd

Title: Executive Vice President, Land, Legal and Administration

Date: 1-4-19

MRC PERMIAN LKE COMPANY, LLC

By: 

Name: Craig N. Adams

CH
pdd

Title: Executive Vice President, Land, Legal and Administration

CORPORATE ACKNOWLEDGEMENT

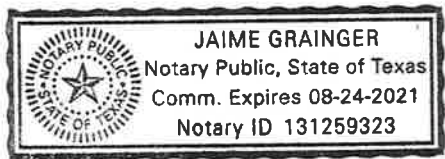
STATE OF TEXAS)

COUNTY OF DALLAS)

The foregoing instrument was acknowledged before me this 4th day of January, 2019 by Craig N. Adams, Executive Vice President – Land, Legal and Administration of **MRC PERMIAN COMPANY**, a Texas corporation, on behalf of said corporation.

My Commission Expires: 8-24-2021

Jaime Grainger
Notary Public

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS)

COUNTY OF DALLAS)

The foregoing instrument was acknowledged before me this 4th day of January, 2019 by Craig N. Adams, Executive Vice President – Land, Legal and Administration of **MRC PERMIAN LKE COMPANY, LLC**, a Texas corporation, on behalf of said corporation.

My Commission Expires: 8-24-2021

Jaime Grainger
Notary Public

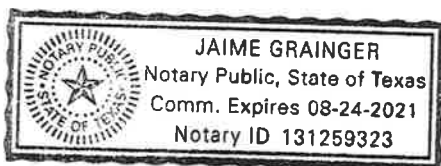


EXHIBIT "B"

ATTACHED TO AND MADE A PART OF THAT CERTAIN COMMUNITIZATION AGREEMENT DATED JANUARY 4, 2019, COVERING THE W2W2 OF SECTION 3, TOWNSHIP 22 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO

DESCRIPTION OF LEASES COMMITTED

Tract 1:

Lease Date: May 16, 2016, effective June 1, 2016
Recorded: Unrecorded (BLM Lease – NMNM-135247)
Lessor: The United States of America
Current ~~Original~~ Lessee: MRC Permian Company
Description of Township 22 South, Range 32 East, N.M.P.M.
Lands Communitized: Section 3: W/2NW/4
Number of Acres: 79.92 acres

Working Interest Owner: MRC Permian LKE Company, LLC..... 100%

Tract 2

Lease Date: April 1, 2017
Recorded: Unrecorded (State Lease – VC-0075)
Lessor: The United States of America
Current ~~Original~~ Lessee: MRC Permian Company
Description of Township 22 South, Range 32 East, N.M.P.M.
Lands Communitized: Section 3: W/2SW/4
Number of Acres: 80 acres

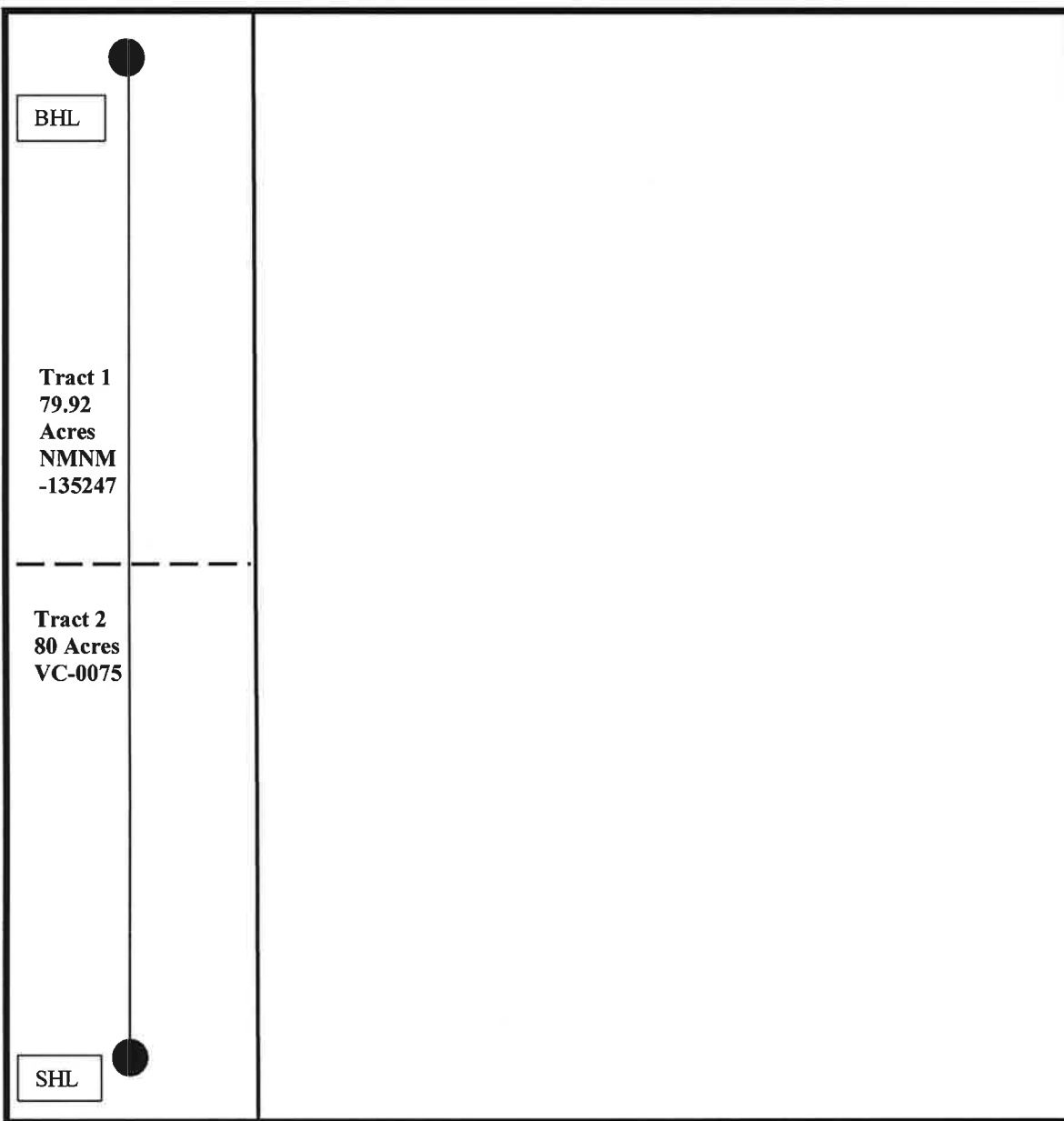
Working Interest Owner: MRC Permian Company 100%

RECAPITULATION

<u>Tract No.</u>	<u>Acreage Committed</u>	<u>Percentage of Interest</u>
Tract 1	79.92 acres	49.97%
Tract 2	80.00 acres	50.03%
Total:	159.92 acres	100.00%

EXHIBIT "A"

**PLAT OF COMMUNITIZED AREA COVERING THE W2W2 OF SECTION 3,
TOWNSHIP 22 SOUTH, RANGE 32 EAST, N.M.P.M., lea COUNTY, NEW MEXICO**



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

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

Revised August, 2021

ONLINE Version

COMMUNITIZATION AGREEMENT

API Initial Well: 30-0_____ - _____

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

W I T N E S S E T H:

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

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

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

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

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

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

Subdivisions **W2W2**

Sect(s) **10**_____, T **22S**_____, R **32E**_____, NMPM **Lea**_____ County, NM

containing **160**_____ acres, more or less, and this agreement shall include only the

Wolfcamp Formation or pool, underlying said lands and the **oil & gas** (hereinafter referred to as

"communitized substances") producible from such formation.

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

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is January Month 1 Day, 2023 Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his duly authorized representative, and by the Commissioner or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules & regulations; provided, that the two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of the capability of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the

Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

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

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

Operator: Matador Production Company

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

Signature of Authorized Agent

ACKNOWLEDGEMENT

STATE OF TEXAS §

COUNTY OF DALLAS §

This instrument was acknowledged before me on _____, 2023, by **Craig N. Adams, as Executive Vice President for Matador Production Company**, on behalf of said corporation.

Signature

Name (Print)

My commission expires _____

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

MRC Permian Company

By: _____

Craig N. Adams

Print Name

Date: _____

Acknowledgment in a Representative Capacity

STATE OF TEXAS

§

COUNTY OF DALLAS

§

This instrument was acknowledged before me on _____, 2023, by **Craig N. Adams, as Executive Vice President**, for **MRC Permian Company** on behalf of said corporation.

Signature

Name (Print)

My commission expires _____

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

MRC Permian LKE Company, LLC

By: _____

Craig N. Adams _____

Print Name

Date: _____

Acknowledgment in a Representative Capacity

STATE OF TEXAS §

COUNTY OF DALLAS §

This instrument was acknowledged before me on _____, 2023, by **Craig N. Adams, as Executive Vice President**, for **MRC Permian LKE Company, LLC** on behalf of said corporation.

Signature

Name (Print)

My commission expires _____

EXHIBIT “A”

Plat of communitized area covering 160 acres in the W2W2 of Section 10, Township 22S, Range 32E, Lea County, New Mexico.

Nina Cortell Fed Com #211H/#215H

Tract 1 NMNM 055952 Acres: 80.00			
	10		
Tract 2 VC-0225 Acres: 40.00			
Tract 3 NMNM 086147 Acres: 40.00			

EXHIBIT B

Attached to and made a part of that certain Communitization Agreement Dated January 1, 2023 embracing the following described land in the W2W2 of Section 10, Township 22S, Range 32E, Lea County, New Mexico.

Operator of Communitized Area: Matador Production Company

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

Lease Serial No.:	NMNM-055952
Lessor:	Bureau Land Management
Present Lessee:	David Pietenpol
Description of Land Committed: Subdivisions:	Township 22 South, Range 32 East, Section 10: W/2NW/4
Number of Acres:	80.00
Name and WI Owners:	MRC Permian Company JSG Energy, LLC McCurdy Energy, LLC Osprey Oil & Gas, LLC

TRACT NO. 2

Lease Serial No.:	VC-0225
Lease Date:	9/1/2017
Lease Term:	5 Years
Lessor:	State of New Mexico
Present Lessee:	MRC Permian Company
Description of Land Committed: Subdivisions:	Township 22 South, Range 32 East, Section 10: NW/4SW/4
Number of Acres:	40.00
Royalty Rate:	1/5 th
Name and WI Owners:	MRC Permian Company

TRACT NO. 3

Lease Serial No.: NMNM-086147

Lessor: Bureau Land Management

Present Lessee: MRC Permian Company

Description of Land Committed: Subdivisions: Township 22 South, Range 32 East,
Sec 10: SW/4SW/4

Number of Acres: 40.00

Name and WI Owners: MRC Permian Company

RECAPITULATION

Tract Numbers	Numbers of Acres	Percentage of Interest in Communitied Area
Tract 1	80.00	50%
Tract 2	40.00	25%
Tract 3	40.00	25%
Total Acreage	160.00	100%

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the **1st** day of **January, 2023**, 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:

W/2W/2 of Section 10, Township 22S, Range 32E, Lea County, New Mexico.

Containing **160** acres, more or less, and this agreement shall include only the **Wolfcamp** Formation underlying said lands and the natural gas and associated liquid hydrocarbons 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 the date first written above, 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

Date: _____

By: _____

Name: Jonathan Filbert

Title: Senior Vice President - Land

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS)

COUNTY OF DALLAS)

On this ____ day of _____, 2023, before me, a Notary Public for the State of Texas, personally appeared Jonathan Filbert, known to me to be the Senior Vice President - Land of **Matador Production Company**, a Texas corporation, on behalf of said corporation.

My Commission Expires

Notary Public

WORKING INTEREST OWNERS

AND/OR LESSEES OF RECORD

MRC PERMIAN COMPANY

Date: _____ By: _____

Name: Jonathan Filbert

Title: Senior Vice President - Land

MRC PERMIAN LKE COMPANY, LLC

Date: _____ By: _____

Name: Jonathan Filbert

Title: Senior Vice President - Land

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS)
COUNTY OF DALLAS)

On this ____ day of _____, 2023, before me, a Notary Public for the State of Texas, personally appeared **Jonathan Filbert**, known to me to be the **Senior Vice President - Land** of **MRC Permian Company**, a Texas corporation, on behalf of said corporation.

My Commission Expires

Notary Public

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS)
COUNTY OF DALLAS)

On this ____ day of _____, 2023, before me, a Notary Public for the State of Texas, personally appeared **Jonathan Filbert**, known to me to be the **Senior Vice President - Land** of **MRC Permian LKE Company, LLC**, a Texas corporation, on behalf of said corporation.

My Commission Expires

Notary Public

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

Date: _____

By: _____

Name: _____

Title: _____

CORPORATE ACKNOWLEDGEMENT

STATE OF _____)

COUNTY OF _____)

On this ____ day of _____, 2023, before me, a Notary Public for the State of _____, personally appeared _____, known to me to be the of _____, on behalf of said corporation.

My Commission Expires

Notary Public

ACKNOWLEDGMENT

STATE OF _____)

COUNTY OF _____)

On this ____ day of _____, 2023, before me, a Notary Public for the State of _____, personally appeared _____, who acknowledged to me that he/she executed this said document in his/her official capacity.

My Commission Expires

Notary Public

SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING INTEREST

COMMUNITIZATION AGREEMENT:

I, the undersigned, hereby certify, on behalf of **Matador Production Company**, the Operator under the captioned Communitization Agreement, that all working interest owners shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the true and correct owners of the leases committed to the Communitization Agreement, and the consents of the requisite working interest owners have been obtained.

I, further certify that the Communitization Agreement follows the standard form except for Sections 1 and 10.

BY: _____

Signature of officer

Name: Jonathan Filbert

Title: Senior Vice President - Land

Phone number: (972)-371-5200

EXHIBIT "A"

Plat of communitized area covering **160** acres in the W/2W/2 of Section 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Nina Cortell Fed Com 211H

Tract 1 NMNM 055952 Acres: 80.00			
Tract 2 VC-0225 Acres: 40.00	10		
Tract 3 NMNM 086147 Acres: 40.00			

EXHIBIT "B"

Attached to and made a part of that certain Communitization Agreement Dated January 1, 2023 embracing the following described land in the W/2W/2 of Section 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Operator of Communitized Area: Matador Production Company

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

Lease Serial No.:	NMMN-055952
Description of Land Committed:	Township 22 South, Range 32 East, Section 10: W/2NW/4
Number of Acres:	80.00
Current Lessee of Record:	David Pietenpol
Name of Working Interest Owner(s):	MRC Permian Company Cynthia Mae Wilson, Trustee of the Bypass Trust established under the Last Will and Testament of Scott E. Wilson (<i>Compulsory Pooled</i>)
Overriding Royalty Interest Owners:	Abyss, Inc. Adley Properties LLC Beverly Jean Renfro Barr, Trustee of the Family Trust created under the Last Will and Testament of Richard Kevin Barr Capstan Properties, LP Cynthia Mae Wilson, Trustee of the Bypass Trust established under the Last Will and Testament of Scott E. Wilson Hunt Oil Company Jack Lowry, whose marital status is unknown Judson Land and Minerals, LP Lyra Properties, LLC Magic Dog Oil & Gas, Ltd. Marjean Martin Murphy, Trustee of the Marjean Martin Murphy Heritage Trust u/t/a dated August 22, 2014 Mountain Lion Oil & Gas, LLC Peanut Oil Co. Richard C. Geesaman and wife, Breida Geesaman

Tract No. 2

Lease Serial No.: VC-0225
Description of Land Committed: Township 22 South, Range 32 East,
Section 10: NW/4SW/4
Number of Acres: 40.00
Current Lessee of Record: MRC Permian Company
Name of Working Interest Owner(s): MRC Permian Company
Overriding Royalty Interest Owners: None

Tract No. 3

Lease Serial No.: NMNM-086147
Description of Land Committed: Township 22 South, Range 32 East,
Sec 10: SW/4SW/4
Number of Acres: 40.00
Current Lessee of Record: ConocoPhillips Company (*Compulsory Pooled*)
Name of Working Interest Owner(s): Conoco Phillips Company (*Compulsory Pooled*)
Overriding Royalty Interest Owners: None

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	80.00	50%
2	40.00	25%
3	40.00	25%
Total	160.00	100.00%

1220 Minerals LLC	306 W. 7th Street, Suite 901	Fort Worth	TX	76102
Abyss Inc	3100 Lantana Lane	Midland	TX	79705-1600
Adley Properties LLC	PO Box 3327	Midland	TX	79702-3327
Adrian L. Dawe	710 Christopher Dr.	Pleasant Hill	MO	64080
Anne W. Grimes, Trustee of the Marion 2011 Family Trust	Burnett Plaza - Suite 1500, 801 Cherry Street, Unit #9	Fort Worth	TX	76102-6881
Benco Energy, Inc.	P.O. Box 29	Fort Worth	TX	76101
BJF Energy LLC	PO Box 1260	Fort Worth	TX	76101
Bureau of Land Management	310 Dinosaur Trail	Santa Fe	NM	87508
BURTEX INVESTMENTS II LP	5 Westover Rd	Fort Worth	TX	76107-3104
Capstan Properties LP	P.O. Box 11025	Midland	TX	79702
Christopher A. Broderick	2204 NE Chipman Rd.	Lees Summit	MO	64063
Collins Permian LP	3824 Cedar Springs Rd # 414	Dallas	TX	75219-4136
ConocoPhillips Company	600 W Illinois Ave	Midland	TX	79701
CTH Royalties, LLC	PO Box 1761	Aledo	TX	76008-1761
Curtis A. Anderson and Edna I. Anderson, Trustees of the Edna and Curtis Anderson Revocable Trust dated August 31, 2021	9314 Cherry Brook Lane	Frisco	TX	75033
Daniel E. Gonzales, whose marital status is unknown	P.O. Box 2475	Santa Fe	NM	87504
Dehlinger Revocable Trust	309 Matern Court	Horseshoe Bay	TX	78657-5883
Dianne Mary Gamache Truitt	20230 Atascocita Lake Dr.	Humble	TX	77346
Elberta M Royalty, LLC	500 W Wall Ste 300	Midland	TX	79701-5093

Frankie Jo Mills, Trustee of The Jimmy Mills GST Trust	1602 Avenue J	Abernathy	TX	79311
HUNT OIL COMPANY	1900 North Akard St	Dallas	TX	75201-2300
J. Hiram Moore, LTD	16400 N. Dallas Parkway Suite 400	Dallas	TX	75248
Jack Lowry	15001 Spencer Mountain Dr	Jones	OK	73049-8606
James Edward Kaucher	20602 Lazerton Dr.	Katy	TX	77450
James Gordon DeBlois and Linda DeBlois, Trustees of The DeBlois Revocable Trust dated July 16, 2008	5300 Cortaderia Pl. NE	Albuquerque	NM	87111
Janice Eubank Tumlinson	5717 E. County Road	Midland	TX	79706
Jean Ann Tully Stell	1611 Live Oak Pl.	Carlsbad	NM	88220
JSG Energy LLC	6500 Homestead Blvd	Midland	TX	79707
Judson Exploration LP	PO Box 2052	Midland	TX	79702
Judson Land and Minerals LP	P.O. Box 2052	Midland	TX	79703
JVO, LLC	5910 North Central Expressway Suite 1470	Dallas	TX	75206
JWD Resources, LLC	PO Box 51908	Midland	TX	79710
Kathleen L. George	2004 SW Brighton Place	Blue Springs	MO	64015
KFD Energy LLC	P.O. Box 1260	Fort Worth	TX	76101
LJA Charitable Investments LLC	1717 West Loop S Ste 1800	Houston	TX	77027-3049
Lyra Properties LLC	P.O. Box 3970	Decatur	GA	30031-3970
Magic Dog Oil & Gas	P. O. Box 10708	Midland	TX	79702-0708

Marion 2011 Family Trust Anne W Grimes, Trustee c/o Burnett Oil Company	801 Cherry St, Unit 9	Fort Worth	TX	76102-6881
Marjean Martin Murphy Heritage Tr Marjean Martin Murphy Trustee	4374 Ranger Creek rd	Boerne	TX	78006-8167
McCurdy Energy LLC	2004 Humble Ave	Midland	TX	79705
MHM Resources, LP	Post Office Box 51570	Midland	TX	79710
MRC Permian Company	5400 LBJ Freeway Ste 1500	Dallas	TX	75240
MRC Permian LKE Company, LLC	5400 LBJ Freeway Ste 1500	Dallas	TX	75240
New Mexico State Land Office	P O Box 1148	Santa Fe	NM	87504
NM Royalty, LLC	PO Box 51908	Midland	TX	51908
Oak Valley Mineral and Land LP	P. O. Box 50820	Midland	TX	79710
Office of Natural Resources	PO Box 25627	Denver	CO	80225-0627
Osprey Oil and Gas, LLC	707 N Carrizo	Midland	TX	79701-3240
Patsy Mills Baker, Trustee of The Patsy Mills Baker GST Trust	901 West 8th Street	Idalou	TX	79329
Pheasant Energy, LLC	P.O. Box 2487	Fort Worth	TX	76113
Post Oak Crown Minerals LLC	34 S Wynden Dr Ste 210	Houston	TX	77056-2531
Richard C & Breida Geesaman	820 Pine St Gold HL	Boulder	CO	80302-8757
RICHARD K. BARR FAMILY TRUST BEVERLY J. BARR, TRUSTEE	804 Park Vista Circle	Southlake	TX	76092
Richard Ward Kaucher	14315 Marks Way	Cypress	TX	77429
Robert G. Hooper	P.O. Box 733	Roswell	NM	88202

Robert Peter Kaucher	3425 Foxridge Dr.	Colorado Springs	CO	80716
Shumana Exploration LP	PO Box 3970	Decatur	GA	30031
Sitio Permian LLC	1401 Lawrence St Ste 1750	Denver	CO	80202-2497
Sortida Resources LLC	PO Box 50820	Midland	TX	79710-0820
Taffrail Investments LP c/o L&J Associates, LLC	57 Marine Street	Bronx	NY	10464
Theresa A. Broderick	1371 SW Heartwood Dr.	Lees Summit	MO	64081
TWR IV LLC	3724 Hulen St	Fort Worth	TX	76107-6816
V14 WI LP	5910 N Central Expressway, Ste 1470	Dallas	TX	75206-5136
V14, LP	5910 North Central Expressway Suite 1470	Dallas	TX	75206
Venable Oil Ltd., LLP	5910 North Central Expressway Suite 1470	Dallas	TX	75206
Venable Oil, Ltd	PO Box 171	Tyler	TX	75710-0171
Venable Royalty, Ltd.	5910 North Central Expressway Suite 1470	Dallas	TX	75206
Wallace Family Partnership, LP	508 W. Wall St. Suite 1200	Midland	TX	79701
WBA Resources, Ltd	P.O. Box 50468	Midland	TX	79710
Wing Resources VI LLC	2100 McKinney Ave Ste. 1540	Dallas	TX	75201-2140
WK Land Company	3300 Airport Rd	Boulder	CO	80301-5430

WPX Energy Permian, LLC	333 West Sheridan Ave.	Oklahoma City	OK	73102
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Paula M. Vance
Associate
Phone (505) 988-4421
Fax (505) 819-5579
pmvance@hollandhart.com

November 13, 2023

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PARTIES

Re: Application of Matador Production Company to amend NMOCD Order PLC-865 and for administrative approval to surface commingle (pool and lease) oil and gas production from the spacing units comprising Sections 3 and 10, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico (the "Lands")

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 the date the Division receives the application at the Division's Santa Fe office located at 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

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

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Paula M. Vance", written over a horizontal line.

Paula M. Vance
**ATTORNEY FOR MATADOR PRODUCTION
COMPANY**

MRC - Nina Cortell Commingling
Postal Delivery Report

9402811898765497728399	1220 Minerals LLC	306 W 7th St Ste 901	Fort Worth	TX	76102-4929	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728344	Abyss Inc	3100 Lantana Ln	Midland	TX	79705-1600	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728337	Adley Properties LLC	PO Box 3327	Midland	TX	79702-3327	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728375	Adrian L. Dawe	710 Christopher Dr	Pleasant Hill	MO	64080-1083	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728016	Anne W. Grimes, Trustee of the Marion 2011 Family Trust	Burnett Plaza - Suite 1500,801 Cherry Street, Unit 9	Fort Worth	TX	76102-6815	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728054	Benco Energy, Inc.	PO Box 29	Fort Worth	TX	76101-0029	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728023	BJF Energy LLC	PO Box 1260	Fort Worth	TX	76101-1260	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728009	Bureau of Land Management	310 Dinosaur Trail	Santa Fe	NM	87508	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728092	BURTEX INVESTMENTS II LP	5 Westover Rd	Fort Worth	TX	76107-3104	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728047	Capstan Properties LP	PO Box 11025	Midland	TX	79702-8025	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping

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9402811898765497728085	Christopher A. Broderick	2204 NE Chipman Rd	Lees Summit	MO	64086-1727	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728030	Collins Permian LP	3824 Cedar Springs Rd Unit 414	Dallas	TX	75219-4136	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728078	ConocoPhillips Company	600 W Illinois Ave	Midland	TX	79701-4882	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728450	CTH Royalties, LLC	PO Box 1761	Aledo	TX	76008-1761	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728467	Curtis A. Anderson and Edna I. Anderson, Trustees of the Edna and Curtis Anderson Revocable Trust dated August 31, 2021	9314 Cherry Brook Ln	Frisco	TX	75033-0651	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728429	Daniel E. Gonzales, whose marital status is unknown	PO Box 2475	Santa Fe	NM	87504-2475	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728405	Dehlinger Revocable Trust	309 Matern Ct	Horseshoe Bay	TX	78657-5883	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728498	Dianne Mary Gamache Truitt	20230 Atascocita Lake Dr	Humble	TX	77346-1659	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728443	Elberta M Royalty, LLC	500 W Wall St Ste 300	Midland	TX	79701-5093	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728481	Frankie Jo Mills, Trustee of The Jimmy Mills GST Trust	1602 Avenue J	Abernathy	TX	79311-2010	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping

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9402811898765497728436	HUNT OIL COMPANY	1900 N Akard St	Dallas	TX	75201-2729	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728474	J. Hiram Moore, LTD	16400 Dallas Pkwy Ste 400	Dallas	TX	75248-2643	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728511	Jack Lowry	15001 Spencer Mountain Dr	Jones	OK	73049-8606	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728559	James Edward Kaucher	20602 Laverton Dr	Katy	TX	77450-1914	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728528	James Gordon DeBlois and Linda DeBlois, Trustees of The DeBlois Revocable Trust dated July 16, 2008	5300 Cortaderia Pl NE	Albuquerque	NM	87111-8058	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728504	Janice Eubank Tumlinson	5717 E. County Road	Midland	TX	79706	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728542	Jean Ann Tully Stell	1611 Live Oak Pl	Carlsbad	NM	88220-4103	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728580	JSG Energy LLC	6500 Homestead Blvd	Midland	TX	79707-5080	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728535	Judson Exploration LP	PO Box 2052	Midland	TX	79702-2052	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727217	Judson Land and Minerals LP	PO Box 2052	Midland	TX	79702-2052	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping

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9402811898765497727262	JVO, LLC	5910 N Central Expy Ste 1470	Dallas	TX	75206-5136	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727200	JWD Resources, LLC	PO Box 51908	Midland	TX	79710-1908	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727293	Kathleen L. George	2004 SW Brighton Pl	Blue Springs	MO	64015-7157	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727248	KFD Energy LLC	PO Box 1260	Fort Worth	TX	76101-1260	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727286	LJA Charitable Investments LLC	1717 West Loop S Ste 1800	Houston	TX	77027-3049	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727231	Lyra Properties LLC	PO Box 3970	Decatur	GA	30031-3970	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727279	Magic Dog Oil & Gas	PO Box 10708	Midland	TX	79702-7708	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727811	Marion 2011 Family Trust Anne W Grimes Trustee c/o Burnett Oil Company	801 Cherry St Unit 9	Fort Worth	TX	76102-6803	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727859	Marjean Martin Murphy Trustee Marjean Martin Murphy Heritage Tr	4374 Ranger Creek Rd	Boerne	TX	78006-8167	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727866	McCurdy Energy LLC	2004 Humble Ave	Midland	TX	79705-8625	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping

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9402811898765497727828	MHM Resources, LP	PO Box 51570	Midland	TX	79710-1570	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727804	MRC Permian Company	5400 Lbj Fwy Ste 1500	Dallas	TX	75240-1017	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727897	MRC Permian LKE Company, LLC	5400 Lbj Fwy Ste 1500	Dallas	TX	75240-1017	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727842	New Mexico State Land Office	PO Box 1148	Santa Fe	NM	87504-1148	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727880	NM Royalty, LLC	PO Box 51908	Midland	TX	79710-1908	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727835	Oak Valley Mineral and Land LP	PO Box 50820	Midland	TX	79710-0820	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727873	Office of Natural Resources	PO Box 25627	Denver	CO	80225-0627	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727712	Osprey Oil and Gas, LLC	707 N Carrizo St	Midland	TX	79701-3240	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727750	Patsy Mills Baker, Trustee of The Patsy Mills Baker GST Trust	901 W 8th St	Idalou	TX	79329-9058	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727767	Pheasant Energy, LLC	PO Box 2487	Fort Worth	TX	76113-2487	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping

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9402811898765497727729	Post Oak Crown Minerals LLC	34 S Wynden Dr Ste 210	Houston	TX	77056-2531	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727705	Richard C & Breida Geesaman	820 Pine St Gold HI	Boulder	CO	80302-4744	Your item arrived at our USPS facility in DENVER CO DISTRIBUTION CENTER on November 14, 2023 at 4:47 pm. The item is currently in transit to the destination.
9402811898765497727798	BEVERLY J. BARR, TRUSTEE RICHARD K. BARR FAMILY TRUST	804 Park Vista Cir	Southlake	TX	76092-4342	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727743	Richard Ward Kaucher	14315 Marks Way	Cypress	TX	77429-3748	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727781	Robert G. Hooper	PO Box 733	Roswell	NM	88202-0733	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727736	Robert Peter Kaucher	3425 Foxridge Dr	Colorado Springs	CO	80916-3398	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727774	Shumana Exploration LP	PO Box 3970	Decatur	GA	30031-3970	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727910	Sitio Permian LLC	1401 Lawrence St Ste 1750	Denver	CO	80202-3074	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727958	Sortida Resources LLC	PO Box 50820	Midland	TX	79710-0820	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727965	Taffrail Investments LP c/o L&J Associates, LLC	57 Marine St	Bronx	NY	10464-1623	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping

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9402811898765497727927	Theresa A. Broderick	1371 SW Heartwood Dr	Lees Summit	MO	64081-2491	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727903	TWR IV LLC	3724 Hulen St	Fort Worth	TX	76107-6816	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727996	V14 WI LP	5910 N Central Expy Ste 1470	Dallas	TX	75206-5136	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727989	V14, LP	5910 N Central Expy Ste 1470	Dallas	TX	75206-5136	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727934	Venable Oil Ltd., LLP	5910 N Central Expy Ste 1470	Dallas	TX	75206-5136	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727972	Venable Oil, Ltd	PO Box 171	Tyler	TX	75710-0171	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727613	Venable Royalty, Ltd.	5910 N Central Expy Ste 1470	Dallas	TX	75206-5136	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727651	Wallace Family Partnership, LP	508 W Wall St Ste 1200	Midland	TX	79701-5076	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727668	WBA Resources, Ltd	PO Box 50468	Midland	TX	79710-0468	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727620	Wing Resources VI LLC	2100 McKinney Ave Ste 1540	Dallas	TX	75201-2140	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping

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9402811898765497727644	WK Land Company	3300 Airport Rd	Boulder	CO	80301-5430	Your item arrived at our USPS facility in DENVER CO DISTRIBUTION CENTER on November 14, 2023 at 4:47 pm. The item is currently in transit to the destination.
9402811898765497727637	WPX Energy Permian, LLC	333 W Sheridan Ave	Oklahoma City	OK	73102-5010	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping

From: [McClure, Dean, EMNRD](#) on behalf of [Engineer, OCD, EMNRD](#)
To: [Paula M. Vance](#)
Cc: [McClure, Dean, EMNRD](#); [Kautz, Paul, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); [Paradis, Kyle Q](#); [Walls, Christopher](#)
Subject: Approved Administrative Order PLC-865-A
Date: Tuesday, February 13, 2024 4:54:18 PM
Attachments: [PLC865A Order.pdf](#)

NMOCD has issued Administrative Order PLC-865-A 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
30-025-49627	Nina Cortell Federal Com #125H	W/2 W/2	3-22S-32E	5695
		W/2 W/2	10-22S-32E	
30-025-50258	Nina Cortell Federal Com #131H	W/2 W/2	3-22S-32E	5695
		W/2 W/2	10-22S-32E	
30-025-51189	Nina Cortell Federal Com #132H	E/2 W/2	3-22S-32E	5695
		E/2 W/2	10-22S-32E	
30-025-50513	Nina Cortell Federal Com #133H	W/2 E/2	3-22S-32E	5695
		W/2 E/2	10-22S-32E	
30-025-50801	Nina Cortell Federal Com #134H	E/2 E/2	3-22S-32E	5695
		E/2 E/2	10-22S-32E	
30-025-51629	Nina Cortell Federal Com #211H	W/2 W/2	10-22S-32E	98166
30-025-51287	Nina Cortell Federal Com #202H	E/2 W/2	3-22S-32E	98166
		E/2 W/2	10-22S-32E	
30-025-49628	Nina Cortell Federal Com #203H	W/2 E/2	3-22S-32E	98166
		W/2 E/2	10-22S-32E	
30-025-49629	Nina Cortell Federal Com #204H	E/2 E/2	3-22S-32E	98166
		E/2 E/2	10-22S-32E	

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

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

Patricia

Signature

Date

Phone Number

e-mail Address



Paula M. Vance
Associate
Phone (505) 988-4421
Fax (505) 819-5579
pmvance@hollandhart.com

November 15, 2023

VIA ONLINE FILING

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

Re: Application of Matador Production Company to amend NMOCD Order PLC-865 and for administrative approval to surface commingle (pool and lease) oil and gas production from the spacing units comprising Sections 3 and 10, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico (the “Lands”)

Dear Mr. Fuge:

Matador Production Company (OGRID No. 228937) (“Matador”) seeks to amend Administrative Order PLC-865 (“Order PLC-865”), attached as **Exhibit 1**. Order PLC-865 authorizes pool and lease commingling, off-lease measurement, and off-lease storage at the **Nina Cortell South Central Tank Battery** of production from *all existing and future infill wells drilled in the following spacing units*:

(a) The 319.92-acre spacing unit comprised of the W/2 W/2 of Sections 3 and 10, in the Bilbrey Basin, Bone Spring [5695] – currently dedicated to the **Nina Cortell Fed Com #125H** (API. No. 30-025-49627)

(b) The 319.92-acre spacing unit comprised of the W/2 E/2 of Sections 3 and 10, in the Bilbrey Basin, Bone Spring [5695] – currently dedicated to the **Nina Cortell Fed Com #133H** (API. No. 30-025-50513);

(c) The 319.92-acre spacing unit comprised of the E/2 E/2 of Sections 3 and 10, in the Bilbrey Basin, Bone Spring [5695] – currently dedicated to the **Nina Cortell Fed Com #134H** (API. No. 30-025-50801);

(d) The 320-acre spacing unit comprised of the W/2 E/2 of Sections 3 and 10, in the WC-025 G-09 S233216K, UPR Wolfcamp [98166] – currently dedicated to the **Nina Cortell Fed Com #203H** (API. No. 30-025-49628);

(e) The 320-acre spacing unit comprised of the E/2 E/2 of Sections 3 and 10, in the WC-025 G-09 S233216K, UPR Wolfcamp [98166] – currently dedicated to the **Nina Cortell Fed Com #204H** (API. No. 30-025-49629); and



Paula M. Vance
Associate
Phone (505) 988-4421
Fax (505) 819-5579
pmvance@hollandhart.com

(f) Pursuant to 19.15.12.10.C(4)(g), *future leases, pools or leases and pools connected to the Nina Cortell South Tank Battery* with notice provided only to the owners of interests to be added.

Pursuant to 19.15.12.10.C(4)(g), Matador seeks to amend the terms of Order PLC-865 to add to the terms of the order the production from all existing and future infill wells drilled in the following spacing unit:

(a) The 319.92-acre spacing unit comprised of the W/2 W/2 of Sections 3 and 10, in the Bilbrey Basin, Bone Spring [5695] – currently dedicated to the **Nina Cortell Fed Com #131H** (API. No. 30-025-50258);

(b) The 319.92-acre spacing unit comprised of the E/2 W/2 of Sections 3 and 10, in the Bilbrey Basin, Bone Spring [5695] – currently dedicated to the **Nina Cortell Fed Com #132H** (API. No. 30-025-51189);

(c) The 320-acre spacing unit comprised of the E/2 W/2 of Sections 3 and 10, in the WC-025 G-09 S233216K, UPR Wolfcamp [98166] – currently dedicated to the **Nina Cortell Fed Com #202H** (API. No. 30-025-51287); and

(d) The 160-acre spacing unit comprised of the W/2 W/2 of Section 10, in the WC-025 G-09 S233216K, UPR Wolfcamp [98166] – currently dedicated to the **Nina Cortell Fed Com #211H** (API. No. 30-025-51629).

Oil and gas production from these spacing units will be commingled and sold at the **Nina Cortell South Central Tank Battery** located in the SW/4 SE/4 (Unit O) of Section 10. Gas production from the separator will be individually metered with a calibrated orifice meter that is manufactured to AGA specifications. Oil production from the separator will be separately metered using turbine meters.

Exhibit 2 is a land plat showing Matador's current development plan, flow lines, 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 3 is a completed Application for Surface Commingling (Diverse Ownership) Form C-107-B, that includes a statement from Oscar Gonzalez, Production Engineer with Matador, identifying the facilities and the measurement devices to be utilized, a detailed schematic of the surface facilities (exhibit A to the statement) and a referenced gas sample (exhibit B to the statement).

Exhibit 4 is a C-102 for each of the wells currently permitted or drilled within the existing spacing units and those to be added to Order PLC-865, together with the available production reports.



Paula M. Vance
Associate
Phone (505) 988-4421
Fax (505) 819-5579
pmvance@hollandhart.com

Exhibit 5 are the draft or approved communitization agreements for the acreage subject to this application.

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 6** 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 and the Bureau of Land Management since state and federal lands are involved.

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Paula M. Vance".

Paula M. Vance
**ATTORNEY FOR MATADOR PRODUCTION
COMPANY**

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

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

ORDER NO. PLC-865

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 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.
4. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
5. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.
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 or gas title transfer meter 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 or gas title transfer meter 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 it with production from another well.
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 and 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**



DYLAN M. FUGE
DIRECTOR (ACTING)

DATE: 3/30/23

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **PLC-865**

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

Central Tank Battery: **Nina Cortell South Tank Battery**

Central Tank Battery Location: **UL O, Section 10, Township 22 South, Range 32 East**

Gas Title Transfer Meter Location: **UL O, Section 10, Township 22 South, Range 32 East**

Pools

Pool Name	Pool Code
BILBREY BASIN;BONE SPRING	5695
WC-025 G-09 S233216K;UPR WOLFCAMP	98166

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
CA Bone Spring NMNM 105720807 (143833)	W/2 W/2	3-22S-32E
	W/2 W/2	10-22S-32E
NMNM 105305436 (135247)	E/2 minus H	3-22S-32E
Fee	H	3-22S-32E
NMNM 105417983 (086147)	E/2	10-22S-32E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-49627	Nina Cortell Federal Com #125H	W/2 W/2	3-22S-32E	5695
		W/2 W/2	10-22S-32E	
30-025-50513	Nina Cortell Federal Com #133H	W/2 E/2	3-22S-32E	5695
		W/2 E/2	10-22S-32E	
30-025-50801	Nina Cortell Federal Com #134H	E/2 E/2	3-22S-32E	5695
		E/2 E/2	10-22S-32E	
30-025-49628	Nina Cortell Federal Com #203H	W/2 E/2	3-22S-32E	98166
		W/2 E/2	10-22S-32E	
30-025-49629	Nina Cortell Federal Com #204H	E/2 E/2	3-22S-32E	98166
		E/2 E/2	10-22S-32E	

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit B

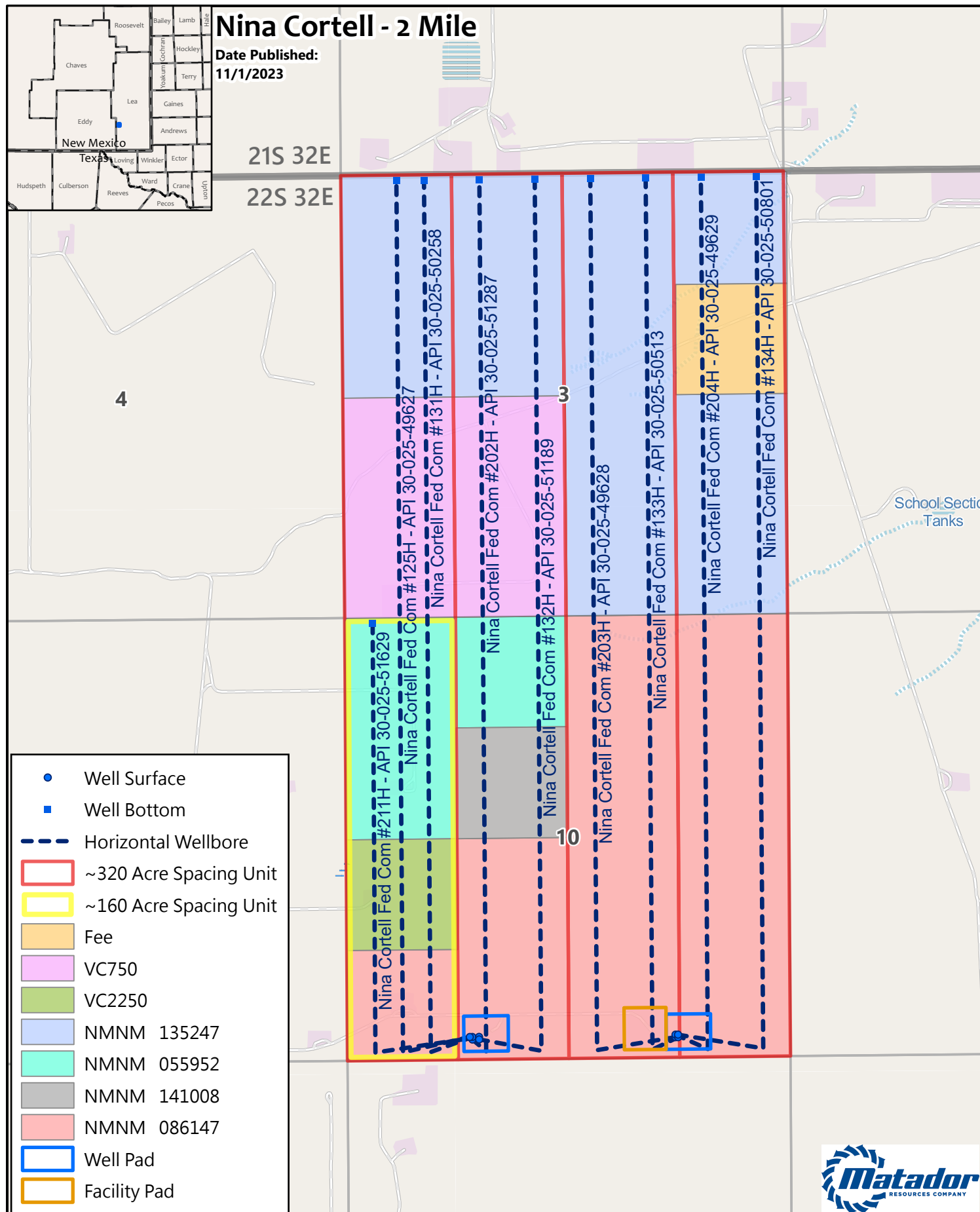
Order: **PLC-865**
Operator: **Matador Production Company (228937)**

Pooled Areas

Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Bone Spring NMNM 105724617 (143942)	W/2 E/2 W/2 E/2	3-22S-32E 10-22S-32E	319.92	A
CA Bone Spring BLM	E/2 E/2 E/2 E/2	3-22S-32E 10-22S-32E	319.92	B
CA Wolfcamp NMNM 105762321	W/2 E/2 W/2 E/2	3-22S-32E 10-22S-32E	319.92	C
CA Wolfcamp NMNM 105823709	E/2 E/2 E/2 E/2	3-22S-32E 10-22S-32E	319.92	D

Leases Comprising Pooled Areas

Lease	UL or Q/Q	S-T-R	Acres	Pooled Area ID
NMNM 105305436 (135247)	W/2 E/2	3-22S-32E	159.92	A
NMNM 105417983 (086147)	W/2 E/2	10-22S-32E	160	A
NMNM 105305436 (135247)	A I P	3-22S-32E	119.92	B
Fee	H	3-22S-32E	40	B
NMNM 105417983 (086147)	E/2 E/2	10-22S-32E	160	B
NMNM 105305436 (135247)	W/2 E/2	3-22S-32E	159.92	C
NMNM 105417983 (086147)	W/2 E/2	10-22S-32E	160	C
NMNM 105305436 (135247)	A I P	3-22S-32E	119.92	D
Fee	H	3-22S-32E	40	D
NMNM 105417983 (086147)	E/2 E/2	10-22S-32E	160	D



1:18,000

Project: V

EXHIBIT

2

1 inch equals 1,500 feet

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. PLC - 865

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
BILBREY BASIN; BONE SPRING [5695]	43.0°	43.4° oil 1,404 BTU/CF	. \$102.57/bbl oil Deemed 40°/Sweet (Jul '22 realized price) \$9.31/mcf (Jul '22 realized price)	4,300 bopd
BILBREY BASIN; BONE SPRING [5695]	1413 BTU/CF			7,800 mcf
WC-025 G-09 S233216K; UPR WOLFCAMP [98166]	43.8 °			2,700 bopd
WC-025 G-09 S233216K; UPR WOLFCAMP [98166]	1395 BTU/CF			5,100 mcf

(2) Are any wells producing at top allowables? ☐ Yes ☒ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No.

(4) Measurement type: ☒ Metering ☐ Other (Specify)

(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

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

(1) Pool Name and Code-

(2) Is all production from same source of supply? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No

(4) Measurement type: ☐ Metering ☐ Other (Specify)

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

(1) Complete Sections A and E.

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

(1) Is all production from same source of supply? ☐ Yes ☐ No

(2) Include proof of notice to all interest owners.

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

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE: Oscar Gonzalez

TITLE: Production Engineer

DATE: 09/11/2023

TYPE OR PRINT NAME Oscar Gonzalez

TELEPHONE NO.: (972) 629-2147

E-MAIL ADDRESS: ogonzalez@matadorresources.com

EXHIBIT
3

Matador Production Company

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

Voice 972.587.4638 • Fax 972.371.5201

ogonzalez@matadorresources.com

Oscar Gonzalez
Production Engineer

September 11, 2023

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

Re: Application of Matador Production Company for Administrative Approval to Amend Administrative Order PLC-865 to Surface Commingle (pool and lease commingle) production from the spacing units comprising of Section 3 and Section 10, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico (the "Lands").

To Whom This May Concern,

Under NMOCD Order No. PLC-865, Matador Production Company ("Matador"), OGRID: 228937, was authorized to surface commingle production from the W/2W/2 of Sections 10 & 3 (in the Bone Spring formation) and the E/2 of Section 10 & 3, Township 22 South, Range 32 East (in the Bone Spring and Wolfcamp formation), NMPM, Lea County, New Mexico. Pursuant to this application, Matador seeks to amend Order No. PLC-865 to gain authority to also surface commingle production from (i) the Wolfcamp formation in the W/2 W/2 of Sections 10 & 3, and (ii) both the Bone Spring and Wolfcamp formations in the E/2 W/2 of Sections 10 & 3, as described below.

Specifically, Matador requests to surface commingle current and upcoming production from nine (9) wells located on the Lands and future production from the Lands as described herein.

Gas exiting each separator will flow into one gathering line, as depicted on **Exhibit A**, the Longwood Midstream LLC or Pronto Midstream line. Each 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 Fesco, Ltd 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 leave the wellbore and flow into a wellhead 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. 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 Midstream LLC or Pronto Midstream has its own orifice meter that measures the gas for custody transfer. These meters are also calibrated periodically to ensure the measurement accuracy.

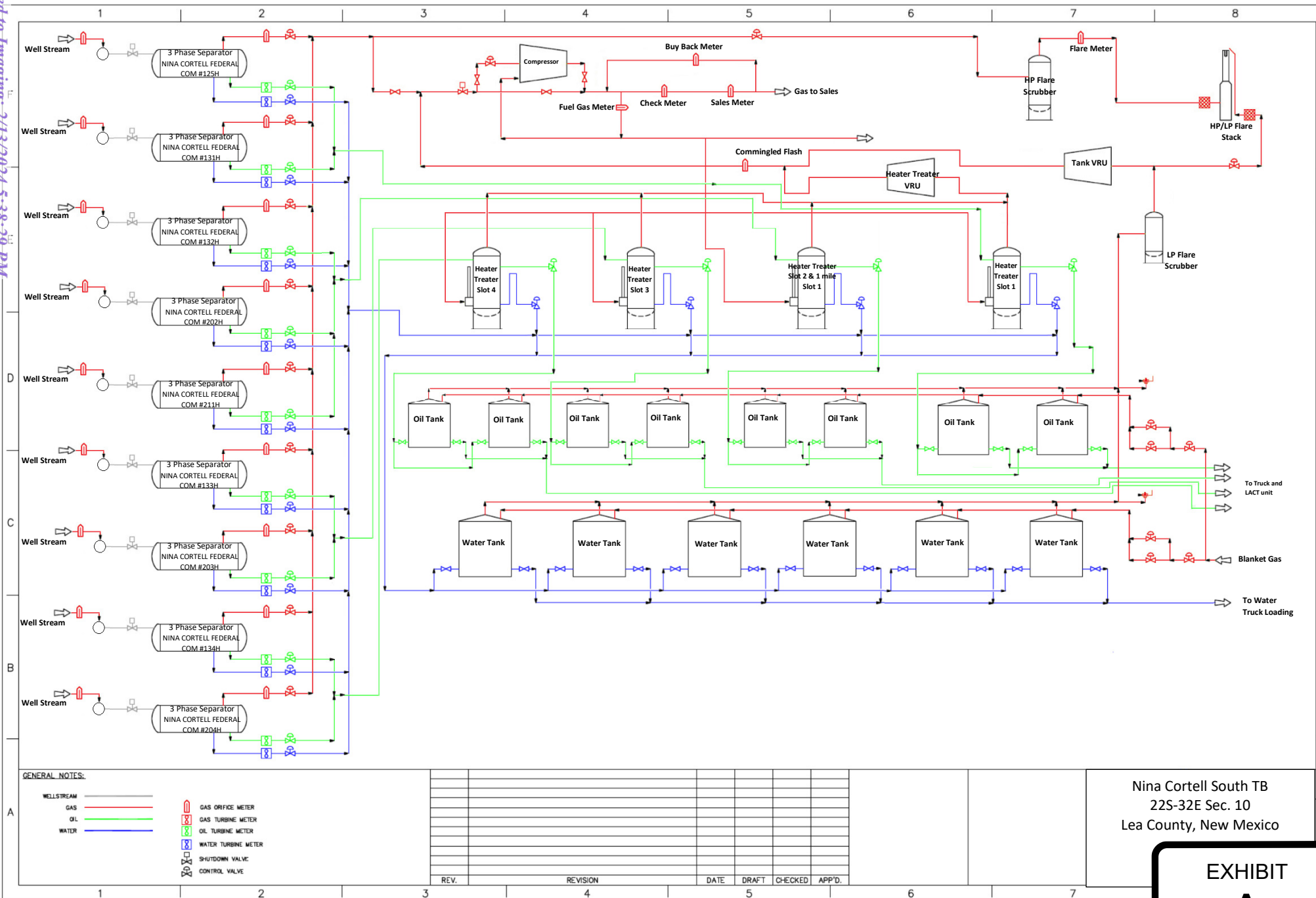
In conclusion, all the oil and gas produced on the Lands is and will be metered at each wellhead and allocated correctly using the same measurement equipment as the pipeline sales measurement specifications accepted by API as industry standard.

Very truly yours,

MATADOR PRODUCTION COMPANY

A handwritten signature in black ink, appearing to read "Oscar Gonzalez", with a stylized, cursive script.

Oscar Gonzalez
Production Engineer



Nina Cortell South TB
22S-32E Sec. 10
Lea County, New Mexico

EXHIBIT
A

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

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

Sample: Nina Cartell Federal COM No. 125H
First Stage Separator
Spot Gas Sample @ 190 psig & 113 °F

Date Sampled: 03/29/2022

Job Number: 221671.001

CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286

COMPONENT	MOL%	GPM
Hydrogen Sulfide*	< 0.001	
Nitrogen	2.374	
Carbon Dioxide	0.365	
Methane	69.063	
Ethane	14.402	3.946
Propane	7.964	2.248
Isobutane	0.925	0.310
n-Butane	2.418	0.781
2-2 Dimethylpropane	0.007	0.003
Isopentane	0.515	0.193
n-Pentane	0.573	0.213
Hexanes	0.429	0.181
Heptanes Plus	<u>0.965</u>	<u>0.396</u>
Totals	100.000	8.272

Computed Real Characteristics Of Heptanes Plus:

Specific Gravity ----- 3.375 (Air=1)
Molecular Weight ----- 97.29
Gross Heating Value ----- 5211 BTU/CF

Computed Real Characteristics Of Total Sample:

Specific Gravity ----- 0.825 (Air=1)
Compressibility (Z) ----- 0.9953
Molecular Weight ----- 23.79
Gross Heating Value
Dry Basis ----- 1413 BTU/CF
Saturated Basis ----- 1389 BTU/CF

*Hydrogen Sulfide tested on location by: Stain Tube Method (GPA 2377)
Results: <0.013 Gr/100 CF, <0.2 PPMV or <0.001 Mol %

Base Conditions: 15.025 PSI & 60 Deg F

Sampled By: (24) D. Morales
Analyst: RG
Processor: RG
Cylinder ID: T-1391

EXHIBIT
B

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	2.374		2.796
Carbon Dioxide	0.365		0.675
Methane	69.063		46.574
Ethane	14.402	3.946	18.204
Propane	7.964	2.248	14.762
Isobutane	0.925	0.310	2.260
n-Butane	2.418	0.781	5.908
2,2 Dimethylpropane	0.007	0.003	0.021
Isopentane	0.515	0.193	1.562
n-Pentane	0.573	0.213	1.738
2,2 Dimethylbutane	0.004	0.002	0.014
Cyclopentane	0.000	0.000	0.000
2,3 Dimethylbutane	0.062	0.026	0.225
2 Methylpentane	0.130	0.055	0.471
3 Methylpentane	0.071	0.030	0.257
n-Hexane	0.162	0.068	0.587
Methylcyclopentane	0.108	0.039	0.382
Benzene	0.094	0.027	0.309
Cyclohexane	0.169	0.059	0.598
2-Methylhexane	0.021	0.010	0.088
3-Methylhexane	0.026	0.012	0.110
2,2,4 Trimethylpentane	0.000	0.000	0.000
Other C7's	0.076	0.034	0.317
n-Heptane	0.052	0.025	0.219
Methylcyclohexane	0.128	0.053	0.528
Toluene	0.063	0.022	0.244
Other C8's	0.082	0.039	0.380
n-Octane	0.025	0.013	0.120
Ethylbenzene	0.007	0.003	0.031
M & P Xylenes	0.014	0.006	0.062
O-Xylene	0.004	0.002	0.018
Other C9's	0.047	0.024	0.249
n-Nonane	0.010	0.006	0.054
Other C10's	0.027	0.016	0.160
n-Decane	0.004	0.003	0.024
Undecanes (11)	<u>0.008</u>	<u>0.005</u>	<u>0.053</u>
Totals	100.000	8.272	100.000

Computed Real Characteristics of Total Sample

Specific Gravity -----	0.825	(Air=1)
Compressibility (Z) -----	0.9953	
Molecular Weight -----	23.79	
Gross Heating Value		
Dry Basis -----	1413	BTU/CF
Saturated Basis -----	1389	BTU/CF

FESCO, Ltd.**1100 Fesco Ave. - Alice, Texas 78332****Sample:** Nina Cartell Federal COM No. 125H

First Stage Separator

Spot Gas Sample @ 190 psig & 113 °F

Date Sampled: 03/29/2022

Job Number: 221671.001

GLYCALC FORMAT

COMPONENT	MOL%	GPM	Wt %
Carbon Dioxide	0.365		0.675
Hydrogen Sulfide	< 0.001		< 0.001
Nitrogen	2.374		2.796
Methane	69.063		46.574
Ethane	14.402	3.946	18.204
Propane	7.964	2.248	14.762
Isobutane	0.925	0.310	2.260
n-Butane	2.425	0.784	5.929
Isopentane	0.515	0.193	1.562
n-Pentane	0.573	0.213	1.738
Cyclopentane	0.000	0.000	0.000
n-Hexane	0.162	0.068	0.587
Cyclohexane	0.169	0.059	0.598
Other C6's	0.267	0.113	0.967
Heptanes	0.283	0.120	1.116
Methylcyclohexane	0.128	0.053	0.528
2,2,4 Trimethylpentane	0.000	0.000	0.000
Benzene	0.094	0.027	0.309
Toluene	0.063	0.022	0.244
Ethylbenzene	0.007	0.003	0.031
Xylenes	0.018	0.007	0.080
Octanes Plus	<u>0.203</u>	<u>0.106</u>	<u>1.040</u>
Totals	100.000	8.272	100.000

Real Characteristics Of Octanes Plus:

Specific Gravity ----- 4.228 (Air=1)
Molecular Weight ----- 121.89
Gross Heating Value ----- 6472 BTU/CF

Real Characteristics Of Total Sample:

Specific Gravity ----- 0.825 (Air=1)
Compressibility (Z) ----- 0.9953
Molecular Weight ----- 23.79
Gross Heating Value
Dry Basis ----- 1413 BTU/CF
Saturated Basis ----- 1389 BTU/CF

District I
1625 N. French Dr., Hobbs, NM 88240
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State of New Mexico
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1220 South St. Francis Dr.
Santa Fe, NM 87505

FORM C-102

Revised August 1, 2011

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-49629	² Pool Code 98166	³ Pool Name WC-025 G-09 S233216K, UPR WOLFCAMP
⁴ Property Code 320841	⁵ Property Name NINA CORTELL FED COM	⁶ Well Number 204H
⁷ OGRID No. 228937	⁸ Operator Name MATADOR PRODUCTION COMPANY	⁹ Elevation 3789'

¹⁰Surface Location

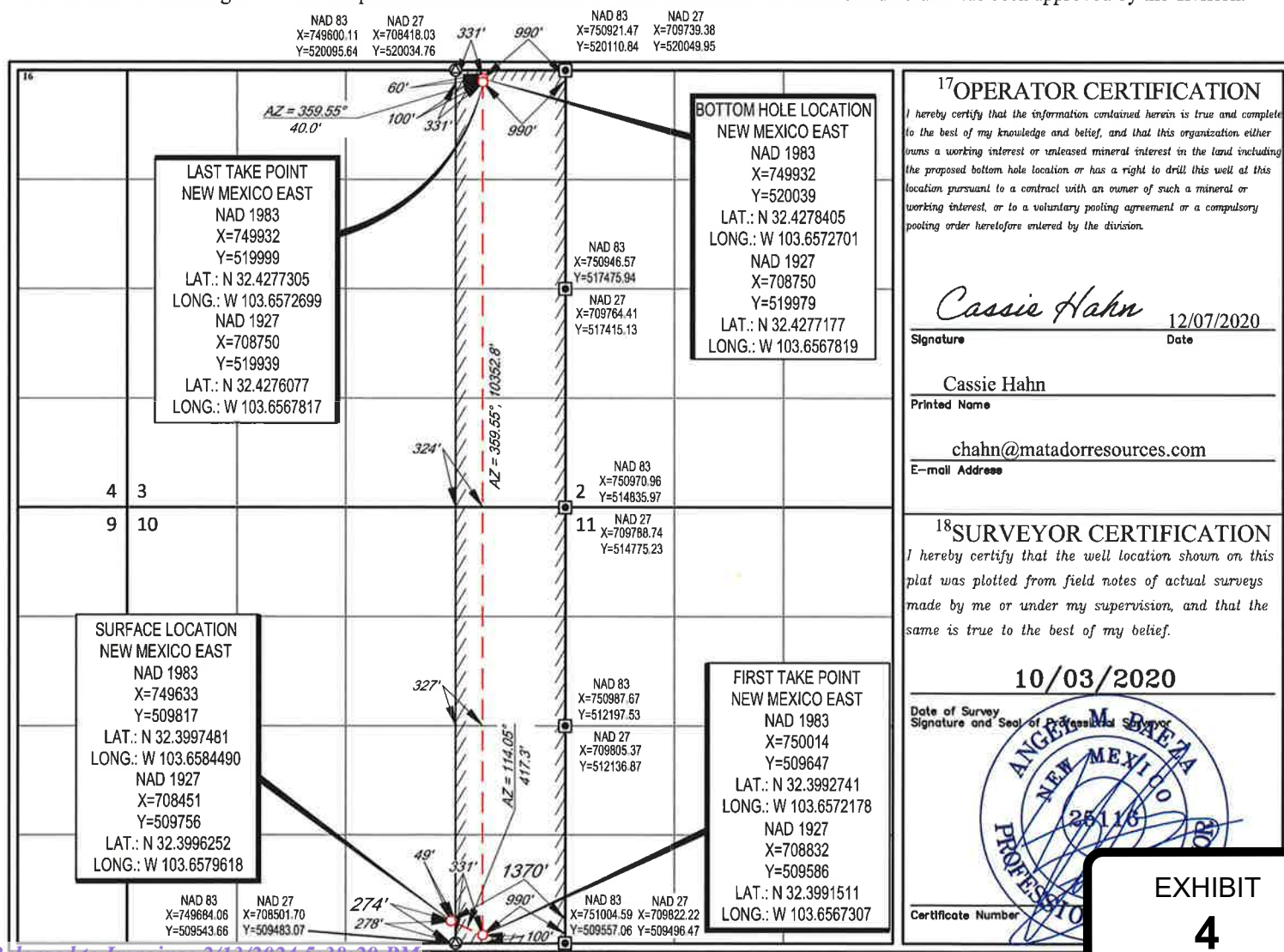
UL or lot no. 0	Section 10	Township 22-S	Range 32-E	Lot Idn -	Feet from the 274'	North/South line SOUTH	Feet from the 1370'	East/West line EAST	County LEA
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¹¹Bottom Hole Location If Different From Surface

UL or lot no. 1	Section 3	Township 22-S	Range 32-E	Lot Idn -	Feet from the 60'	North/South line NORTH	Feet from the 990'	East/West line EAST	County LEA
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¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



EXHIBIT

4

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-50801		² Pool Code 5695		³ Pool Name BILBREY BASIN, BONE SPRING	
⁴ Property Code 320841		⁵ Property Name NINA CORTELL FED COM			⁶ Well Number 134H
⁷ OGRID No. 228937		⁸ Operator Name MATADOR PRODUCTION COMPANY			⁹ Elevation 3790'

¹⁰Surface Location

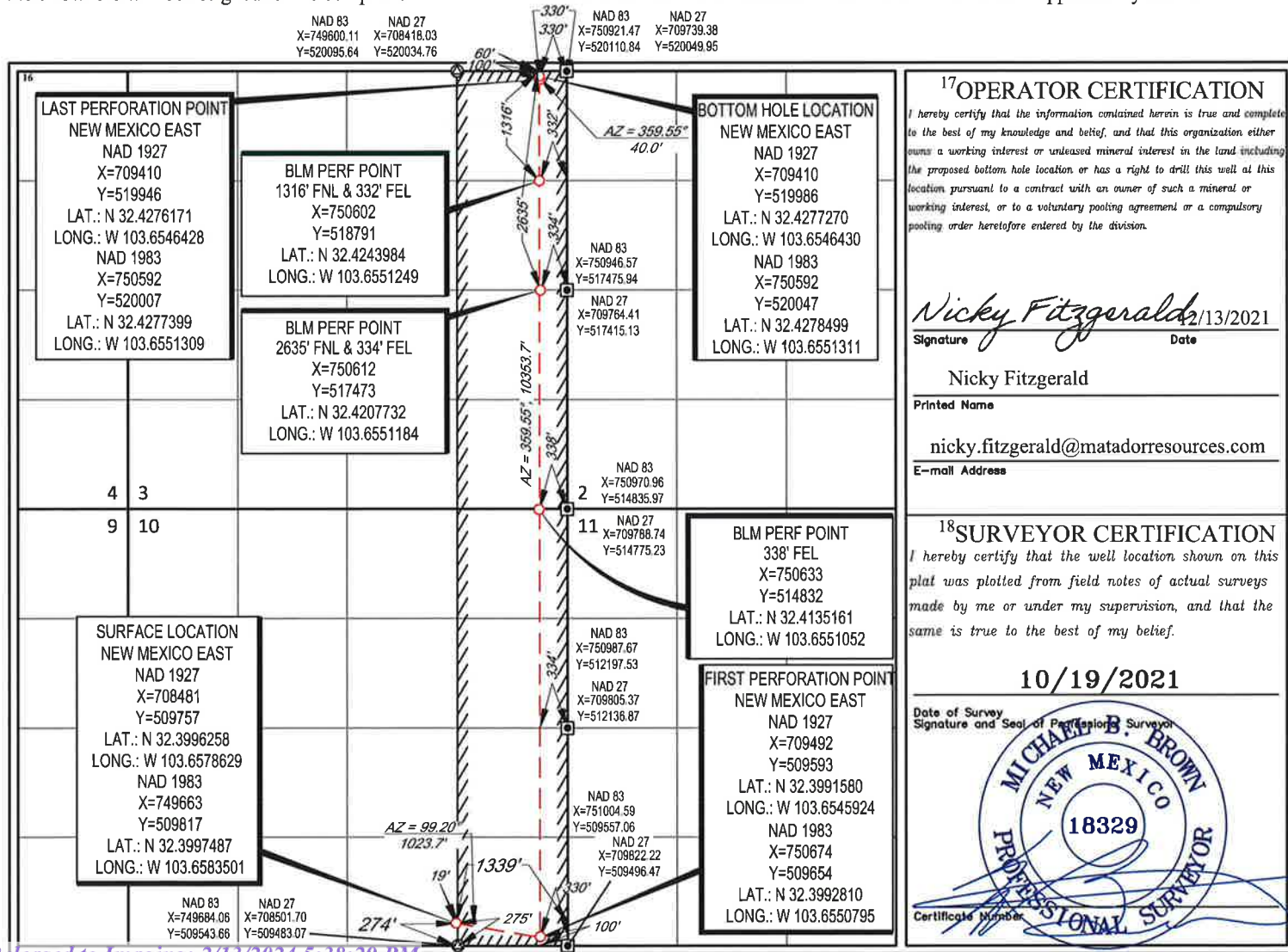
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	10	22-S	32-E	-	274'	SOUTH	1339'	EAST	LEA

¹¹Bottom 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
1	3	22-S	32-E	-	60'	NORTH	330'	EAST	LEA

¹² Dedicated Acres 319.92	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--	-------------------------------	----------------------------------	-------------------------

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-49628		² Pool Code 98166	³ Pool Name WC-025 G-09 S233216K, UPR WOLFCAMP
⁴ Property Code 320841	⁵ Property Name NINA CORTELL FED COM		⁶ Well Number 203H
⁷ GRID No. 228937	⁸ Operator Name MATADOR PRODUCTION COMPANY		⁹ Elevation 3789'

¹⁰Surface Location

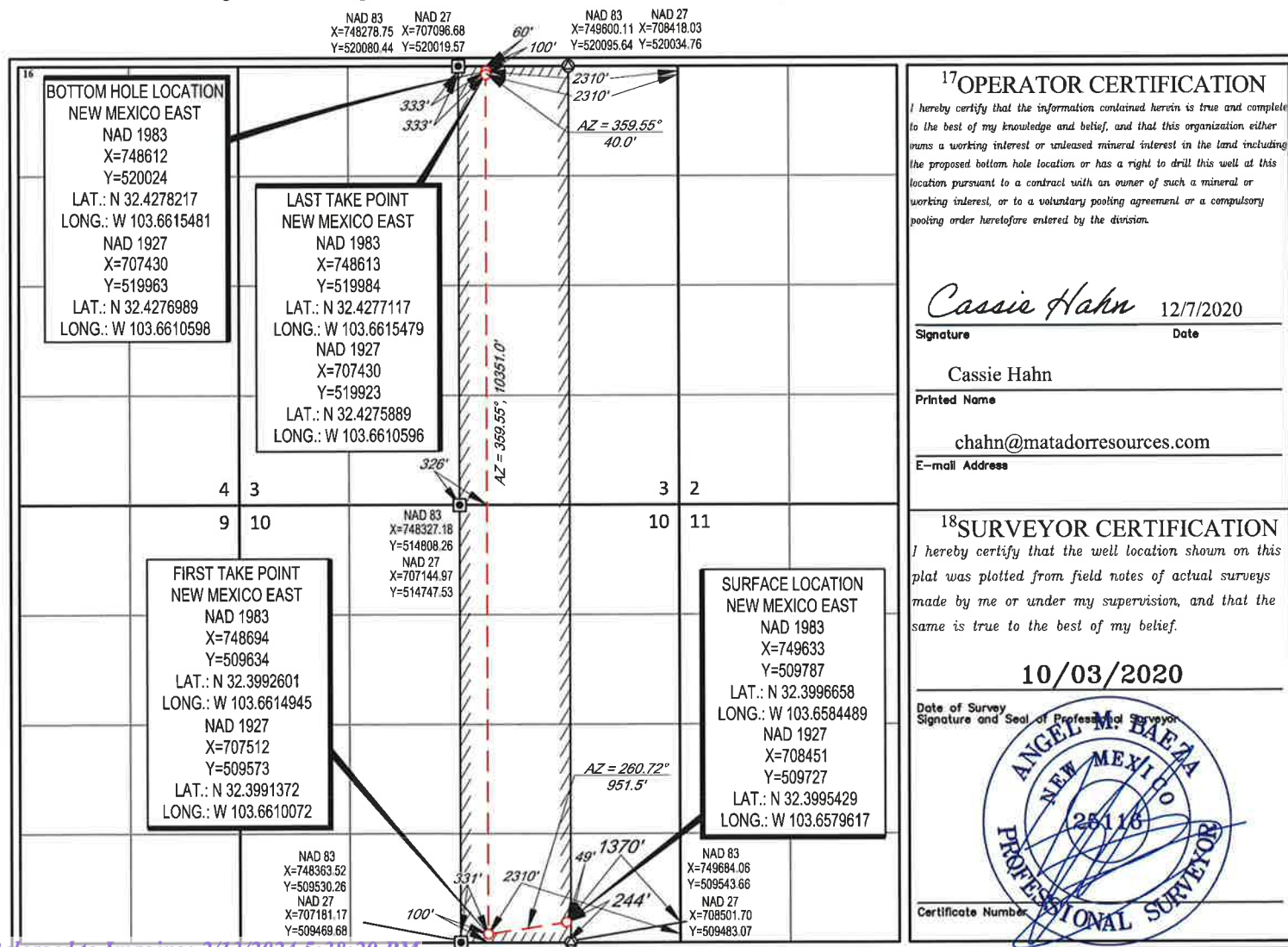
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	10	22-S	32-E	-	244'	SOUTH	1370'	EAST	LEA

¹¹Bottom 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
2	3	22-S	32-E	-	60'	NORTH	2310'	EAST	LEA

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
---	-------------------------------	----------------------------------	-------------------------

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-50513		² Pool Code 5695		³ Pool Name BILBREY BASIN, BONE SPRING	
⁴ Property Code 320841		⁵ Property Name NINA CORTELL FED COM			⁶ Well Number 133H
⁷ GRID No. 228937		⁸ Operator Name MATADOR PRODUCTION COMPANY			⁹ Elevation 3790'

¹⁰Surface Location

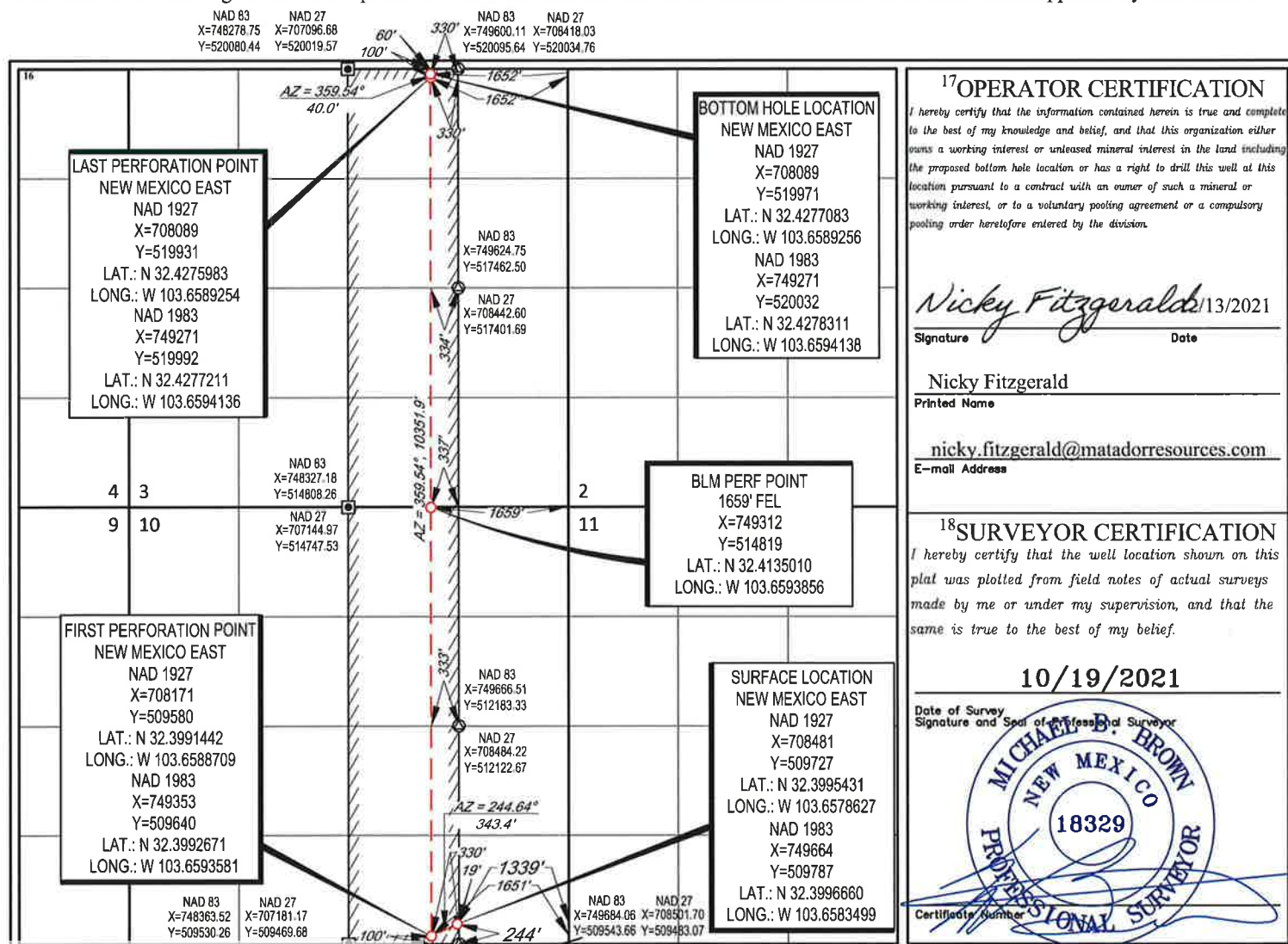
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	10	22-S	32-E	-	244'	SOUTH	1339'	EAST	LEA

¹¹Bottom 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
2	3	22-S	32-E	-	60'	NORTH	1652'	EAST	LEA

¹² Dedicated Acres 319.92	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.



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FORM C-102

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-51629	² Pool Code 98166	³ Pool Name WC-025 G-09 S233216K, UPR WOLFCAMP
⁴ Property Code 320841	⁵ Property Name NINA CORTELL FED COM	⁶ Well Number 211H
⁷ GRID No. 228937	⁸ Operator Name MATADOR PRODUCTION COMPANY	⁹ Elevation 3791'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	10	22-S	32-E	-	272'	SOUTH	1571'	WEST	LEA

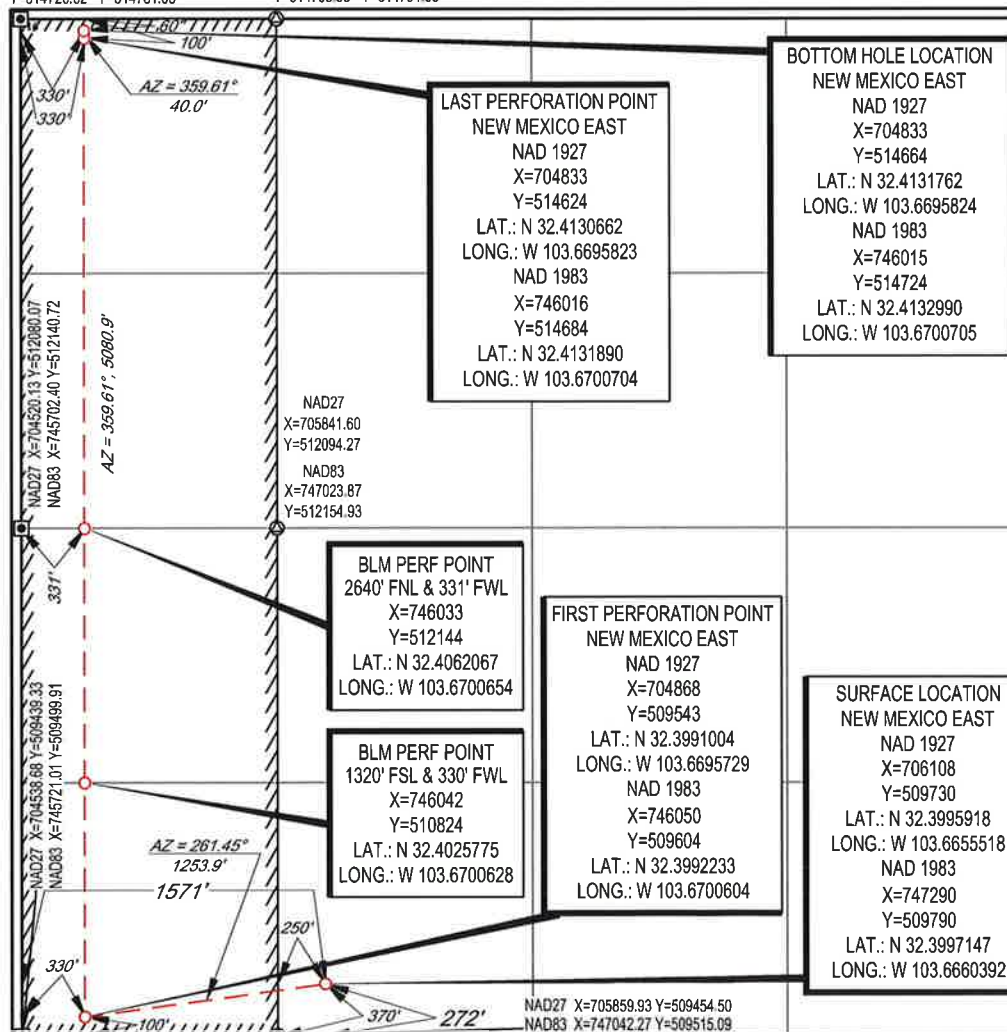
¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	10	22-S	32-E	-	60'	NORTH	330'	WEST	LEA

¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NAD27 NAD83 NAD27 NAD83
X=704502.84 X=745685.04 X=705823.91 X=747006.11
Y=514720.32 Y=514781.05 Y=514733.93 Y=514794.66

¹⁷OPERATOR CERTIFICATION

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 undivided 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.

Nicky Fitzgerald 12/13/2021
Signature Date

Nicky Fitzgerald
Printed Name

nicky.fitzgerald@matadorresources.com
E-mail Address

¹⁸SURVEYOR 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 to the best of my belief.

10/19/2021

Date of Survey
Signature and Seal of Professional Surveyor

MICHAEL B. BROWN
NEW MEXICO
18329
PROFESSIONAL SURVEYOR
Certificate Number

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Santa Fe, NM 87505

FORM C-102

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District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-5128	² Pool Code 98166	³ Pool Name WC-025 G-09 S233216K; Upper Wolfcamp
⁴ Property Code	⁵ Property Name NINA CORTELL FED COM	⁶ Well Number 202H
⁷ OGRID No. 228937	⁸ Operator Name MATADOR PRODUCTION COMPANY	⁹ Elevation 3789'

¹⁰Surface Location

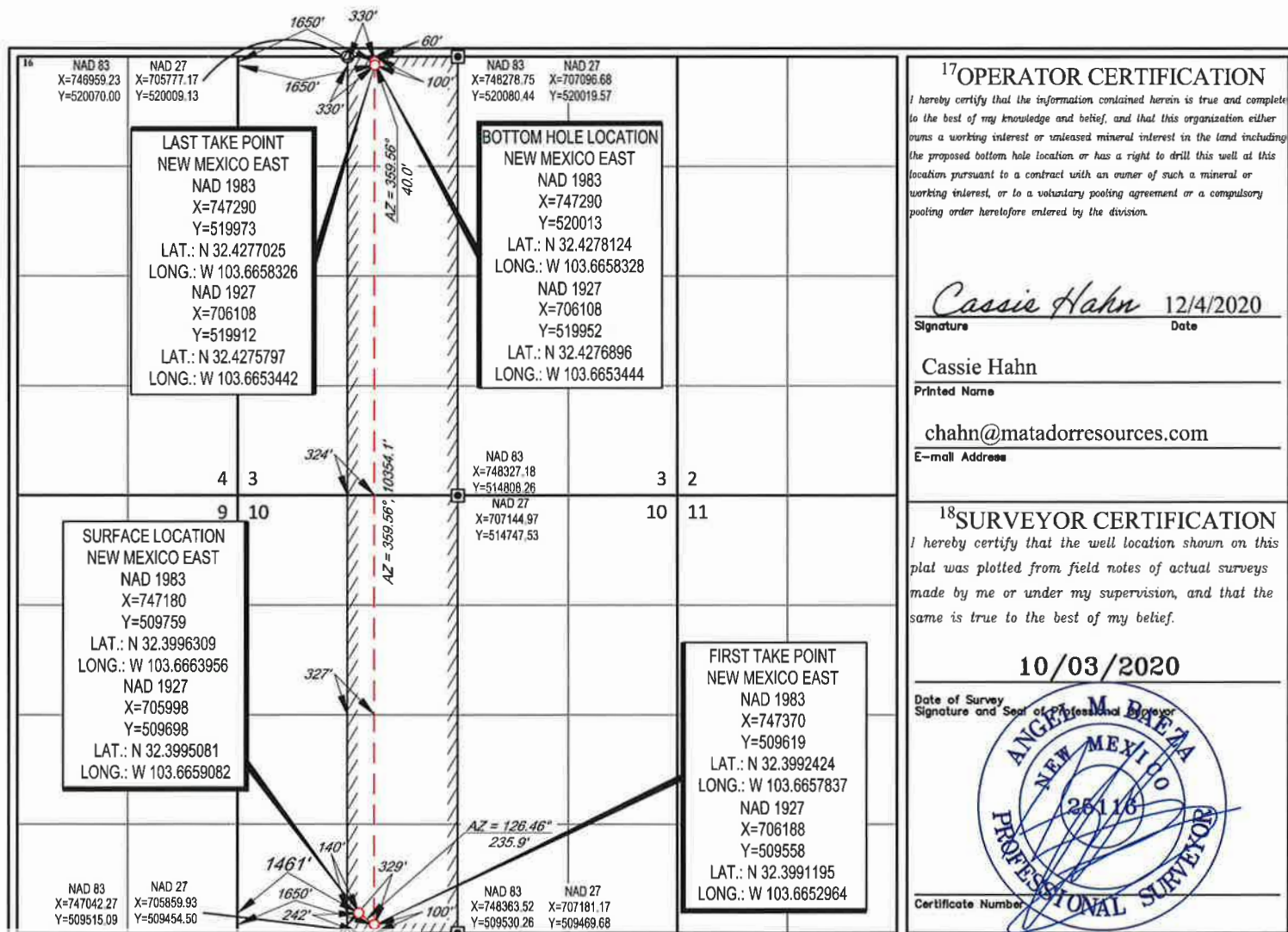
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	10	22-S	32-E	-	242'	SOUTH	1461'	WEST	LEA

¹¹Bottom 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
3	3	22-S	32-E	-	60'	NORTH	1650'	WEST	LEA

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-51189		² Pool Code 5695		³ Pool Name BILBREY BASIN, BONE SPRING	
⁴ Property Code 320841		⁵ Property Name NINA CORTELL FED COM			⁶ Well Number 132H
⁷ GRID No. 228937		⁸ Operator Name MATADOR PRODUCTION COMPANY			⁹ Elevation 3791'

¹⁰Surface Location

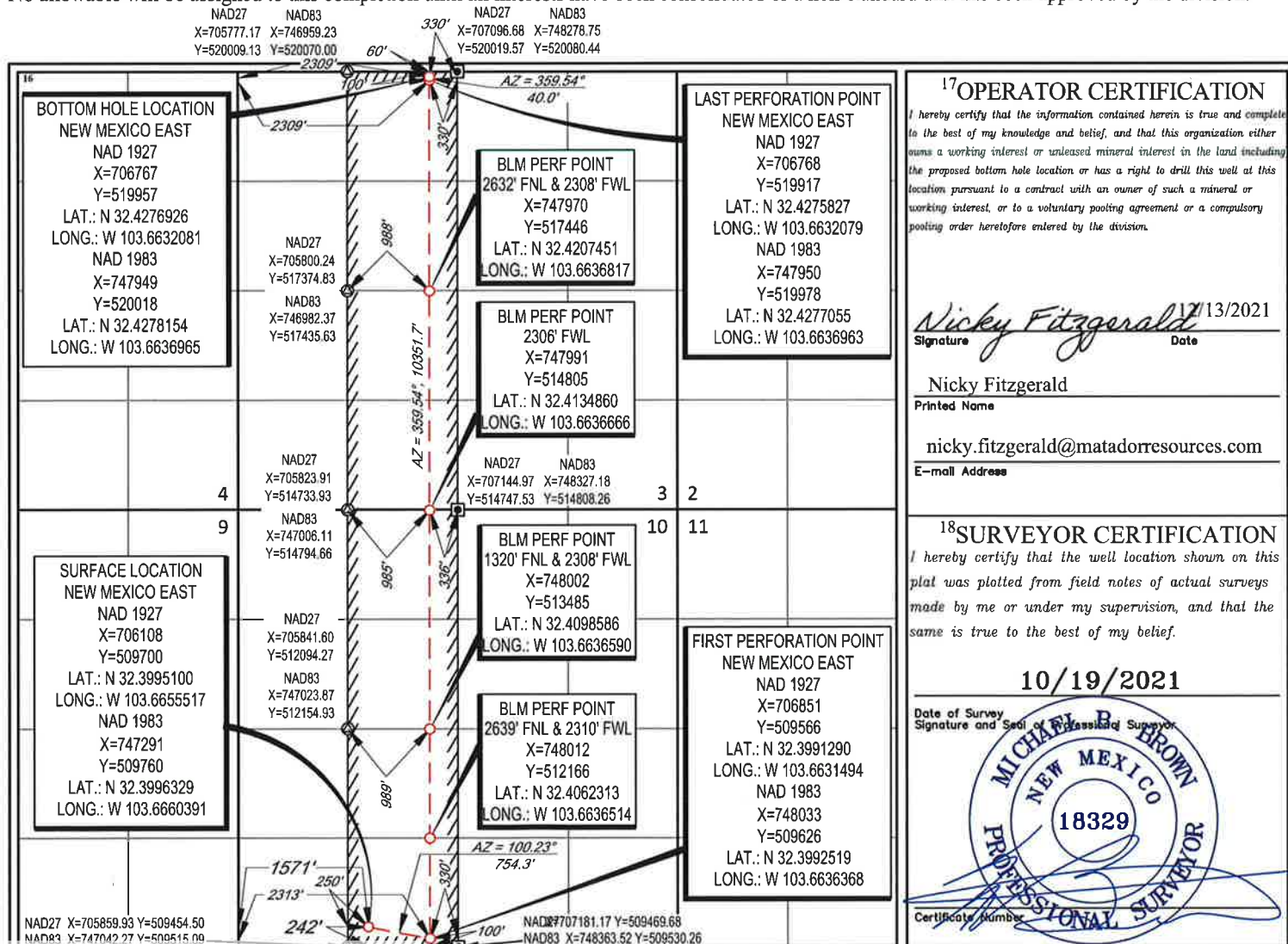
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	10	22-S	32-E	-	242'	SOUTH	1571'	WEST	LEA

¹¹Bottom 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
3	3	22-S	32-E	-	60'	NORTH	2309'	WEST	LEA

¹² Dedicated Acres 319.92	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--	-------------------------------	----------------------------------	-------------------------

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WELL LOCATION AND ACREAGE DEDICATION PLAT

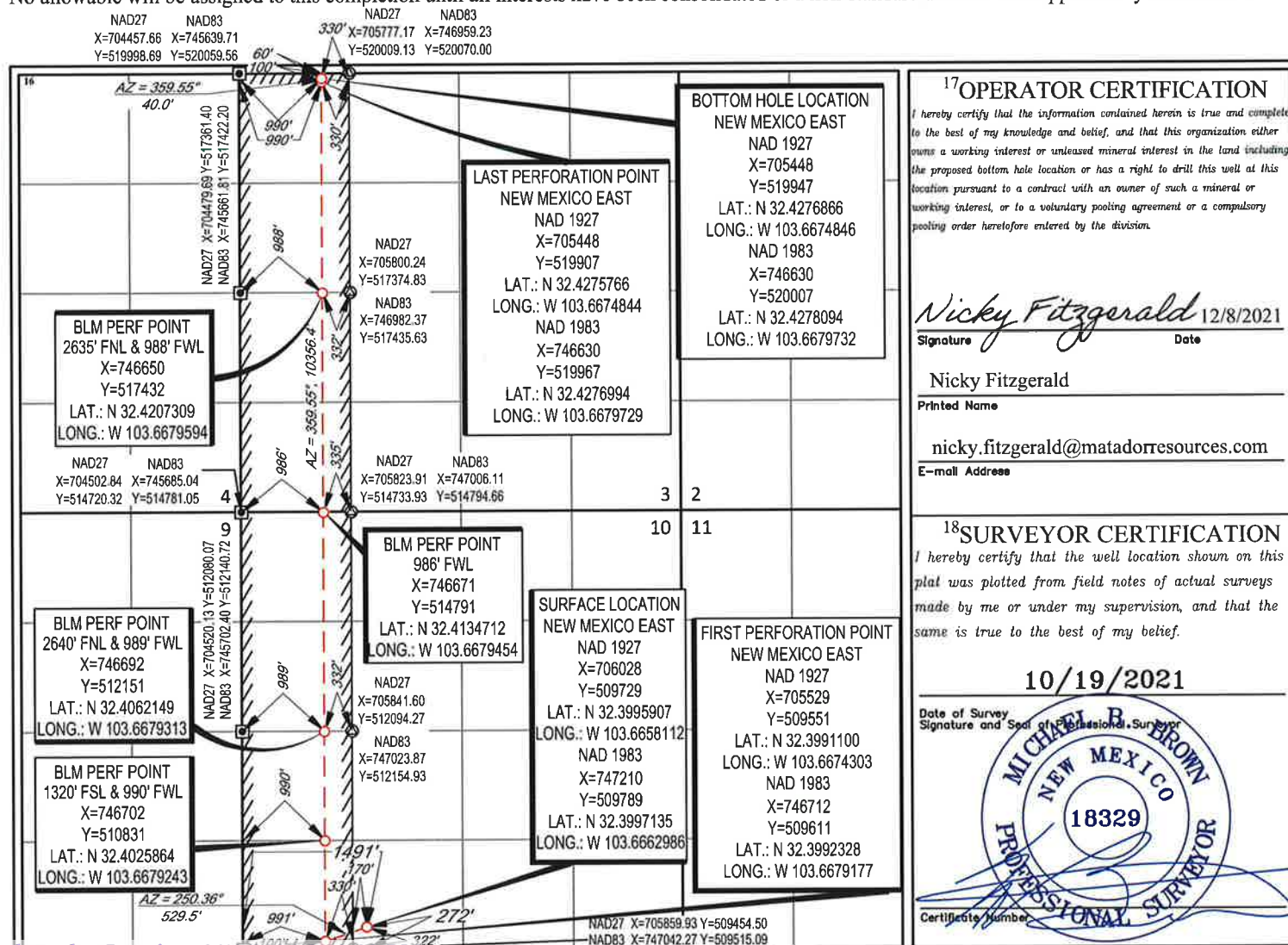
¹ API Number 30-025-50258		² Pool Code 5695		³ Pool Name BILBREY BASIN, BONE SPRING	
⁴ Property Code 320841		⁵ Property Name NINA CORTELL FED COM			⁶ Well Number 131H
⁷ OGRID No. 228937		⁸ Operator Name MATADOR PRODUCTION COMPANY			⁹ Elevation 3790'

¹⁰ 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	10	22-S	32-E	-	272'	SOUTH	1491'	WEST	LEA

¹¹ 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
4	3	22-S	32-E	-	60'	NORTH	990'	WEST	LEA

¹² Dedicated Acres 319.92	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-49627	² Pool Code 5695	³ Pool Name BILBREY BASIN; BONE SPRING
⁴ Property Code 320841	⁵ Property Name NINA CORTELL FED COM	
⁷ OGRID No. 228937	⁸ Operator Name MATADOR PRODUCTION COMPANY	⁶ Well Number 125H ⁹ Elevation 3789'

¹⁰Surface Location

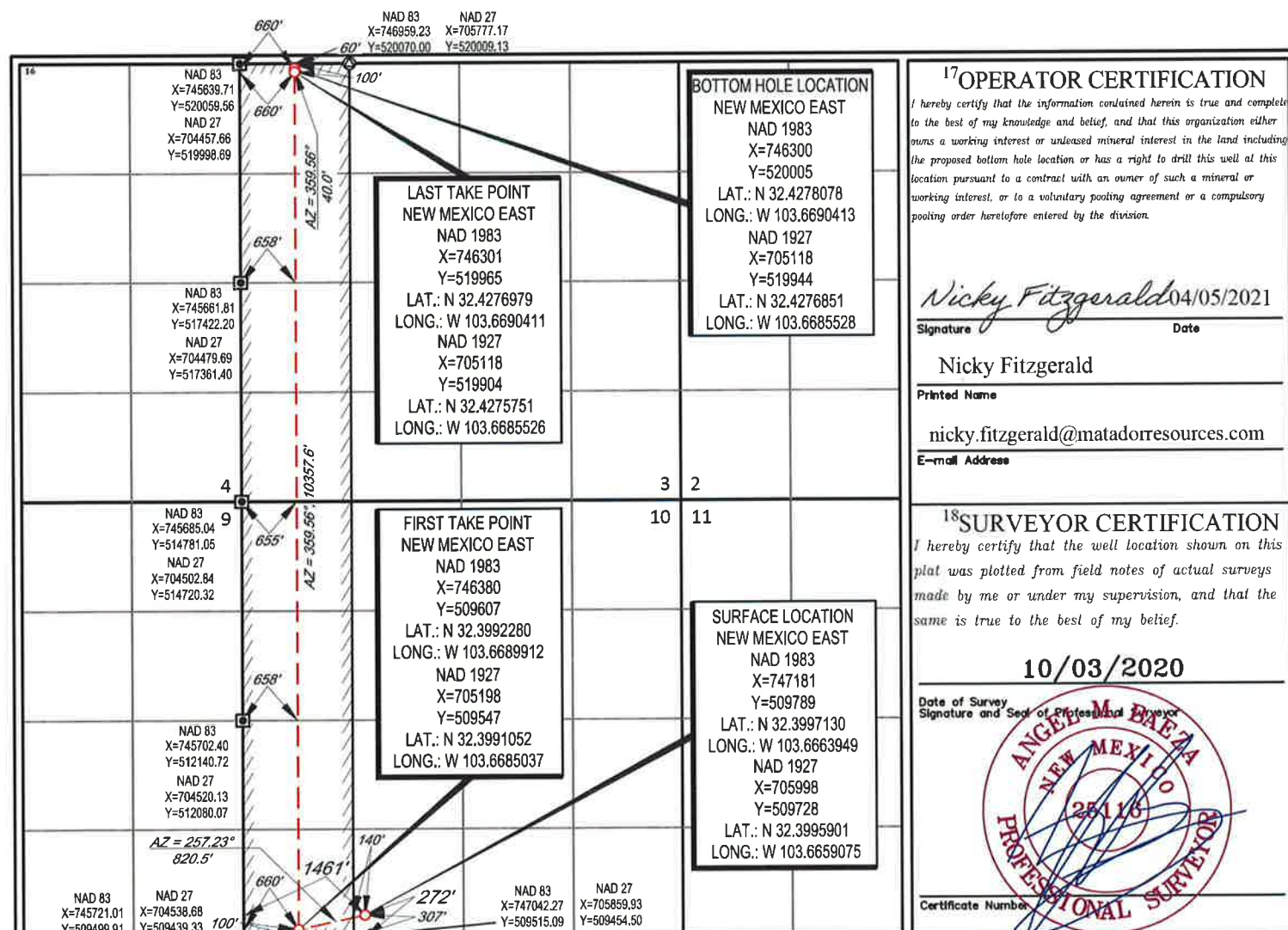
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	10	22-S	32-E	-	272'	SOUTH	1461'	WEST	LEA

¹¹Bottom 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
4	3	22-S	32-E	-	60'	NORTH	660'	WEST	LEA

¹² Dedicated Acres 319.92	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.



Production Summary Report API: 30-025-49629 NINA CORTELL FEDERAL COM #204H Printed On: Monday, October 02 2023											
		Production					Injection				
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure
2023	[98166] WC-025 G-09 S233216K;UPR WOLFCAMP	Mar	0	0	6	0	0	0	0	0	0
2023	[98166] WC-025 G-09 S233216K;UPR WOLFCAMP	Apr	15138	28166	73245	27	0	0	0	0	0
2023	[98166] WC-025 G-09 S233216K;UPR WOLFCAMP	May	10869	20744	51678	28	0	0	0	0	0
2023	[98166] WC-025 G-09 S233216K;UPR WOLFCAMP	Jun	12999	25621	54023	30	0	0	0	0	0
2023	[98166] WC-025 G-09 S233216K;UPR WOLFCAMP	Jul	11376	8323	15604	11	0	0	0	0	0

Production Summary Report API: 30-025-50801 NINA CORTELL FEDERAL COM #134H Printed On: Monday, October 02 2023											
		Production					Injection				
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure
2023	[5695] BILBREY BASIN;BONE SPRING	Mar	10781	646	73948	14	0	0	0	0	0
2023	[5695] BILBREY BASIN;BONE SPRING	Apr	14590	24342	55453	28	0	0	0	0	0
2023	[5695] BILBREY BASIN;BONE SPRING	May	15154	25171	45547	29	0	0	0	0	0
2023	[5695] BILBREY BASIN;BONE SPRING	Jun	15874	28079	46985	30	0	0	0	0	0
2023	[5695] BILBREY BASIN;BONE SPRING	Jul	14423	9449	13267	11	0	0	0	0	0

Production Summary Report API: 30-025-49628 NINA CORTELL FEDERAL COM #203H Printed On: Monday, October 02 2023											
		Production				Injection					
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure
2023	[98166] WC-025 G-09 S233216K;UPR WOLFCAMP	Mar	0	0	0	0	0	0	0	0	0
2023	[98166] WC-025 G-09 S233216K;UPR WOLFCAMP	Apr	18497	35801	69016	27	0	0	0	0	0
2023	[98166] WC-025 G-09 S233216K;UPR WOLFCAMP	May	11329	21943	43450	29	0	0	0	0	0
2023	[98166] WC-025 G-09 S233216K;UPR WOLFCAMP	Jun	11845	24410	42681	30	0	0	0	0	0
2023	[98166] WC-025 G-09 S233216K;UPR WOLFCAMP	Jul	3651	21625	37439	27	0	0	0	0	0

Production Summary Report API: 30-025-50513 NINA CORTELL FEDERAL COM #133H Printed On: Monday, October 02 2023											
		Production					Injection				
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure
2023	[5695] BILBREY BASIN;BONE SPRING	Mar	12282	796	70419	15	0	0	0	0	0
2023	[5695] BILBREY BASIN;BONE SPRING	Apr	17971	30940	62179	28	0	0	0	0	0
2023	[5695] BILBREY BASIN;BONE SPRING	May	13274	21494	38455	29	0	0	0	0	0
2023	[5695] BILBREY BASIN;BONE SPRING	Jun	15767	26291	41743	30	0	0	0	0	0
2023	[5695] BILBREY BASIN;BONE SPRING	Jul	5136	25325	41136	31	0	0	0	0	0

Production Summary Report											
API: 30-025-49627											
NINA CORTELL FEDERAL COM #125H											
Printed On: Monday, October 02 2023											
		Production					Injection				
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure
2022	[5695] BILBREY BASIN;BONE SPRING	Mar	6794	9237	94337	14	0	0	0	0	0
2022	[5695] BILBREY BASIN;BONE SPRING	Apr	29501	36447	123193	30	0	0	0	0	0
2022	[5695] BILBREY BASIN;BONE SPRING	May	13216	17116	49283	22	0	0	0	0	0
2022	[5695] BILBREY BASIN;BONE SPRING	Jun	19946	25862	59151	30	0	0	0	0	0
2022	[5695] BILBREY BASIN;BONE SPRING	Jul	22419	27918	78572	31	0	0	0	0	0
2022	[5695] BILBREY BASIN;BONE SPRING	Aug	19840	25319	58324	28	0	0	0	0	0
2022	[5695] BILBREY BASIN;BONE SPRING	Sep	22172	27646	58684	30	0	0	0	0	0
2022	[5695] BILBREY BASIN;BONE SPRING	Oct	23712	28280	57205	31	0	0	0	0	0
2022	[5695] BILBREY BASIN;BONE SPRING	Nov	20433	27172	43240	30	0	0	0	0	0
2022	[5695] BILBREY BASIN;BONE SPRING	Dec	21373	32246	46642	31	0	0	0	0	0
2023	[5695] BILBREY BASIN;BONE SPRING	Jan	21300	40681	48384	31	0	0	0	0	0
2023	[5695] BILBREY BASIN;BONE SPRING	Feb	14411	28589	41322	28	0	0	0	0	0
2023	[5695] BILBREY BASIN;BONE SPRING	Mar	17539	1297	44266	31	0	0	0	0	0
2023	[5695] BILBREY BASIN;BONE SPRING	Apr	14425	30913	34490	28	0	0	0	0	0
2023	[5695] BILBREY BASIN;BONE SPRING	May	13119	21442	28259	29	0	0	0	0	0
2023	[5695] BILBREY BASIN;BONE SPRING	Jun	12849	26995	28645	30	0	0	0	0	0
2023	[5695] BILBREY BASIN;BONE SPRING	Jul	4421	8130	8715	11	0	0	0	0	0

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the **25th** day of **August, 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:

Lot 1, SE/4NE/4 , E/2SE/4 of Section 3 and the E/2E/2 of Section 10, Township 22S, Range 32E, Lea County, New Mexico.

Containing **319.92** 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

EXHIBIT

5

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 **August 25, 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
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 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
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 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

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

MRC Permian LKE Company, LLC

By: _____

Craig N. Adams Executive Vice President
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 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

**SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING
INTEREST**

COMMUNITIZATION AGREEMENT: _____

I, the undersigned, hereby certify, on behalf of **Matador Production Company**, the Operator under the captioned Communitization Agreement, that all working interest owners shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the true and correct owners of the leases committed to the Communitization Agreement, and the consents of the requisite working interest owners have been obtained.

I, further certify that the Communitization Agreement follows the standard form except for Sections 1 and 10.

NAME: _____

Signature of office

Printed: Craig N. Adams

TITLE: Executive Vice President

Phone number : (972) -371-5200

EXHIBIT “A”

Plat of communitized area covering **319.92** acres in the Lot 1, SE/4NE/4, E/2SE/4 of Section 3 and the E/2E/2, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Nina Cortell Fed Com #114H, #128H & #134H

			Tract 1 NMNM-135247 Acres 119.92
	3		Tract 2 Fee Acres 40.00
			Tract 1 NMNM-135247 Acres 119.92
			Tract 3 NMNM-086147 Acres 160.00
	10		

EXHIBIT "B"

Attached to and made a part of that certain Communitization Agreement Dated August 25, 2022, embracing the following described land in the Lot 1, SE/4NE/4, E/2SE/4 of Section 3 and the E/2E/2, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Operator of Communitized Area: Matador Production Company

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

Lease Serial No.: NMNM 135247
Description of Land Committed: Township 22 South, Range 32 East,
Section 3: NE/4NE/4 & the E/2SE/4
Number of Acres: 119.92
Current Lessee of Record: MRC Permian LKE Company, LLC
Name of Working Interest Owner(s): MRC Permian LKE Company, LLC
Overriding Royalty Interest Owner(s): None

Tract No. 2

Lease Serial No.: Fee
Description of Land Committed: Township 22 South, Range 32 East,
Section 3: SE/4NE/4
Number of Acres: 40.00
Current Lessee of Record: MRC Permian Company
Name of Working Interest Owner(s): MRC Permian Company
Overriding Royalty Interest Owner(s): None

Tract No. 3

Lease Serial No.: NMNM-086147
Description of Land Committed: Township 22 South, Range 32 East,
Sec 10: E/2E/2
Number of Acres: 160.00
Current Lessee of Record: MRC Permian Company
Name of Working Interest Owner(s): MRC Permian Company
Overriding Royalty Interest Owners: None

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	119.92	37.49%
2	40.00	12.50%
3	160.00	50.01%
Total	319.92	100.00%

30712709_v1

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the **1st** day of **January, 2023**, 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:

Lot 1, SE/4NE/4 , E/2SE/4 of Section 3 and the E/2E/2 of Section 10, Township 22S, Range 32E, Lea County, New Mexico.

Containing **319.92** acres, and this agreement shall include only the **Wolfcamp** 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 **January 1, 2023**, 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
Name & Title of Authorized Agent

Date: _____

ACKNOWLEDGEMENT

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this ____ day of _____, 2023, before me, a Notary Public for the State of Texas, personally appeared Craig N. Adams, known to me to be the Executive Vice President 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
Print Name

Date: _____

ACKNOWLEDGEMENT

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this ____ day of _____, 2023, before me, a Notary Public for the State of Texas, personally appeared Craig N. Adams, known to me to be the Executive Vice President 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

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

MRC Permian LKE Company, LLC

By: _____

Craig N. Adams Executive Vice President
Print Name

Date: _____

ACKNOWLEDGEMENT

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this ____ day of _____, 2023, before me, a Notary Public for the State of Texas, personally appeared Craig N. Adams, known to me to be the Executive Vice President of MRC Permian LKE Company, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

**SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING
INTEREST**

COMMUNITIZATION AGREEMENT: _____

I, the undersigned, hereby certify, on behalf of **Matador Production Company**, the Operator under the captioned Communitization Agreement, that all working interest owners shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the true and correct owners of the leases committed to the Communitization Agreement, and the consents of the requisite working interest owners have been obtained.

I, further certify that the Communitization Agreement follows the standard form except for Sections 1 and 10.

NAME: _____

Signature of office

Printed: Craig N. Adams

TITLE: Executive Vice President

Phone number : (972) -371-5200

EXHIBIT “A”

Plat of communitized area covering 319.92 acres in the Lot 1, SE/4NE/4, E/2SE/4 of Section 3 and the E/2E/2 of Section 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Nina Cortell Fed Com #204H & #224H

			Tract 1 NMNM-135247 Acres 119.92
	3		Tract 2 Fee Acres 40.00
			Tract 1 NMNM-135247 Acres 119.92
			Tract 3 NMNM-086147 Acres 160.00
	10		

EXHIBIT "B"

Attached to and made a part of that certain Communitization Agreement Dated January 1, 2023 embracing the following described land in the Lot 1, SE/4NE/4, E/2SE/4 of Section 3 and the E/2E/2 of Section 10 , Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Operator of Communitized Area: Matador Production Company

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

Lease Serial No.: NMNM 135247
Description of Land Committed: Township 22 South, Range 32 East, Section 3: NE/4NE/4 & the E/2SE/4
Number of Acres: 119.92
Current Lessee of Record: MRC Permian LKE Company, LLC
Name of Working Interest Owner(s): MRC Permian LKE Company, LLC
Overriding Royalty Interest Owner(s): None

Tract No. 2

Lease Serial No.: Fee
Description of Land Committed: Township 22 South, Range 32 East, Section 3: SE/4NE/4
Number of Acres: 40.00
Current Lessee of Record: MRC Permian Company
Name of Working Interest Owner(s): MRC Permian Company
Overriding Royalty Interest Owner(s): None

Tract No. 3

Lease Serial No.: NMNM-086147
Description of Land Committed: Township 22 South, Range 32 East, Sec 10: E/2E/2
Number of Acres: 160.00
Current Lessee of Record: MRC Permian Company
Name of Working Interest Owner(s): MRC Permian Company
Overriding Royalty Interest Owners: None

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	119.92	37.49%
2	40.00	12.50%
3	160.00	50.01%
Total	319.92	100.00%

30712713_v1

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the **1st** day of **September, 2021**, 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:

W/2E/2 of Sections 3 & 10, Township 22S, Range 32E, Lea County, New Mexico.

Containing **319.92** acres, more or less, and this agreement shall include only the **Bone Spring** Formation underlying said lands and the natural gas and associated liquid hydrocarbons 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 the date first written above, 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

Date: 10/20/21

By: 

Name: Jonathan Filbert

Title: Senior Vice President - Land

RH
Pdd

CORPORATE ACKNOWLEDGEMENT

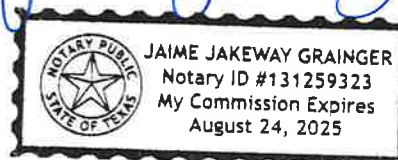
STATE OF TEXAS)

COUNTY OF DALLAS)

On this 20th day of October, 2021, before me, a Notary Public for the State of Texas, personally appeared Jonathan Filbert, known to me to be the Senior Vice President - Land of **Matador Production Company**, a Texas corporation, on behalf of said corporation.

8/24/2025
My Commission Expires


Notary Public



WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD

MRC PERMIAN COMPANY

Date: 10/20/21

By: 

Name: Jonathan Filbert

Title: Senior Vice President - Land

RH
Pdd

MRC PERMIAN LKE COMPANY, LLC

Date: 10/20/21

By: 

Name: Jonathan Filbert

Title: Senior Vice President - Land

RH
Pdd

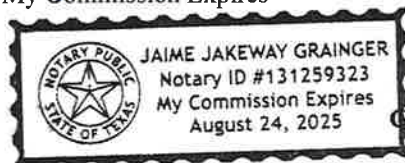
CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS)
COUNTY OF DALLAS)

On this 20th day of OCTOBER, 2021, before me, a Notary Public for the State of Texas, personally appeared **Jonathan Filbert**, known to me to be the **Senior Vice President - Land of MRC Permian Company**, a Texas corporation, on behalf of said corporation.

8/24/2025
My Commission Expires


Notary Public



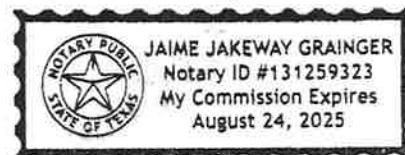
CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS)
COUNTY OF DALLAS)

On this 20th day of OCTOBER, 2021, before me, a Notary Public for the State of Texas, personally appeared **Jonathan Filbert**, known to me to be the **Senior Vice President - Land of MRC Permian LKE Company, LLC**, a Texas corporation, on behalf of said corporation.

8/24/2025
My Commission Expires


Notary Public



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

Date: _____

By: _____

Name: _____

Title: _____

CORPORATE ACKNOWLEDGEMENT

STATE OF _____)

COUNTY OF _____)

On this ____ day of _____, 2021, before me, a Notary Public for the State of _____, personally appeared _____, known to me to be the of _____, on behalf of said corporation.

My Commission Expires

Notary Public

ACKNOWLEDGMENT

STATE OF _____)

COUNTY OF _____)

On this ____ day of _____, 2021, before me, a Notary Public for the State of _____, personally appeared _____, who acknowledged to me that he/she executed this said document in his/her official capacity.

My Commission Expires

Notary Public

SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING INTEREST

COMMUNITIZATION AGREEMENT:

I, the undersigned, hereby certify, on behalf of **Matador Production Company**, the Operator under the captioned Communitization Agreement, that all working interest owners shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the true and correct owners of the leases committed to the Communitization Agreement, and the consents of the requisite working interest owners have been obtained.

I, further certify that the Communitization Agreement follows the standard form except for Sections 1 and 10.

BY:



Signature of officer

Name: Jonathan Filbert

Title: Senior Vice President - Land

Phone number: (972)-371-5200

RH
pdd

EXHIBIT "A"

Plat of communitized area covering **319.92** acres in the W/2E/2 of Sections 3 & 10, Township 22 South,
Range 32 East, N.M.P.M., Lea County, New Mexico.

Nina Cortell Fed Com 113H, 127H, 133H

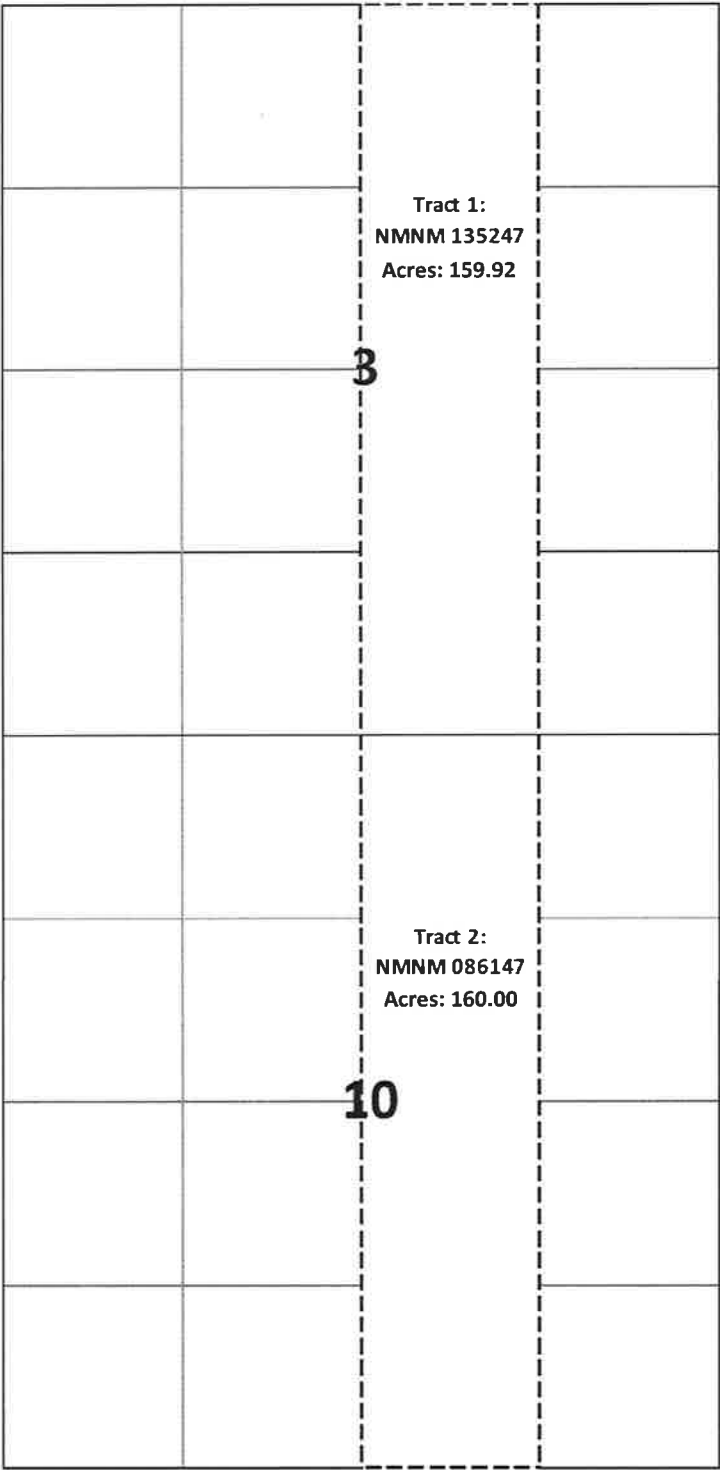


EXHIBIT "B"

Attached to and made a part of that certain Communitization Agreement Dated September 1, 2021 embracing the following described land in the W/2E/2 of Sections 3 and 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Operator of Communitized Area: Matador Production Company

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial No.: NMNM 135247

Description of Land Committed: Township 22 South, Range 32 East,
Section 3: Lot 2, SW/4NE/4, W/2SE/4

Number of Acres: 159.92

Current Lessee of Record: MRC Permian LKE Company, LLC

Name of Working Interest Owner(s): MRC Permian LKE Company, LLC

Overriding Royalty Interest Owner(s): None

Tract No. 2

Lease Serial No.: NMNM 086147

Description of Land Committed: Township 22 South, Range 32 East,
Section 10: W/2E/2

Number of Acres: 160.00

Current Lessee of Record: ConocoPhillips Company (*Compulsory Pooled*)

Name of Working Interest Owner(s): ConocoPhillips Company (*Compulsory Pooled*)

Overriding Royalty Interest Owner(s): None

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	159.92	49.99%
2	160.00	50.01%
Total	319.92	100.00%

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
MATADOR PRODUCTION COMPANY**

**CASE NO. 21795
ORDER NO. R-21666**

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard these matters through a Hearing Examiner on April 8, 2021, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Orders:

FINDINGS OF FACT

1. Matador Production Company ("Operator") submitted an application ("Application") to compulsorily pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.

10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the

well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of

the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.

29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



ADRIENNE SANDOVAL
DIRECTOR
AES/kms

Date: 4/20/2021

CASE NO. 21795
ORDER NO. R-21666

Page 5 of 8

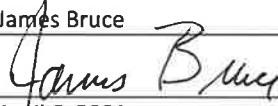
Exhibit "A"

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case:	21795
Date	April 8, 2021
Applicant	Matador Production Company
Designated Operator & OGRID (affiliation if applicable)	Matador Production Company/OGRID No. 228937
Applicant's Counsel:	James Bruce
Case Title:	Application of Matador Production Company for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	ConocoPhillips Company/Holland & Hart LLP
Well Family	Nina Cortell Bone Spring Wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Entire Bone Spring formation
Pool Name and Pool Code:	Bilbrey Basin; Bone Spring/Pool Code 5695
Well Location Setback Rules:	Statewide rules and current horizontal well rules
Spacing Unit Size:	Quarter-quarter sections/40 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	40 acres
Orientation:	South-North
Description: TRS/County	W/2E/2 §10 and W/2E/2 §3-22S-32E, NMPM, Lea County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	Exhibits C-2 and C-3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non- standard)	Nina Cortell Fed. Com. Well No. 127H, API No. Pending SHL: 244 FSL and 1230 FEL (Unit P) §10-22S-32E BHL: 60 feet FNL and 1980 feet FEL (Unit B) §3-22S-32E FTP: 100 FSL & 1980 FEL §10 LTP: 100 FNL & 1980 FEL §3 Bone Spring Sand/TVD 10850 feet/MD 21114 feet

EXHIBIT

E

Horizontal Well First and Last Take Points	See above
Completion Target (Formation, TVD and MD)	See above
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit C, page 4
Requested Risk Charge	Cost + 200%/Exhibit A, Case No. 21795
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit B
Proof of Published Notice of Hearing (10 days before hearing)	Not necessary
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibits C-2 and C-3
Tract List (including lease numbers and owners)	Exhibit C-2
Pooled Parties (including ownership type)	Exhibit C-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit C-4
List of Interest Owners (<i>i.e.</i> Exhibit A of JOA)	Exhibit C-3
Chronology of Contact with Non-Joined Working Interests	Exhibit C-4
Overhead Rates In Proposal Letter	\$8000/\$800
Cost Estimate to Drill and Complete	Exhibit C-5
Cost Estimate to Equip Well	Exhibit C-5
Cost Estimate for Production Facilities	Exhibit C-5
Geology	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibits C-1 and C-2
Gunbarrel/Lateral Trajectory Schematic	Exhibits D-2 and D-3
Well Orientation (with rationale)	Standup/Exhibit D
Target Formation	Bone Spring
HSU Cross Section	Exhibit D-3
Depth Severance Discussion	Not Applicable
Forms, Figures and Tables	
C-102	Exhibit C-1

Tracts	Exhibit C-1 and C-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibits C-1 and C-3
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit C-1
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D-3
Cross Section (including Landing Zone)	Exhibit D-3
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	James Bruce
Signed Name (Attorney or Party Representative):	
Date:	April 6, 2021

CASE NO. 21795
ORDER NO. R-21666

Page 8 of 8

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the **1st** day of **November, 2021**, 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:

Lot 2, SW/4NE/4, W/2SE/4 of Section 3 and the W/2E/2 of Section 10, Township 22S, Range 32E, Lea County, New Mexico.

Containing **319.92** acres, and this agreement shall include only the Wolfcamp Formation underlying said lands and the the natural gas and associated liquid hydrocarbons 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 **November 1, 2021**, 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
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 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 LKE Company, LLC

By: _____

Craig N. Adams Executive Vice President
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 of MRC Permian LKE Company, LLC, 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 **319.92** acres in the Lot 2, SW/4NE/4, W/2SE/4 of Section 3 and the W/2E/2 of Section 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

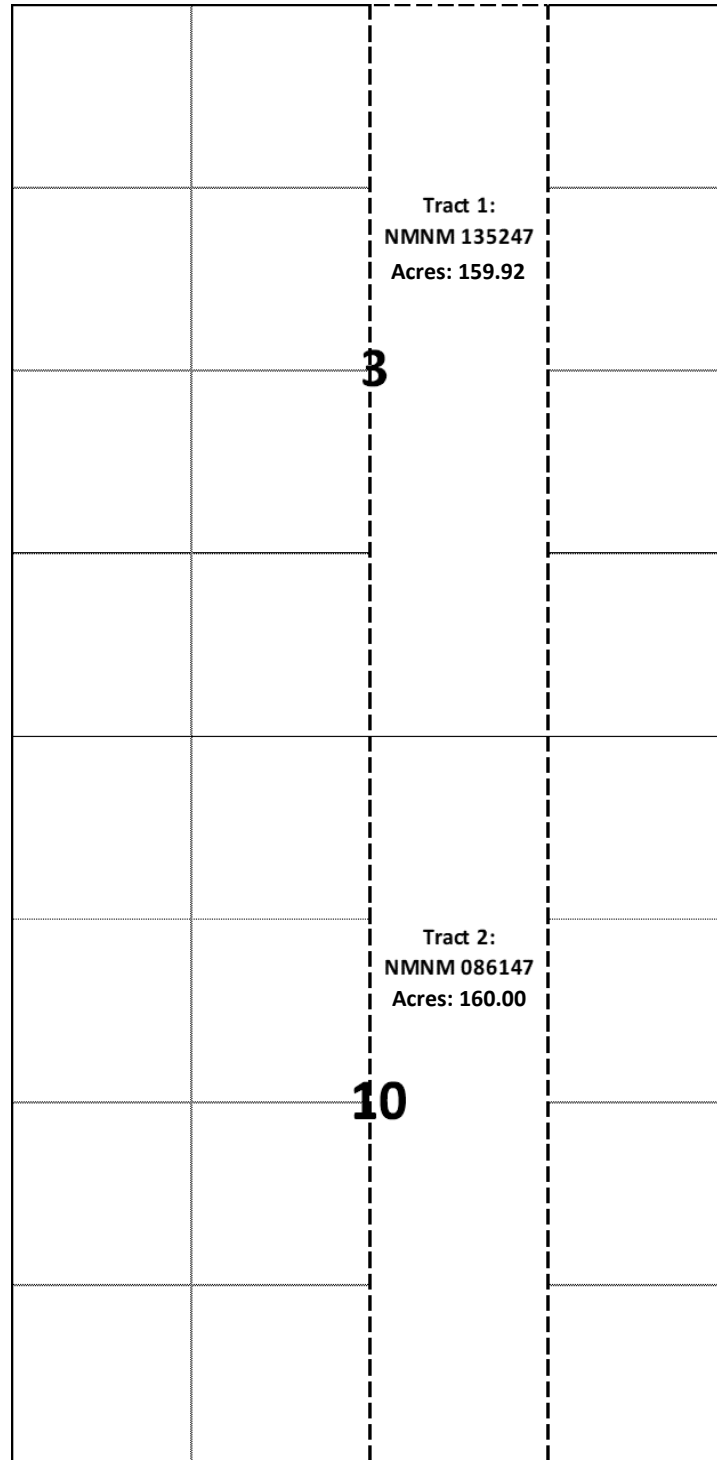
Nina Cortell Fed Com #203H

EXHIBIT "B"

Attached to and made a part of that certain Communitization Agreement Dated November 1, 2021 embracing the following described land in the Lot 2, SW/4NE/4, W/2SE/4 of Section 3 and the W/2E/2 of Section 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Operator of Communitized Area: Matador Production Company

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

Lease Serial No.: NMNM 135247
Description of Land Committed: Township 22 South, Range 32 East,
 Section 3: Lot 2, SW/4NE/4, W/2SE/4
Number of Acres: 159.92
Current Lessee of Record: MRC Permian LKE Company, LLC
Name of Working Interest Owner(s): MRC Permian LKE Company, LLC
Overriding Royalty Interest Owner(s): None

Tract No. 2

Lease Serial No.: NMNM 086147
Description of Land Committed: Township 22 South, Range 32 East,
 Section 10: W/2E/2
Number of Acres: 160.00
Current Lessee of Record: ConocoPhillips Company (*Compulsory Pooled*)
Name of Working Interest Owner(s): ConocoPhillips Company (*Compulsory Pooled*)
Overriding Royalty Interest Owner(s): None

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	159.92	49.99%
2	160.00	50.01%
Total	319.92	100.00%

30712715_v1

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the **1st** day of **January 2023**, 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:

Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10, Township 22S, Range 32E, Lea County, New Mexico.

Containing **319.92** 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 **January 1, 2023**, 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
Name & Title of Authorized Agent

Date: _____

ACKNOWLEDGEMENT

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this ____ day of _____, 2023, before me, a Notary Public for the State of Texas, personally appeared Craig N. Adams, known to me to be the Executive Vice President 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
Print Name

Date: _____

ACKNOWLEDGEMENT

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this ____ day of _____, 2023, before me, a Notary Public for the State of Texas, personally appeared Craig N. Adams, known to me to be the Executive Vice President 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

**SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING
INTEREST**

COMMUNITIZATION AGREEMENT: _____

I, the undersigned, hereby certify, on behalf of **Matador Production Company**, the Operator under the captioned Communitization Agreement, that all working interest owners shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the true and correct owners of the leases committed to the Communitization Agreement, and the consents of the requisite working interest owners have been obtained.

I, further certify that the Communitization Agreement follows the standard form except for Sections 1 and 10.

NAME: _____

Signature of office

Printed: Craig N. Adams

TITLE: Executive Vice President

Phone number : (972) -371-5200

EXHIBIT "A"

Plat of communitized area covering **319.92** acres in the Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Nina Cortell Fed Com #112H, #132H & #126H

	Tract 1 NMNM- 135247 Acres 79.92		
		3	
	Tract 2 VC-0075 Acres 80.00		
	Tract 3 NMNM- 055952 Acres 40.00		
	Tract 4 NMNM- 141008 Acres 40.00		
		10	
	Tract 5 NMNM- 086147 Acres 80.00		

EXHIBIT “B”

Attached to and made a part of that certain Communitization Agreement Dated January 1, 2023 embracing the following described land in the Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

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

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

Lease Serial Number:	NMNM-135247
Description of Land Committed:	Township 22 South, Range 32 East, Section 3: Lot 3, SE/4NW/4
Number of Acres:	79.92
Current Lessee of Record:	MRC Permian LKE Company, LLC
Name of Working Interest Owners:	MRC Permian LKE Company, LLC
Overriding Royalty Interest Owners:	None

Tract No. 2

Lease Serial Number:	VC-0075
Description of Land Committed:	Township 22 South, Range 32 East, Section 3: E/2SW/4
Number of Acres:	80.00
Current Lessee of Record:	MRC Permian Company
Name of Working Interest Owners:	MRC Permian Company
Overriding Royalty Interest Owners:	None

Tract No. 3

Lease Serial Number:	NMNM-055952
Description of Land Committed:	Township 22 South, Range 32 East, Section 10: NE/4NW/4
Number of Acres:	40.00
Current Lessee of Record:	David Pietenpol
Name of Working Interest Owners:	MRC Permian Company JSG Energy, LLC McCurdy Energy, LLC Osprey Oil and Gas, LLC
Overriding Royalty Interest Owners:	Abyss, Inc. Adley Properties LLC Beverly Jean Renfro Barr, Trustee of the Family Trust created under the Last Will and Testament of Richard Kevin Barr Capstan Properties, LP Cynthia Mae Wilson, Trustee of the Bypass Trust established under the Last Will and Testament of Scott E. Wilson Hunt Oil Company Jack Lowry, whose marital status is unknown Judson Land and Minerals, LP Lyra Properties, LLC Magic Dog Oil & Gas, Ltd. Marjean Martin Murphy, Trustee of the Marjean Martin Murphy Heritage Trust u/t/a dated August 22, 2014 Mountain Lion Oil & Gas, LLC Peanut Oil Co. Richard C. Geesaman and wife, Breida Geesaman

Tract No. 4

Lease Serial Number:	NMNM-141008
Description of Land Committed:	Township 22 South, Range 32 East, Section 10: SE/4NW/4
Number of Acres:	40.00
Current Lessee of Record:	MRC Permian Company
Name of Working Interest Owners:	MRC Permian Company
Overriding Royalty Interest Owners:	None

Tract No. 5

Lease Serial No.: NMNM-086147
Description of Land Committed: Township 22 South, Range 32 East,
Sec 10: E/2SW/4
Number of Acres: 80.00
Current Lessee of Record: MRC Permian Company
Name of Working Interest Owner(s): MRC Permian Company
Overriding Royalty Interest Owners: None

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	79.92	24.98%
2	80.00	25.01%
3	40.00	12.50%
4	40.00	12.50%
5	80.00	25.01%
Total	319.92	100.00%

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the **1st** day of **January, 2023**, 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:

Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10, Township 22S, Range 32E, Lea County, New Mexico.

Containing **319.92** acres, and this agreement shall include only the Wolfcamp 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 **January 1, 2023**, 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
Name & Title of Authorized Agent

Date: _____

ACKNOWLEDGEMENT

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this ____ day of _____, 2023, before me, a Notary Public for the State of Texas, personally appeared Craig N. Adams, known to me to be the Executive Vice President 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
Print Name

Date: _____

ACKNOWLEDGEMENT

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this ____ day of _____, 2023, before me, a Notary Public for the State of Texas, personally appeared Craig N. Adams, known to me to be the Executive Vice President 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

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

MRC Permian LKE Company, LLC

By: _____

Craig N. Adams

Print Name

Date: _____

Acknowledgment in a Representative Capacity

STATE OF TEXAS §

COUNTY OF DALLAS §

This instrument was acknowledged before me on _____, 2023, by
Craig N. Adams, as Executive Vice President, for **MRC Permian Company** on behalf
of said corporation.

Signature

Name (Print)

My commission expires_

**SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING
INTEREST**

COMMUNITIZATION AGREEMENT: _____

I, the undersigned, hereby certify, on behalf of **Matador Production Company**, the Operator under the captioned Communitization Agreement, that all working interest owners shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the true and correct owners of the leases committed to the Communitization Agreement, and the consents of the requisite working interest owners have been obtained.

I, further certify that the Communitization Agreement follows the standard form except for Sections 1 and 10.

NAME: _____

Signature of office

Printed: Craig N. Adams

TITLE: Executive Vice President

Phone number : (972) -371-5200

EXHIBIT "A"

Plat of communitized area covering **319.92** acres in the Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Nina Cortell Fed Com #202H

	Tract 1 NMNM- 135247 Acres 79.92		
		3	
	Tract 2 VC-0075 Acres 80.00		
	Tract 3 NMNM- 055952 Acres 40.00		
	Tract 4 NMNM- 141008 Acres 40.00		
		10	
	Tract 5 NMNM- 086147 Acres 80.00		

EXHIBIT “B”

Attached to and made a part of that certain Communitization Agreement Dated January 1, 2023, embracing the following described land in the Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

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

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

Lease Serial Number:	NMNM-135247
Description of Land Committed:	Township 22 South, Range 32 East, Section 3: Lot 3, SE/4NW/4
Number of Acres:	79.92
Current Lessee of Record:	MRC Permian LKE Company, LLC
Name of Working Interest Owners:	MRC Permian LKE Company, LLC
Overriding Royalty Interest Owners:	None

Tract No. 2

Lease Serial Number:	VC-0075
Description of Land Committed:	Township 22 South, Range 32 East, Section 3: E/2SW/4
Number of Acres:	80.00
Current Lessee of Record:	MRC Permian Company
Name of Working Interest Owners:	MRC Permian Company
Overriding Royalty Interest Owners:	None

Tract No. 3

Lease Serial Number: NMNM-055952

Description of Land Committed: Township 22 South, Range 32 East,
Section 10: NE/4NW/4

Number of Acres: 40.00

Current Lessee of Record: David Pietenpol

Name of Working Interest Owners: MRC Permian Company
JSG Energy, LLC
McCurdy Energy, LLC
Osprey Oil and Gas, LLC

Overriding Royalty Interest Owners: Abyss, Inc.
Adley Properties LLC
Beverly Jean Renfro Barr, Trustee of the Family
Trust created under the Last Will and Testament of
Richard Kevin Barr
Capstan Properties, LP
Cynthia Mae Wilson, Trustee of the Bypass Trust
established under the Last Will and Testament
of Scott E. Wilson
Hunt Oil Company
Jack Lowry, whose marital status is unknown
Judson Land and Minerals, LP
Lyra Properties, LLC
Magic Dog Oil & Gas, Ltd.
Marjean Martin Murphy, Trustee of the Marjean
Martin Murphy Heritage Trust u/t/a dated August 22,
2014
Mountain Lion Oil & Gas, LLC
Peanut Oil Co.
Richard C. Geesaman and wife, Breida Geesaman

Tract No. 4

Lease Serial Number: NMNM-141008

Description of Land Committed: Township 22 South, Range 32 East,
Section 10: SE/4NW/4

Number of Acres: 40.00

Current Lessee of Record: MRC Permian Company

Name of Working Interest Owners: MRC Permian Company

Overriding Royalty Interest Owners: None

Tract No. 5

Lease Serial No.: NMNM-086147
Description of Land Committed: Township 22 South, Range 32 East,
Sec 10: E/2SW/4
Number of Acres: 80.00
Current Lessee of Record: MRC Permian Company
Name of Working Interest Owner(s): MRC Permian Company
Overriding Royalty Interest Owners: None

RECAPITULATION

30712712_v1

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	79.92	24.98%
2	80.00	25.01%
3	40.00	12.50%
4	40.00	12.50%
5	80.00	25.01%
Total	319.92	100.00%

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

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

Revised August, 2021

ONLINE Version

COMMUNITIZATION AGREEMENT

API Initial Well: 30-0_____ - _____

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

W I T N E S S E T H:

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

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

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

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

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

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

Subdivisions Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10,

Sect(s) 3&10, T 22S, R 32E, NMPM, Lea County, NM

containing 319.92 acres, more or less, and this agreement shall include only the **Bone**

Spring Formation or pool, underlying said lands and the **oil & gas** (hereinafter referred to as

"communitized substances") producible from such formation.

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

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is January _____ Month 1 _____ Day, 2023 Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his duly authorized representative, and by the Commissioner or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules & regulations; provided, that the two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of the capability of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the

Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

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

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

Operator: Matador Production Company

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

Signature of Authorized Agent

ACKNOWLEDGEMENT

STATE OF TEXAS §

COUNTY OF DALLAS §

This instrument was acknowledged before me on _____, 2023, by **Craig N. Adams, as Executive Vice President for Matador Production Company**, on behalf of said corporation.

Signature

Name (Print)
My commission expires _____

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

MRC Permian Company

By: _____

Craig N. Adams

Print Name

Date: _____

Acknowledgment in a Representative Capacity

STATE OF TEXAS §

COUNTY OF DALLAS §

This instrument was acknowledged before me on _____, 2023, by **Craig N. Adams, as Executive Vice President**, for **MRC Permian Company** on behalf of said corporation.

Signature

Name (Print)

My commission expires _____

EXHIBIT "A"

Plat of communitized area covering **319.92** acres in the Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Nina Cortell Fed Com #112H, #132H & #126H

	Tract 1 NMNM- 135247 Acres 79.92		
			3
	Tract 2 VC-0075 Acres 80.00		
	Tract 3 NMNM- 055952 Acres 40.00		
	Tract 4 NMNM- 141008 Acres 40.00		
			10
	Tract 5 NMNM- 086147 Acres 80.00		

EXHIBIT "B"

Attached to and made a part of that certain Communitization Agreement Dated January 1, 2023, embracing the following described land in the Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

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

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

Lease Serial Number:	NMNM-135247
Description of Land Committed:	Township 22 South, Range 32 East, Section 3: Lot 3, SE/4NW/4
Number of Acres:	79.92
Current Lessee of Record:	MRC Permian LKE Company, LLC
Name of Working Interest Owners:	MRC Permian LKE Company, LLC

Tract No. 2

Lease Serial No.:	VC-0075
Lease Date:	4/1/2017
Lease Term:	5 Years
Lessor:	State of New Mexico
Present Lessee:	MRC Permian Company
Description of Land Committed:	Township 22 South, Range 32 East, Section 3: E/2SW/4
Subdivisions:	
Number of Acres:	80.00
Royalty Rate:	1/5 th
Name and WI Owners:	MRC Permian Company

Tract No. 3

Lease Serial Number: NMNM-055952
Description of Land Committed: Township 22 South, Range 32 East,
Section 10: NE/4NW/4
Number of Acres: 40.00
Current Lessee of Record: David Pietenpol
Name of Working Interest Owners: MRC Permian Company
JSG Energy, LLC
McCurdy Energy, LLC
Osprey Oil and Gas, LLC

Tract No. 4

Lease Serial Number: NMNM-141008
Description of Land Committed: Township 22 South, Range 32 East,
Section 10: SE/4NW/4
Number of Acres: 40.00
Current Lessee of Record: MRC Permian Company
Name of Working Interest Owners: MRC Permian Company

Tract No. 5

Lease Serial No.: NMNM-086147
Description of Land Committed: Township 22 South, Range 32 East,
Sec 10: E/2SW/4
Number of Acres: 80.00
Current Lessee of Record: MRC Permian Company
Name of Working Interest Owner(s): MRC Permian Company

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	79.92	24.98%
2	80.00	25.01%
3	40.00	12.50%
4	40.00	12.50%
5	80.00	25.01%
Total	319.92	100.00%

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

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

Revised August, 2021

**ONLINE Version
COMMUNITIZATION AGREEMENT**

API Initial Well: 30-0_____ - _____

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

W I T N E S S E T H:

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

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

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

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

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

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

Subdivisions Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10,

Sect(s) 3&10, T 22S, R 32E, NMPM, Lea County, NM

containing 319.92 acres, more or less, and this agreement shall include only the

Wolfcamp Formation or pool, underlying said lands and the **oil & gas** (hereinafter referred to as

"communitized substances") producible from such formation.

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

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is January _____ Month 1 _____ Day, 2023 Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his duly authorized representative, and by the Commissioner or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules & regulations; provided, that the two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of the capability of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the

Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

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

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

Operator: Matador Production Company

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

Signature of Authorized Agent

ACKNOWLEDGEMENT

STATE OF TEXAS §

COUNTY OF DALLAS §

This instrument was acknowledged before me on _____, 2023, by **Craig N. Adams, as Executive Vice President for Matador Production Company**, on behalf of said corporation.

Signature

Name (Print)

My commission expires _____

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

MRC Permian Company

By: _____

Craig N. Adams

Print Name

Date: _____

Acknowledgment in a Representative Capacity

STATE OF TEXAS §

COUNTY OF DALLAS §

This instrument was acknowledged before me on _____, 2023, by **Craig N. Adams, as Executive Vice President**, for **MRC Permian Company** on behalf of said corporation.

Signature

Name (Print)

My commission expires _____

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

MRC Permian LKE Company, LLC

By: _____

Craig N. Adams

Print Name

Date: _____

Acknowledgment in a Representative Capacity

STATE OF TEXAS §

COUNTY OF DALLAS §

This instrument was acknowledged before me on _____, 2023, by **Craig N. Adams, as Executive Vice President**, for **MRC Permian Company** on behalf of said corporation.

Signature

Name (Print)

My commission expires__

EXHIBIT "A"

Plat of communitized area covering **319.92** acres in the Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Nina Cortell Fed Com #202H

	Tract 1 NMNM- 135247 Acres 79.92		
	Tract 2 VC-0075 Acres 80.00		
	Tract 3 NMNM- 055952 Acres 40.00		
	Tract 4 NMNM- 141008 Acres 40.00		
	Tract 5 NMNM- 086147 Acres 80.00		

3

10

EXHIBIT "B"

Attached to and made a part of that certain Communitization Agreement Dated January 1, 2023 embracing the following described land in the Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

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

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

Lease Serial Number:	NMNM-135247
Description of Land Committed:	Township 22 South, Range 32 East, Section 3: Lot 3, SE/4NW/4
Number of Acres:	79.92
Current Lessee of Record:	MRC Permian LKE Company, LLC
Name of Working Interest Owners:	MRC Permian LKE Company, LLC

Tract No. 2

Lease Serial No.:	VC-0075
Lease Date:	4/1/2017
Lease Term:	5 Years
Lessor:	State of New Mexico
Present Lessee:	MRC Permian Company
Description of Land Committed:	Township 22 South, Range 32 East, Section 3: E/2SW/4
Subdivisions:	
Number of Acres:	80.00
Royalty Rate:	1/5 th
Name and WI Owners:	MRC Permian Company

Tract No. 3

Lease Serial Number: NMNM-055952
Description of Land Committed: Township 22 South, Range 32 East,
Section 10: NE/4NW/4
Number of Acres: 40.00
Current Lessee of Record: David Pietenpol
Name of Working Interest Owners: MRC Permian Company
JSG Energy, LLC
McCurdy Energy, LLC
Osprey Oil and Gas, LLC

Tract No. 4

Lease Serial Number: NMNM-141008
Description of Land Committed: Township 22 South, Range 32 East,
Section 10: SE/4NW/4
Number of Acres: 40.00
Current Lessee of Record: MRC Permian Company
Name of Working Interest Owners: MRC Permian Company

Tract No. 5

Lease Serial No.: NMNM-086147
Description of Land Committed: Township 22 South, Range 32 East,
Sec 10: E/2SW/4
Number of Acres: 80.00
Current Lessee of Record: MRC Permian Company
Name of Working Interest Owner(s): MRC Permian Company

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	79.92	24.98%
2	80.00	25.01%
3	40.00	12.50%
4	40.00	12.50%
5	80.00	25.01%
Total	319.92	100.00%

30832379_v1



COMMISSIONER

Stephanie Garcia Richard

State of New Mexico
Commissioner of Public Lands

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

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

Preston Cazale
MRC Permian Company
5400 LBJ Freeway, Suite 1500
Dallas, TX 75240

January 7th, 2022

Re: Communitization Agreement Approval
Nina Cortell Federal Com #125H 500002.194
Vertical Extent: Bone Spring
Township: 22 South, Range 32 East, NMPM
Section 3: W2W2
Section 10: W2W2

Lea County, New Mexico

Dear Mr. Cazale,

The Commissioner of Public Lands has this date approved the Nina Cortell Federal Com #125H Communitization Agreement for the Bone Spring formation effective 9-01-2021. Enclosed are three Certificates of Approval.

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

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

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

Sincerely,

A handwritten signature in blue ink that reads "Stephanie Garcia Richard" followed by a stylized flourish.

Stephanie Garcia Richard
Commissioner of Public Lands

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

Matador Production Company
Nina Cortell Federal Com #125H
Bone Spring
Township: 22 South, Range: 32 East, NMPM
Section 3: W2W2
Section 10: W2W2

Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **September 01, 2021**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

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

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

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 7th day of January, 2022.

Stephanie Garcia Richards/SS

COMMISSIONER OF PUBLIC LANDS

of the State of New Mexico

NM State Land Office
Oil, Gas, & Minerals Division

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

ONLINE Version
COMMUNITIZATION AGREEMENT

Contract No. _____

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

W I T N E S S E T H:

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

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

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

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

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

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

Subdivisions W/2W/2 of Sections 3 & 10, Township 22 South, Range 32 East

Sect 3&10, T 22S, R 32E, NMPM Lea County NM containing 319.92 acres, more or less, and this agreement shall include only the Bone Spring Formation underlying said lands and the natural gas and associated liquid hydrocarbons (hereinafter referred to as "communitized substances") producible from such formation.

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

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is September Month 1st Day, 2021 Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his duly authorized representative, and by the Commissioner or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced or can be produced from the communitized area in paying quantities; provided, that the two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of the capability of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

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

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

OPERATOR: MATADOR PRODUCTION COMPANY

Date: 9/21/2021

By: 

Name: Jonathan Filbert

Title: Senior Vice President - Land

RH
pad

CORPORATE ACKNOWLEDGEMENT

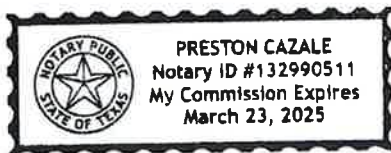
STATE OF TEXAS

§

COUNTY OF DALLAS

§

On this 21 day of September, 2021, before me, a Notary Public for the State of Texas, personally appeared Jonathan Filbert, known to me to be the Senior Vice President - Land of **Matador Production Company**, a Texas corporation, on behalf of said corporation.



Preston Cazale
Signature

Preston Cazale
Name (Print)
My commission expires 3/23/2025

WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORDMRC PERMIAN COMPANYDate: 9/21/2021By: [Signature]Name: Jonathan FilbertTitle: Senior Vice President - LandRH
pddMRC PERMIAN LKE COMPANY, LLCDate: 9/21/2021By: [Signature]Name: Jonathan FilbertTitle: Senior Vice President - LandRH
pdd

CORPORATE ACKNOWLEDGEMENT

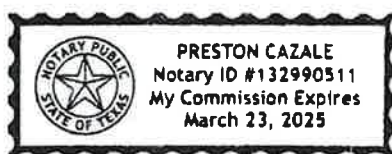
STATE OF TEXAS

§

COUNTY OF DALLAS

§

On this 21 day of September, 2021, before me, a Notary Public for the State of Texas, personally appeared **Jonathan Filbert**, known to me to be the **Senior Vice President - Land** of **MRC Permian Company**, a Texas corporation, on behalf of said corporation.



Preston Cazale
Signature

Preston Cazale
Name (Print)
My commission expires 3/23/2025

CORPORATE ACKNOWLEDGEMENT

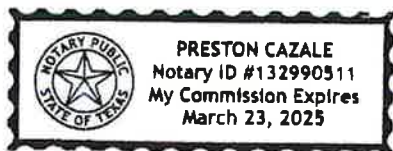
STATE OF TEXAS

§

COUNTY OF DALLAS

§

On this 21 day of September, 2021, before me, a Notary Public for the State of Texas, personally appeared **Jonathan Filbert**, known to me to be the **Senior Vice President - Land** of **MRC Permian LKE Company, LLC**, a Texas corporation, on behalf of said corporation.



Preston Cazale
Signature

Preston Cazale
Name (Print)
My commission expires 3/23/2025

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

Date: _____ **By:** _____

Name: _____

Title: _____

CORPORATE ACKNOWLEDGEMENT

STATE OF _____)
COUNTY OF _____)

On this ____ day of _____, 2021, before me, a Notary Public for the State of _____, personally appeared _____, known to me to be the _____ of _____, on behalf of said corporation.

My Commission Expires

Notary Public

ACKNOWLEDGMENT

STATE OF _____)
COUNTY OF _____)

On this ____ day of _____, 2021, before me, a Notary Public for the State of _____, personally appeared _____, who acknowledged to me that he/she executed this said document in his/her official capacity.

My Commission Expires

Notary Public

EXHIBIT "A"

Plat of communitized area covering 319.92 acres in the W/2W/2 of Sections 3 & 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Nina Cortell Fed Com 125H

Tract 1 NMNM 135247 Acres: 79.92			
Tract 2 VC-0075 Acres: 80.00			
Tract 3 NMNM 055952 Acres: 80.00			
Tract 4 VC-0225 Acres: 40.00			
Tract 5 NMNM 086147 Acres: 40.00			

EXHIBIT "B"

Attached to and made a part of that certain Communitization Agreement Dated September 1, 2021 embracing the following described land in the W/2W/2 of Sections 3 and 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Operator of Communitized Area: Matador Production Company

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

Lease Serial No.:	NMNM 135247
Description of Land Committed:	Township 22 South, Range 32 East, Section 3: Lot 4, SW/4NW/4
Number of Acres:	79.92
Current Lessee of Record:	MRC Permian LKE Company, LLC
Name of Working Interest Owner(s):	MRC Permian LKE Company, LLC
Overriding Royalty Interest Owner(s):	None

Tract No. 2

Lease Serial No.:	VC-0075
Description of Land Committed:	Township 22 South, Range 32 East, Section 3: W/2SW/4
Number of Acres:	80.00
Current Lessee of Record:	MRC Permian Company
Name of Working Interest Owner(s):	MRC Permian Company
Overriding Royalty Interest Owner(s):	None

Tract No. 3

Lease Serial No.: NMNM-055952
Description of Land Committed: Township 22 South, Range 32 East,
Section 10: W/2NW/4
Number of Acres: 80.00
Current Lessee of Record: David Pietenpol
Name of Working Interest Owner(s): MRC Permian Company
Cynthia Mae Wilson, Trustee of the Bypass Trust
established under the Last Will and Testament
of Scott E. Wilson (*Compulsory Pooled*)
Overriding Royalty Interest Owners: Abyss, Inc.
Adley Properties LLC
Beverly Jean Renfro Barr, Trustee of the Family Trust created
under the Last Will and Testament of Richard Kevin Barr
Capstan Properties, LP
Cynthia Mae Wilson, Trustee of the Bypass Trust
established under the Last Will and Testament
of Scott E. Wilson
Hunt Oil Company
Jack Lowry, whose marital status is unknown
Judson Land and Minerals, LP
Lyra Properties, LLC
Magic Dog Oil & Gas, Ltd.
Marjean Martin Murphy, Trustee of the Marjean Martin Murphy
Heritage Trust u/t/a dated August 22, 2014
Mountain Lion Oil & Gas, LLC
Peanut Oil Co.
Richard C. Geesaman and wife, Breida Geesaman

Tract No. 4

Lease Serial No.: VC-0225
Description of Land Committed: Township 22 South, Range 32 East,
Section 10: NW/4SW/4
Number of Acres: 40.00
Current Lessee of Record: MRC Permian Company
Name of Working Interest Owner(s): MRC Permian Company
Overriding Royalty Interest Owners: None

Tract No. 5

Lease Serial No.: NMNM-086147
Description of Land Committed: Township 22 South, Range 32 East,
Sec 10: SW/4SW/4
Number of Acres: 40.00
Current Lessee of Record: ConocoPhillips Company (*Compulsory Pooled*)
Name of Working Interest Owner(s): Conoco Phillips Company (*Compulsory Pooled*)
Overriding Royalty Interest Owners: None

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	79.92	25.00%
2	80.00	25.00%
3	80.00	25.00%
4	40.00	12.50%
5	40.00	12.50%
Total	319.92	100.00%



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

New Mexico State Office
301 Dinosaur Trail
Santa Fe, New Mexico 87508
www.blm.gov/new-mexico



IN REPLY REFER TO:

NMNM139606
3105.2 (NM920)

MAY 07 2019

Reference:
Communitization Agreement
Nina Cortell Fed Com 202H
Section 3: W2W2
T. 22 S., R. 32 E., N.M.P.M.
Lea County, NM

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

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM139606 involving 79.92 acres of Federal land in lease NMNM 135247, and 80 acres of State land, Lea County, New Mexico, which comprise a 159.92 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath the W2W2 Sec. 3, T. 22 S., R. 32 E., NMPM, Lea County, NM, and is effective January 4, 2019. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

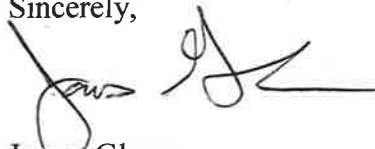
Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is accurate.

Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

If you have any questions regarding this approval, please contact James Glover, Geologist at (505) 954-2139 or Mustafa Haque at (505) 954-2088.

Please furnish all interested principals with appropriate evidence of this approval.

Sincerely,

A handwritten signature in black ink, appearing to be 'J. Glover', written over a horizontal line.

James Glover
Supervisory Geologist
Branch of Reservoir Management
Division of Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver

NM Taxation & Revenue Dept. (Revenue Processing Div.)

NMOCD

NM (9200)

NM (P0220-CFO, File Room)

NMSO (NM925, File)

NM STATE LAND COMM

Determination - Approval - Certification

Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:


- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement 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 that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.
- B. Approve the attached Communitization Agreement covering the W2W2 of sec. 3, T. 22 S., R. 32 E., NMPM, as to all producible hydrocarbons from the Bone Spring formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) are not met.

Approval also requires operator to submit copies of sundries or any other documentation regarding activity with this well to the Bureau of Land Management (BLM), Calrsbad Field Office pursuant to Item 9 of the approved Communitization Agreement.

- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved:

MAY 07 2019



James Glover
Supervisory Geologist
Branch of Reservoir Management
Division of Minerals

Effective: January 4, 2019

Contract No.: Com. Agr. NMNM139606

RECEIVED

JAN 31 2019

BLM, NMSO
SANTA FEFederal Communitization AgreementContract No. NMNM139606

THIS AGREEMENT entered into as of the 4th day of January, 2019, 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:

Township 22 South, Range 32 East, N.M.P.M.**W2W2 of Section 3, Lea County, New Mexico**

Containing 159.92 acres, and this agreement shall include only the Bone Spring Formation underlying said lands and the natural gas and associated liquid hydrocarbons 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.

- Released to Imaging: 2/13/2024 5:38:29 PM
- Received by OCD: 11/15/2023 12:55:37 PM
3. The Operator of the communitized area shall be Matador Production Company, 5400 LBJ Freeway, 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.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

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.
- Page 327 of 377

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 January 4, 2019, 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.

- Released to Imaging: 2/13/2024 5:38:29 PM
- Received by OCD: 11/15/2023 12:55:37 PM
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

Date: 1-4-19

By: 

Name: Craig N. Adams 

Title: Executive Vice President, Land, Legal and Administration

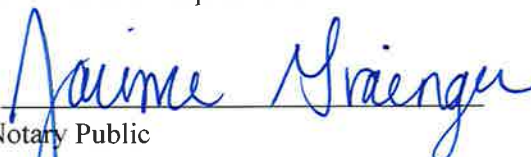
CORPORATE ACKNOWLEDGEMENT

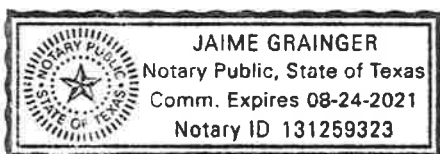
STATE OF TEXAS)

COUNTY OF DALLAS)

The foregoing instrument was acknowledged before me this 4th day of January, 2019 by Craig N. Adams, Executive Vice President – Land, Legal and Administration of **MATADOR PRODUCTION COMPANY**, a Texas corporation, on behalf of said corporation.

My Commission Expires: 8-24-2021


Notary Public



WORKING INTEREST OWNER/RECORD TITLE OWNER:

Date: 1-4-19

MRC PERMIAN COMPANY

By: 

Name: Craig N. Adams

CH
pdd

Title: Executive Vice President, Land, Legal and Administration

Date: 1-4-19

MRC PERMIAN LKE COMPANY, LLC

By: 

Name: Craig N. Adams

CH
pdd

Title: Executive Vice President, Land, Legal and Administration

CORPORATE ACKNOWLEDGEMENT

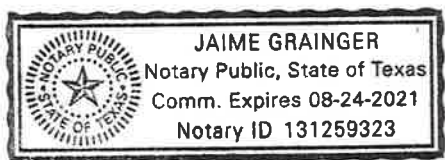
STATE OF TEXAS)

COUNTY OF DALLAS)

The foregoing instrument was acknowledged before me this 4th day of January, 2019 by Craig N. Adams, Executive Vice President – Land, Legal and Administration of **MRC PERMIAN COMPANY**, a Texas corporation, on behalf of said corporation.

My Commission Expires: 8-24-2021

Jaime Grainger
Notary Public

**CORPORATE ACKNOWLEDGEMENT**

STATE OF TEXAS)

COUNTY OF DALLAS)

The foregoing instrument was acknowledged before me this 4th day of January, 2019 by Craig N. Adams, Executive Vice President – Land, Legal and Administration of **MRC PERMIAN LKE COMPANY, LLC**, a Texas corporation, on behalf of said corporation.

My Commission Expires: 8-24-2021

Jaime Grainger
Notary Public

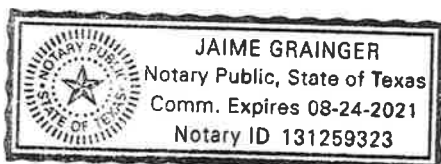


EXHIBIT "B"

ATTACHED TO AND MADE A PART OF THAT CERTAIN COMMUNITIZATION AGREEMENT DATED JANUARY 4, 2019, COVERING THE W2W2 OF SECTION 3, TOWNSHIP 22 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO

DESCRIPTION OF LEASES COMMITTED

Tract 1:

Lease Date: May 16, 2016, effective June 1, 2016
Recorded: Unrecorded (BLM Lease – NMNM-135247)
Lessor: The United States of America
Current ~~Original~~ Lessee: MRC Permian Company
Description of Township 22 South, Range 32 East, N.M.P.M.
Lands Communitized: Section 3: W/2NW/4
Number of Acres: 79.92 acres

Working Interest Owner: MRC Permian LKE Company, LLC..... 100%

Tract 2

Lease Date: April 1, 2017
Recorded: Unrecorded (State Lease – VC-0075)
Lessor: The United States of America
Current ~~Original~~ Lessee: MRC Permian Company
Description of Township 22 South, Range 32 East, N.M.P.M.
Lands Communitized: Section 3: W/2SW/4
Number of Acres: 80 acres

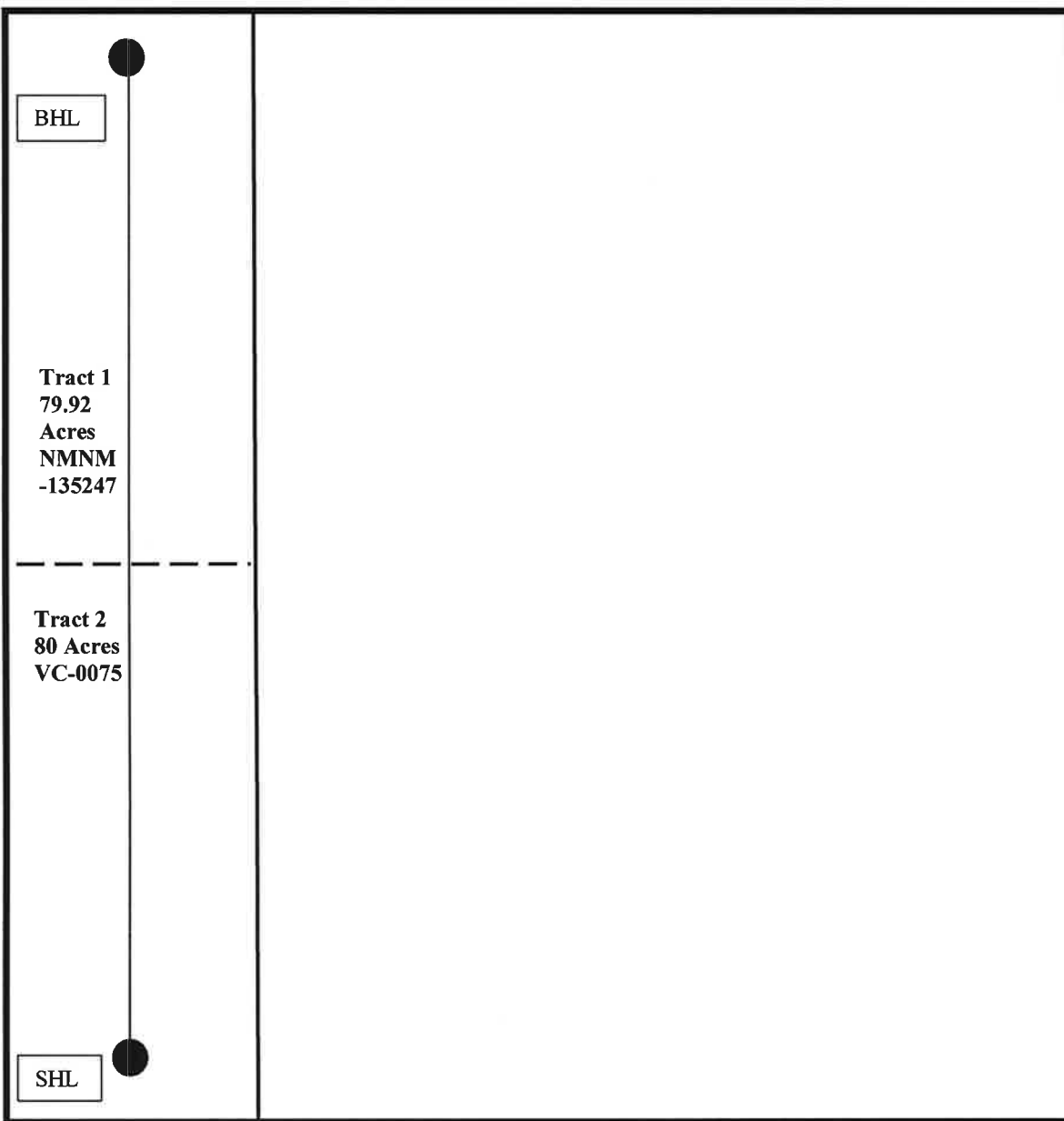
Working Interest Owner: MRC Permian Company 100%

RECAPITULATION

<u>Tract No.</u>	<u>Acreage Committed</u>	<u>Percentage of Interest</u>
Tract 1	79.92 acres	49.97%
Tract 2	80.00 acres	50.03%
Total:	159.92 acres	100.00%

EXHIBIT "A"

**PLAT OF COMMUNITIZED AREA COVERING THE W2W2 OF SECTION 3,
TOWNSHIP 22 SOUTH, RANGE 32 EAST, N.M.P.M., lea COUNTY, NEW MEXICO**



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

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

Revised August, 2021

ONLINE Version

COMMUNITIZATION AGREEMENT

API Initial Well: 30-0_____ - _____

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

W I T N E S S E T H:

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

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

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

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

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

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

Subdivisions **W2W2**

Sect(s) **10**, T **22S**, R **32E**, NMPM **Lea** County, NM

containing **160** acres, more or less, and this agreement shall include only the

Wolfcamp Formation or pool, underlying said lands and the **oil & gas** (hereinafter referred to as

"communitized substances") producible from such formation.

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

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is January Month 1 Day, 2023 Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his duly authorized representative, and by the Commissioner or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules & regulations; provided, that the two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of the capability of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the

Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

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

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

Operator: Matador Production Company

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

Signature of Authorized Agent

ACKNOWLEDGEMENT

STATE OF TEXAS §

COUNTY OF DALLAS §

This instrument was acknowledged before me on _____, 2023, by **Craig N. Adams, as Executive Vice President for Matador Production Company**, on behalf of said corporation.

Signature

Name (Print)

My commission expires _____

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

MRC Permian Company

By: _____

Craig N. Adams

Print Name

Date: _____

Acknowledgment in a Representative Capacity

STATE OF TEXAS

§

COUNTY OF DALLAS

§

This instrument was acknowledged before me on _____, 2023, by **Craig N. Adams, as Executive Vice President**, for **MRC Permian Company** on behalf of said corporation.

Signature

Name (Print)

My commission expires _____

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

MRC Permian LKE Company, LLC

By: _____

Craig N. Adams _____

Print Name

Date: _____

Acknowledgment in a Representative Capacity

STATE OF TEXAS §

COUNTY OF DALLAS §

This instrument was acknowledged before me on _____, 2023, by **Craig N. Adams, as Executive Vice President**, for **MRC Permian LKE Company, LLC** on behalf of said corporation.

Signature

Name (Print)

My commission expires _____

EXHIBIT “A”

Plat of communitized area covering 160 acres in the W2W2 of Section 10, Township 22S, Range 32E, Lea County, New Mexico.

Nina Cortell Fed Com #211H/#215H

Tract 1 NMNM 055952 Acres: 80.00			
Tract 2 VC-0225 Acres: 40.00	10		
Tract 3 NMNM 086147 Acres: 40.00			

EXHIBIT B

Attached to and made a part of that certain Communitization Agreement Dated January 1, 2023 embracing the following described land in the W2W2 of Section 10, Township 22S, Range 32E, Lea County, New Mexico.

Operator of Communitized Area: Matador Production Company

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

Lease Serial No.:	NMNM-055952
Lessor:	Bureau Land Management
Present Lessee:	David Pietenpol
Description of Land Committed: Subdivisions:	Township 22 South, Range 32 East, Section 10: W/2NW/4
Number of Acres:	80.00
Name and WI Owners:	MRC Permian Company JSG Energy, LLC McCurdy Energy, LLC Osprey Oil & Gas, LLC

TRACT NO. 2

Lease Serial No.:	VC-0225
Lease Date:	9/1/2017
Lease Term:	5 Years
Lessor:	State of New Mexico
Present Lessee:	MRC Permian Company
Description of Land Committed: Subdivisions:	Township 22 South, Range 32 East, Section 10: NW/4SW/4
Number of Acres:	40.00
Royalty Rate:	1/5 th
Name and WI Owners:	MRC Permian Company

TRACT NO. 3

Lease Serial No.: NMNM-086147

Lessor: Bureau Land Management

Present Lessee: MRC Permian Company

Description of Land Committed: Subdivisions: Township 22 South, Range 32 East,
Sec 10: SW/4SW/4

Number of Acres: 40.00

Name and WI Owners: MRC Permian Company

RECAPITULATION

Tract Numbers	Numbers of Acres	Percentage of Interest in Communitied Area
Tract 1	80.00	50%
Tract 2	40.00	25%
Tract 3	40.00	25%
Total Acreage	160.00	100%

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the **1st** day of **January, 2023**, 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:

W/2W/2 of Section 10, Township 22S, Range 32E, Lea County, New Mexico.

Containing **160** acres, more or less, and this agreement shall include only the **Wolfcamp** Formation underlying said lands and the natural gas and associated liquid hydrocarbons 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 the date first written above, 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

Date: _____

By: _____

Name: Jonathan Filbert

Title: Senior Vice President - Land

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS)

COUNTY OF DALLAS)

On this ____ day of _____, 2023, before me, a Notary Public for the State of Texas, personally appeared Jonathan Filbert, known to me to be the Senior Vice President - Land of **Matador Production Company**, a Texas corporation, on behalf of said corporation.

My Commission Expires

Notary Public

WORKING INTEREST OWNERS

AND/OR LESSEES OF RECORD

MRC PERMIAN COMPANY

Date: _____ By: _____

Name: Jonathan Filbert

Title: Senior Vice President - Land

MRC PERMIAN LKE COMPANY, LLC

Date: _____ By: _____

Name: Jonathan Filbert

Title: Senior Vice President - Land

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS)
COUNTY OF DALLAS)

On this ____ day of _____, 2023, before me, a Notary Public for the State of Texas, personally appeared **Jonathan Filbert**, known to me to be the **Senior Vice President - Land** of **MRC Permian Company**, a Texas corporation, on behalf of said corporation.

My Commission Expires

Notary Public

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS)
COUNTY OF DALLAS)

On this ____ day of _____, 2023, before me, a Notary Public for the State of Texas, personally appeared **Jonathan Filbert**, known to me to be the **Senior Vice President - Land** of **MRC Permian LKE Company, LLC**, a Texas corporation, on behalf of said corporation.

My Commission Expires

Notary Public

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

Date: _____

By: _____

Name: _____

Title: _____

CORPORATE ACKNOWLEDGEMENT

STATE OF _____)

COUNTY OF _____)

On this ____ day of _____, 2023, before me, a Notary Public for the State of _____, personally appeared _____, known to me to be the of _____, on behalf of said corporation.

My Commission Expires

Notary Public

ACKNOWLEDGMENT

STATE OF _____)

COUNTY OF _____)

On this ____ day of _____, 2023, before me, a Notary Public for the State of _____, personally appeared _____, who acknowledged to me that he/she executed this said document in his/her official capacity.

My Commission Expires

Notary Public

SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING INTEREST

COMMUNITIZATION AGREEMENT:

I, the undersigned, hereby certify, on behalf of **Matador Production Company**, the Operator under the captioned Communitization Agreement, that all working interest owners shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the true and correct owners of the leases committed to the Communitization Agreement, and the consents of the requisite working interest owners have been obtained.

I, further certify that the Communitization Agreement follows the standard form except for Sections 1 and 10.

BY: _____

Signature of officer

Name: Jonathan Filbert

Title: Senior Vice President - Land

Phone number: (972)-371-5200

EXHIBIT "A"

Plat of communitized area covering **160** acres in the W/2W/2 of Section 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Nina Cortell Fed Com 211H

Tract 1 NMNM 055952 Acres: 80.00			
Tract 2 VC-0225 Acres: 40.00	10		
Tract 3 NMNM 086147 Acres: 40.00			

EXHIBIT "B"

Attached to and made a part of that certain Communitization Agreement Dated January 1, 2023 embracing the following described land in the W/2W/2 of Section 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Operator of Communitized Area: Matador Production Company

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

Lease Serial No.:	NMMN-055952
Description of Land Committed:	Township 22 South, Range 32 East, Section 10: W/2NW/4
Number of Acres:	80.00
Current Lessee of Record:	David Pietenpol
Name of Working Interest Owner(s):	MRC Permian Company Cynthia Mae Wilson, Trustee of the Bypass Trust established under the Last Will and Testament of Scott E. Wilson (<i>Compulsory Pooled</i>)
Overriding Royalty Interest Owners:	Abyss, Inc. Adley Properties LLC Beverly Jean Renfro Barr, Trustee of the Family Trust created under the Last Will and Testament of Richard Kevin Barr Capstan Properties, LP Cynthia Mae Wilson, Trustee of the Bypass Trust established under the Last Will and Testament of Scott E. Wilson Hunt Oil Company Jack Lowry, whose marital status is unknown Judson Land and Minerals, LP Lyra Properties, LLC Magic Dog Oil & Gas, Ltd. Marjean Martin Murphy, Trustee of the Marjean Martin Murphy Heritage Trust u/t/a dated August 22, 2014 Mountain Lion Oil & Gas, LLC Peanut Oil Co. Richard C. Geesaman and wife, Breida Geesaman

Tract No. 2

Lease Serial No.: VC-0225
Description of Land Committed: Township 22 South, Range 32 East,
Section 10: NW/4SW/4
Number of Acres: 40.00
Current Lessee of Record: MRC Permian Company
Name of Working Interest Owner(s): MRC Permian Company
Overriding Royalty Interest Owners: None

Tract No. 3

Lease Serial No.: NMNM-086147
Description of Land Committed: Township 22 South, Range 32 East,
Sec 10: SW/4SW/4
Number of Acres: 40.00
Current Lessee of Record: ConocoPhillips Company (*Compulsory Pooled*)
Name of Working Interest Owner(s): Conoco Phillips Company (*Compulsory Pooled*)
Overriding Royalty Interest Owners: None

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	80.00	50%
2	40.00	25%
3	40.00	25%
Total	160.00	100.00%

1220 Minerals LLC	306 W. 7th Street, Suite 901	Fort Worth	TX	76102
Abyss Inc	3100 Lantana Lane	Midland	TX	79705-1600
Adley Properties LLC	PO Box 3327	Midland	TX	79702-3327
Adrian L. Dawe	710 Christopher Dr.	Pleasant Hill	MO	64080
Anne W. Grimes, Trustee of the Marion 2011 Family Trust	Burnett Plaza - Suite 1500, 801 Cherry Street, Unit #9	Fort Worth	TX	76102-6881
Benco Energy, Inc.	P.O. Box 29	Fort Worth	TX	76101
BJF Energy LLC	PO Box 1260	Fort Worth	TX	76101
Bureau of Land Management	310 Dinosaur Trail	Santa Fe	NM	87508
BURTEX INVESTMENTS II LP	5 Westover Rd	Fort Worth	TX	76107-3104
Capstan Properties LP	P.O. Box 11025	Midland	TX	79702
Christopher A. Broderick	2204 NE Chipman Rd.	Lees Summit	MO	64063
Collins Permian LP	3824 Cedar Springs Rd # 414	Dallas	TX	75219-4136
ConocoPhillips Company	600 W Illinois Ave	Midland	TX	79701
CTH Royalties, LLC	PO Box 1761	Aledo	TX	76008-1761
Curtis A. Anderson and Edna I. Anderson, Trustees of the Edna and Curtis Anderson Revocable Trust dated August 31, 2021	9314 Cherry Brook Lane	Frisco	TX	75033
Daniel E. Gonzales, whose marital status is unknown	P.O. Box 2475	Santa Fe	NM	87504
Dehlinger Revocable Trust	309 Matern Court	Horseshoe Bay	TX	78657-5883
Dianne Mary Gamache Truitt	20230 Atascocita Lake Dr.	Humble	TX	77346
Elberta M Royalty, LLC	500 W Wall Ste 300	Midland	TX	79701-5093

Frankie Jo Mills, Trustee of The Jimmy Mills GST Trust	1602 Avenue J	Abernathy	TX	79311
HUNT OIL COMPANY	1900 North Akard St	Dallas	TX	75201-2300
J. Hiram Moore, LTD	16400 N. Dallas Parkway Suite 400	Dallas	TX	75248
Jack Lowry	15001 Spencer Mountain Dr	Jones	OK	73049-8606
James Edward Kaucher	20602 Lazerton Dr.	Katy	TX	77450
James Gordon DeBlois and Linda DeBlois, Trustees of The DeBlois Revocable Trust dated July 16, 2008	5300 Cortaderia Pl. NE	Albuquerque	NM	87111
Janice Eubank Tumlinson	5717 E. County Road	Midland	TX	79706
Jean Ann Tully Stell	1611 Live Oak Pl.	Carlsbad	NM	88220
JSG Energy LLC	6500 Homestead Blvd	Midland	TX	79707
Judson Exploration LP	PO Box 2052	Midland	TX	79702
Judson Land and Minerals LP	P.O. Box 2052	Midland	TX	79703
JVO, LLC	5910 North Central Expressway Suite 1470	Dallas	TX	75206
JWD Resources, LLC	PO Box 51908	Midland	TX	79710
Kathleen L. George	2004 SW Brighton Place	Blue Springs	MO	64015
KFD Energy LLC	P.O. Box 1260	Fort Worth	TX	76101
LJA Charitable Investments LLC	1717 West Loop S Ste 1800	Houston	TX	77027-3049
Lyra Properties LLC	P.O. Box 3970	Decatur	GA	30031-3970
Magic Dog Oil & Gas	P. O. Box 10708	Midland	TX	79702-0708

Marion 2011 Family Trust Anne W Grimes, Trustee c/o Burnett Oil Company	801 Cherry St, Unit 9	Fort Worth	TX	76102-6881
Marjean Martin Murphy Heritage Tr Marjean Martin Murphy Trustee	4374 Ranger Creek rd	Boerne	TX	78006-8167
McCurdy Energy LLC	2004 Humble Ave	Midland	TX	79705
MHM Resources, LP	Post Office Box 51570	Midland	TX	79710
MRC Permian Company	5400 LBJ Freeway Ste 1500	Dallas	TX	75240
MRC Permian LKE Company, LLC	5400 LBJ Freeway Ste 1500	Dallas	TX	75240
New Mexico State Land Office	P O Box 1148	Santa Fe	NM	87504
NM Royalty, LLC	PO Box 51908	Midland	TX	51908
Oak Valley Mineral and Land LP	P. O. Box 50820	Midland	TX	79710
Office of Natural Resources	PO Box 25627	Denver	CO	80225-0627
Osprey Oil and Gas, LLC	707 N Carrizo	Midland	TX	79701-3240
Patsy Mills Baker, Trustee of The Patsy Mills Baker GST Trust	901 West 8th Street	Idalou	TX	79329
Pheasant Energy, LLC	P.O. Box 2487	Fort Worth	TX	76113
Post Oak Crown Minerals LLC	34 S Wynden Dr Ste 210	Houston	TX	77056-2531
Richard C & Breida Geesaman	820 Pine St Gold HL	Boulder	CO	80302-8757
RICHARD K. BARR FAMILY TRUST BEVERLY J. BARR, TRUSTEE	804 Park Vista Circle	Southlake	TX	76092
Richard Ward Kaucher	14315 Marks Way	Cypress	TX	77429
Robert G. Hooper	P.O. Box 733	Roswell	NM	88202

Robert Peter Kaucher	3425 Foxridge Dr.	Colorado Springs	CO	80716
Shumana Exploration LP	PO Box 3970	Decatur	GA	30031
Sitio Permian LLC	1401 Lawrence St Ste 1750	Denver	CO	80202-2497
Sortida Resources LLC	PO Box 50820	Midland	TX	79710-0820
Taffrail Investments LP c/o L&J Associates, LLC	57 Marine Street	Bronx	NY	10464
Theresa A. Broderick	1371 SW Heartwood Dr.	Lees Summit	MO	64081
TWR IV LLC	3724 Hulen St	Fort Worth	TX	76107-6816
V14 WI LP	5910 N Central Expressway, Ste 1470	Dallas	TX	75206-5136
V14, LP	5910 North Central Expressway Suite 1470	Dallas	TX	75206
Venable Oil Ltd., LLP	5910 North Central Expressway Suite 1470	Dallas	TX	75206
Venable Oil, Ltd	PO Box 171	Tyler	TX	75710-0171
Venable Royalty, Ltd.	5910 North Central Expressway Suite 1470	Dallas	TX	75206
Wallace Family Partnership, LP	508 W. Wall St. Suite 1200	Midland	TX	79701
WBA Resources, Ltd	P.O. Box 50468	Midland	TX	79710
Wing Resources VI LLC	2100 McKinney Ave Ste. 1540	Dallas	TX	75201-2140
WK Land Company	3300 Airport Rd	Boulder	CO	80301-5430

WPX Energy Permian, LLC	333 West Sheridan Ave.	Oklahoma City	OK	73102
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Paula M. Vance
Associate
Phone (505) 988-4421
Fax (505) 819-5579
pmvance@hollandhart.com

November 13, 2023

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PARTIES

Re: Application of Matador Production Company to amend NMOCD Order PLC-865 and for administrative approval to surface commingle (pool and lease) oil and gas production from the spacing units comprising Sections 3 and 10, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico (the "Lands")

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 the date the Division receives the application at the Division's Santa Fe office located at 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

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

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Paula M. Vance", written over a horizontal line.

Paula M. Vance
**ATTORNEY FOR MATADOR PRODUCTION
COMPANY**

MRC - Nina Cortell Commingling
Postal Delivery Report

9402811898765497728399	1220 Minerals LLC	306 W 7th St Ste 901	Fort Worth	TX	76102-4929	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728344	Abyss Inc	3100 Lantana Ln	Midland	TX	79705-1600	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728337	Adley Properties LLC	PO Box 3327	Midland	TX	79702-3327	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728375	Adrian L. Dawe	710 Christopher Dr	Pleasant Hill	MO	64080-1083	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728016	Anne W. Grimes, Trustee of the Marion 2011 Family Trust	Burnett Plaza - Suite 1500,801 Cherry Street, Unit 9	Fort Worth	TX	76102-6815	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728054	Benco Energy, Inc.	PO Box 29	Fort Worth	TX	76101-0029	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728023	BJF Energy LLC	PO Box 1260	Fort Worth	TX	76101-1260	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728009	Bureau of Land Management	310 Dinosaur Trail	Santa Fe	NM	87508	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728092	BURTEX INVESTMENTS II LP	5 Westover Rd	Fort Worth	TX	76107-3104	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728047	Capstan Properties LP	PO Box 11025	Midland	TX	79702-8025	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping

MRC - Nina Cortell Commingling
Postal Delivery Report

9402811898765497728085	Christopher A. Broderick	2204 NE Chipman Rd	Lees Summit	MO	64086-1727	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728030	Collins Permian LP	3824 Cedar Springs Rd Unit 414	Dallas	TX	75219-4136	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728078	ConocoPhillips Company	600 W Illinois Ave	Midland	TX	79701-4882	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728450	CTH Royalties, LLC	PO Box 1761	Aledo	TX	76008-1761	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728467	Curtis A. Anderson and Edna I. Anderson, Trustees of the Edna and Curtis Anderson Revocable Trust dated August 31, 2021	9314 Cherry Brook Ln	Frisco	TX	75033-0651	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728429	Daniel E. Gonzales, whose marital status is unknown	PO Box 2475	Santa Fe	NM	87504-2475	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728405	Dehlinger Revocable Trust	309 Matern Ct	Horseshoe Bay	TX	78657-5883	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728498	Dianne Mary Gamache Truitt	20230 Atascocita Lake Dr	Humble	TX	77346-1659	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728443	Elberta M Royalty, LLC	500 W Wall St Ste 300	Midland	TX	79701-5093	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728481	Frankie Jo Mills, Trustee of The Jimmy Mills GST Trust	1602 Avenue J	Abernathy	TX	79311-2010	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping

MRC - Nina Cortell Commingling
Postal Delivery Report

9402811898765497728436	HUNT OIL COMPANY	1900 N Akard St	Dallas	TX	75201-2729	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728474	J. Hiram Moore, LTD	16400 Dallas Pkwy Ste 400	Dallas	TX	75248-2643	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728511	Jack Lowry	15001 Spencer Mountain Dr	Jones	OK	73049-8606	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728559	James Edward Kaucher	20602 Laverton Dr	Katy	TX	77450-1914	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728528	James Gordon DeBlois and Linda DeBlois, Trustees of The DeBlois Revocable Trust dated July 16, 2008	5300 Cortaderia Pl NE	Albuquerque	NM	87111-8058	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728504	Janice Eubank Tumlinson	5717 E. County Road	Midland	TX	79706	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728542	Jean Ann Tully Stell	1611 Live Oak Pl	Carlsbad	NM	88220-4103	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728580	JSG Energy LLC	6500 Homestead Blvd	Midland	TX	79707-5080	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497728535	Judson Exploration LP	PO Box 2052	Midland	TX	79702-2052	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727217	Judson Land and Minerals LP	PO Box 2052	Midland	TX	79702-2052	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping

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Postal Delivery Report

9402811898765497727262	JVO, LLC	5910 N Central Expy Ste 1470	Dallas	TX	75206-5136	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727200	JWD Resources, LLC	PO Box 51908	Midland	TX	79710-1908	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727293	Kathleen L. George	2004 SW Brighton Pl	Blue Springs	MO	64015-7157	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727248	KFD Energy LLC	PO Box 1260	Fort Worth	TX	76101-1260	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727286	LJA Charitable Investments LLC	1717 West Loop S Ste 1800	Houston	TX	77027-3049	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727231	Lyra Properties LLC	PO Box 3970	Decatur	GA	30031-3970	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727279	Magic Dog Oil & Gas	PO Box 10708	Midland	TX	79702-7708	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727811	Marion 2011 Family Trust Anne W Grimes Trustee c/o Burnett Oil Company	801 Cherry St Unit 9	Fort Worth	TX	76102-6803	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727859	Marjean Martin Murphy Trustee Marjean Martin Murphy Heritage Tr	4374 Ranger Creek Rd	Boerne	TX	78006-8167	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727866	McCurdy Energy LLC	2004 Humble Ave	Midland	TX	79705-8625	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping

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9402811898765497727828	MHM Resources, LP	PO Box 51570	Midland	TX	79710-1570	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727804	MRC Permian Company	5400 Lbj Fwy Ste 1500	Dallas	TX	75240-1017	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727897	MRC Permian LKE Company, LLC	5400 Lbj Fwy Ste 1500	Dallas	TX	75240-1017	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727842	New Mexico State Land Office	PO Box 1148	Santa Fe	NM	87504-1148	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727880	NM Royalty, LLC	PO Box 51908	Midland	TX	79710-1908	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727835	Oak Valley Mineral and Land LP	PO Box 50820	Midland	TX	79710-0820	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727873	Office of Natural Resources	PO Box 25627	Denver	CO	80225-0627	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727712	Osprey Oil and Gas, LLC	707 N Carrizo St	Midland	TX	79701-3240	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727750	Patsy Mills Baker, Trustee of The Patsy Mills Baker GST Trust	901 W 8th St	Idalou	TX	79329-9058	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727767	Pheasant Energy, LLC	PO Box 2487	Fort Worth	TX	76113-2487	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping

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9402811898765497727729	Post Oak Crown Minerals LLC	34 S Wynden Dr Ste 210	Houston	TX	77056-2531	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727705	Richard C & Breida Geesaman	820 Pine St Gold HI	Boulder	CO	80302-4744	Your item arrived at our USPS facility in DENVER CO DISTRIBUTION CENTER on November 14, 2023 at 4:47 pm. The item is currently in transit to the destination.
9402811898765497727798	BEVERLY J. BARR, TRUSTEE RICHARD K. BARR FAMILY TRUST	804 Park Vista Cir	Southlake	TX	76092-4342	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727743	Richard Ward Kaucher	14315 Marks Way	Cypress	TX	77429-3748	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727781	Robert G. Hooper	PO Box 733	Roswell	NM	88202-0733	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727736	Robert Peter Kaucher	3425 Foxridge Dr	Colorado Springs	CO	80916-3398	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727774	Shumana Exploration LP	PO Box 3970	Decatur	GA	30031-3970	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727910	Sitio Permian LLC	1401 Lawrence St Ste 1750	Denver	CO	80202-3074	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727958	Sortida Resources LLC	PO Box 50820	Midland	TX	79710-0820	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727965	Taffrail Investments LP c/o L&J Associates, LLC	57 Marine St	Bronx	NY	10464-1623	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping

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9402811898765497727927	Theresa A. Broderick	1371 SW Heartwood Dr	Lees Summit	MO	64081-2491	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727903	TWR IV LLC	3724 Hulen St	Fort Worth	TX	76107-6816	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727996	V14 WI LP	5910 N Central Expy Ste 1470	Dallas	TX	75206-5136	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727989	V14, LP	5910 N Central Expy Ste 1470	Dallas	TX	75206-5136	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727934	Venable Oil Ltd., LLP	5910 N Central Expy Ste 1470	Dallas	TX	75206-5136	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727972	Venable Oil, Ltd	PO Box 171	Tyler	TX	75710-0171	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727613	Venable Royalty, Ltd.	5910 N Central Expy Ste 1470	Dallas	TX	75206-5136	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727651	Wallace Family Partnership, LP	508 W Wall St Ste 1200	Midland	TX	79701-5076	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727668	WBA Resources, Ltd	PO Box 50468	Midland	TX	79710-0468	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping
9402811898765497727620	Wing Resources VI LLC	2100 McKinney Ave Ste 1540	Dallas	TX	75201-2140	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping

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Postal Delivery Report

9402811898765497727644	WK Land Company	3300 Airport Rd	Boulder	CO	80301-5430	Your item arrived at our USPS facility in DENVER CO DISTRIBUTION CENTER on November 14, 2023 at 4:47 pm. The item is currently in transit to the destination.
9402811898765497727637	WPX Energy Permian, LLC	333 W Sheridan Ave	Oklahoma City	OK	73102-5010	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping

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

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY MATADOR PRODUCTION COMPANY ORDER NO. PLC-865-A**

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 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.
4. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
5. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.
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 or gas title transfer meter 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 or gas title transfer meter described in Exhibit A.

2. This Order supersedes Order PLC-865.
3. 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.

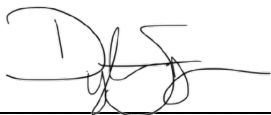
Applicant shall allocate the oil and gas production to each lease within a Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the Pooled Area described in Exhibit B until the Proposed Agreement which includes the Pooled Area is approved. After the Proposed Agreement 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.

4. 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.
5. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling it with production from another well.
6. 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.
7. 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.
8. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
9. 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.

10. 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.
11. If a well is not included in Exhibit A but produces from a pool and 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.
12. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
13. 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).
14. 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**



**DYLAN M. FUGE
DIRECTOR (ACTING)**

DATE: 2/13/24

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: PLC-865-A

Operator: Matador Production Company (228937)

Central Tank Battery: Nina Cortell South Tank Battery

Central Tank Battery Location: UL O, Section 10, Township 22 South, Range 32 East

Gas Title Transfer Meter Location: UL O, Section 10, Township 22 South, Range 32 East

Pools

Pool Name	Pool Code
BILBREY BASIN;BONE SPRING	5695
WC-025 G-09 S233216K;UPR WOLFCAMP	98166

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
CA Bone Spring NMNM 105720807 (143833)	W/2 W/2	3-22S-32E
	W/2 W/2	10-22S-32E
NMNM 105305436 (135247)	A B C F G I J O P	3-22S-32E
Fee	H	3-22S-32E
NMNM 105417983 (086147)	E/2, K M N	10-22S-32E
VC 0075 0000	K N	3-22S-32E
NMNM 105369606 (055952)	C D E	10-22S-32E
NMNM 105725629 (141008)	F	10-22S-32E
VC 0225 0000	L	10-22S-32E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-49627	Nina Cortell Federal Com #125H	W/2 W/2	3-22S-32E	5695
		W/2 W/2	10-22S-32E	
30-025-50258	Nina Cortell Federal Com #131H	W/2 W/2	3-22S-32E	5695
		W/2 W/2	10-22S-32E	
30-025-51189	Nina Cortell Federal Com #132H	E/2 W/2	3-22S-32E	5695
		E/2 W/2	10-22S-32E	
30-025-50513	Nina Cortell Federal Com #133H	W/2 E/2	3-22S-32E	5695
		W/2 E/2	10-22S-32E	
30-025-50801	Nina Cortell Federal Com #134H	E/2 E/2	3-22S-32E	5695
		E/2 E/2	10-22S-32E	
30-025-51629	Nina Cortell Federal Com #211H	W/2 W/2	10-22S-32E	98166
30-025-51287	Nina Cortell Federal Com #202H	E/2 W/2	3-22S-32E	98166
		E/2 W/2	10-22S-32E	
30-025-49628	Nina Cortell Federal Com #203H	W/2 E/2	3-22S-32E	98166
		W/2 E/2	10-22S-32E	
30-025-49629	Nina Cortell Federal Com #204H	E/2 E/2	3-22S-32E	98166
		E/2 E/2	10-22S-32E	

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit B

Order: **PLC-865-A**
Operator: **Matador Production Company (228937)**

Pooled Areas

Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Bone Spring NMNM 105724617 (143942)	W/2 E/2 W/2 E/2	3-22S-32E 10-22S-32E	319.92	A
CA Bone Spring BLM	E/2 E/2 E/2 E/2	3-22S-32E 10-22S-32E	319.92	B
CA Wolfcamp NMNM 105762321	W/2 E/2 W/2 E/2	3-22S-32E 10-22S-32E	319.92	C
CA Wolfcamp NMNM 105823709	E/2 E/2 E/2 E/2	3-22S-32E 10-22S-32E	319.92	D
CA Bone Spring BLM	E/2 W/2 E/2 W/2	3-22S-32E 10-22S-32E	319.92	E
CA Wolfcamp BLM	W/2 W/2	10-22S-32E	160	F
CA Wolfcamp BLM	E/2 W/2 E/2 W/2	3-22S-32E 10-22S-32E	319.92	G

Leases Comprising Pooled Areas

Lease	UL or Q/Q	S-T-R	Acres	Pooled Area ID
NMNM 105305436 (135247)	W/2 E/2	3-22S-32E	159.92	A
NMNM 105417983 (086147)	W/2 E/2	10-22S-32E	160	A
NMNM 105305436 (135247)	A I P	3-22S-32E	119.92	B
Fee	H	3-22S-32E	40	B
NMNM 105417983 (086147)	E/2 E/2	10-22S-32E	160	B
NMNM 105305436 (135247)	W/2 E/2	3-22S-32E	159.92	C
NMNM 105417983 (086147)	W/2 E/2	10-22S-32E	160	C
NMNM 105305436 (135247)	A I P	3-22S-32E	119.92	D
Fee	H	3-22S-32E	40	D
NMNM 105417983 (086147)	E/2 E/2	10-22S-32E	160	D
NMNM 105305436 (135247)	C F	3-22S-32E	79.92	E
VC 0075 0000	K N	3-22S-32E	80	E
NMNM 105369606 (055952)	C	10-22S-32E	40	E
NMNM 105725629	F	10-22S-32E	40	E
NMNM 105417983 (086147)	K N	10-22S-32E	80	E
NMNM 105369606 (055952)	D E	10-22S-32E	80	F
VC 0225 0000	40	10-22S-32E	40	F
NMNM 105417983 (086147)	M	10-22S-32E	40	F
NMNM 105305436 (135247)	C F	3-22S-32E	79.92	G
VC 0075 0000	K N	3-22S-32E	80	G
NMNM 105369606 (055952)	C	10-22S-32E	40	G

NMNM 105725629	F	10-22S-32E	40	G
NMNM 105417983 (086147)	K N	10-22S-32E	80	G

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 286059

CONDITIONS

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 286059
	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.	2/13/2024