	T ===	1		
RECEIVED:	REVIEWER:	TYPE:	APP NO:	
	- Geologi	CO OIL CONSERV Cal & Engineering rancis Drive, Sant	ATION DIVISION g Bureau –	SALL OF MEW MARIN
		RATIVE APPLICATI		
THIS C	HECKLIST IS MANDATORY FOR A REGULATIONS WHICH R	all administrative application at the equire processing at the		
Applicant:			OGRI	D Number:
			API:	Cada
Pool:			POOL	Code:
SUBMIT ACCURA	ATE AND COMPLETE IN	FORMATION REQUI INDICATED BELC		THE TYPE OF APPLICATION
A. Location	CATION: Check those - Spacing Unit - Simu ISL		on	SD
[ne only for [1] or [11] mingling – Storage – N DHC □CTB □F tion – Disposal – Press	PLC PC C ure Increase - Enha	anced Oil Recove	ery FOR OCD ONLY
A. Offset B. Royalt C. Applic D. Notific	REQUIRED TO: Check operators or lease ho y, overriding royalty cation requires publisheation and/or concurration and/or concurr	Iders wners, revenue ow ed notice ent approval by SL	vners .O	Notice Complete Application Content Complete
F. ☐ Surfac G.☐ For all	e owner of the above, proof o tice required	-		ned, and/or,
administrative understand the	I: I hereby certify that approval is accurate at no action will be tare submitted to the Di	and complete to t ken on this applica	the best of my kno	• •
No	te: Statement must be compl	eted by an individual with	ı managerial and/or sup	ervisory capacity.
			Date	
Print or Type Name				
Pathy	1		Phone Number	
Signature			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,

Paula M. Vance

ATTORNEY FOR MATADOR PRODUCTION

COMPANY

EXHIBIT 1

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.

Order No. PLC-865 Page 1 of 4

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.

Order No. PLC-865

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

Order No. PLC-865 Page 3 of 4

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

DYLANM. FUGE

DIRECTOR (ACTING)

DATE: 3/38/23

Order No. PLC-865

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

Leases as defined in 191101121/(C) 1 (William)		
Lease	UL or Q/Q	S-T-R
CA Rono Spring NMNM 105720807 (1/3833)	W/2 W/2	3-22S-32E
CA Dulle Spring (143033)	Spring NMNM 105720807 (143833) W/2	10-22S-32E
NMNM 105305436 (135247)	E/2 minus H	3-22S-32E
Fee	Н	3-22S-32E
NMNM 105417983 (086147)	E/2	10-22S-32E

Wells Well API Well Name UL or Q/Q S-T-R Pool W/2 W/23-22S-32E 30-025-49627 Nina Cortell Federal Com #125H 5695 W/2 W/210-22S-32E W/2 E/23-22S-32E 30-025-50513 Nina Cortell Federal Com #133H 5695 W/2 E/210-22S-32E E/2 E/23-22S-32E Nina Cortell Federal Com #134H 5695 30-025-50801 E/2 E/210-22S-32E W/2 E/23-22S-32E 30-025-49628 Nina Cortell Federal Com #203H 98166 W/2 E/210-22S-32E E/2 E/23-22S-32E 30-025-49629 Nina Cortell Federal Com #204H 98166 10-22S-32E E/2 E/2

State of New Mexico Energy, Minerals and Natural Resources Department

Exhibit B

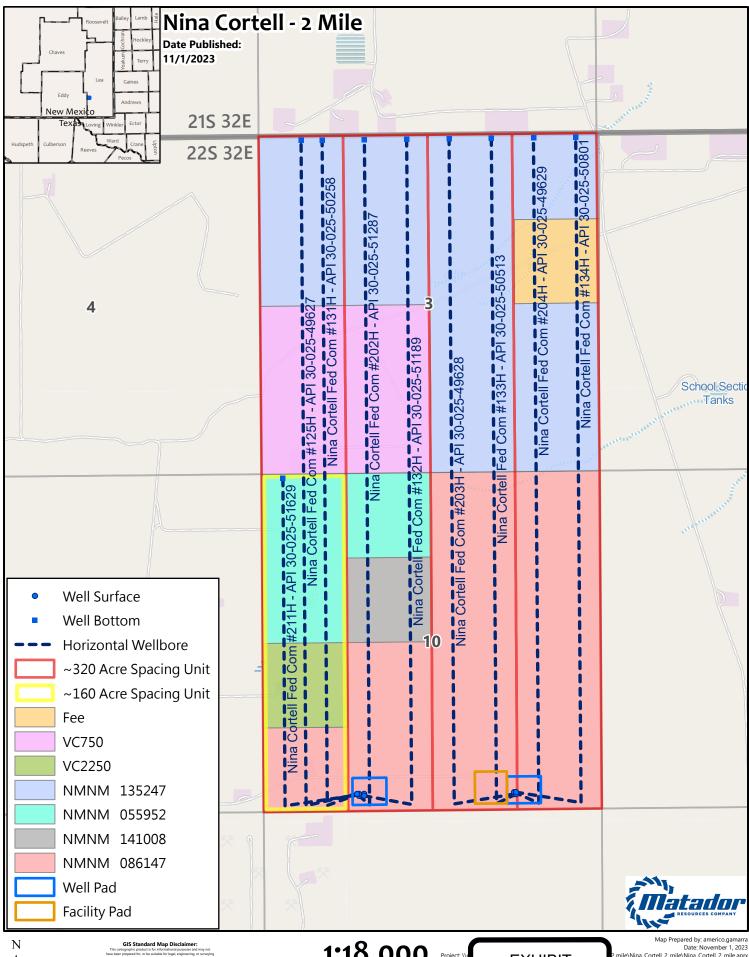
Order: PLC-865

Operator: Matador Production Company (228937)

Pooled Areas			
Q/Q S-7	Γ- R	Acres	Pooled Area ID
2 E/2 3-2	2S-32E	210.02	Α
2 E/2 10-	22S-32E)19.94	A
2 E/2 3-2	2S-32E	210.02	В
2 E/2 10-	22S-32E)19.94	
2 E/2 3-2	2S-32E	210.02	C
2 E/2 10-	-22S-32E)19.92	C
2 E/2 3-2	2S-32E	210.02	D
2 E/2 10-	-22S-32E)17.72	D
	PQ/Q S-1 2 E/2 3-2 2 E/2 10- 2 E/2 3-2 2 E/2 10- 2 E/2 3-2 2 E/2 10- 2 E/2 3-2 2 E/2 3-2	PQ/Q S-T-R 2 E/2 3-22S-32E 2 E/2 10-22S-32E 2 E/2 3-22S-32E 2 E/2 10-22S-32E 2 E/2 3-22S-32E 2 E/2 3-22S-32E 2 E/2 3-22S-32E 2 E/2 3-22S-32E	PQ/Q S-T-R Acres 2 E/2 3-22S-32E 319.92 2 E/2 10-22S-32E 319.92 2 E/2 3-22S-32E 319.92 2 E/2 10-22S-32E 319.92 2 E/2 3-22S-32E 319.92 2 E/2 10-22S-32E 319.92 2 E/2 3-22S-32E 319.92

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)	AIP	3-22S-32E	119.92	В
Fee	Н	3-22S-32E	40	В
NMNM 105417983 (086147)	E/2 E/2	10-22S-32E	160	В
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)	AIP	3-22S-32E	119.92	D
Fee	Н	3-22S-32E	40	D
NMNM 105417983 (086147)	E/2 E/2	10-22S-32E	160	D



Released to Imaging: 2/13/2024 5:38:29 PM

1:18,000 Project. \(\)
1 inch equals 1,500 feet

EXHIBIT **2**

mile\Nina_Cortell_2_mile\Nina_Cortell_2_mile\Nina_Cortell_2_mile\Nina_Cortell_2_mile\Nina_Cortell_2_mile\no.

1983 StatePlane New Mexico East IPFS 3001 Eagartment.

18 LM Carlsbad, NM Field Office, GIS Department.

berative Wildlife Collection, Texas A&M University.

United States Census Bureau [TIGER].

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 Po	-	ing Off-Lease Storage and	Measurement (Only if not Su	rface Commingled)
LEASE TYPE:	☐ Federal		'	0.00
Is this an Amendment to existing Order? ∑Y Have the Bureau of Land Management (BLM) ∑Yes ☐No				C – 865 mmingling
Pleas		OMMINGLING the following information	n	
(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°		.\$102,57/bbl oil Deemed	4,300 bopd
BILBREY BASIN; BONE SPRING [5695]	1413 BTU/CF	43.4° oil	40°/Sweet (Jul '22 realized price)	7,800 mcfd
WC-025 G-09 S233216K; UPR WOLFCAMP [98166]	43.8 °	1,404 BTU/CF	\$9,31/mcf (Jul '22 realized price)	2,700 bopd
WC-025 G-09 S233216K; UPR WOLFCAMP [98166]	1395 BTU/CF			5,100 mcfd
Pleas (1) Pool Name and Code- (2) Is all production from same source of supply? (3) Has all interest owners been notified by certified (4) Measurement type: Metering Other (2)	Yes No	OMMINGLING the following information commingling?	n □No	
. ,		SE COMMINGLING the following information	1	
		GE and MEASUREM		
 ls all production from same source of supply? Include proof of notice to all interest owners. 	□Yes □No			
		ATION (for all applicat the following information		
 A schematic diagram of facility, including lega A plat with lease boundaries showing all well a Lease Names, Lease and Well Numbers, and A 	l location. Ind facility locations.			i,
I hereby certify that the information above is true and SIGNATURE: Oscar Hyal	complete to the best of		DATE:_ 6	19/11/2023
TYPE OR PRINT NAME Oscar Gonzalez		TEL	.EPHONE NO.: <u>(972) 629-</u>	2147
E-MAIL ADDRESS: ogonzalez@matadorresourc	es.com_			FXHIBIT

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

Oscar Gonzalez

Production Engineer

Fran Gyrly

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

Released to Imaging: 2/13/2024 5:38:29 PM

Page 1 of 3

Job Number: 221671.001

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)	0.008	0.005		0.053
Totals	100.000	8.272		100.000
Computed Real Charac	teristics of Total Samp	le		
		0.825	(Air=1)	
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	0.203	<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

Section Township

Range

Lot Idn

County

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

UL or lot no.

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

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

__ AMENDED REPORT

East/West line

WELL LOCATION AND ACREAGE DEDICATION PLAT

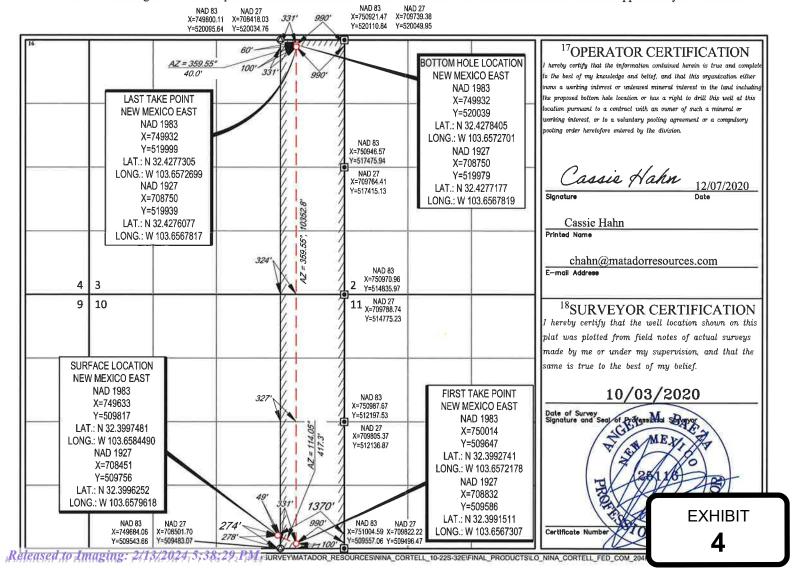
^I API Numbe	r	^z Pool Code	³ Pool Name				
30-025-49629		98166	WC-025 G-09 S233216K, UPR WOLFCAMP				
⁴ Property Code		⁵ Pr	operty Name	⁶ Well Number			
320841		NINA COR	RTELL FED COM 204H				
7OGRID №.		⁸ O _I	perator Name	⁹ Elevation			
228937		MATADOR PRO	DUCTION COMPANY	3789'			

10 Surface Location
Feet from the N

North/South line

Feet from the

0	10	22-S	32-E	÷0	274'	SOUTH	1370'	EAST	LEA
			¹¹ B	ottom Ho	le Location If D	ifferent From Su	rface		·
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
12Dedicated Acres	¹³ Joint or	Infill I4Co	onsolidation Cod	e ¹⁵ Ord	er No.				
320									



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

Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

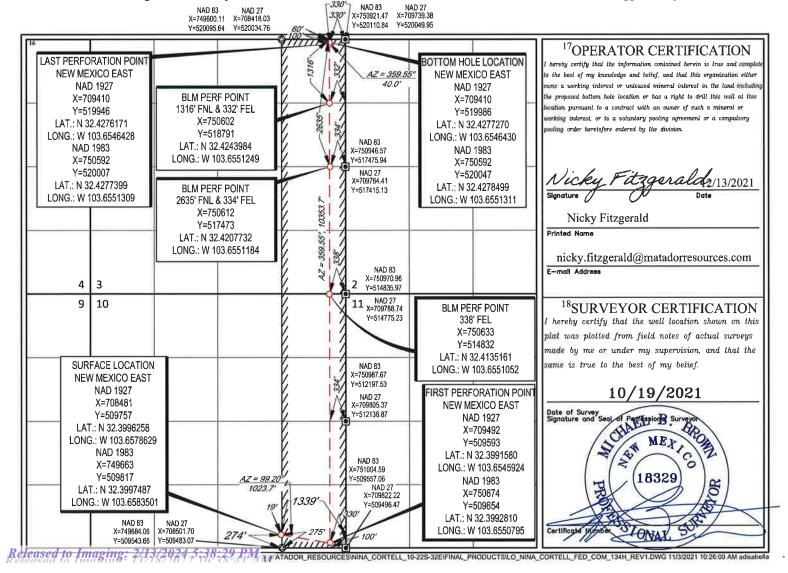
'API Numbe		² Pool Code	³ Pool Name			
30-025-50801		5695	BILBREY BASIN, BONE SPRING			
Property Code		5Pr	roperty Name	⁶ Well Number		
320841		NINA COR	RTELL FED COM	134H		
⁷ OGRID N₀.		⁸ O _I	perator Name	⁹ Elevation		
228937		MATADOR PRO	DUCTION COMPANY	3790'		
		100	6 Y 45			

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

	Dottom Hote Escation 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 I	nfill ¹⁴ C	onsolidation Code	e l¹5Orde	er No.							



District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
2220 S. St. Francis Dr., Santa Fe, NM 87505

Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

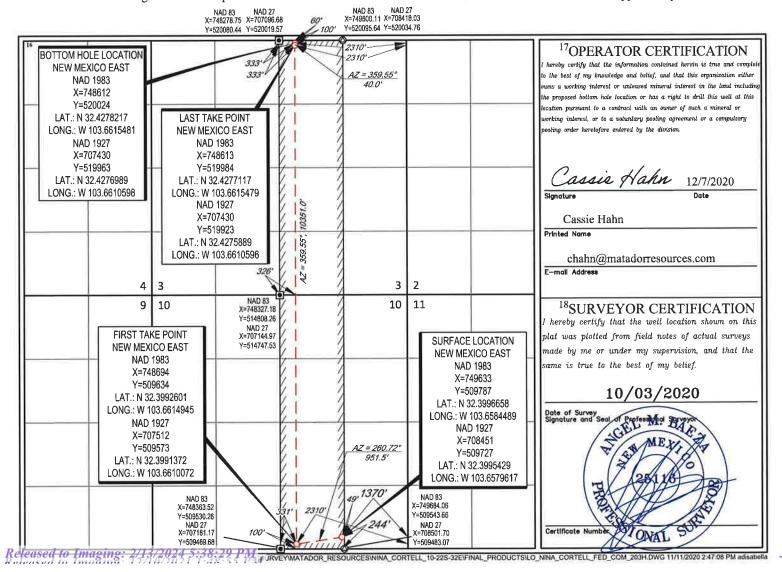
API Numbe	r	² Pool Code	³ Pool Name				
30-025-49628		98166	WC-025 G-09 S233216K, UPR WOLFCAMP				
⁴ Property Code		5	Property Name	⁶ Well Number			
320841	NINA CORTELL FED COM 203H						
7OGRID No.		-8(Operator Name	⁹ Elevation			
228937		MATADOR PRO	ODUCTION COMPANY	3789'			

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

	Determ note bounted in Biller and I am business											
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 I	nfill 14Co	onsolidation Cod	e ¹⁵ Ordo	er No.							



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 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 1220 S. St. Francis Dr., Santa Fe, NM 87505

Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

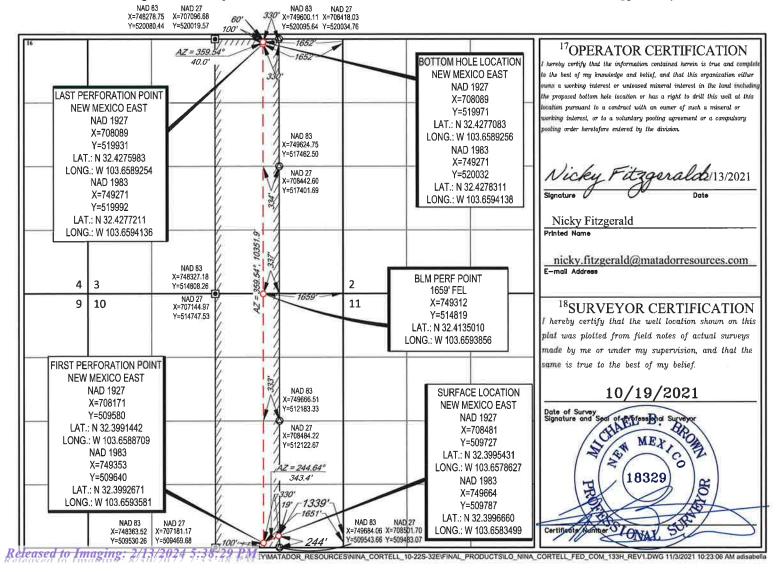
WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	er	² Pool Code	³ Pool Name				
30-025-50513		5695	BILBREY BASIN, BONE SPRING				
⁴ Property Code		⁵ Pr	roperty Name	⁶ Well Number			
320841		NINA COR	RTELL FED COM	133H			
⁷ OGRID No.		⁸ O _I	perator Name	⁹ Elevation			
228937		MATADOR PRO	DUCTION COMPANY	3790'			
		10 Surf	face Location				

Surface Location Feet from the

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	Townshin	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	

NORTH 1652' 60' **EAST LEA** 2 3 22-S 32-E ²Dedicated Acres Joint or Infill ⁴Consolidation Code Order No. 319.92



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 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 1220 S. St. Francis Dr., Santa Fe, NM 87505

Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Numbe	er	² Pool Code	³ Pool Name						
30-025-51629		98166	WC-025 G-09 S233216K, UPR WOLFCAMP						
⁴ Property Code		⁵ Pr	roperty Name	⁶ Well Number					
320841		NINA COR	RTELL FED COM	211H					
⁷ OGRID No.		⁸ O _I	perator Name	⁹ Elevation					
228937		MATADOR PRODUCTION COMPANY							

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

11 Bottom Hole Location If Different From Surface

THE STATE OF	Control	Township	Down	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
UL or lot no.	Transference transfer		139(127 96 7)		7 2004				·
	10	22-S	32-E	-	60'	NORTH	330'	WEST	LEA
12m 11 4 1 4	13 Joint or I	eu liáo	Onsolidation Cod	de ¹⁵ Ord	\$1-				
¹² Dedicated Acres	Joint or I	חזווו ן יכ	onsolidation Co	ie ''Ora	er No.				ĺ
160				- 10					

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. NAD27

NAD27 NAD83 X=704502.84 X=745685.04 X=705823.91 X=747006.11 Y=514720.32 Y=514781.05 Y=514733.93 Y=514794.66 100' ¹⁷OPERATOR CERTIFICATION BOTTOM HOLE LOCATION hereby certify that the information contained herein is true and comple NEW MEXICO EAST Z = 359.61° the best of my knowledge and belief, and that this organization either LAST PERFORATION POINT NAD 1927 330 is a working interest or unleased mineral interest in the land include **NEW MEXICO EAST** X=704833 in proposed bottom hole location or has a right to drill this well at this NAD 1927 Y=514664 ation pursuant to a contract with an owner of such a mineral or X=704833 LAT.: N 32.4131762 whing interest, or to a voluntary pooling agreement or a compulsory Y=514624 LONG .: W 103.6695824 ling order heretofore entered by the division. LAT.: N 32.4130662 NAD 1983 LONG.: W 103.6695823 X=746015 NAD 1983 Y=514724 X=746016 NAD27 X=704520.13 Y=512080.07 NAD83 X=745702.40 Y=512140.72 LAT.: N 32.4132990 AZ = 359.61°, 5080.9' Y=514684 LONG.: W 103.6700705 LAT.: N 32.4131890 LONG.: W 103.6700704 Nicky Fitzgerald NAD27 X=705841.60 Y=512094.27 nicky.fitzgerald@matadorresources.com NAD83 E-mail Address X=747023.87 Y=512154.93 ¹⁸SURVEYOR CERTIFICATION **BLM PERF POINT** hereby certify that the well location shown on this 331 2640' FNL & 331' FWL X=746033 FIRST PERFORATION POINT plat was plotted from field notes of actual surveys Y=512144 NEW MEXICO EAST made by me or under my supervision, and that the LAT.: N 32.4062067 NAD 1927 same is true to the best of my belief. ONG.: W 103.6700654 X=704868 SURFACE LOCATION Y=509543 NEW MEXICO EAST 10/19/2021 LAT.: N 32.3991004 NAD 1927 **BLM PERF POINT** NAD83 X=704538.68 Y LONG .: W 103.6695729 X=706108 1320' FSL & 330' FWL NAD 1983 Y=509730 X=746042 X=746050 LAT.: N 32.3995918 Y=510824 Y=509604 LONG.: W 103.6655518 AZ = 261.45 LAT.: N 32.4025775 LAT.: N 32.3992233 NAD 1983 LONG.: W 103.6700628 LONG .: W 103.6700604 18329 X=747290 Y=509790 LAT.: N 32.3997147 LONG.: W 103.6660392 NAD27 X=705859.93 Y=509454.50 370 1111111100111111111 NAD83 X=747042.27 Y=509515.09 Refeased to Imaging: 2/13/2024

5-38-22 / M MATADOR_RESOURCESWINA_CORTELL_10-22S-32E/FINAL_PRODUCTS/LO_NINA_CORTELL_FED_COM_211H_REV1.DWG 10/29/2021 3:14:15 PM additional products in the control of the c

22-S

Joint or Infill

32-E

Consolidation Code

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

Phone: (505) 476-3460 Fax: (505) 476-3462

3

12Dedicated Acres

320

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

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

AMENDED REPORT

LEA

WELL LOCATION AND ACREAGE DEDICATION PLAT

	API Number	r		² Pool Code			³ Pool Na	ame			
30)-025-512	28		98166		WC-025	G-09 S233216K;	Upper Wo	lfcamp		
⁴ Property	Code				5Property	Name			9/	Vell Number	
	NINA CORTELL FED COM								202H		
7OGRID	OGRID No. 8 Operator Name									⁹ Elevation	
228937 MATADOR PRODUCTION COMPANY 37							3789'				
					¹⁰ Surface L	ocation					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	Ea	st/West line	County	
N 10 22-S 32-E - 242' SOUTH 1461'							1461'	WE	EST 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	Ea	st/West line	County	

NORTH

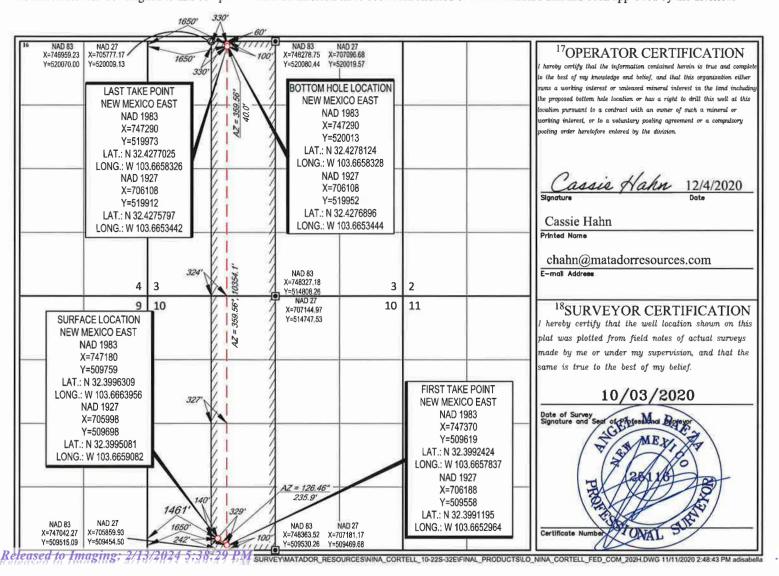
1650

WEST

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.

60'

Order No.



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

Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

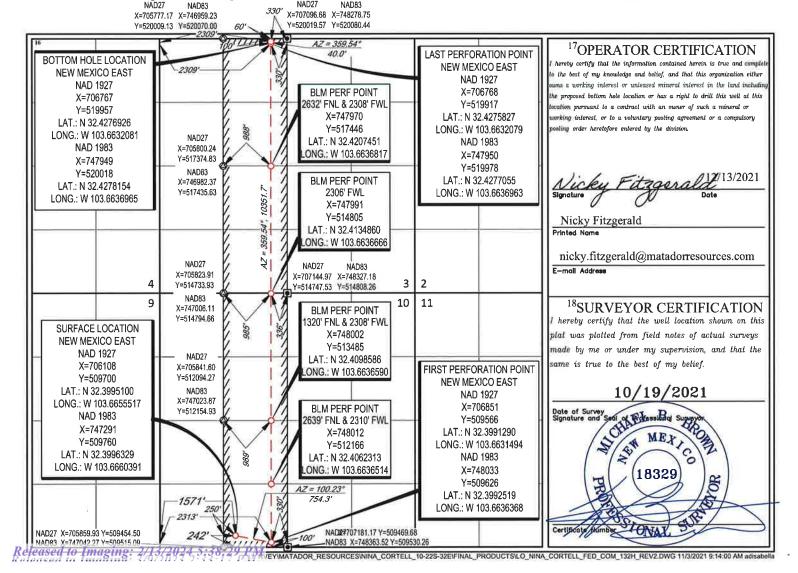
^I API Numbe	-	² Pool Code							
30-025-51189)	5695 BILBREY BASIN, BONE SPRING							
⁴ Property Code		5Pr	roperty Name	⁶ Well Number					
320841		NINA COR	RTELL FED COM	132H					
OGRID No.		*OI	perator Name	⁹ Elevation					
228937		MATADOR PRO	DUCTION COMPANY	3791'					

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

				ottom Ho	Te Botation in E	micrent i rom bu	1000		
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-		32-E	=	60'	NORTH	2309'	WEST	LEA
¹² Dedicated Acres 319.92	¹³ Joint or 1	infill 14Co	onsolidation Cod	e ¹⁵ Ord	cr No.				



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

Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

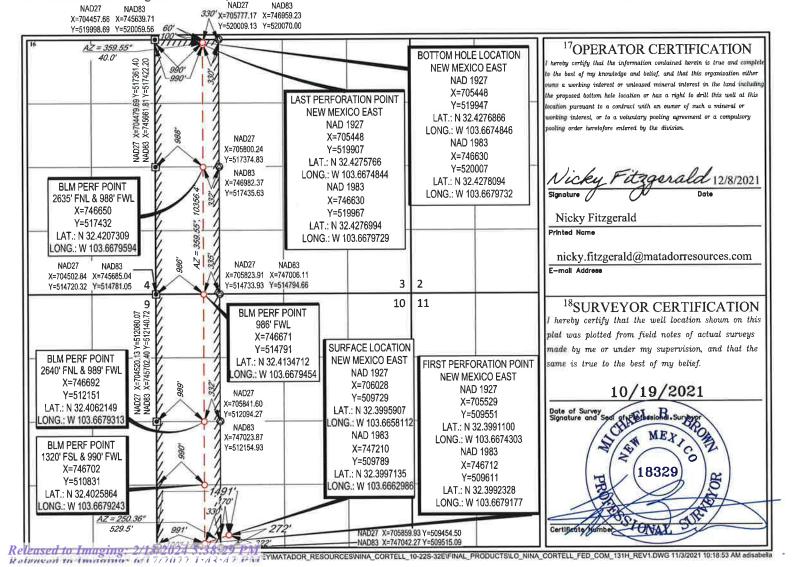
¹ API Number 30-025-50258	² Pool Code 5695	G	
⁴ Property Code 320841		operty Name CTELL FED COM	⁶ Well Number 131H
⁷ OGRID №. 228937		perator Name DUCTION COMPANY	Elevation 3790'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot ldn	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 3 22-S		Range 32-E	Lot Idn —	Feet from the 60'	North/South line NORTH	Feet from the 990'	East/West line WEST	County LEA
¹² Dedicated Acres 319.92	¹³ Joint or I	nfill ¹⁴ Co	onsolidation Cod	e ¹⁵ Orde	r No.				



District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462 State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

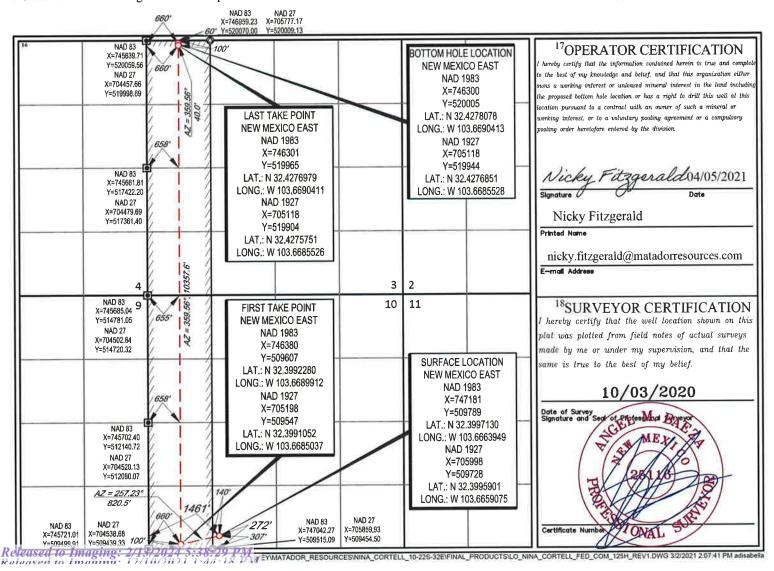
	11 222 20 01111011111										
¹ API Numbe	er	² Pool Code	³ Pool Name								
30-025-49627		5695	BILBREY BASIN; BONE SPRING								
⁴ Property Code		5Pr	operty Name	⁶ Well Number							
320841		NINA COR	TELL FED COM	125H							
⁷ OGRID No.		⁸ O _I	perator Name	Elevation							
228937		MATADOR PRO	DUCTION COMPANY	3789'							

¹⁰Surface Location

UL or lot no.	Section	Township	Range	_ 272'		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

				Ottom 110	ie Doession is p	morement rom our			
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 l	nfill 14Co	onsolidation Cod	e ¹⁵ Ordo	er No.	<u> </u>			



			Pr	oduction Su	mmary Report						
				API: 30-0	25-49629						
			NINA	CORTELL FED	ERAL COM #20	4H					
			Printed	On: Monda	y, October 02 2	023					
	Production Injection										
Year	Par 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	o
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	Jui	11376	8323	15604	11	o	0	0	0	0

Production Summary Report
API: 30-025-50801
NINA CORTELL FEDERAL COM #134H
Printed On: Monday, October 02 2023

			Production					Inj	ection		
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

				Producti	on	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	c	0	0
2023	[98166] WC-025 G-09 S233216K;UPR WOLFCAMP	Apr	18497	35801	69016	27	0	0	C	0	0
2023	[98166] WC-025 G-09 S233216K;UPR WOLFCAMP	May	11329	21943	43450	29	0	0	C	0	0
2023	[98166] WC-025 G-09 S233216K;UPR WOLFCAMP	Jun	11845	24410	42681	30	0	0	c	0	0
2023	[98166] WC-025 G-09 S233216K;UPR WOLFCAMP	Jul	3651	21625	37439	27	0	0	c	0	0

Production Summary Report API: 30-025-50513 NINA CORTELL FEDERAL COM #133H

Printed	On: Monday,	October 0	2 2023
	Om monday,	October of	

		Production						Inj	ection		
Yea	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure
202	3 [5695] BILBREY BASIN;BONE SPRING	Mar	12282	796	70419	15	0	0	0	0	0
202	3 [5695] BILBREY BASIN;BONE SPRING	Apr	17971	30940	62179	28	0	0	0	0	0
202	[5695] BILBREY BASIN;BONE SPRING	May	13274	21494	38455	29	0	0	0	0	0
202	3 [5695] BILBREY BASIN;BONE SPRING	Jun	15767	26291	41743	30	0	0	0	0	0
202	[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

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 1/8th or 12 ½ 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 7/8th 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 2year 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. <u>Nondiscrimination.</u> 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 Compa	<u>ny</u>
	_
Signature of Authorized Agent	
By: Craig N. Adams Executive Vice Presiden	ut
Name & Title of Authorized Agent	
Date:	
ACUNO	
ACKNO	WLEDGEMENT
STATE OF TEXAS)	
COUNTY OF DALLAS)	
O. 41:- 1 f	22 Lafana wasan Natara Balila fantha Casta af
	22, before me, a Notary Public for the State of dams, known to me to be the Executive Vice
President of Matador Production Compa	any, the corporation that executed the foregoing
instrument and acknowledged to me suc	ch corporation executed the same.
(SEAL)	
My Commission Expires	Notary Public

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

<u>MRC</u>	Permian Company	
By:		
	Craig N. Adams Executive V	Vice President
Date:		
	ACK	NOWLEDGEMENT
STATI	E OF TEXAS)	
COUN	TTY OF DALLAS)	
Texas, Preside	personally appeared Craig ent of MRC Permian Compa	_, 2022, before me, a Notary Public for the State of N. Adams, known to me to be the Executive Vice any, the corporation that executed the foregoing he such corporation executed the same.
(SEAL	L)	
My Co	ommission Expires	Notary Public

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

MRC	<u>Permian LKE Company, Li</u>	<u>C</u>
By:		
	Craig N. Adams Executive V	ice President
Date:		
	ACK	NOWLEDGEMENT
STAT	E OF TEXAS)	
COUN	NTY OF DALLAS)	
Texas, Presid	, personally appeared Craig N ent of MRC Permian Compa	2022, before me, a Notary Public for the State of Adams, known to me to be the Executive Vice by, the corporation that executed the foregoing e such corporation executed the same.
(SEAI	2)	
My Co	ommission 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 <u>319.92</u> 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
10	Tract 3 NMNM-086147 Acres 160.00

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 1/8th or 12 ½ 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 7/8th 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 2year 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. <u>Nondiscrimination.</u> 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 Com	<u>npany</u>
Signature of Authorized Agent	
By: Craig N. Adams Executive Vice Presi	<u>ident</u>
Date:	
ACKN	NOWLEDGEMENT
STATE OF TEXAS)	
COUNTY OF DALLAS)	
Texas, personally appeared Craig N. President of Matador Production Con	2023, before me, a Notary Public for the State of Adams, known to me to be the Executive Vice mpany, the corporation that executed the foregoing such corporation executed the same.
(SEAL)	
My Commission Expires	Notary Public

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

MRC Permian Company	<u>Y</u>	
By:		
Craig N. Adams E	xecutive Vice President	
Date:		
	ACKNOWLEDGE	EMENT
STATE OF TEXAS)		
COUNTY OF DALLAS)	
Texas, personally appears President of MRC Permia	ed Craig N. Adams, known	e, a Notary Public for the State of to me to be the Executive Vice on that executed the foregoing on executed the same.
(SEAL)		
My Commission Expires	$ \overline{N}$	otary Public

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

MRC Permian LKE Company, LLC	2
By:	
Craig N. Adams Executive Vic	ce President
Date:	
ACKN	OWLEDGEMENT
STATE OF TEXAS)	
COUNTY OF DALLAS)	
Texas, personally appeared Craig N. President of MRC Permian LKE Cor	2023, before me, a Notary Public for the State of Adams, known to me to be the Executive Vice mpany, LLC, the corporation that executed the ged 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 <u>319.92</u> 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
10	Tract 3 NMNM-086147 Acres 160.00

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 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

Received by OCD: 11/15/2023 12:55:37 PM

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:

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

Released to Imaging: 2/13/2024 5:38:29 PM

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.

- 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 1/8th or 12 ½ 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 7/8th 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. <u>Nondiscrimination.</u> 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.

Received by OCD: 11/15/2023 12:55:37 PM

Name	Jonathan Filbert	RH
Title:	Senior Vice President - Land	Pdd
CORPO	PRATE ACKNOWLEDGEM	ENT
STATE OF TEXAS)		
COUNTY OF DALLAS)		
On this day of OCTO DCC personally appeared Jonathan Filbert, known Production Company, a Texas corpora	own to me to be the Senior Vic	
8/24/2075 My Commission Expires	Notary Public JAIME JA Notary My Com	KEWAY GRAINGER ID #131259323 mission Expires list 24, 2025

Released to Imaging: 2/13/2024 5:38:29 PM

OPERATOR: MATADOR PRODUCTION COMPANY

Name: Jonathan Filbert

Date: 10 30 31

Released to Imaging: 2/13/2024 5:38:29 PM

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

MRC PERMIAN COMPANY

Date: 10 20 2

Name: Jonathan Filbert

By:

Title: Senior Vice President - Land

MRC PERMIAN LKE COMPANY, LLC

Date: 10 20 2

Name: Jonathan Filbert

Title: Senior Vice President - Land

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS COUNTY OF DALLAS

day of OCTOBU 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.

JAIME JAKEWAY GRAINGER Notary ID #131259323 My Commission Expires August 24, 2025

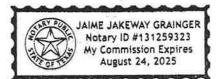
CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS **COUNTY OF DALLAS**

On this day of other Dead, 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.

Received by OCD: 11/15/2023 12:55:37 PM



Notary Public

Received by OCD: 11/15/2023 12:55:37 PM

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

	
Date:	By:
·	Name:
	Title:
	CORPORATE ACKNOWLEDGEMENT
STATE OF)
STATE OF)
On this day of	, 2021, before me, a Notary Public for the State of, personally
of	, known to me to be the on behalf of said corporation.
My Commission Expires	Notary Public
	ACKNOWLEDGMENT
STATE OF)
STATE OF)
On thisday of appeared document in his/her official of	, 2021, before me, a Notary Public for the State of, personally, who acknowledged to me that he/she executed this sai apacity.
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

PH

BYY

EXHIBIT "A"

Plat of communitized area covering <u>319.92</u> 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

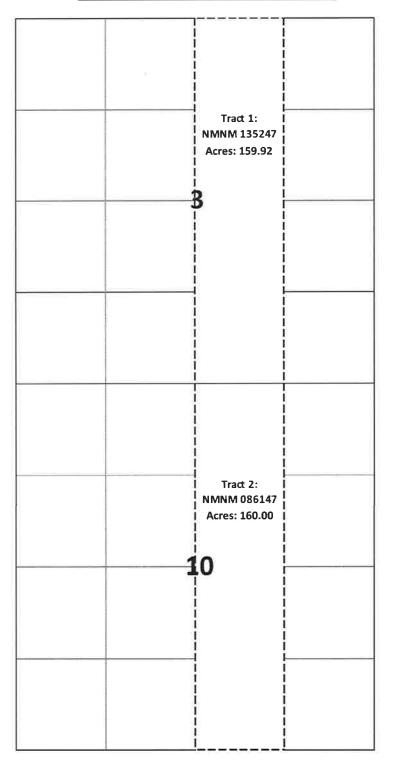


EXHIBIT "B"

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%

Received by OCD: 11/15/2023 12:55:37 PM

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

<u>ORDER</u>

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.

<u>ORDER</u>

- 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.
- The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 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.
- 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.
- 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

Received by OCD: 11/15/2023 12:55:37 PM

Exhibit "A"

	TION 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 EXHIBIT /
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	Nina Cortell Fed. Com. Well No. 127H, API No. Pending
bottom hole location, footages,	SHL: 244 FSL and 1230 FEL (Unit P) §10-225-32E
completion target, orientation,	BHL: 60 feet FNL and 1980 feet FEL (Unit B) §3-22S-32E
ompletion status (standard or non- FTP: 100 FSL & 1980 FEL §10	
standard)	LTP: 100 FNL & 1980 FEL §3
	Bone Spring Sand/TVD 10850 feet/MD 21114 feet

Received by OCD: 11/15/2023 12:55:37 PM

†	1
Horizontal Well First and Last Take	See above
Points	
Completion Target (Formation, TVD and	See above
MD)	
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
Channels of Contrat with Non-Island	
Chronology of Contact with Non-Joined	Fullihita C A
Working Interests	Exhibit C-4
Overhead Rates In Proposal Letter Cost Estimate to Drill and Complete	\$8000/\$800 Exhibit C-5
Cost Estimate to Drill and Complete 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	
HSU Cross Section	Bone Spring Exhibit D-3
Depth Severance Discussion	
Forms, Figures and Tables	Not Applicable
C-102	Evhibit C 1
C-10Z	Exhibit C-1

Received by OCD: 11/15/2023 12:55:37 PM

- 1	-
	_
	-
- 2	-
- 6	٦,
	-
- 6	7
	٠, ١
	٠,
- 6	×
	_
•	\sim
	73
	٠,
- 1	-
	٠,
٠,	4
- (N
- 2	_
- 8	
	_
- (N
	\sim
	٠,
- 7	-
	<u>_</u>
-	N
•	1
•	. '
•	
•	
•	6
	. 0
•	.611
	.ou
	.ou
	ound.
	ound.
	COLLOD
	SUISUU
	SUISDU
	SUISDU
	SUISUU
	magning
	magning
	o Imagino:
	magning
	to Imaging.
	to Imaging.
	d to Imaging:
	ed to Imaging:
	ed to Imaging:
	ed to Imaging:
	ed to Imaging:
	ased to Imaging.
	ased to Imaging.
	eased to Imaging.
	eased to Imaging.
	eleased to Imaging.
	eleased to Imaging.
	eased to Imaging.

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	/I. K.,
Representative):	James Muy
Date:	April 6, 2021

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 1/8th or 12 ½ 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 7/8th 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 2year 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. <u>Nondiscrimination</u>. 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**) 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.	<u>Permian LKE Company, LL</u>	<u>.c</u>
By:		
Date:	Craig N. Adams Executive V Print Name	ice President
	ACK	NOWLEDGEMENT
	E OF TEXAS) JTY OF DALLAS)	
On this Texas, Preside	sday of personally appeared Craig N ent of MRC Permian LKE Co	, 2022, before me, a Notary Public for the State of Adams, known to me to be the Executive Vice ompany, LLC, the corporation that executed the dged to me such corporation executed the same.
(SEAL	.)	
My Co	ommission Expires	Notary Public

EXHIBIT "A"

Plat of communitized area covering <u>319.92</u> 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

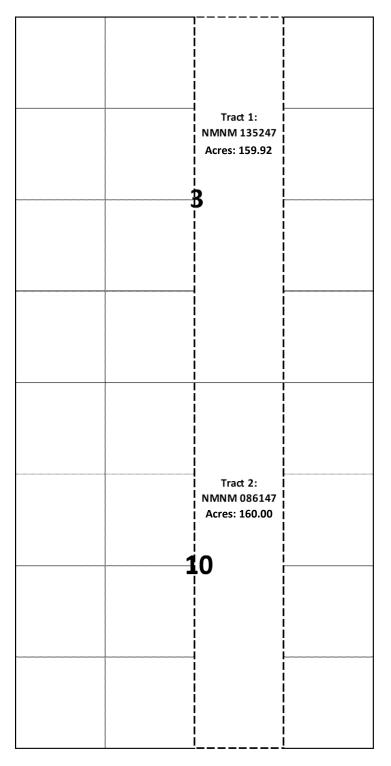


EXHIBIT "B"

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 1/8th or 12 ½ 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 7/8th 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 2year 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. <u>Nondiscrimination.</u> 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 Com	<u>npany</u>
Signature of Authorized Agent	
By: Craig N. Adams Executive Vice Presi	<u>ident</u>
Date:	
ACKN	NOWLEDGEMENT
STATE OF TEXAS)	
COUNTY OF DALLAS)	
Texas, personally appeared Craig N. President of Matador Production Co.	2023, before me, a Notary Public for the State of Adams, known to me to be the Executive Vice mpany, the corporation that executed the foregoing such corporation executed the same.
(SEAL)	
My Commission Expires	Notary Public

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

MRC .	<u>Permian Company</u>	
By:		
Date:	Craig N. Adams Executive V	ice President
	ACK	NOWLEDGEMENT
STAT	E OF TEXAS)	
COUN	NTY OF DALLAS)	
Texas, Preside	personally appeared Craig Nent of MRC Permian Compa	J. Adams, known to me to be the Executive Vice my, the corporation that executed the foregoing e such corporation executed the same.
(SEAL	L)	
My Co	ommission 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 <u>319.92</u> 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		
Tract 2 VC-0075 Acres 80.00	3	
Tract 3 NMNM- 055952 Acres 40.00		
	i	
Tract 4 NMNM- 141008 Acres 40.00	1	0

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 1/8th or 12 ½ 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 7/8th 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 2year 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. <u>Nondiscrimination.</u> 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 Compa	<u>ny</u>
	_
Signature of Authorized Agent	
By: Craig N. Adams Executive Vice Presiden	ut
Name & Title of Authorized Agent	
Date:	
ACUNO	
ACKNO	WLEDGEMENT
STATE OF TEXAS)	
COUNTY OF DALLAS)	
O. 41:- 1 f	22 Lafana wasan Natana Balila fantha Casa a f
	23, before me, a Notary Public for the State of dams, known to me to be the Executive Vice
President of Matador Production Compa	any, the corporation that executed the foregoing
instrument and acknowledged to me suc	ch 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	e President
Date:	
A CIVAN	
ACKN	OWLEDGEMENT
STATE OF TEXAS)	
COUNTY OF DALLAS)	
Texas, personally appeared Craig N. A	2023, before me, a Notary Public for the State of Adams, known to me to be the Executive Vice, the corporation that executed the foregoing such corporation executed the same.
(SEAL)	
My Commission Expires	Notary Public

WORKING INTEREST OWNERS

AND/OR LESSEES OF RECORD

<u> MRC Permian LKE Company, LLC</u>		
By:		
<u>Craig N. Adams</u> Print Name		
Date:		
Acknowledgmen	t in a Representative Capacity	
STATE OF <u>TEXAS)</u>	§	
COUNTY OF <u>DALLAS</u>)	§	
This instrument was acknowled Craig N. Adams, as Executive Vice of said corporation.	dged before me on	, 2023, by mpany on behalf
	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 <u>319.92</u> 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	3	
Tract 3 NMNM- 055952 Acres 40.00		
	ł	
Tract 4 NMNM- 141008 Acres 40.00	1	0

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," 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 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 1	Lot 3, SE/4NV	V/4, E/2SW/4 of Section 3 and the E/2W/	/2 of Section 10
Sect(s) 3&10	, T <u>22S</u> , F	R_32E_, NMPM, <u>Lea</u>	County, NM
containing	319.92	_acres, more or less, and this agreemen	t shall include only the Bone
Spring Forma	ation or pool,	underlying said lands and the oil & gas	(hereinafter referred to as
"communitize	ed substances") producible from such formation.	

ONLINE
version
August 2021
Released to Imaging: 2/13/2024 5:38:29 PM

- 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.

version
August 2021
Released to Imaging: 2/13/2024 5:38:29 PM

- 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.
- 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	
ACKNOWL	LEDGEMENT
STATE OF <u>TEXAS</u>)	§
COUNTY OF <u>DALLAS</u>)	§
This instrument was acknowledged before Adams, as Executive Vice President for Ma corporation.	me on, 2023, by Craig N. atador Production Company, on behalf of said
	Signature
	Name (Print) My commission expires

State/Fed/Fee

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

MRC Permian Company		
By:		
Craig N. Adams Print Name		
Date:		
Acknowledgme	nt in a Representative Capacity	
STATE OF TEXAS)	§	
COUNTY OF <u>DALLAS</u>)	§	
This instrument was acknowledged Adams, as Executive Vice President, for	before me on, MRC Permian Company on behalf of	2023, by Craig N 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		
Tract 2 VC-0075 Acres 80.00		3
Tract 3 NMNM- 055952 Acres 40.00		
Tract 4 NMNM- 141008 Acres 40.00	1	0
Tract 5 NMNM- 086147 Acres 80.00	1	O

State/Fed/Fee

7

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

Township 22 South, Range 32 East, **Description of Land Committed:**

Section 3: E/2SW/4

Subdivisions:

Number of Acres: 80.00

1/5th **Royalty Rate:**

Name and WIOwners: 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%

State/Fed/Fee

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," 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 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 to	he				
Wolfcamp Formation or pool, underlying said lands and the oil & gas (hereinafter refer	rred to as				
"communitized substances") producible from such formation.					

version
August 2021

Released to Imaging: 2/13/2024 5:38:29 PM

State/Fed/Fee

- 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.

version
August 2021
Released to Imaging: 2/13/2024 5:38:29 PM

- 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

4

- 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.
- 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.

State/Fed/Fee

Operator: <u>Matador Production Company</u>	
By: Craig N. Adams – Executive Vice Presiden Name & Title of Authorized Agent	<u>t</u>
Signature of Authorized Agent	
ACKNOW	LEDGEMENT
STATE OF TEXAS)	§
COUNTY OF <u>DALLAS</u>)	§
This instrument was acknowledged before Adams, as Executive Vice President for M corporation.	e me on, 2023, by Craig N. atador Production Company, on behalf of said
	Signature
	Name (Print) My commission expires

State/Fed/Fee

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

MRC Permian Company		
By:		
Craig N. Adams Print Name		
Date:		
Acknowledg	ment in a Representative Capacity	
STATE OF <u>TEXAS</u>)	§	
COUNTY OF <u>DALLAS</u>)	§	
This instrument was acknowledge Adams, as Executive Vice President,	ged before me on	2023, by Craig N . aid corporation.
	Signature	
	Name (Print) My commission expires	
	wiy commission expires	

WORKING INTEREST OWNERS

AND/OR LESSEES OF RECORD

MRC Permian LKE Company, LLC		
By:		
Craig N. Adams Print Name		
Date:		
Acknowledg	ment in a Representative Capacity	
STATE OF <u>TEXAS</u>)	§	
COUNTY OF <u>DALLAS</u>)	§	
This instrument was acknowled Adams, as Executive Vice President,	ged before me on, 2023, by Crain for MRC Permian Company on behalf of said corporation	ig N on.
	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	2	
Tract 2 VC-0075 Acres 80.00	3	
Tract 3 NMNM- 055952 Acres 40.00		
Tract 4 NMNM- 141008 Acres 40.00	1	0
Tract 5 NMNM- 086147 Acres 80.00	1	O

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

5 Years Lease Term:

Lessor: State of New Mexico

Present Lessee: MRC Permian Company

Township 22 South, Range 32 East, **Description of Land Committed:**

Section 3: E/2SW/4

Subdivisions:

Number of Acres: 80.00

1/5th **Royalty Rate:**

Name and WIOwners: 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

MRC Permian Company **Name of Working Interest Owners:**

> 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%

State/Fed/Fee

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

January 7th, 2022

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

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,

Stephanie Garcia Richard Commissioner of Public Lands

Stephens Quar Richard/5(

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 on 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.

COMMISSIONER OF PUBLIC LANDS

of the State of New Mexico

Sephenne Carcia Rich

NM State Land Office Oil, Gas, & Minerals Division

STATE/FEDERAL OR STATE/FEDERAL/FEE

Revised Feb. 2013

ONLINE Version COMMUNITIZATION AGREEMENT

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," 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 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 cov	vered b	y this agre	eement	(hereir	nafter referred to a	as ''communitiz	zed area'') :	are desc	ribed as foll	ows:
Subdivisions	W/2	W/2 of Se	ections	3 & 1	10, Township 22	South, Ran	ge 32 Eas	t		
Sect_3&10_	, T	22S	_, R_	32E	, NMPM <u>Le</u>	a County NN	A containi	ng 319	<u>.92</u> acres,	more
or less, and th	is agre	eement sl	nall inc	lude o	only the Bone S	oring Format	ion under	lying sa	aid lands ar	nd the
natural gas	and	associat	ted lie	quid	hydrocarbons	(hereinafter	referred	to as	"commun	itized
substances") ¡	produc	cible fron	n such	forma	tion.					

- 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.
- The date of this agreement is September Month 1st Day, 2021 Year, and it shall become 10. 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. <u>Nondiscrimination</u>: 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

Name: Jonathan Filbert

Title: Senior Vice President - Land

ONLINE version February 2013

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 Notary ID #132990511 My Commission Expires March 23, 2025

Signature

Preston Cazale

Name (Print)

My commission expires 3/23/2025

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

MRC PERMIAN COMPANY

Date: 9/21/2021

Name: Jonathan Filbert

Title: Senior Vice President - Land

MRC PERMIAN LKE COMPANY, LLC

Date: 9/21/2021

Jonathan Filbert

Title: Senior Vice President - Land

2021 SEP 28 AM 8: 417 SEP 28 AM 8: 17

State/Fed/Fee

CORPORATE ACKNOWLEDGEMENT

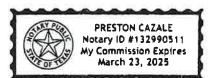
STATE OF TEXAS)

Ş

COUNTY OF DALLAS)

Ş

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.



Signature
Preston Cazale

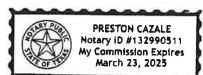
My commission expires 3/23/2025

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.



Signature
Reston Cazale

My commission expires 3/23/2025

5051 SEP 28 AM 8: 17

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

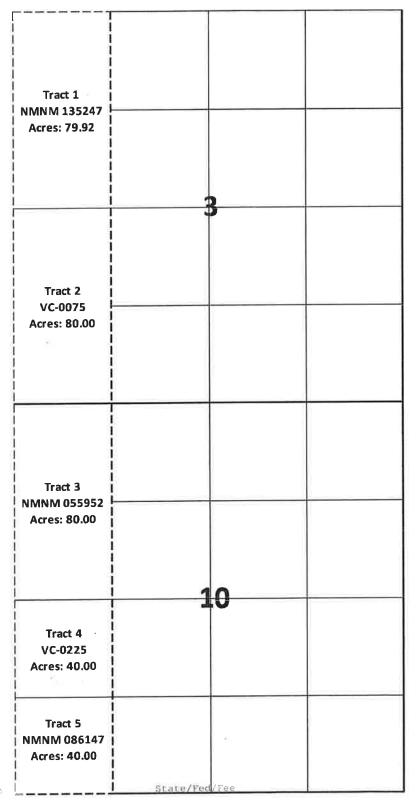
,	
Date:	Ву:
	Name:
	Title:
	CORPORATE ACKNOWLEDGEMENT
STATE OF	
COUNTY OF)
On this day of	, 2021, before me, a Notary Public for the State of, personally known to me to be the
of	, known to me to be the, on behalf of said corporation.
My Commission Expires	Notary Public
	ACKNOWLEDGMENT
STATE OF	
COUNTY OF)
appeared	, 2021, before me, a Notary Public for the State of, personally, who acknowledged to me that he/she executed this
said document in his/her office	cial capacity.
My Commission Expires	Notary Public

3031 SEP 28 AM 8: 17

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



ONLINE version February 2013

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: N

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



Received by OCD: 11/15/2023 12:55:37 PM

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 0 7 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.

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

Sincerely,

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

Received by OCD: 11/15/2023 12:55:37 PM

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 0 7 2019

James Glover

Supervisory Geologist

Branch of Reservoir Management

Division of Minerals

Effective: January 4, 2019

Contract No.: Com. Agr. NMNM139606

RECEIVED

Federal Communitization Agreement

Contract No. NMNM139606

JAN 31 2019 BLM, NMSO SANTA FE

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 <u>Bone Spring Formation</u> 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.

- The Operator of the communitized area shall be Matador Production Company, 5400 LBJ 3. 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.
- Operator shall furnish the Secretary of the Interior, or his authorized representative, with 4. 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.
- The communitized area shall be developed and operated as an entirety, with the 5. 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.
- The royalties payable on communitized substances allocated to the individual leases 6. 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.
- There shall be no obligation on the lessees to offset any well or wells completed in the 7. 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.

Received by OCD: 11/15/2023 12:55:37 PM

- 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.
- The date of this agreement is January 4, 2019, and it shall become effective as of this date 10. 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. <u>Nondiscrimination.</u> 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

sy: _____

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 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:

-1021

)

)

Notary Public

Received by OCD: 11/15/2023 12:55:37 PM

JAIME GRAINGER
Notary Public, State of Texas
Comm. Expires 08-24-2021
Notary ID 131259323

WORKING INTEREST OWNER/RECORD TITLE OWNER:

Date: 1-4-19	By:
	Name: Craig N. Adams
	Title: Executive Vice President, Land, Legal and Administration
	MRC PERMIAN LKE COMPANY, LLC
Date: 1-4-19	By:
	Name: Craig N. Adams CHOW
	V

Title: Executive Vice President, Land, Legal and Administration

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS)	
COUNTY OF DALLAS)	N =
	President – Land	before me this <u>H</u> day of <u>January</u> , 2019 by d, Legal and Administration of MRC PERMIAN corporation.
My Commission Expires: $\sqrt{2-24}$	1-2021	Notary Public Mranger
JAIME GRAINGER Notary Public, State of Texa Comm. Expires 08-24-2021 Notary ID 131259323	s	V
COR	PORATE ACK	NOWLEDGEMENT
STATE OF TEXAS)	
COUNTY OF DALLAS)	N
	esident – Land, L	before me this day of Januam, 2019 by Legal and Administration of MRC PERMIAN LKE
My Commission Expires: 8-24	-2021	Notary Public Vaings
JAIME GRAINGER Notary Public, State of T Comm. Expires 08-24-2 Notary ID 13125932	exas 021	V

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

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

Tract 2

Lease Date:

April 1, 2017

Recorded:

Unrecorded (State Lease – VC-0075)

Lessor:

The United States of America

ment 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:

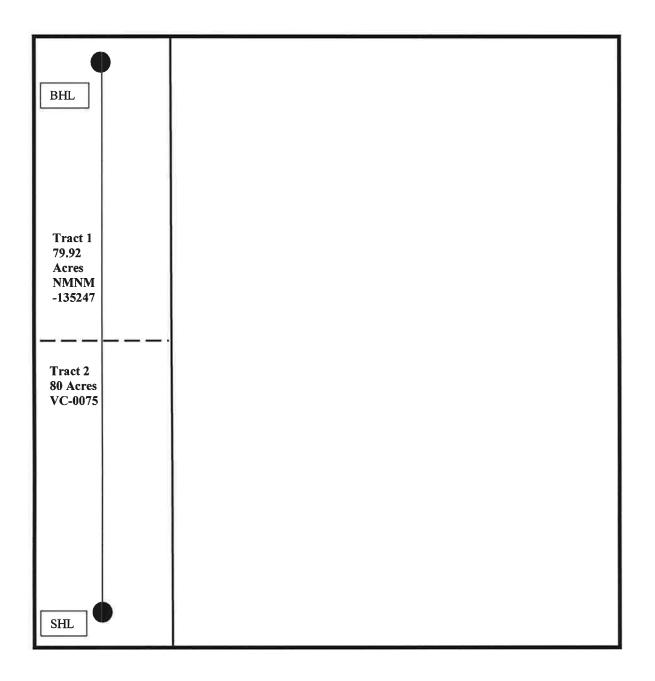
80 acres

RECAPITULATION

Tract No.	Acreage Committed	Percentage of Interest
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," 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 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 refe	erred to as	
"communitized substances") producible from such formation		

ONLINE

- 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.

version
August 2021
Released to Imaging: 2/13/2024 5:38:29 PM

3

- 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.
- 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.

State/Fed/Fee

Operator: <u>Matador Production Company</u>	
By: Craig N. Adams – Executive Vice Presiden Name & Title of Authorized Agent	<u>t</u>
Signature of Authorized Agent	
ACKNOW	LEDGEMENT
STATE OF <u>TEXAS</u>)	§
COUNTY OF <u>DALLAS</u>)	§
This instrument was acknowledged befor Adams, as Executive Vice President for M corporation.	re me on, 2023, by Craig N. Iatador Production Company, on behalf of said
	Signature
	Name (Print) My commission expires
	wry commission expires

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

MRC Permian Company		
By:		
Craig N. Adams Print Name		
Date:		
Acknowled	gment in a Representative Capacity	
STATE OF <u>TEXAS</u>)	§	
COUNTY OF <u>DALLAS</u>)	§	
This instrument was acknowle Adams, as Executive Vice President	for MRC Permian Company on behalf of said cor	by Craig N. poration.
	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:		
Acknowledg	ment in a Representative Capacity	
STATE OF TEXAS)	§	
COUNTY OF <u>DALLAS</u>)	§	
This instrument was acknowledge Adams, as Executive Vice President, corporation.	ged before me on, 20 for MRC Permian LKE Company, LLC	023, by Craig No. on behalf of said
	Signature	
	Name (Print) My commission expires	

EXHIBIT "A"

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

Nina Cortell Fed Com #211H/#215H

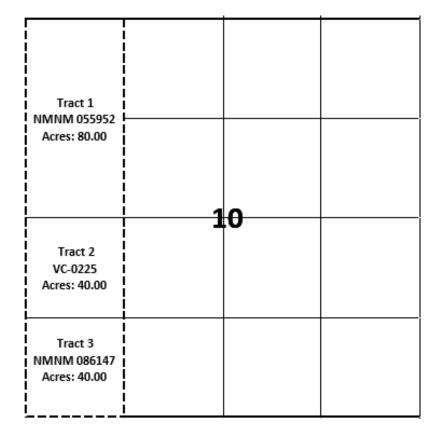


EXHIBIT B

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

Township 22 South, Range 32 East, **Description of Land Committed: Subdivisions:**

Section 10: W/2NW/4

Number of Acres: 80.00

MRC Permian Company Name and WIOwners:

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

Township 22 South, Range 32 East, **Description of Land Committed: Subdivisions:**

Section 10: NW/4SW/4

Number of Acres: 40.00

1/5th **Royalty Rate:**

Name and WIOwners: MRC Permian Company

TRACT NO. 3

Lease Serial No.: NMNM-086147

Lessor: Bureau Land Management

Present Lessee: MRC Permian Company

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

Number of Acres: 40.00

Name and WIOwners: 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%

State/Fed/Fee

Federal Communitization Agreement

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 1/8th or 12 ½ 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 7/8th 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. <u>Nondiscrimination.</u> 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 I	PRODUCTION COMPANY
Date:	By:
	Name: Jonathan Filbert
	Title: Senior Vice President - Land
	CORPORATE ACKNOWLEDGEMENT
STATE OF TEXAS)
COUNTY OF DALLAS)
personally appeared Jonathan	, 2023, before me, a Notary Public for the State of Texas, Filbert, known to me to be the Senior Vice President - Land of Matado was corporation, on behalf of said corporation.
My Commission Expires	Notary Public

WORKING INTEREST OWNERS

AND/OR LESSEES OF RECORD

MRC PERMIAN COMPANY Date: _____ Name: Jonathan Filbert Title: Senior Vice President - Land MRC PERMIAN LKE COMPANY, LLC By: _____ Date: 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,

Notary Public

My Commission Expires

a Texas corporation, on behalf of said corporation.

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

Date:	By:
	Name:
	Title:
	CORPORATE ACKNOWLEDGEMENT
STATE OF)
STATE OFCOUNTY OF)
On this day of	, 2023, before me, a Notary Public for the State of, personally, known to me to be the, on behalf of said corporation.
of	, on behalf of said corporation.
My Commission Expires	Notary Public
	ACKNOWLEDGMENT
STATE OF	
COUNTY OF)
On thisday of	, 2023, before me, a Notary Public for the State of, personally, who acknowledged to me that he/she executed this said capacity.
document in his/her official o	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 <u>160</u> 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

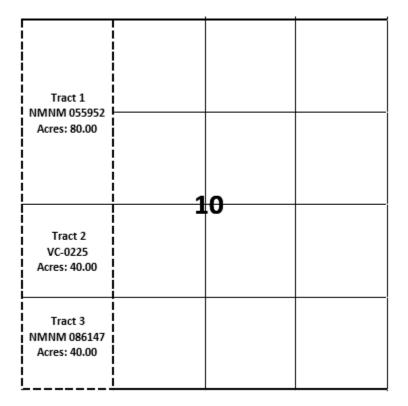


EXHIBIT "B"

Attached to and made a part of that certain Communitization Agreement Dated <u>January</u> 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.: 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. 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
	3100 Lantana Lane			
Abyss Inc		Midland	TX	79705-1600
	PO Box 3327			
Adley Properties LLC		Midland	TX	79702-3327
	710 Christopher Dr.			
Adrian L. Dawe		Pleasant Hill	МО	64080
	Burnett Plaza - Suite 1500, 801 Cherry			
Anne W. Grimes, Trustee of the Marion 2011 Family Trust	Street, Unit #9	Fort Worth	TX	76102-6881
Benco Energy, Inc.	P.O. Box 29	Fort Worth	TX	76101
	PO Box 1260			
BJF Energy LLC		Fort Worth	TX	76101
Bureau of Land Management	310 Dinosaur Trail	Santa Fe	NM	87508
	5 Westover Rd			
BURTEX INVESTMENTS II LP		Fort Worth	ТХ	76107-3104
	P.O. Box 11025			
Capstan Properties LP		Midland	ТХ	79702
	2204 NE Chipman Rd.			
Christopher A. Broderick	·	Lees Summit	МО	64063
	3824 Cedar Springs Rd # 414			
Collins Permian LP		Dallas	ТХ	75219-4136
	600 W Illinois Ave			
ConocoPhillips Company		Midland	ТХ	79701
,	PO Box 1761			
CTH Royalties, LLC		Aledo	TX	76008-1761
Curtis A. Anderson and Edna I. Anderson, Trustees of the				
Edna and Curtis Anderson Revocable Trust dated August 31	, 9314 Cherry Brook Lane			
2021		Frisco	ТХ	75033
	P.O. Box 2475			
Daniel E. Gonzales, whose marital status is unknown		Santa Fe	NM	87504
	309 Matern Court		11111	
Dehlinger Revocable Trust		Horseshoe Bay	TX	78657-5883
- 0	20230 Atascocita Lake Dr.	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		1222
Dianne Mary Gamache Truitt		Humble	TX	77346
	500 W Wall Ste 300		177	7,340
Elberta M Royalty, LLC		Midland	TX	79701-5093

EXHIBIT

6

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

Marion 2011 Family Trust Anne W Grimes, Trustee	801 Cherry St, Unit 9			
c/o Burnett Oil Company		Fort Worth	TX	76102-6881
Marjean Martin Murphy Heritage Tr Marjean Martin	4374 Ranger Creek rd			
Murphy Trustee		Boerne	TX	78006-8167
	2004 Humble Ave			
McCurdy Energy LLC		Midland	TX	79705
	Post Office Box 51570			
MHM Resources, LP		Midland	TX	79710
	5400 LBJ Freeway Ste 1500			
MRC Permian Company	· ·	Dallas	TX	75240
	5400 LBJ Freeway Ste 1500			
MRC Permian LKE Company, LLC	· ·	Dallas	TX	75240
	P O Box 1148			
New Mexico State Land Office		Santa Fe	NM	87504
	PO Box 51908			
NM Royalty, LLC		Midland	TX	51908
	P. O. Box 50820			
Oak Valley Mineral and Land LP		Midland	TX	79710
	PO Box 25627			
Office of Natural Resources		Denver	со	80225-0627
	707 N Carrizo			
Osprey Oil and Gas, LLC		Midland	TX	79701-3240
Patsy Mills Baker, Trustee of The Patsy Mills Baker GST	901 West 8th Street			10.02.02.0
Trust		Idalou	TX	79329
	P.O. Box 2487	10000		
Pheasant Energy, LLC	101 - 01 - 101	Fort Worth	TX	76113
	34 S Wynden Dr Ste 210			
Post Oak Crown Minerals LLC	,	Houston	TX	77056-2531
	820 Pine St Gold HL			
Richard C & Breida Geesaman		Boulder	со	80302-8757
Indiana o di Diola o di Silana	804 Park Vista Circle	200.000		00002 0707
RICHARD K. BARR FAMILY TRUST BEVERLY J. BARR, TRUST		Southlake	TX	76092
The state of the s	14315 Marks Way	- Courtinante	1.71	7 000 =
Richard Ward Kaucher		Cypress	TX	77429
	P.O. Box 733	0, p. 000	177	77.25
Robert G. Hooper		Roswell	NM	88202
Robert G. Hooper		Roswell	NM	88202

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

	333 West Sheridan Ave.			
WPX Energy Permian, LLC		Oklahoma City	ОК	73102



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,

Paula M. Vance

ATTORNEY FOR MATADOR PRODUCTION

COMPANY

						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497728399	1220 Minerals LLC	306 W 7th St Ste 901	Fort Worth	TX	76102-4929	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497728344	Abyss Inc	3100 Lantana Ln	Midland	TX	79705-1600	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497728337	Adley Properties LLC	PO Box 3327	Midland	TX	79702-3327	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497728375	Adrian L. Dawe	710 Christopher Dr	Pleasant Hill	мо	64080-1083	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
	Anne W. Grimes, Trustee of the Marion	Burnett Plaza - Suite 1500,801				provided when USPS receives the
9402811898765497728016	2011 Family Trust	Cherry Street, Unit 9	Fort Worth	TX	76102-6815	package; contact the shipper or shipping
3 102011030703 137720010		enerry en eet, ennee	Tore worth	170	70102 0013	A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497728054	Benco Energy Inc	PO Box 29	Fort Worth	TX	76101-0029	package; contact the shipper or shipping
9402811838703437728034	Defice Effergy, fric.	1 0 BOX 25	TOTE WOTEH	17		A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497728023	BIE Enorgy II C	PO Box 1260	Fort Worth	TX	76101-1260	package; contact the shipper or shipping
3402811838703437728023	BJF LITET BY LLC	FO BOX 1200	FOIL WOILII	17	70101-1200	A shipping label has been prepared for
						your item. A delivery date will be
0.403.01.100.07.05.40.773.0000	Durana of Land Managarana	310 Dia a a a Taril	Camba Fa	NIN 4	07500	provided when USPS receives the
9402811898765497728009	Bureau of Land Management	310 Dinosaur Trail	Santa Fe	NM	87508	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
		L				provided when USPS receives the
9402811898765497728092	BURTEX INVESTMENTS II LP	5 Westover Rd	Fort Worth	TX	/610/-3104	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497728047	Capstan Properties LP	PO Box 11025	Midland	TX	79702-8025	package; contact the shipper or shipping

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

						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497728436	HUNT OIL COMPANY	1900 N Akard St	Dallas	TX	75201-2729	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497728474	J. Hiram Moore, LTD	16400 Dallas Pkwy Ste 400	Dallas	TX	75248-2643	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497728511	Jack Lowry	15001 Spencer Mountain Dr	Jones	ОК	73049-8606	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497728559	James Edward Kaucher	20602 Laverton Dr	Katy	TX	77450-1914	package; contact the shipper or shipping
						A shipping label has been prepared for
	James Gordon DeBlois and Linda DeBlois,					your item. A delivery date will be
	Trustees of The DeBlois Revocable Trust					provided when USPS receives the
9402811898765497728528	dated July 16, 2008	5300 Cortaderia Pl NE	Albuquerque	NM	87111-8058	package; contact the shipper or shipping
			<u> </u>			A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497728504	Janice Eubank Tumlinson	5717 E. County Road	Midland	TX	79706	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497728542	Jean Ann Tully Stell	1611 Live Oak Pl	Carlsbad	NM	88220-4103	package; contact the shipper or shipping
	·					A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497728580	JSG Energy LLC	6500 Homestead Blvd	Midland	TX	79707-5080	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497728535	Judson Exploration LP	PO Box 2052	Midland	TX	79702-2052	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727217	Judson Land and Minerals LP	PO Box 2052	Midland	TX	79702-2052	package; contact the shipper or shipping
5 .52611656, 65457727217	Jacob Land and Hillerald El	. C 30X 2032	imaiana	1.7	. 3. 32 2032	passage, contact the shipper of shipping

						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727262 J\	VO, LLC	5910 N Central Expy Ste 1470	Dallas	TX	75206-5136	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727200 J\	WD Resources, LLC	PO Box 51908	Midland	TX	79710-1908	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727293 K	Cathleen L. George	2004 SW Brighton PI	Blue Springs	МО	64015-7157	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727248 K	(FD Energy LLC	PO Box 1260	Fort Worth	TX	76101-1260	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727286	JA Charitable Investments LLC	1717 West Loop S Ste 1800	Houston	TX	77027-3049	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727231 Ly	.yra Properties LLC	PO Box 3970	Decatur	GA	30031-3970	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727279 M	√lagic Dog Oil & Gas	PO Box 10708	Midland	TX	79702-7708	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
l N	Marion 2011 Family Trust Anne W Grimes					provided when USPS receives the
9402811898765497727811 T	Frustee c/o Burnett Oil Company	801 Cherry St Unit 9	Fort Worth	TX	76102-6803	package; contact the shipper or shipping
		·				A shipping label has been prepared for
						your item. A delivery date will be
l N	Marjean Martin Murphy Trustee Marjean					provided when USPS receives the
		4374 Ranger Creek Rd	Boerne	TX	78006-8167	package; contact the shipper or shipping
	, , ,					A shipping label has been prepared for
						your item. A delivery date will be
		1				provided when USPS receives the
						provided when USPS receives the

						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727828	MHM Resources, LP	PO Box 51570	Midland	TX	79710-1570	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727804	MRC Permian Company	5400 Lbj Fwy Ste 1500	Dallas	TX	75240-1017	package; contact the shipper or shipping
		, ,				A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727897	MRC Permian LKE Company, LLC	5400 Lbj Fwy Ste 1500	Dallas	TX	75240-1017	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727842	New Mexico State Land Office	PO Box 1148	Santa Fe	NM	87504-1148	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727880	NM Royalty, LLC	PO Box 51908	Midland	TX	79710-1908	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727835	Oak Valley Mineral and Land LP	PO Box 50820	Midland	TX	79710-0820	package; contact the shipper or shipping
	,					A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727873	Office of Natural Resources	PO Box 25627	Denver	со	80225-0627	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727712	Osprev Oil and Gas. LLC	707 N Carrizo St	Midland	TX	79701-3240	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
	Patsy Mills Baker, Trustee of The Patsy					provided when USPS receives the
9402811898765497727750	Mills Baker GST Trust	901 W 8th St	Idalou	TX	79329-9058	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727767	Pheasant Energy, LLC	PO Box 2487	Fort Worth	TX	76113-2487	package; contact the shipper or shipping
3 .52522557 55757727707		. 5 DOX 2 107	1. O.C. WOLLI		. 0113 2-07	passage, contact the shipper of shipping

						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727729	Post Oak Crown Minerals LLC	34 S Wynden Dr Ste 210	Houston	TX	77056-2531	package; contact the shipper or shipping
						Your item arrived at our USPS facility in
						DENVER CO DISTRIBUTION CENTER on
						November 14, 2023 at 4:47 pm. The item
9402811898765497727705	Richard C & Breida Geesaman	820 Pine St Gold HI	Boulder	СО	80302-4744	is currently in transit to the destination.
						A shipping label has been prepared for
						your item. A delivery date will be
	BEVERLY J. BARR, TRUSTEE RICHARD K.					provided when USPS receives the
9402811898765497727798	BARR FAMILY TRUST	804 Park Vista Cir	Southlake	TX	76092-4342	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727743	Richard Ward Kaucher	14315 Marks Way	Cypress	TX	77429-3748	package; contact the shipper or shipping
		,	- / P			A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727781	Robert G. Hooper	PO Box 733	Roswell	NM	88202-0733	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727736	Robert Peter Kaucher	3425 Foxridge Dr	Colorado Springs	со	80916-3398	package; contact the shipper or shipping
3 102011030703 137727730	I Committee in the comm	o izo i omiage zi	colorado opringo		00310 3330	A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727774	Shumana Exploration LP	PO Box 3970	Decatur	GA	30031-3970	package; contact the shipper or shipping
3402011030703437727774	Shamana Exploration Er	1 0 BOX 3370	Decutui	U/ C	30031 3370	A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727910	Sitio Permian II C	1401 Lawrence St Ste 1750	Denver	СО	80202-3074	package; contact the shipper or shipping
3402011030703437727310	Sitio i criman elec	1401 Lawrence St Stc 1730	Denver		00202 3074	A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727958	Sortida Resources II.C	PO Box 50820	Midland	TX	70710-0820	package; contact the shipper or shipping
9402811838703437727338	Solitida Nesodi Ces EEC	FO BOX 30820	Iviidialid	17	73710-0820	A shipping label has been prepared for
						your item. A delivery date will be
	Taffrail Investments LP c/o L&J Associates,					provided when USPS receives the
9402811898765497727965	LLC	57 Marine St	Prony	NY	10464 1633	package; contact the shipper or shipping
3402011030/0343//2/905	LLC	27 Maille 20	Bronx	INT	10404-1023	package, contact the shipper of shipping

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

Received by OCD: 11/15/2023 12:55:37 PM

						Your item arrived at our USPS facility in
						,
						DENVER CO DISTRIBUTION CENTER on
						November 14, 2023 at 4:47 pm. The item
9402811898765497727644	WK Land Company	3300 Airport Rd	Boulder	CO	80301-5430	is currently in transit to the destination.
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727637	WPX Energy Permian, LLC	333 W Sheridan Ave	Oklahoma City	ОК	73102-5010	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 O; 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
20.025.40(27	Nino Contall Fodoval Com #125H	W/2 W/2	3-22S-32E	5(05
30-025-49627	Nina Cortell Federal Com #125H	W/2 W/2	10-22S-32E	5695
20 025 50250	Nino Contall Federal Com #121H	W/2 W/2	3-22S-32E	5(05
30-025-50258	Nina Cortell Federal Com #131H	W/2 W/2	10-22S-32E	5695
20.025.51100	Nino Contall Federal Com #122H	E/2 W/2	3-22S-32E	5(05
30-025-51189	Nina Cortell Federal Com #132H	E/2 W/2	10-22S-32E	5695
20 025 50512	-025-50513 Nina Cortell Federal Com #133H	W/2 E/2	3-22S-32E	5(05
30-025-50515		W/2 E/2	10-22S-32E	5695
30-025-50801	Nine Centell Federal Com #124H	E/2 E/2	3-22S-32E	5605
30-025-50801	Nina Cortell Federal Com #134H	E/2 E/2	10-22S-32E	5695
30-025-51629	Nina Cortell Federal Com #211H	W/2 W/2	10-22S-32E	98166
20 025 51207	Nino Contall Federal Com #202H	E/2 W/2	3-22S-32E	001//
30-025-51267	30-025-51287 Nina Cortell Federal Com #202H	E/2 W/2	10-22S-32E	98166
20 025 40629	Nina Cortell Federal Com #203H	W/2 E/2	3-22S-32E	00166
30-025-49628	Nina Corten Federal Com #205H	W/2 E/2	10-22S-32E	98166
20.025.40620	Nine Contall Federal Com #204H	E/2 E/2	3-22S-32E	00166
30-025-49629 Nina Cortell Federal Com #204F	Nina Corten rederal Com #204H	E/2 E/2	10-22S-32E	98166

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, 201
RECEIVED:	REVIEWER:	TYPE:	APP N	O:	
		ABOVE THIS TABLE FOR OU CO OIL CONSER Cal & Engineeri rancis Drive, Sai	VATION DIVI ng Bureau –		OF NEW MARKS
THIS CH	IECKLIST IS MANDATORY FOR A	RATIVE APPLICA LL ADMINISTRATIVE APPL EQUIRE PROCESSING AT	ICATIONS FOR EXCE	PTIONS TO DIVIS	ON RULES AND
Vell Name:				API:	mber:
'00l:				Pool Code):
1) TYPE OF APPLIC	TE AND COMPLETE IN ATION: Check those	INDICATED BE which apply for	L OW [A]	CESS THE TY	/PE OF APPLICATIOI
A. Location - □N:	Spacing Unit – Simul SL □ NSP _®	taneous Dedica ^s ROJECT AREA) \ \ \ \ \ \ \ \ \ \ 		□SD	
[] Comm 	e only for [1] or [11] hingling – Storage – N DHC CTB F ion – Disposal – Press WFX PMX S	PLC PC Cure Increase – En		ecovery	FOR OCD ONLY
A. Offset of B. Royalty C. Applica D. Notifica E. Notifica F. Surface G. For all of	REQUIRED TO: Check operators or lease how, overriding royalty of ation requires published ation and/or concurration and/or con	Iders wners, revenue of ed notice ent approval by ent approval by	owners SLO BLM	attached, a	Notice Complete Application Content Complete
administrative a understand tha	I hereby certify that approval is accurate t no action will be tale submitted to the Di	and complete to ken on this appli	o the best of r	ny knowlec	lge. I also
Note	e: Statement must be compl	eted by an individual v	rith managerial and	d/or supervisor	y capacity.
			Date		
Print or Type Name					
Patril			Phone N	umber	

e-mail Address

Signature



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,

Paula M. Vance

ATTORNEY FOR MATADOR PRODUCTION

COMPANY

EXHIBIT 1

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

DYLANM. FUGE

DIRECTOR (ACTING)

DATE: 3/36/23

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

Ecuses as actined in 1911011217 (c) 1 (mile)						
Lease	UL or Q/Q	S-T-R				
CA Bone Spring NMNM 105720807 (143833)	W/2 W/2	3-22S-32E				
CA Dulle Spring (143033)	W/2 W/2	10-22S-32E				
NMNM 105305436 (135247)	E/2 minus H	3-22S-32E				
Fee	Н	3-22S-32E				
NMNM 105417983 (086147)	E/2	10-22S-32E				

Wells Well API Well Name UL or Q/Q S-T-R Pool W/2 W/23-22S-32E 30-025-49627 Nina Cortell Federal Com #125H 5695 W/2 W/210-22S-32E W/2 E/23-22S-32E 30-025-50513 Nina Cortell Federal Com #133H 5695 W/2 E/210-22S-32E E/2 E/23-22S-32E Nina Cortell Federal Com #134H 5695 30-025-50801 E/2 E/210-22S-32E W/2 E/23-22S-32E 30-025-49628 Nina Cortell Federal Com #203H 98166 W/2 E/210-22S-32E E/2 E/23-22S-32E 30-025-49629 Nina Cortell Federal Com #204H 98166 10-22S-32E E/2 E/2

State of New Mexico Energy, Minerals and Natural Resources Department

Exhibit B

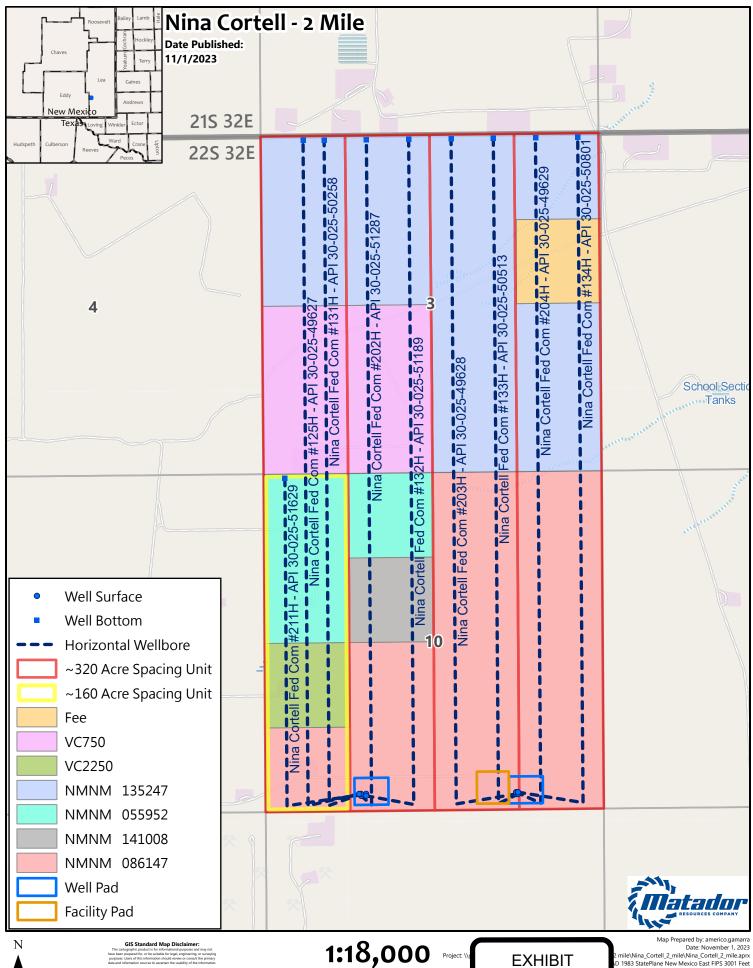
Order: PLC-865

Operator: Matador Production Company (228937)

Pooled Areas						
Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID		
CA Pone Spring NMNM 105724617 (142042)	W/2 E/2	3-22S-32E	319.92	A		
CA Bone Spring NMNM 105724617 (143942)	W/2 E/2	10-22S-32E	319.92	A		
CA Bone Spring BLM	E/2 E/2	3-22S-32E	319.92	В		
	E/2 E/2	10-22S-32E	319.92	В		
CA Welfeems NMNM 105762221	W/2 E/2	3-22S-32E	319.92	C		
CA Wolfcamp NMNM 105762321	W/2 E/2	10-22S-32E	319.92	C		
CA Welfeems NMNM 105922700	E/2 E/2	3-22S-32E	319.92	D		
CA Wolfcamp NMNM 105823709	E/2 E/2	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)	AIP	3-22S-32E	119.92	В
Fee	Н	3-22S-32E	40	В
NMNM 105417983 (086147)	E/2 E/2	10-22S-32E	160	В
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)	AIP	3-22S-32E	119.92	D
Fee	Н	3-22S-32E	40	D
NMNM 105417983 (086147)	E/2 E/2	10-22S-32E	160	D



Released to Imaging: 2/13/2024 5:38:29 PM

1:18,000 Project.\\ 1 inch equals 1,500 feet

mile\Nina_Cortell_2_mile\Nina_Cortell_2_mile.aprx

1983 StatePlane New Mexico East FIPS 3001 Feet

I BLM Carlsbad, NM Field Office, GIS Department;
berative Wildlife Collection, Texas A&M University; United States Census Bureau [TIGER]

2

<u>District I</u> 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.

	FOR SURFACE COM	MINGLING (DIVE)	RSE OWNERSHIP	<u>) </u>
	r Production Company			
	BJ Freeway Tower 1 Suite 15	00 Dallas, TX 75240		
APPLICATION TYPE:		_		
	ng ☐Pool and Lease Comming	ling ☐Off-Lease Storage and	Measurement (Only if not Su	rface Commingled)
	State			
Is this an Amendment to existing Orde Have the Bureau of Land Managemen ☐ Yes ☐ No				C – 865 mmingling
		OMMINGLING the following information	n	
(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°		.\$102,57/bbl oil Deemed	4,300 bopd
BILBREY BASIN; BONE SPRING [5695] 1413 BTU/CF	43.4° oil	40°/Sweet (Jul '22 realized price)	7,800 mcfd
WC-025 G-09 S233216K; UPR WOLFCA [98166]	MP 43.8 °	1,404 BTU/CF	\$9,31/mcf (Jul '22 realized price)	2,700 bopd
WC-025 G-09 S233216K; UPR WOLFCA [98166]	MP 1395 BTU/CF			5,100 mcfd
(1) Pool Name and Code- (2) Is all production from same source of (3) Has all interest owners been notified b (4) Measurement type: Metering [f supply? Yes No	the following information the following information commingling?	n □No	
		ASE COMMINGLING the following information	n	
(1) Complete Sections A and E	110000 00000 00000 0000			
()	D) OFF-LEASE STORA	AGE and MEASUREM		
(1) Is all production from same source of		the tollowing information	V 13	
(2) Include proof of notice to all interest	owners.			
(E) A	DDITIONAL INFORMA			
(1) A schematic diagram of facility, inclu		the following information	<u>n</u>	
(2) A plat with lease boundaries showing (3) Lease Names, Lease and Well Numb	all well and facility locations and	Include lease numbers if Federa	al or State lands are involved	l,
hereby certify that the information above	is true and complete to the best of	of my knowledge and belief.		7. 1
SIGNATURE: Oscar flya	G TITLE:	Production Engineer	DATE:_ 0	19/11/2023
TYPE OR PRINT NAME Oscar Gonz	alez	TEL	LEPHONE NO.: <u>(972) 629-</u>	2147
E-MAIL ADDRESS: ogonzalez@matac	lorresources.com_			EXHIBIT

Released to Imaging: 2/13/2024 5:38:29 PM

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

Oscar Gyrly

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>	0.396
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

Job Number: 221671.001

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>	0.005		0.053
Totals	100.000	8.272		100.000
Computed Real Charac		e		
		0.825	(Air=1)	
		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

Phone: (505) 476-3460 Fax: (505) 476-3462

IAPI Number

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

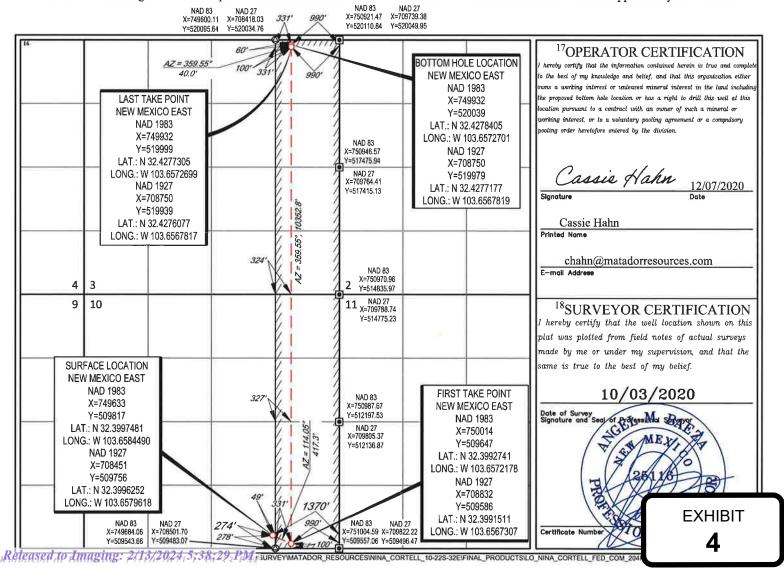
FORM C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPOR	T
---------------	---

WELL LOCATION AND ACREAGE DEDICATION PLAT

	IN I I WHIDE			1 ooi couc		1 out wante					
30-025-	49629			98166		WC-025 G-09 S233216K, UPR WOLFCAMP					
⁴ Property C	ode				5Property	Name		6	Well Number		
3208	41		NINA CORTELL FED COM								
OGRID N	lo.		Operator Name								
228937		MATADOR PRODUCTION COMPANY							3789'		
	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		
0	10	22-S	32-E		274'	4' SOUTH 1370' EAST LEA					
		C2	11,	D . 44 TT .	1. T . 4! . TC	D*ff4 E C	<u> </u>				

	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		
1	3	22-S	32-E	-	60'	NORTH	990'	EAST	LEA		
¹² Dedicated Acres 320	¹³ Joint or 1	Infill I4C	onsolidation Co	de ¹⁵ Orc	ler No.						



Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

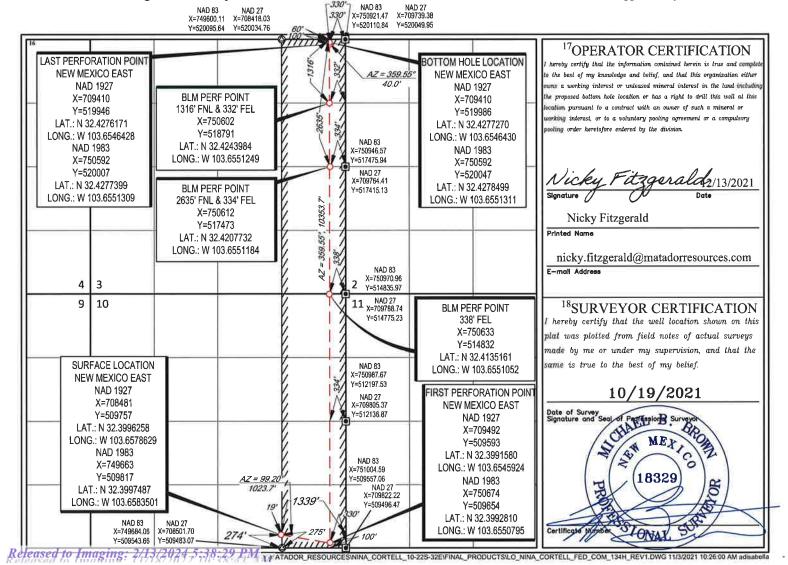
'API Number 30-025-50801		² Pool Code	³ Pool Name							
		5695	RING							
⁴ Property Code		⁵ Pr	roperty Name	⁶ Well Number						
320841	1	NINA CORTELL FED COM								
OGRID No.		⁸ Operator Name								
228937		3790'								
	10 Sunface Vesetion									

Surface Location

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

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section 3	Township 22-S	Range 32-E	Lot Idn —	Feet from the 60'	North/South line NORTH	Feet from the 330'	East/West line EAST	LEA
¹² Dedicated Acres 319.92	¹³ Joint or I	nfill ¹⁴ C	onsolidation Cod	de ¹⁵ Ord	er No.				



Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

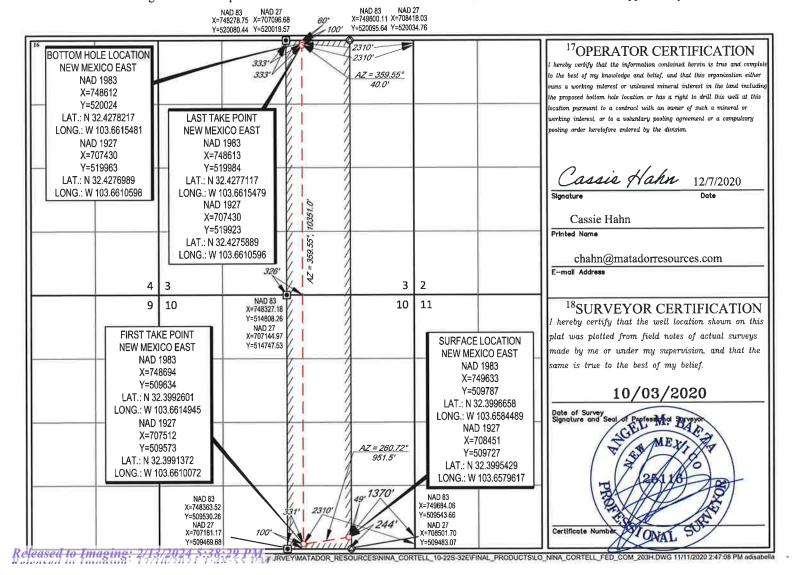
'API Numbe	er	² Pool Code						
30-025-49628		98166	WC-025 G-09 S233216K, UPR WOL	FCAMP				
⁴ Property Code		⁵ Pr	operty Name	⁶ Well Number				
320841		NINA CORTELL FED COM						
7OGRID №.		⁸ O _F	perator Name	⁹ Elevation				
228937		MATADOR PRO	DUCTION COMPANY	3789'				

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

			· · · · · · · · · · · · · · · · · · ·		e Botwien in 2				
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 l	nfill 14Ce	onsolidation Cod	e ¹⁵ Ordo	er No.				



Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

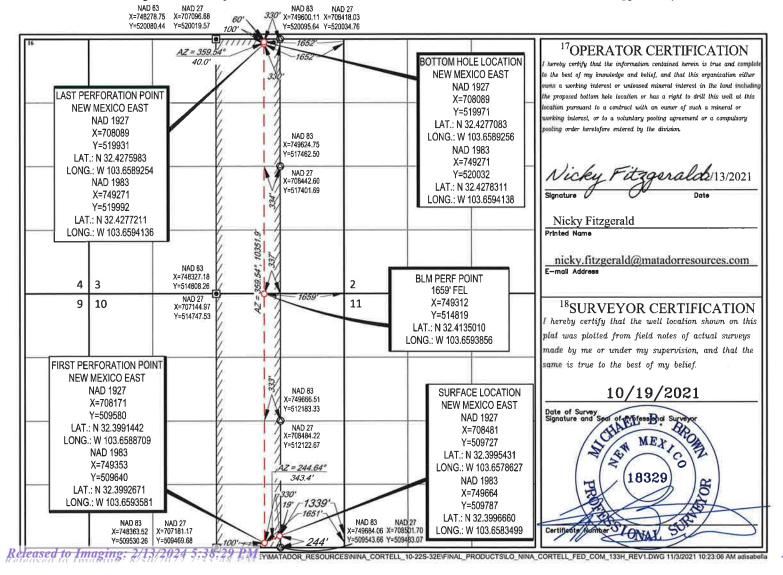
WELL LOCATION AND ACREAGE DEDICATION PLAT

320841 NINA CORTELL FED COM OGRID No. OPERATOR Name			
320841 NINA CORTELL FED COM OGRID No. OPERATOR Name	3		
OGRID No. OPErator Name	ell Number		
	133H		
MATTADOD DDODUCTION COMPANY	Elevation		
228937 MATADOR PRODUCTION COMPANY	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 244' 1339' 22-S 32 - ELEA 0 10 SOUTH EAST

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section 3	Township 22-S	Range 32-E	Lot Idn —	Feet from the	North/South line NORTH	Feet from the 1652'	East/West line EAST	LEA County
¹² Dedicated Acres 319.92	¹³ Joint or 1	nfill ¹⁴ C	onsolidation Cod	de ¹⁵ Ord	er No.				



Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

^I API Numbe	er e	² Pool Code	³ Pool Name							
30-025-51629		98166	WC-025 G-09 S233216K, UPR V	'R WOLFCAMP						
⁴Property Code		⁵ Pr	operty Name	⁶ Well Number						
320841		NINA COR	TELL FED COM	211H						
⁷ OGRID No.		⁸ OI	perator Name	⁹ Elevation						
228937		MATADOR PRODUCTION COMPANY								

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

11 Bottom Hole Location If Different From Surface

THE STATE OF	Control	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
UL or lot no.	I Destroyer	Township	52-94002- 94 03	V20403		100000			·
	10	22-S	32-E	-	60'	NORTH	330'	WEST	LEA
12m 11 4 1 4	13 Joint or I	eu liáo	Onsolidation Cod	de ¹⁵ Ord	\$1-				
¹² Dedicated Acres	Joint or I	חזווו ן יכ	onsolidation Co	ie ''Ora	er No.				ĺ
160				- 10					

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.

NAD27 NAD83 NAD27 X=704502.84 X=745685.04 X=705823.91 X=747006.11 Y=514720.32 Y=514781.05 Y=514733.93 Y=514794.66 100' ¹⁷OPERATOR CERTIFICATION BOTTOM HOLE LOCATION hereby certify that the information contained herein is true and comple NEW MEXICO EAST Z = 359.61° the best of my knowledge and belief, and that this organization either LAST PERFORATION POINT NAD 1927 330 is a working interest or unleased mineral interest in the land include **NEW MEXICO EAST** X=704833 in proposed bottom hole location or has a right to drill this well at this NAD 1927 Y=514664 ation pursuant to a contract with an owner of such a mineral or X=704833 LAT.: N 32.4131762 whing interest, or to a voluntary pooling agreement or a compulsory Y=514624 LONG.: W 103.6695824 ling order heretofare entered by the division. LAT.: N 32.4130662 NAD 1983 LONG.: W 103.6695823 X=746015 NAD 1983 Y=514724 X=746016 NAD27 X=704520.13 Y=512080.07 NAD83 X=745702.40 Y=512140.72 LAT.: N 32.4132990 AZ = 359.61°, 5080.9' Y=514684 LONG.: W 103.6700705 LAT.: N 32.4131890 LONG.: W 103.6700704 Nicky Fitzgerald NAD27 X=705841.60 Y=512094.27 nicky.fitzgerald@matadorresources.com NAD83 E-mail Address X=747023.87 Y=512154.93 ¹⁸SURVEYOR CERTIFICATION **BLM PERF POINT** hereby certify that the well location shown on this 331 2640' FNL & 331' FWL X=746033 FIRST PERFORATION POINT plat was plotted from field notes of actual surveys Y=512144 NEW MEXICO EAST made by me or under my supervision, and that the LAT.: N 32.4062067 NAD 1927 same is true to the best of my belief. ONG.: W 103.6700654 X=704868 SURFACE LOCATION Y=509543 NEW MEXICO EAST 10/19/2021 LAT.: N 32.3991004 NAD 1927 **BLM PERF POINT** NAD27 X=704538.68 Y NAD83 X=745721.01 Y LONG .: W 103.6695729 X=706108 1320' FSL & 330' FWL NAD 1983 Y=509730 X=746042 X=746050 LAT.: N 32.3995918 Y=510824 Y=509604 LONG.: W 103.6655518 $AZ = 261.45^{\circ}$ LAT.: N 32.4025775 LAT.: N 32.3992233 NAD 1983 LONG.: W 103.6700628 LONG .: W 103.6700604 18329 X=747290 Y=509790 LAT.: N 32.3997147 LONG.: W 103.6660392 NAD27 X=705859.93 Y=509454.50 370 1111111100111111111 NAD83 X=747042.27 Y=509515.09 Refeased to Imaging: 2/13/2024 5-38-22 / M MATADOR_RESOURCESWINA_CORTELL_10-22S-32E/FINAL_PRODUCTS/LO_NINA_CORTELL_FED_COM_211H_REV1.DWG 10/29/2021 3:14:15 PM additional products/lo_NINA_CORTELL_FED_COM_211H_REV1.DWG 10/29/2021 3:14:15 P

Phone: (505) 476-3460 Fax: (505) 476-3462

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

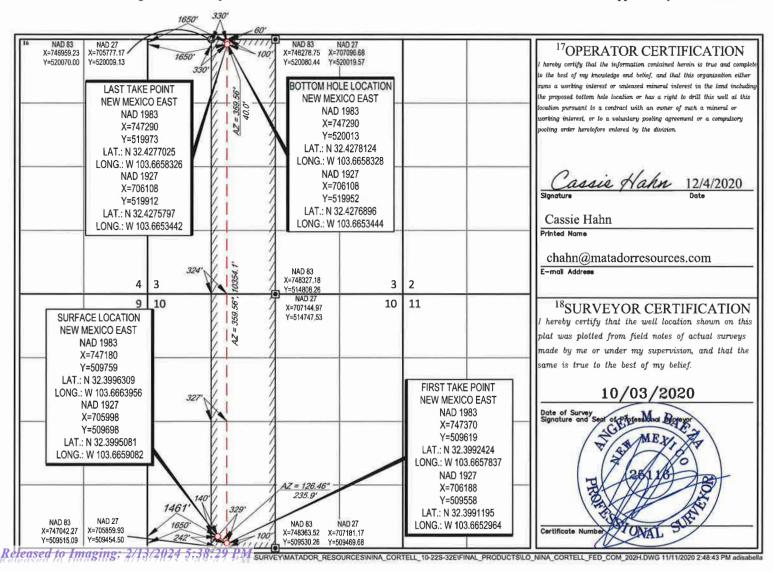
FORM C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

	API Number			² Pool Code		³ Pool Name				
30-	-025-512	28 98166 WC-025 G-09 S233216K; Upper Wo							lfcamp	
⁴ Property C	ode				o/	Well Number				
					202H					
OGRID N	lo.				⁹ Elevation					
228937				MATADO	R PRODUC	TION COMPA	NY			3789'
	-				¹⁰ Surface L	ocation				
UL or lot no.	Section	Township	Range	Ea	st/West line	County				
N	10	22-S	32-E	WE:	ST	LEA				

11Bottom Hole Location If Different From Surface UL or lot no. Lot Idn Feet from the North/South line Feet from the East/West line County Section Township Range 1650' 3 22-S 60' NORTH 3 32-E WEST LEA 12Dedicated Acres Joint or Infill Consolidation Code Order No. 320



1220 S. St. Francis Dr., Santa Fe, NM 87505

Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

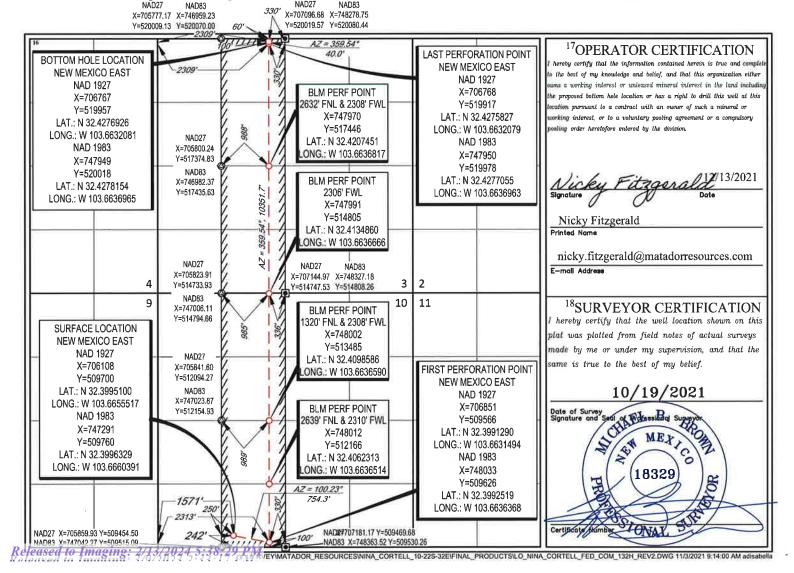
^I API Number	² Pool Code	³ Pool Name			
30-025-51189	5695	BILBREY BASIN, BONE SPRIN	G		
⁴ Property Code	5Pr	Property Name **Well Number			
320841	NINA COR	RTELL FED COM	132H		
OGRID No.	***O1	perator Name	⁹ Elevation		
228937	MATADOR PRO	DUCTION COMPANY	3791'		

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 3	Township 22-S	Range 32-E	Lot Idn —	Feet from the 60'	North/South line NORTH	Feet from the 2309'	East/West line WEST	County LEA
¹² Dedicated Acres 319.92	13 Joint or 1	Infill 14Co	onsolidation Co	de ¹⁵ Ord	er No.				



Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

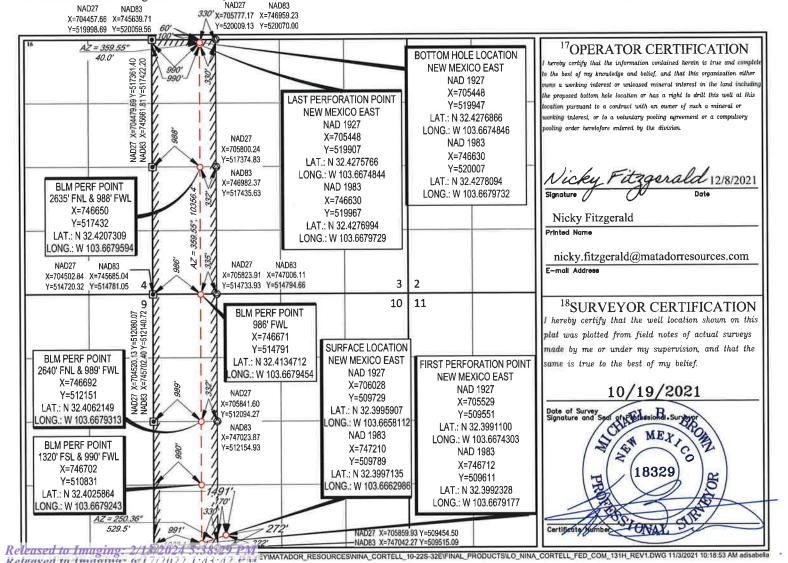
¹ API Number 30-025-50258		² Pool Code 5695	³ Pool Name BILBREY BASIN, BONE SPRIN	G		
⁴ Property Code 320841			SProperty Name SORTELL FED COM 131			
⁷ OGRID №. 228937			perator Name DUCTION COMPANY	Elevation 3790'		

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot ldn	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 3	Township 22-S	Range 32-E	Lot Idn —	Feet from the	North/South line	Feet from the 990'	East/West line WEST	County LEA
¹² Dedicated Acres 319.92	¹³ Joint or I	nfill ¹⁴ Co	onsolidation Cod	e ¹⁵ Orde	r No.				



1220 S. St. Francis Dr., Santa Fe. NM 87505

Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

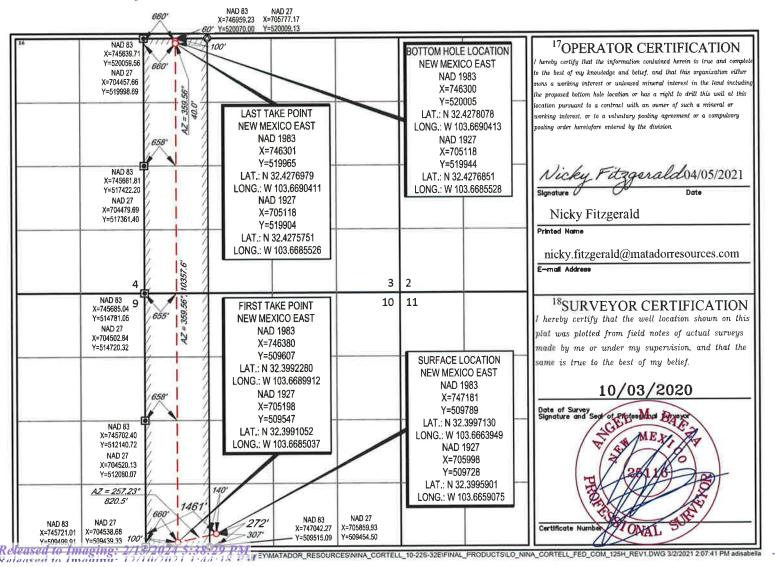
¹ API Numbe	er	² Pool Code	³ Pool Name					
30-025-49627		5695	BILBREY BASIN; BONE SPRING					
⁴ Property Code		⁵ Pr	⁶ Well Number					
320841		NINA COR	125H					
⁷ OGRID No.		⁸ O _I	perator Name	⁹ Elevation				
228937		MATADOR PRO	DUCTION COMPANY	3789'				

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

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section Township 22-S		Range Lo		Feet from the 60'	North/South line NORTH	Feet from the 660'	East/West line WEST	County LEA	
¹² Dedicated Acres 319.92	¹³ Joint or 1	nfill 14C	onsolidation Co	de ¹⁵ Ord	er No.					



2023 WOLFCAMP

			Pr	oduction Su	mmary Report									
				API: 30-0	25-49629									
			NINA	CORTELL FEI	DERAL COM #20	14H								
	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				
2023	[98166] WC-025 G-09 S233216K;UPR WOLFCAMP	Apr	15138	28166	73245	27	o	0	o	0	C			
2023	[98166] WC-025 G-09 S233216K;UPR WOLFCAMP	May	10869	20744	51678	28	0	0	. 0	0	C			
2023	[98166] WC-025 G-09 S233216K;UPR WOLFCAMP	Jun	12999	25621	54023	30	o	0	0	0	(
	[98166] WC-025 G-09 S233216K;UPR													

8323

15604

11376

Jul

Production Summary Report
API: 30-025-50801
NINA CORTELL FEDERAL COM #134H
Printed On: Monday, October 02 2023

				Producti	on		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

				Producti	on	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
	[98166] WC-025 G-09 S233216K;UPR WOLFCAMP	Apr	18497	35801	69016	27	0	0	(0	0
	[98166] WC-025 G-09 S233216K;UPR WOLFCAMP	May	11329	21943	43450	29	0	0		0	0
1	[98166] WC-025 G-09 S233216K;UPR WOLFCAMP	Jun	11845	24410	42681	30	0	0		0 0	0
	[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	on	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

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 1/8th or 12 ½ 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 7/8th 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 2year 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. <u>Nondiscrimination.</u> 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 Con	<u>npany</u>
Signature of Authorized Agent	
By: Craig N. Adams Executive Vice Pres Name & Title of Authorized Agent	<u>ident</u>
Date:	<u> </u>
ACKN	NOWLEDGEMENT
STATE OF TEXAS)	
COUNTY OF DALLAS)	
Texas, personally appeared Craig N. President of Matador Production Co	2022, before me, a Notary Public for the State of Adams, known to me to be the Executive Vice mpany, the corporation that executed the foregoing 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 V	<u>Vice President</u>
Date:	
ACK	NOWLEDGEMENT
STATE OF TEXAS)	
COUNTY OF DALLAS)	
Texas, personally appeared Craig N President of MRC Permian Compa	y, 2022, before me, a Notary Public for the State of N. Adams, known to me to be the Executive Vice my, the corporation that executed the foregoing e 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	<u>President</u>
Date:		
	ACKNO	OWLEDGEMENT
STAT	E OF TEXAS)	
COUN	NTY OF DALLAS)	
Presid	personally appeared Craig N. A ent of MRC Permian Company,	22, before me, a Notary Public for the State of dams, known to me to be the Executive Vice the corporation that executed the foregoing ch corporation executed the same.
(SEAL	ـ)	
My Co	ommission 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 <u>319.92</u> 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
10	Tract 3 NMNM-086147 Acres 160.00

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 1/8th or 12 ½ 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 7/8th 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 2year 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. <u>Nondiscrimination.</u> 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 Compa	<u>iny</u>
Signature of Authorized Agent	_
Dec Carie NI Adams Francisco Vice Duscide	
By: Craig N. Adams Executive Vice Presider Name & Title of Authorized Agent	<u>nı</u>
Deter	
Date:	
ACKNO	WLEDGEMENT
STATE OF TEXAS)	
COUNTY OF DALLAS)	
Texas, personally appeared Craig N. Ac	23, before me, a Notary Public for the State of dams, known to me to be the Executive Vice any, the corporation that executed the foregoing ch corporation executed the same.
(SEAL)	
My Commission Expires	Notary Public

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

MRC.	<u>Permian Company</u>	
By:		
D-4	Craig N. Adams Executive Vice Print Name	<u>President</u>
Date:		
	ACKNO	OWLEDGEMENT
STAT	E OF TEXAS)	
COUN	NTY OF DALLAS)	
Texas, Preside	personally appeared Craig N. A ent of MRC Permian Company,	023, before me, a Notary Public for the State of Adams, known to me to be the Executive Vice the corporation that executed the foregoing uch corporation executed the same.
(SEAL	۲)	
My Co	ommission Expires	Notary Public

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

<u>MRC</u>	<u>Permian LKE Company, LLC</u>	4
By:		
	Craig N. Adams Executive Vic	<u>e President</u>
Date:		
	ACKN	OWLEDGEMENT
STAT	E OF TEXAS)	
COUN	NTY OF DALLAS)	
Presid	personally appeared Craig N. ent of MRC Permian LKE Con	2023, before me, a Notary Public for the State of Adams, known to me to be the Executive Vice apany, LLC, the corporation that executed the ged to me such corporation executed the same.
(SEAI	۵)	
My Co	ommission 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 <u>319.92</u> 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
10	Tract 3 NMNM-086147 Acres 160.00

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 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

Received by OCD: 11/15/2023 12:55:37 PM

Federal Communitization Agreement

Contract No.	
COLLEGE	

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.

Released to Imaging: 2/13/2024 5:38:29 PM

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 1/8th or 12 ½ 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 7/8th 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.

- 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. <u>Nondiscrimination.</u> 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.

Received by OCD: 11/15/2023 12:55:37 PM

OPERATOR: MATADOR PR	ODUCTION COMPANY	
Date: 10 30 31	By:	
	Name: Jonathan Filbert	2.H
	Title: Senior Vice President - Land	Pdd
		100
(CORPORATE ACKNOWLEDGEN	IENT
STATE OF TEXAS)	
COUNTY OF DALLAS)	
On this May of OCTOBE	, 2021, before me, a Notar	v Public for the State of Texas.
personally appeared Jonathan Fi	lbert, known to me to be the Senior V	ice President - Land of Matador
Production Company , a Texas	corporation, on behalf of said corpor	ation.
8/24/2025 My Commission Expires	Notary Public	areway Mainger
	JAIME JAIME	AKEWAY GRAINGER
	My Co	y ID #131259323 mmission Expires
	COFTS AU	gust 24, 2025

Released to Imaging: 2/13/2024 5:38:29 PM

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

MRC	PERMIAN	COMPANY	1

Date: 10 20 21

Name: Jonathan Filbert

Title: Senior Vice President - Land

Pad

MRC PERMIAN LKE COMPANY, LLC

Date: 10 20/21

Name: Jonathan Filbert

Title: Senior Vice President - Land

pold

CORPORATE ACKNOWLEDGEMENT

STATE OF **TEXAS**COUNTY OF **DALLAS**

On this day of OCTO OCTO, 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.

My Commission Expires

JAIME JAKEWAY GRAINGER
Notary ID #131259323
My Commission Expires
August 24, 2025

Notary Public

Spainger

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF DALLAS

On this day of d

My Commission Expires

JAIME JAKEWAY GRAINGER Notary ID #131259323 My Commission Expires August 24, 2025 Notary Public

of Mairger

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

	
Date:	By:
	Name:
	Title:
	CORPORATE ACKNOWLEDGEMENT
STATE OF	
STATE OF)
On this day of	, 2021, before me, a Notary Public for the State of, personally known to me to be the, on behalf of said corporation.
of	, on behalf of said corporation.
My Commission Expires	Notary Public
	ACKNOWLEDGMENT
STATE OF	
STATE OF)
On thisday ofappeareddocument in his/her official of	, 2021, before me, a Notary Public for the State of, personally, who acknowledged to me that he/she executed this said 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

Jonathan Filbert Name:

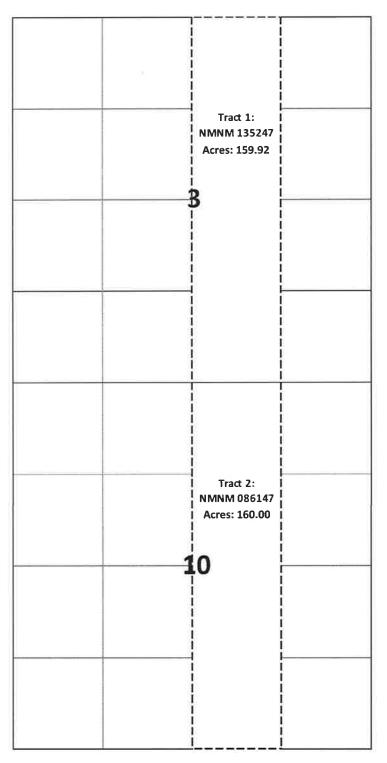
Title: Senior Vice President - Land

Phone number: (972)-371-5200

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



Received by OCD: 11/15/2023 12:55:37 PM

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%

Received by OCD: 11/15/2023 12:55:37 PM

Released to Imaging: 2/13/2024 5:38:29 PM

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

<u>ORDER</u>

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.

<u>ORDER</u>

- 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.
- The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 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.
- 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.
- 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.

Released to Imaging: 2/13/2024 5:38:29 PM

Released to Imaging: 2/13/2024 5:38:29 PM

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
ADRIENNE SANDOVAL
DIRECTOR

AES/kms

Date: 4/20/2021

CASE NO. 21795 ORDER NO. R-21666

Received by OCD: 11/15/2023 12:55:37 PM

Exhibit "A"

ALL INFORMATION IN THE APPLICA	TION MUST BE SUPPORTED BY SIGNED AFFIDAVITS
Case:	21795
Date	April 8, 2021
Applicant	Matador Production Company
Designated Operator & OGRID	Matada Fraduction Company
(affiliation if applicable)	Matador Production Company/OGRID No. 228937
Applicant's Counsel:	James Bruce
Case Title:	Application of Matador Production Company for Compulsory Pooling
Case flue.	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 EXHIBIT
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	Nina Cortell Fed. Com. Well No. 127H, API No. Pending
bottom hole location, footages,	SHL: 244 FSL and 1230 FEL (Unit P) §10-225-32E
completion target, orientation,	BHL: 60 feet FNL and 1980 feet FEL (Unit B) §3-22S-32E
completion status (standard or non-	FTP: 100 FSL & 1980 FEL §10
standard)	LTP: 100 FNL & 1980 FEL §3
	Bone Spring Sand/TVD 10850 feet/MD 21114 feet

Released to Imaging: 2/13/2024 5:38:29 PM

Horizontal Well First and Last Take Points	See above
Completion Target (Formation, TVD and	See above
MD)	
AFE Capex and Operating Costs	40000
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
Chronolom of Contact with Non-Joined	
Chronology of Contact with Non-Joined	Fuhikia C 4
Working Interests	Exhibit C-4 \$8000/\$800
Overhead Rates In Proposal Letter	
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	E hilling
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

Received by OCD: 11/15/2023 12:55:37 PM

	6
	4
	~
	A
	-
	0
	Š
	O
	∞
	ŝ
	1
	7
	_
	4
	n,
	0
	_
	2
	\setminus
	~~
	٠.
	_
	<u> </u>
	2
	٥.
	10
	10
	ino
,	ino
	ino
	ino
	anioni
	naoino
	maging
	naoino
	Imaging
	Imaging
•	o Imaging
	to Imaging
	to Imaging
	d to Imaging
	d to Imaging
	ed to Imaging
	ed to Imaging
	ed to Imaging
	ed to Imaging
	ed to Imaging
	eased to Imaging
	eased to Imaging
	eased to Imaging
	eased to Imaging
	ed to Imaging

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	/I. K.,
Representative):	James Muy
Date:	April 6, 2021

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 1/8th or 12 ½ 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 7/8th 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 2year 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. <u>Nondiscrimination</u>. 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**) 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

<u>MRC</u>	<u>Permian LKE Company, LL</u>	<u>C</u>
By:		
	Craig N. Adams Executive V	ce President
Date:		
	ACK	NOWLEDGEMENT
STATI	E OF TEXAS)	
COUN	TTY OF DALLAS)	
Texas, Preside	personally appeared Craig Nent of MRC Permian LKE Co	2022, before me, a Notary Public for the State of Adams, known to me to be the Executive Vice Impany, LLC, the corporation that executed the Alged to me such corporation executed the same.
(SEAL	L)	
My Co	ommission Expires	Notary Public

EXHIBIT "A"

Plat of communitized area covering <u>319.92</u> 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

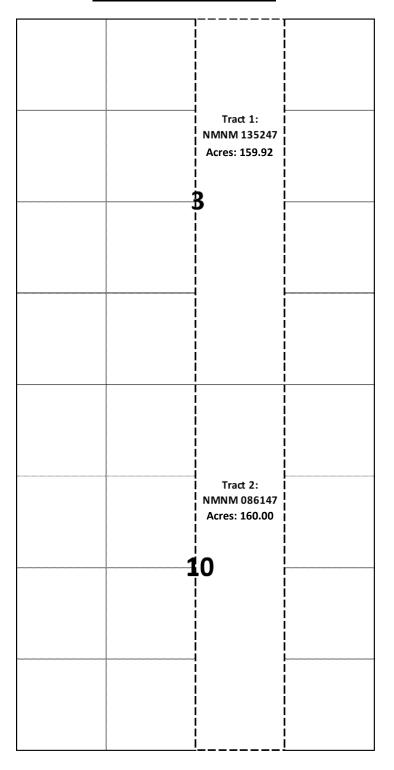


EXHIBIT "B"

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 1/8th or 12 ½ 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 7/8th 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 2year 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. <u>Nondiscrimination.</u> 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 Compa	<u>ny</u>
	_
Signature of Authorized Agent	
By: Craig N. Adams Executive Vice Presiden	ut
Name & Title of Authorized Agent	
Date:	
ACUNO	
ACKNO	WLEDGEMENT
STATE OF TEXAS)	
COUNTY OF DALLAS)	
O. 41:- 1 f	22 Lafana wasan Natana Balila fantha Casa af
	23, before me, a Notary Public for the State of dams, known to me to be the Executive Vice
President of Matador Production Compa	any, the corporation that executed the foregoing
instrument and acknowledged to me suc	ch 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 Vic	e President
Date:		
	ACKN	OWLEDGEMENT
CT A TO		
SIAII	E OF TEXAS)	
COUN	TTY OF DALLAS)	
Texas, Preside	personally appeared Craig N. ent of MRC Permian Company	2023, before me, a Notary Public for the State of Adams, known to me to be the Executive Vice, the corporation that executed the foregoing such corporation executed the same.
(SEAL	L)	
My Co	ommission 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 <u>319.92</u> 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		
Tract 2 VC-0075 Acres 80.00	3	
Tract 3 NMNM- 055952 Acres 40.00		
	i	
Tract 4 NMNM- 141008 Acres 40.00	1	0

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 1/8th or 12 ½ 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 7/8th 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 2year 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. <u>Nondiscrimination.</u> 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 Com	<u>npany</u>
Signature of Authorized Agent	
By: Craig N. Adams Executive Vice Press Name & Title of Authorized Agent	<u>ident</u>
Date:	
ACKN	NOWLEDGEMENT
STATE OF TEXAS)	
COUNTY OF DALLAS)	
Texas, personally appeared Craig N. President of Matador Production Co.	2023, before me, a Notary Public for the State of Adams, known to me to be the Executive Vice mpany, the corporation that executed the foregoing such corporation executed the same.
(SEAL)	
My Commission Expires	Notary Public

WORKING INTEREST OWNERS

AND/OR LESSEES OF RECORD

MRC Permian	<u>Company</u>	
By:		
Craig N Print Name	. Adams Executive Vice Pres	<u>sident</u>
Date:		
	ACKNOW	LEDGEMENT
STATE OF TE	XAS)	
COUNTY OF I	DALLAS)	
President of MI	RC Permian Company, the	before me, a Notary Public for the State of as, known to me to be the Executive Vice corporation that executed the foregoing corporation executed the same.
(SEAL)		
My Commissio	n Expires	Notary Public

WORKING INTEREST OWNERS

AND/OR LESSEES OF RECORD

MRC Permian LKE Company, LLC		
By:		
<u>Craig N. Adams</u> Print Name		
Date:		
Acknowledgment	in a Representative Capacity	
STATE OF <u>TEXAS)</u>	§	
COUNTY OF <u>DALLAS)</u>	§	
This instrument was acknowledge Craig N. Adams, as Executive Vice Proof said corporation.	ged before me on	, 2023, by ompany on behalf
	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 <u>319.92</u> 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	3	
Tract 3 NMNM- 055952 Acres 40.00		
Tract 4 NMNM- 141008 Acres 40.00	1	0
Tract 5 NMNM- 086147 Acres 80.00	1	O

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," 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 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 descr	ibed as follows:
Subdivisions Lot 3, SE/4NW/4, E/2SW/4 of Section 3 and the E/2W/2 of Section 10	
Sect(s) <u>3&10</u> , T <u>22S</u> , R <u>32E</u> , NMPM, <u>Lea</u>	_County, NM
containing 319.92 acres, more or less, and this agreement shall include only t	the Bone
Spring Formation or pool, underlying said lands and the oil & gas (hereinafter referred	to as
"communitized substances") producible from such formation.	

ONLINE
version
August 2021
Released to Imaging: 2/13/2024 5:38:29 PM

State/Fed/Fee

- 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.

ONLINE
version
August 2021
Released to Imaging: 2/13/2024 5:38:29 PM

- 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.
- 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.

State/Fed/Fee 4

Operator: <u>Matador Production Company</u>	
By: Craig N. Adams – Executive Vice Presiden Name & Title of Authorized Agent	<u>t</u>
Signature of Authorized Agent	
ACKNOW	LEDGEMENT
STATE OF <u>TEXAS</u>)	§
COUNTY OF <u>DALLAS</u>)	§
This instrument was acknowledged before Adams, as Executive Vice President for M corporation.	e me on, 2023, by Craig N. atador Production Company, on behalf of said
	Signature
	Name (Print) My commission expires

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

MRC Permian Company		
By:		
Craig N. Adams Print Name		
Date:		
Acknowledg	ment in a Representative Cap	acity
STATE OF <u>TEXAS</u>)	§	
COUNTY OF <u>DALLAS</u>)	§	
This instrument was acknowledge Adams, as Executive Vice President,	ged before me on for MRC Permian Company o	, 2023, by Craig N n behalf of said corporation.
	Signature	
	Name (Print)	·
	My commission e	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	
Tract 2 VC-0075 Acres 80.00	3
Tract 3 NMNM- 055952 Acres 40.00	
Tract 4 NMNM- 141008 Acres 40.00	10
Tract 5 NMNM- 086147 Acres 80.00	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 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

Township 22 South, Range 32 East, **Description of Land Committed:**

Section 3: E/2SW/4

Subdivisions:

Number of Acres: 80.00

1/5th **Royalty Rate:**

Name and WIOwners: 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%

State/Fed/Fee

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," 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 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 to	he			
Wolfcamp Formation or pool, underlying said lands and the oil & gas (hereinafter refer	rred to as			
"communitized substances") producible from such formation.				

ONLINE
version
August 2021
Released to Imaging: 2/13/2024 5:38:29 PM

State/Fed/Fee

- 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.

version
August 2021
Released to Imaging: 2/13/2024 5:38:29 PM

- 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

3

- 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.
- 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.

State/Fed/Fee 4

Operator: <u>Matador Production Company</u>	
By: Craig N. Adams – Executive Vice President Name & Title of Authorized Agent	
Signature of Authorized Agent	
ACKNOWL	EDGEMENT
STATE OF <u>TEXAS</u>)	§
COUNTY OF <u>DALLAS</u>)	§
This instrument was acknowledged before Adams, as Executive Vice President for Mat corporation.	me on, 2023, by Craig N. ador Production Company, on behalf of said
	Signature
	Name (Print)
	My commission expires

ONLINE
version
August 2021
Released to Imaging: 2/13/2024 5:38:29 PM

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

MRC Permian Company		
By:		
Craig N. Adams Print Name		
Date:		
Acknowledg	ment in a Representative Capacity	
STATE OF <u>TEXAS</u>)	§	
COUNTY OF <u>DALLAS</u>)	§	
This instrument was acknowledge Adams, as Executive Vice President,	ged before me on For MRC Permian Company on behalf	_, 2023, by Craig N . of said corporation.
	Signature	
	Name (Print) My commission expires	
	My commission expires	

6

WORKING INTEREST OWNERS

AND/OR LESSEES OF RECORD

MRC Permian LKE Company, LLC		
By:		
Craig N. Adams Print Name		
Date:		
Acknowledg	ment in a Representative Capacity	
STATE OF <u>TEXAS</u>)	§	
COUNTY OF <u>DALLAS</u>)	§	
This instrument was acknowledg Adams, as Executive Vice President, f	ged before me on, 2023, by Craig N 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	3	
Tract 3 NMNM- 055952 Acres 40.00		
Tract 4 NMNM- 141008 Acres 40.00	1	0
Tract 5 NMNM- 086147 Acres 80.00	I	

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

5 Years Lease Term:

Lessor: State of New Mexico

Present Lessee: MRC Permian Company

Township 22 South, Range 32 East, **Description of Land Committed:**

Section 3: E/2SW/4

Subdivisions:

Number of Acres: 80.00

1/5th **Royalty Rate:**

Name and WIOwners: 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

MRC Permian Company **Name of Working Interest Owners:**

> 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

January 7th, 2022

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

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,

Stephanie Garcia Richard Commissioner of Public Lands

Stephens Quar Richard/5(

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 on 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.

COMMISSIONER OF PUBLIC LANDS

of the State of New Mexico

Sephenne Carcia Rich

NM State Land Office Oil, Gas, & Minerals Division

STATE/FEDERAL OR STATE/FEDERAL/FEE

Revised Feb. 2013

ONLINE Version COMMUNITIZATION AGREEMENT

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,"

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 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:					ows:					
Subdivisions	W/2Y	W/2 of Se	ections	3 & 1	0, Township 22	2 South, Ran	ge 32 East	t		
Sect_3&10_	, T	22S	_, R_	32E	, NMPM <u>Le</u>	a County NN	A containir	ng 319	.92 acres,	more
or less, and th	is agre	eement sh	all inc	lude o	nlythe Bone S	oring Format	ion underl	ying sa	nid lands ar	nd the
natural gas	and	associat	ed lic	juid	hydrocarbons	(hereinafter	referred	to as	"commun	itized
substances") ¡	produc	ible fron	such:	forma	tion.					

- 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.
- The date of this agreement is September Month 1st Day, 2021 Year, and it shall become 10. 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. <u>Nondiscrimination</u>: 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: 9/71/7071

Name: Jonathan Filbert

Title: Senior Vice President - Land

ONLINE version February 2013

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 Notary ID #132990511 My Commission Expires March 23, 2025

Signature

Preston Cazale

Name (Print)

My commission expires 3/23/2025

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

MRC PERMIAN COMPANY

Date: 9/21/2021

Name: Jonathan Filbert

Title: Senior Vice President - Land

MRC PERMIAN LKE COMPANY, LLC

Date: 9/21/2021

Jonathan Filbert

Title: Senior Vice President - Land

CORPORATE ACKNOWLEDGEMENT

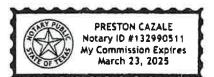
STATE OF TEXAS)

Ş

COUNTY OF DALLAS)

Ş

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.



Signature

Preston Cazale

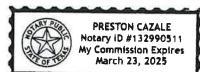
My commission expires 3/23/2025

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.



Signature
Reston Cazale

My commission expires 3/23/2025

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

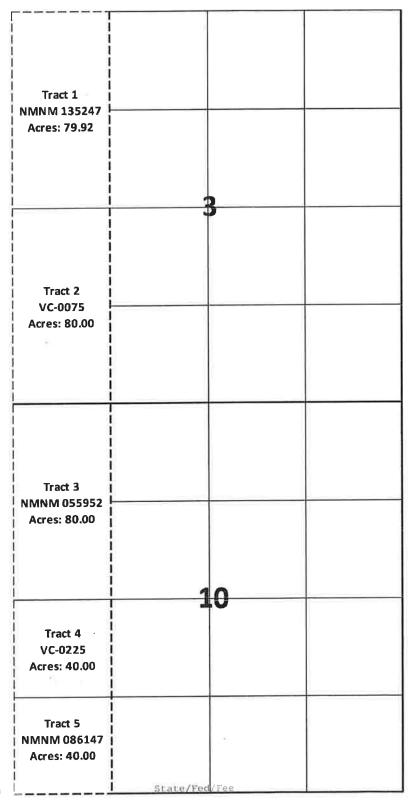
Date:	Ву:
	Name:
	Title:
	CORPORATE ACKNOWLEDGEMENT
STATE OF	
STATE OF)
On this day of	, 2021, before me, a Notary Public for the State of, personally known to me to be the
of	, known to me to be the, on behalf of said corporation.
My Commission Expires	Notary Public
	ACKNOWLEDGMENT
STATE OF)
COUNTY OF)
On thisday of appeared	, 2021, before me, a Notary Public for the State of, personally, who acknowledged to me that he/she executed this
said document in his/her off	icial capacity.
My Commission Expires	Notary Public

3031 SEP 28 AM 8: 17

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



ONLINE version February 2013

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:

Conoco Phillips Company (Compulsory Pooled)
Conoco Phillips Company (Compulsory Pooled)

Name of Working Interest Owner(s): 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 0 7 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.

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

Sincerely,

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

Received by OCD: 11/15/2023 12:55:37 PM

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 0 7 2019

James Glover

Supervisory Geologist

Branch of Reservoir Management

Division of Minerals

Effective: January 4, 2019

Contract No.: Com. Agr. NMNM139606

RECEIVED

Federal Communitization Agreement

Contract No. NMNM139606

JAN 31 2019 BLM, NMSO SANTA FE

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 <u>Bone Spring Formation</u> 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 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.

- 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.
- The date of this agreement is January 4, 2019, and it shall become effective as of this date 10. 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.

Received by OCD: 11/15/2023 12:55:37 PM

- 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. <u>Nondiscrimination.</u> 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

Ву: ____

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 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:

74-1021

JAIME GRAINGER Notary Public, State of Texas Comm. Expires 08-24-2021 Notary ID 131259323

)

)

Notary Public

Received by OCD: 11/15/2023 12:55:37 PM

WORKING INTEREST OWNER/RECORD TITLE OWNER:

Date: 1-4-19	MRC PERMIAN COMPANY By:	
	Name: Craig N. Adams	CHAR
	Title: Executive Vice President, Land, Legal and Admini	stration
Date: 1-4-17	MRC PERMIAN LKE COMPANY, LLC By: Name: Craig N. Adams	CHAND

Title: Executive Vice President, Land, Legal and Administration

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS)
COUNTY OF DALLAS)
	acknowledged before me this 4 day of January, 2019 by
	sident – Land, Legal and Administration of MRC PERMIAN
COMPANY , a Texas corporation, on b	chalf of said corporation.
My Commission Expires: $8-24$	-2021 Jame Mranger Notary Public
JAIME GRAINGER Notary Public, State of Texas Comm. Expires 08-24-2021 Notary ID 131259323	V
CORPO	PRATE ACKNOWLEDGEMENT
STATE OF TEXAS)
COUNTY OF DALLAS	
The foregoing instrument was	acknowledged before me this 4 day of Januam, 2019 by
	dent – Land, Legal and Administration of MRC PERMIAN LKE
COMPANY, LLC, a Texas corporatio	· · · · · · · · · · · · · · · · · · ·
COM ANT, EDE, a Texas corporatio	n, on behalf of said corporation.
My Commission Expires: 8-24-	2021 Jame Graings Notary Public

JAIME GRAINGER
Notary Public, State of Texas
Comm. Expires 08-24-2021
Notary ID 131259323

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

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

Tract 2

Lease Date:

April 1, 2017

Recorded:

Unrecorded (State Lease – VC-0075)

Lessor:

The United States of America

ment 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

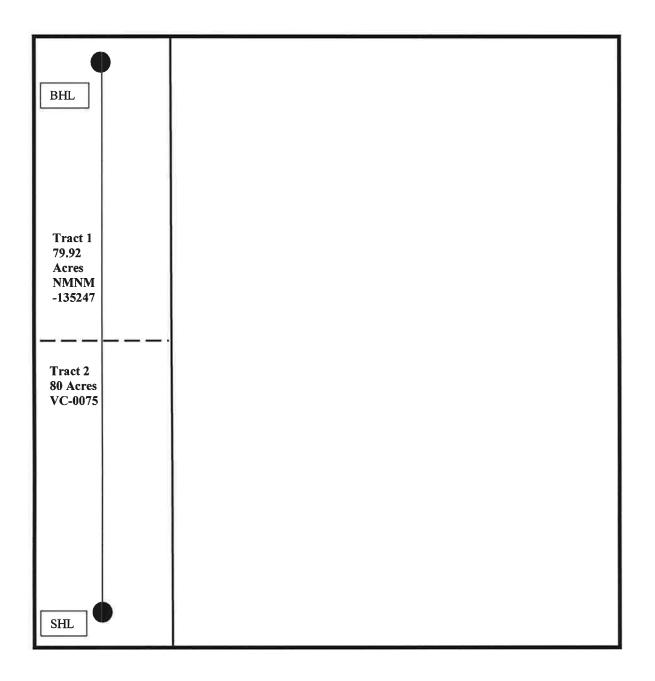
RECAPITULATION

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

Received by OCD: 11/15/2023 12:55:37 PM

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," 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 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 refe	erred to as	
"communitized substances") producible from such formation		

ONLINE

- 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.

version
August 2021
Released to Imaging: 2/13/2024 5:38:29 PM

- 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

3

- 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.
- 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: <u>Matador Production Company</u>	
By: Craig N. Adams – Executive Vice President Name & Title of Authorized Agent	<u>t</u>
Signature of Authorized Agent	
ACKNOW	LEDGEMENT
STATE OF <u>TEXAS</u>)	§
COUNTY OF <u>DALLAS</u>)	§
This instrument was acknowledged before Adams, as Executive Vice President for M corporation.	e me on, 2023, by Craig N. (atador Production Company, on behalf of said
	Signature
	Name (Print)
	My commission expires

State/Fed/Fee

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

MRC Permian Company		
By:		
Craig N. Adams Print Name		
Date:		
Acknowledg	ment in a Representative Capacity	7
STATE OF <u>TEXAS</u>)	§	
COUNTY OF <u>DALLAS</u>)	§	
This instrument was acknowledge Adams, as Executive Vice President, f	ged before me onon below on below	, 2023, by Craig N. nalf of said corporation.
	Signature	
	Name (Print)	
	My commission expire	es

WORKING INTEREST OWNERS

AND/OR LESSEES OF RECORD

MRC Permian LKE Company, LLC		
By:		
Craig N. Adams		
Print Name		
Date:		
Acknowledg	ment in a Representative Capacity	
STATE OF TEXAS)	§	
COUNTY OF <u>DALLAS</u>)	§	
This instrument was acknowledge Adams, as Executive Vice President, corporation.	ged before me on, 20 for MRC Permian LKE Company, LLC	023, by Craig No. on behalf of said
	Signature	
	Name (Print) My commission expires	

EXHIBIT "A"

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

Nina Cortell Fed Com #211H/#215H

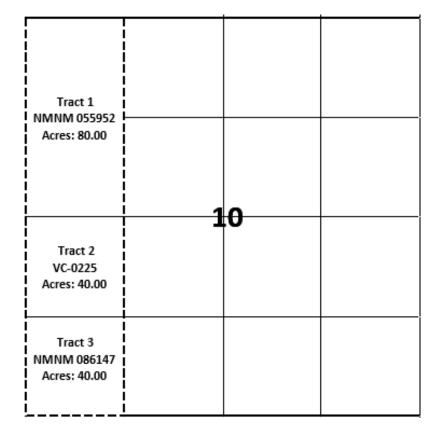


EXHIBIT B

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

Township 22 South, Range 32 East, **Description of Land Committed: Subdivisions:**

Section 10: W/2NW/4

Number of Acres: 80.00

MRC Permian Company Name and WIOwners:

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

Township 22 South, Range 32 East, **Description of Land Committed: Subdivisions:**

State/Fed/Fee

Section 10: NW/4SW/4

Number of Acres: 40.00

1/5th **Royalty Rate:**

Name and WIOwners: MRC Permian Company

9

TRACT NO. 3

Lease Serial No.: NMNM-086147

Lessor: Bureau Land Management

MRC Permian Company **Present Lessee:**

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

Number of Acres: 40.00

Name and WIOwners: 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

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 1/8th or 12 ½ 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 7/8th 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. <u>Nondiscrimination.</u> 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)	
personally appeared Jonathan	, 2023, before me, a Notary Public for the State of Texas, a Filbert, known to me to be the Senior Vice President - Land of Matado xas corporation, on behalf of said corporation.	
My Commission Expires	Notary Public	

WORKING INTEREST OWNERS

AND/OR LESSEES OF RECORD

MRC PERMIAN COMPANY Date: _____ Name: Jonathan Filbert Title: Senior Vice President - Land MRC PERMIAN LKE COMPANY, LLC By: _____ Date: 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.

Notary Public

My Commission Expires

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

Date:	By:
	Name:
	Title:
	CORPORATE ACKNOWLEDGEMENT
STATE OF)
STATE OFCOUNTY OF)
On this day of	, 2023, before me, a Notary Public for the State of, personally, known to me to be the, on behalf of said corporation.
of	, on behalf of said corporation.
My Commission Expires	Notary Public
	ACKNOWLEDGMENT
STATE OF	
COUNTY OF)
On thisday of	, 2023, before me, a Notary Public for the State of, personally, who acknowledged to me that he/she executed this said capacity.
document in his/her official o	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 <u>160</u> 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

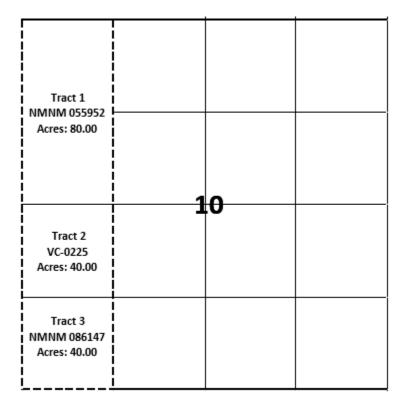


EXHIBIT "B"

Attached to and made a part of that certain Communitization Agreement Dated <u>January</u> 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.: 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. 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%

	≂
	6
	~
	8
	ä.
	₹.
	0
	2
٠	bγ
	•
	$\overline{}$
	_
	• •
	-
	\leq
	S
	2
	N
	N
	Ü
	-
	N
	:7
	زر
	9
	90
	V
	-
	. `
	Z

1220 Minerals LLC	306 W. 7th Street, Suite 901	Fort Worth	TX	76102
	3100 Lantana Lane			
Abyss Inc		Midland	TX	79705-1600
	PO Box 3327			
Adley Properties LLC		Midland	TX	79702-3327
	710 Christopher Dr.			
Adrian L. Dawe		Pleasant Hill	MO	64080
	Burnett Plaza - Suite 1500, 801 Cherry			
Anne W. Grimes, Trustee of the Marion 2011 Family Trust	Street, Unit #9	Fort Worth	TX	76102-6881
Benco Energy, Inc.	P.O. Box 29	Fort Worth	TX	76101
	PO Box 1260			
BJF Energy LLC		Fort Worth	TX	76101
Bureau of Land Management	310 Dinosaur Trail	Santa Fe	NM	87508
	5 Westover Rd			
BURTEX INVESTMENTS II LP		Fort Worth	TX	76107-3104
	P.O. Box 11025			
Capstan Properties LP		Midland	TX	79702
	2204 NE Chipman Rd.			
Christopher A. Broderick	·	Lees Summit	МО	64063
	3824 Cedar Springs Rd # 414			
Collins Permian LP		Dallas	TX	75219-4136
	600 W Illinois Ave			
ConocoPhillips Company		Midland	ТХ	79701
, ,	PO Box 1761			
CTH Royalties, LLC		Aledo	тх	76008-1761
Curtis A. Anderson and Edna I. Anderson, Trustees of the				
Edna and Curtis Anderson Revocable Trust dated August 31,	9314 Cherry Brook Lane			
2021	,	Frisco	ТХ	75033
	P.O. Box 2475		111	
Daniel E. Gonzales, whose marital status is unknown		Santa Fe	NM	87504
	309 Matern Court			0.304
Dehlinger Revocable Trust	333	Horseshoe Bay	TX	78657-5883
	20230 Atascocita Lake Dr.	11013031100 Bdy	170	7.0037 3003
Dianne Mary Gamache Truitt		Humble	TX	77346
Diamic Mary Sumucine Huitt	500 W Wall Ste 300	Tallibic	17	7,340
Elberta M Royalty, LLC	Soo www.stc soo	Midland	TX	79701-5093
Liberta Wi Noyalty, LLC		Iviididid	17	13101-3033

EXHIBIT

1602 Avenue J			
	Abernathy	TX	79311
1900 North Akard St			
	Dallas	TX	75201-2300
16400 N. Dallas Parkway			
Suite 400			
	Dallas	TX	75248
15001 Spencer Mountain Dr			
	Jones	ОК	73049-8606
20602 Lazerton Dr.			
	Katy	TX	77450
5300 Cortaderia Pl. NE			
	Albuquerque	NM	87111
5717 E. County Road	Midland	TX	79706
1611 Live Oak Pl.			
	Carlsbad	NM	88220
6500 Homestead Blvd			
	Midland	TX	79707
PO Box 2052			
	Midland	TX	79702
P.O. Box 2052	Midland	TX	79703
5910 North Central Expressway			
Suite 1470			
	Dallas	TX	75206
PO Box 51908			
	Midland	TX	79710
2004 SW Brighton Place			
_	Blue Springs	МО	64015
P.O. Box 1260			
	Fort Worth	TX	76101
1717 West Loop S Ste 1800			
·	Houston	TX	77027-3049
P.O. Box 3970			
	Decatur	GA	30031-3970
P. O. Box 10708			
	Midland	TX	79702-0708
	1900 North Akard St 16400 N. Dallas Parkway Suite 400 15001 Spencer Mountain Dr 20602 Lazerton Dr. 5300 Cortaderia Pl. NE 5717 E. County Road 1611 Live Oak Pl. 6500 Homestead Blvd PO Box 2052 P.O. Box 2052 P.O. Box 2052 5910 North Central Expressway Suite 1470 PO Box 51908 2004 SW Brighton Place P.O. Box 1260 1717 West Loop S Ste 1800 P.O. Box 3970	Abernathy 1900 North Akard St Dallas 16400 N. Dallas Parkway Suite 400 Dallas 15001 Spencer Mountain Dr Jones 20602 Lazerton Dr. Katy 5300 Cortaderia Pl. NE Albuquerque 5717 E. County Road Midland 1611 Live Oak Pl. Carlsbad 6500 Homestead Blvd Midland PO Box 2052 Midland P.O. Box 2052 Midland P.O. Box 2052 Midland PO Box 51908 Midland 2004 SW Brighton Place Blue Springs P.O. Box 1260 Fort Worth 1717 West Loop S Ste 1800 Houston P.O. Box 3970 Decatur P. O. Box 10708	Abernathy TX 1900 North Akard St Dallas TX 16400 N. Dallas Parkway Suite 400 Dallas TX 15001 Spencer Mountain Dr Jones OK 20602 Lazerton Dr. Katy TX 5300 Cortaderia Pl. NE Albuquerque NM 5717 E. County Road Midland TX 1611 Live Oak Pl. Carlsbad NM 6500 Homestead Blvd Midland TX PO Box 2052 Midland TX P.O. Box 2052 Midland TX PO Box 51908 Midland TX PO Box 51908 Midland TX P.O. Box 1260 P.O. Box 1260 Fort Worth TX 1717 West Loop S Ste 1800 P.O. Box 3970 Decatur GA

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

Received by OCD: 11/15/2023 12:55:37 PM

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

Received by OCD: 11/15/2023 12:55:37 PM

	333 West Sheridan Ave.			
WPX Energy Permian, LLC		Oklahoma City	ОК	73102



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,

Paula M. Vance

ATTORNEY FOR MATADOR PRODUCTION

COMPANY

						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497728399	1220 Minerals LLC	306 W 7th St Ste 901	Fort Worth	TX	76102-4929	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497728344	Abyss Inc	3100 Lantana Ln	Midland	TX	79705-1600	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497728337	Adley Properties LLC	PO Box 3327	Midland	TX	79702-3327	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497728375	Adrian L. Dawe	710 Christopher Dr	Pleasant Hill	мо	64080-1083	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
	Anne W. Grimes, Trustee of the Marion	Burnett Plaza - Suite 1500,801				provided when USPS receives the
9402811898765497728016	2011 Family Trust	Cherry Street, Unit 9	Fort Worth	TX	76102-6815	package; contact the shipper or shipping
3 102011030703 137720010		enerry en eet, ennee	Tore worth	170	70102 0013	A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497728054	Benco Energy Inc	PO Box 29	Fort Worth	TX	76101-0029	package; contact the shipper or shipping
3402011838703437728034	Denies Energy, me.	1 0 00x 23	TOTE WOTEH	17		A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497728023	BIE Enorgy II C	PO Box 1260	Fort Worth	TX	76101-1260	package; contact the shipper or shipping
3402811838703437728023	BJF LITET BY LLC	FO BOX 1200	FOIL WOILII	17	70101-1200	A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
0403911909765407739000	Durage of Land Management	310 Dinessur Trail	Conto Fo	NIN 4	07500	l'
9402811898765497728009	Bureau of Land Management	310 Dinosaur Trail	Santa Fe	NM	87508	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
0.40004.4000765.407755555	BURTEY INVESTMENTS II I		5		76407.045.	provided when USPS receives the
9402811898765497728092	BURTEX INVESTMENTS II LP	5 Westover Rd	Fort Worth	TX	/610/-3104	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497728047	Capstan Properties LP	PO Box 11025	Midland	TX	79702-8025	package; contact the shipper or shipping

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

						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497728436	HUNT OIL COMPANY	1900 N Akard St	Dallas	TX	75201-2729	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497728474	J. Hiram Moore, LTD	16400 Dallas Pkwy Ste 400	Dallas	TX	75248-2643	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497728511	Jack Lowry	15001 Spencer Mountain Dr	Jones	ОК	73049-8606	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497728559	James Edward Kaucher	20602 Laverton Dr	Katy	TX	77450-1914	package; contact the shipper or shipping
			,			A shipping label has been prepared for
	James Gordon DeBlois and Linda DeBlois,					your item. A delivery date will be
	Trustees of The DeBlois Revocable Trust					provided when USPS receives the
9402811898765497728528	dated July 16, 2008	5300 Cortaderia Pl NE	Albuquerque	NM	87111-8058	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497728504	Janice Eubank Tumlinson	5717 E. County Road	Midland	TX	79706	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497728542	Jean Ann Tully Stell	1611 Live Oak Pl	Carlsbad	NM	88220-4103	package; contact the shipper or shipping
	·					A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497728580	JSG Energy LLC	6500 Homestead Blvd	Midland	TX	79707-5080	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497728535	Judson Exploration LP	PO Box 2052	Midland	TX	79702-2052	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727217	Judson Land and Minerals LP	PO Box 2052	Midland	TX	79702-2052	package; contact the shipper or shipping
5 .52511555, 55457727217	Jacob Land and Hillerald El	. 5 50x 2052	imaiana		. 3. 32 2032	passage, contact the shipper of shipping

						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727262 JV	VO, LLC	5910 N Central Expy Ste 1470	Dallas	TX	75206-5136	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727200 JV	WD Resources, LLC	PO Box 51908	Midland	TX	79710-1908	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727293 K	Cathleen L. George	2004 SW Brighton PI	Blue Springs	МО	64015-7157	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727248 K	(FD Energy LLC	PO Box 1260	Fort Worth	TX	76101-1260	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727286 L	JA Charitable Investments LLC	1717 West Loop S Ste 1800	Houston	TX	77027-3049	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727231 L	.yra Properties LLC	PO Box 3970	Decatur	GA	30031-3970	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727279 N	√lagic Dog Oil & Gas	PO Box 10708	Midland	TX	79702-7708	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
l N	Marion 2011 Family Trust Anne W Grimes					provided when USPS receives the
9402811898765497727811 T	Frustee c/o Burnett Oil Company	801 Cherry St Unit 9	Fort Worth	TX	76102-6803	package; contact the shipper or shipping
		·				A shipping label has been prepared for
						your item. A delivery date will be
N	Marjean Martin Murphy Trustee Marjean					provided when USPS receives the
		4374 Ranger Creek Rd	Boerne	TX	78006-8167	package; contact the shipper or shipping
	, , ,					A shipping label has been prepared for
						your item. A delivery date will be
		1				provided when USPS receives the
						provided when USPS receives the

						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727828	MHM Resources, LP	PO Box 51570	Midland	TX	79710-1570	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727804	MRC Permian Company	5400 Lbj Fwy Ste 1500	Dallas	TX	75240-1017	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727897	MRC Permian LKE Company, LLC	5400 Lbj Fwy Ste 1500	Dallas	TX	75240-1017	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727842	New Mexico State Land Office	PO Box 1148	Santa Fe	NM	87504-1148	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727880	NM Royalty, LLC	PO Box 51908	Midland	TX	79710-1908	package; contact the shipper or shipping
	- 7 7,					A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727835	Oak Valley Mineral and Land LP	PO Box 50820	Midland	TX	79710-0820	package; contact the shipper or shipping
3402011030703437727033	Can valley remieral and Earla Er	1 6 Box 30020	Iviididid	17		A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727873	Office of Natural Resources	PO Box 25627	Denver	со	80225-0627	package; contact the shipper or shipping
3402011030703437727073	Office of Natural Resources	1 O BOX 23027	Deliver		00223 0027	A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727712	Osprov Oil and Gas II C	707 N Carrizo St	Midland	TX	70701 2240	package; contact the shipper or shipping
9402811898763497727712	Osprey Oil and das, LLC	707 N Carrizo St	Iviiuiaiiu	17	79701-3240	A shipping label has been prepared for
						your item. A delivery date will be
	Date: Mills Daker Trustee of The Date:					,
0403011000765407737750	Patsy Mills Baker, Trustee of The Patsy Mills Baker GST Trust	001 W 9+b 5+	Idalau	TV	70220 0050	provided when USPS receives the
9402811898765497727750	IVIIIIS BAKER GST TRUST	901 W 8th St	Idalou	TX		package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727767	Pheasant Energy, LLC	PO Box 2487	Fort Worth	TX	/6113-2487	package; contact the shipper or shipping

						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727729	Post Oak Crown Minerals LLC	34 S Wynden Dr Ste 210	Houston	TX	77056-2531	package; contact the shipper or shipping
						Your item arrived at our USPS facility in
						DENVER CO DISTRIBUTION CENTER on
						November 14, 2023 at 4:47 pm. The item
9402811898765497727705	Richard C & Breida Geesaman	820 Pine St Gold HI	Boulder	СО	80302-4744	is currently in transit to the destination.
						A shipping label has been prepared for
						your item. A delivery date will be
	BEVERLY J. BARR, TRUSTEE RICHARD K.					provided when USPS receives the
9402811898765497727798	BARR FAMILY TRUST	804 Park Vista Cir	Southlake	TX	76092-4342	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727743	Richard Ward Kaucher	14315 Marks Way	Cypress	TX	77429-3748	package; contact the shipper or shipping
		,	- / P			A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727781	Robert G. Hooper	PO Box 733	Roswell	NM	88202-0733	package; contact the shipper or shipping
						A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727736	Robert Peter Kaucher	3425 Foxridge Dr	Colorado Springs	со	80916-3398	package; contact the shipper or shipping
3 102011030703 137727730	I Controller Rudoner	o izo i omiage zi	colorado opringo		00310 3330	A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727774	Shumana Exploration LP	PO Box 3970	Decatur	GA	30031-3970	package; contact the shipper or shipping
3402011030703437727774	Shamana Exploration Er	1 0 BOX 3370	Decutui	U/ C	30031 3370	A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727910	Sitio Permian II C	1401 Lawrence St Ste 1750	Denver	со	80202-3074	package; contact the shipper or shipping
3402011030703437727310	Sitio i criman elec	1401 Lawrence St Stc 1730	Denver		00202 3074	A shipping label has been prepared for
						your item. A delivery date will be
						provided when USPS receives the
9402811898765497727958	Sortida Resources II.C	PO Box 50820	Midland	TX	70710-0820	package; contact the shipper or shipping
9402811838703437727338	Solitida Nesodi Ces EEC	FO BOX 30820	Iviidialid	17	73710-0820	A shipping label has been prepared for
						your item. A delivery date will be
	Taffrail Investments LP c/o L&J Associates,					provided when USPS receives the
9402811898765497727965	LLC	57 Marine St	Prony	NY	10464 1633	package; contact the shipper or shipping
3402011030/0343//2/905	LLC	27 Maille 20	Bronx	INT	10404-1023	package, contact the shipper of shipping

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

Received by OCD: 11/15/2023 12:55:37 PM

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

Order No. PLC-865-A Page 1 of 4

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.

Order No. PLC-865-A Page 2 of 4

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

Order No. PLC-865-A Page 3 of 4

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.

DATE: 2/13/24

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

DYLAN M. FUGE

DIRECTOR (ACTING)

Order No. PLC-865-A Page 4 of 4

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

Leases as defined in 19.1	Leases as defined in 19.13.12.7(C) NVIAC								
Lease	UL or Q/Q	S-T-R							
CA Bone Spring NMNM 105720807 (143833)	W/2 W/2	3-22S-32E							
CA Bolle Spring INVIINIVI 103/2000/ (143033)	W/2 W/2	10-22S-32E							
NMNM 105305436 (135247)	ABCFGIJOP	3-22S-32E							
Fee	Н	3-22S-32E							
NMNM 105417983 (086147)	E/2, K M N	10-22S-32E							
VC 0075 0000	KN	3-22S-32E							
NMNM 105369606 (055952)	C D E	10-22S-32E							
NMNM 105725629 (141008)	F	10-22S-32E							
VC 0225 0000	$\overline{\mathbf{L}}$	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
30-025-49027	Nina Corten Federal Com #125H	W/2 W/2	10-22S-32E	3093
30-025-50258	Nina Cortell Federal Com #131H	W/2 W/2	3-22S-32E	5695
30-023-30236	Nilla Cortell Federal Colli #151H	W/2 W/2	10-22S-32E	3093
20 025 51190	Nine Contell Federal Com #122H	E/2 W/2	3-22S-32E	5695
30-023-31109	30-025-51189 Nina Cortell Federal Com #132H	E/2 W/2	10-22S-32E	3093
20 025 50512	Nina Cortell Federal Com #133H	W/2 E/2	3-22S-32E	5605
30-025-50513	Nilla Cortell Federal Colli #155H	W/2 E/2	10-22S-32E	5695
30-025-50801	Nina Cortell Federal Com #134H	E/2 E/2	3-22S-32E	5695
30-023-30001	Mila Cortell Federal Colli #154H	E/2 E/2	10-22S-32E	3093
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	00166
30-025-51267	Nina Corten Federal Com #202H	E/2 W/2	10-22S-32E	98166
30-025-49628	Nina Cortell Federal Com #203H	W/2 E/2	3-22S-32E	98166
30-023-49028	Mila Cortell Federal Colli #203H	W/2 E/2	10-22S-32E	90100
30-025-49629	Nina Cortell Federal Com #204H	E/2 E/2	3-22S-32E	00166
30-023-49029	Mina Corten rederal Com #204H	E/2 E/2	10-22S-32E	98166

State of New Mexico Energy, Minerals and Natural Resources Department

Exhibit B

Order: PLC-865-A

Operator: Matador Production Company (228937)

Pool	led	Areas
I UU	ıvu	Aicas

r00	ieu Areas			
Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Dana Spring NMNM 105724617 (142042)	W/2 E/2	3-22S-32E	319.92	A
CA Bone Spring NMNM 105724617 (143942)	W/2 E/2	10-22S-32E	319.92	A
CA Bono Spring DI M	E/2 E/2	3-22S-32E	210.02	D
CA Bone Spring BLM	E/2 E/2	10-22S-32E	319.92	В
CA W-16 NAMNA 1057(2221	W/2 E/2	3-22S-32E	210.02	
CA Wolfcamp NMNM 105762321	W/2 E/2	10-22S-32E	319.92	C
CA W16 NIMANIM 105022700	E/2 E/2	3-22S-32E	210.02	D
CA Wolfcamp NMNM 105823709	E/2 E/2	10-22S-32E	319.92	D
CA Dana Carria DI M	E/2 W/2	3-22S-32E	210.02	ъ
CA Bone Spring BLM	E/2 W/2	10-22S-32E	319.92	\mathbf{E}
CA Wolfcamp BLM	W/2 W/2	10-22S-32E	160	F
CA Walfarana DI M	E/2 W/2	3-22S-32E	210.02	0
CA Wolfcamp BLM	E/2 W/2	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)	AIP	3-22S-32E	119.92	В
Fee	H	3-22S-32E	40	В
NMNM 105417983 (086147)	E/2 E/2	10-22S-32E	160	В
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)	AIP	3-22S-32E	119.92	D
Fee	Н	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	KN	3-22S-32E	80	E
NMNM 105369606 (055952)	C	10-22S-32E	40	E
NMNM 105725629	\mathbf{F}	10-22S-32E	40	E
NMNM 105417983 (086147)	KN	10-22S-32E	80	${f E}$
NMNM 105369606 (055952)	D E	10-22S-32E	80	\mathbf{F}
VC 0225 0000	40	10-22S-32E	40	\mathbf{F}
NMNM 105417983 (086147)	M	10-22S-32E	40	\mathbf{F}
NMNM 105305436 (135247)	C F	3-22S-32E	79.92	G
VC 0075 0000	KN	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)	KN	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

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:	OGRID:			
MATADOR PRODUCTION COMPANY	228937			
One Lincoln Centre	Action Number:			
Dallas, TX 75240	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