

Office  
District I – (575) 393-6161  
1625 N. French Dr., Hobbs, NM 88240  
District II – (575) 748-1283  
811 S. First St., Artesia, NM 88210  
District III – (505) 334-6178  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV – (505) 476-3460  
1220 S. St. Francis Dr., Santa Fe, NM  
87505

**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

WELL API NO. 30-015-53728
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Simon Camamile 0206 Fed Com
8. Well Number 205H
9. OGRID Number 228937
10. Pool name or Wildcat WC Burton Flat Upper Wolfcamp, East

**SUNDRY NOTICES AND REPORTS ON WELLS**  
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator  
MATADOR PRODUCTION COMPANY

3. Address of Operator  
5400 LBJ Freeway, Ste 1500, Dallas, TX 75240

4. Well Location

Unit Letter Lot 2: 1280 \_\_\_ feet from the \_\_\_ South \_\_\_ line and \_\_\_ 725 \_\_\_ feet from the \_\_\_ West \_\_\_ line

Section 2 Township 21-S Range 28-E NMPM County Eddy

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
3348'

**12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data**

**NOTICE OF INTENTION TO:**

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐  
DOWNHOLE COMMINGLE ☐  
CLOSED-LOOP SYSTEM ☐  
OTHER: ☒

**SUBSEQUENT REPORT OF:**

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐  
OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7,14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Pursuant to Administrative Order CTB-1102, Matador files this notice that the attached two communitization agreements have been approved.

Spud Date:

Rig Release Date:

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

SIGNATURE



TITLE Senior Vice President and Assistant General Counsel DATE 4/19/24

Type or print name Kyle Perkins E-mail address: Kperkins@matadorresources.com PHONE: 972-371-5202

**For State Use Only**

APPROVED BY:

TITLE

DATE

Conditions of Approval (if any):



COMMISSIONER

Stephanie Garcia Richard

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

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

COMMISSIONER'S OFFICE

Phone (505) 827-5760  
Fax (505) 827-5766  
www.nmstatelands.org

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

January 17<sup>th</sup>, 2024

Re: Communitization Agreement Approval  
Simon Camamile 0206 Federal Com #205H  
Vertical Extent: Wolfcamp  
Township: 21 South, Range 28 East, NMPM  
Section 1: N2S2  
Section 2: N2S2  
Township: 21 South, Range 29 East, NMPM  
Section 6: Lot 17, NE4SW4

Eddy County, New Mexico

Dear Mr. Cazale,

The Commissioner of Public Lands has this date approved the Simon Camamile 0206 Federal Com #205H Communitization Agreement for the Wolfcamp formation effective 2-1-2023. Enclosed are three Certificates of Approval.

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

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

If we may be of further service, please contact Joseph Thompson at (505) 827-5750.

Sincerely,

*Joseph Thompson*

Joseph Thompson  
Petroleum Specialist

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

**Matador Production Company**  
**Simon Camamile 0206 Federal Com #205H**  
**Wolfcamp**  
**Township: 21 South, Range: 28 East, NMPM**  
**Section 1: N2S2**  
**Section 2: N2S2**  
**Township: 21 South, Range: 29 East, NMPM**  
**Section 6: Lot 17, NE4SW4**

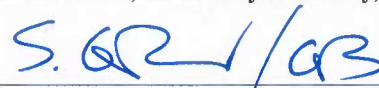
**Eddy County, New Mexico**

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **February 1, 2023**, 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 17<sup>th</sup> day of January, 2024.



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

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

**Matador Production Company**  
**Simon Camamile 0206 Federal Com #205H**  
**Wolfcamp**  
**Township: 21 South, Range: 28 East, NMPM**  
**Section 1: N2S2**  
**Section 2: N2S2**  
**Township: 21 South, Range: 29 East, NMPM**  
**Section 6: Lot 17, NE4SW4**

**Eddy County, New Mexico**

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

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

**Matador Production Company**  
**Simon Camamile 0206 Federal Com #205H**  
**Wolfcamp**  
**Township: 21 South, Range: 28 East, NMPM**  
**Section 1: N2S2**  
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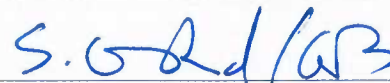
**Eddy County, New Mexico**

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IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 17<sup>th</sup> day of January, 2024.



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



**New Mexico State Land Office  
Oil, Gas, & Minerals Division**

**STATE/STATE OR  
STATE/FEE**  
Revised July 2023

**COMMUNITIZATION AGREEMENT**  
ONLINE Version

API #: 30-015 \_\_\_\_\_ - 53728 \_\_\_\_\_

THIS COMMUNITIZATION AGREEMENT ("Agreement") [which is NOT to be used for carbon dioxide or helium] is entered into and made effective this 1<sup>st</sup> [day] of February [month] 2023, by and between the parties signing below ("Parties"):

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

WHEREAS, the Parties own working, royalty, or other leasehold or other interests or operating rights under the oil and gas leases and lands subject to this Agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules and regulations, which leases, along with the well(s) on each lease to be encompassed by this Agreement, are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

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

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

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version

State/State

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2023 DEC -5 AM 11:33

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

1. The lands described in Exhibit A (or B) covered by this Agreement (hereinafter referred to as the "communitized area") are described as follows:

Subdivisions: N2S2 of Sections 1 & 2, Lot 17 & NE4SW4 of Section 6

Of Sect(s): 1, 2, & 6 Twp: 21S Rng: 28E & 29E NMPM Eddy County, NM

Containing 390.36 acres, more or less. It is the judgment of the Parties that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the OCD, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

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

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

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

3. Subject to Paragraph 5, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals or performance of other lease obligations under the terms of said leases shall not be affected by this Agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this Agreement shall remain in full force and effect as originally issued and amended.

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State/State

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4. **Matador Production Company** shall be the operator of the said communitized area ("Operator") and all matters of operation shall be determined and performed by **Matador Production Company**. If more than one Operator operates wells subject to this Agreement, the Commissioner reserves the right to require one or more or all operators who added infill wells to this Agreement to obtain a new agreement.

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

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

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

8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws.

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

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version

State/State

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2/13/2025 9:11:33 AM



10. Notwithstanding any other provision herein, if there is a cessation of production of communitized substances for more than sixty (60) days beginning one year after the date of execution, this Agreement shall automatically terminate, along with the ability to produce communitized substances, unless notice of reworking or drilling operations on the communitized area is made within 60 days of cessation of production of communitized substances and are thereafter conducted with reasonable diligence or the Commissioner of Public Lands otherwise grants an exception to continued drilling operations, including for the compliance of other state rules, laws, or policies. All such notices provided pursuant to this Paragraph shall be in writing and must be approved by the Commissioner. As to State Trust Lands, written notice of intention to commence any operations hereunder shall be filed with the Commissioner within thirty(30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this Agreement. All requests to the Commissioner to grant an exception or exceptions for the compliance of other state rules, laws, or policies must be made in writing within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to this Agreement or any lease from the State of New Mexico included in this Agreement

11. Operator shall furnish the Commissioner and the OCD, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

12. It is agreed between the Parties that the Commissioner, or the Commissioner's duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State Land Office and the OCD.

13. If any order of the OCD upon which this Agreement is predicated or based is in anyway changed or modified, then in such event said Agreement is likewise modified to conform thereto.

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 instruments, in writing, specifically referring hereto, and shall be binding upon all Parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

15. 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.

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State/State

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16. In the event that Operator is aggrieved by a decision of the Commissioner with respect to any action by the Commissioner arising under this Agreement, Operator may within thirty (30) days after the date of such action file an administrative contest pursuant to 19.7.64 NMSA (1978) and 19.2.15 NMAC. Operator shall initiate no court action against the Commissioner or New Mexico State Land Office regarding this Agreement except to appeal a final decision of the Commissioner rendered pursuant to such a contest proceeding, and as provided by 19.7.64 NMSA (1978). **The Parties agree that any venue for any appeal or other action shall be in Santa Fe, New Mexico.**

17. Operator shall notify the Commissioner in writing within ten (10) days of (i) Operator's receipt of any compliance order, enforcement order, notice of violation, warning letter, or other written notice of final or contemplated enforcement action taken by any federal, state, or local governmental entity arising out of or concerning any of Operator's operations on New Mexico state trust land; (ii) Operator's receipt of any order, judgment, or decree (on consent or otherwise) entered by any federal or state court against Operator arising out of or concerning any of Operator's operations on New Mexico state trust land; or (iii) Operator's receipt of any written notice of claim, written pre-suit notice, or lawsuit arising out of or concerning any of Operator's operations on New Mexico state trust land. Upon the Commissioner's request, Operator shall promptly provide the Commissioner with a copy of any such order, judgment, decree, notice, letter, or lawsuit.

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

Commissioner of Public Lands: \_\_\_\_\_ Date: \_\_\_\_\_

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version

State/State

2023 DEC -5 AM 11:34

Operator: **Matador Production Company**

By: Bryan A. Erman - E.V.P. and General Counsel and Head of M&A  
Name & Title of Authorized Agent

Bryan A. Erman  
Signature of Authorized Agent

CW  
add

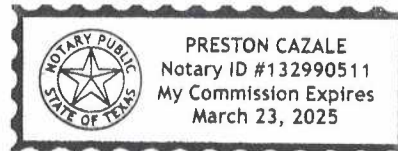
**Acknowledgment in a Representative Capacity**

STATE OF TEXAS) §

COUNTY OF DALLAS) §

This instrument was acknowledged before me on November 27th, 2023, by Bryan A. Erman, as E.V.P. and General Counsel and Head of M&A for Matador Production Company, on behalf of said corporation.

Preston Cazale  
Signature of Notarial Officer  
My commission expires 3/23/2025



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

**MRC Permian Company**

By: Bryan A. Erman - E.V.P. and General Counsel and Head of M&A  
Name & Title of Authorized Agent

Bryan A. Erman  
Signature of Authorized Agent

CW  
add

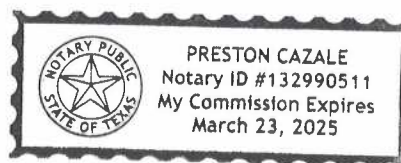
**Acknowledgment in a Representative Capacity**

STATE OF TEXAS) §

COUNTY OF DALLAS) §

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Preston Cazale  
Signature of Notarial Officer  
My commission expires 3/23/2025



2023 DEC -5 AM 11:34

WORKING INTEREST OWNERS  
AND/OR LESSEES OF RECORD

EOG Resources, Inc

By: [Signature]

Matthew W Smith  
Print Name al

Date: 9/28/23

Acknowledgment in an Individual Capacity

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2023, by

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (Print)  
My commission expires \_\_\_\_\_

Acknowledgment in a Representative Capacity

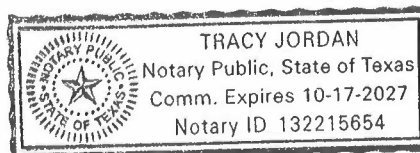
STATE OF Texas §

COUNTY OF Midland §

This instrument was acknowledged before me on September 28<sup>th</sup>, 2023, by Matthew W Smith, as  
Agent & Attorney-in-fact, for EOG Resources, Inc. on  
behalf of said corporation.

Tracy Jordan  
Signature

Tracy Jordan  
Name (Print)  
My commission expires 10-17-2027



2023 DEC -5 AM 11:34



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

Judah Oil LLC

By: \_\_\_\_\_

James B Campanella  
Print Name

Date: September 26, 2023

**Acknowledgment in an Individual Capacity**

STATE OF NM §

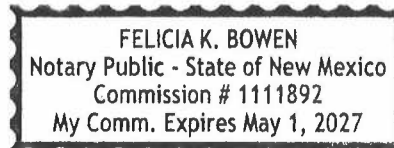
COUNTY OF Eddy §

This instrument was acknowledged before me on September 26, 2023, by

James B Campanella  
Member / Manager  
Judah Oil LLC

Felicia K. Bowen  
Signature

Felicia K. Bowen  
Name (Print)  
My commission expires 05/01/2027



**Acknowledgment in a Representative Capacity**

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2023, by \_\_\_\_\_, as  
\_\_\_\_\_, for \_\_\_\_\_ on  
behalf of said corporation.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (Print)  
My commission expires \_\_\_\_\_

2023 DEC -5 AM 11:34

WORKING INTEREST OWNERS  
AND/OR LESSEES OF RECORD

Concho Oil & Gas LLC

By: *Ryan D. Owen*

Ryan D. Owen, Attorney-in-Fact  
Print Name

Date: 9-25-23

B-2  
14

Acknowledgment in an Individual Capacity

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2023, by  
\_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (Print)  
My commission expires \_\_\_\_\_

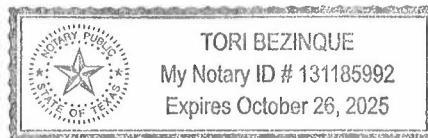
Acknowledgment in a Representative Capacity

STATE OF TEXAS §

COUNTY OF MIDLAND §

This instrument was acknowledged before me on Sept. 25, 2023, by Ryan D. Owen, as  
Attorney-in-Fact, for Concho Oil & Gas, LLC on  
behalf of said corporation.

*Tori Bezinque*  
Signature  
Tori Bezinque  
Name (Print)  
My commission expires 10-26-25



2023 DEC -5 AM 11:34

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

COG Operating LLC

By: 

Ryan D. Owen, Attorney-in-Fact  
Print Name

Date: 9-25-23

BTR  
JH

**Acknowledgment in an Individual Capacity**

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2023, by

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (Print)

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


**Acknowledgment in a Representative Capacity**

STATE OF TEXAS §

COUNTY OF MIDLAND §

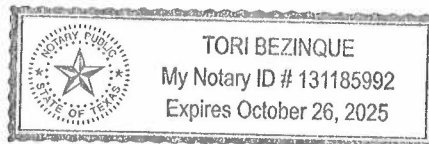
This instrument was acknowledged before me on Sept. 25, 2023, by Ryan D. Owen, as

Attorney-in-Fact, for COG Operating, LLC on  
behalf of said corporation.

  
Signature

Tori Bezinque  
Name (Print)

My commission expires 11-26-25



2023 DEC -5 AM 11:34

EXHIBIT “A”

Plat of communitized area covers 390.36 acres in N2S2 of Sections 2 & 1, Township 21 South, Range 28 East, Lot 17 & the NE/4SW/4 of Section 6, Township 21 South, Range 29 East, Eddy County, New Mexico.

Simon Camamile 0206 Fed Com #205H – API#: 30-015-53728

Section 2	Section 1	Section 6
<u>Tract 1</u> VB-0183-0003 160 Acres	<u>Tract 2</u> NMNM-115407 160 Acres	<u>Tract 3</u> NMNM-0029588 70.36



EXHIBIT “B”

Attached to and made a part of that certain Communitization Agreement dated February 1, 2023, embracing the following described land in N2S2 of Sections 2 & 1, Township 21 South, Range 28 East, Lot 17 & NE/4SW/4 of Section 6, Township 21 South, Range 29 East, Eddy County, New Mexico.

Operator of Communitized Area: Matador Resources Company

DESCRIPTION OF LEASES COMMITTED

TRACT NO. 1

Lease Serial Number:	VB-0183-0003
Lease Date:	2/1/1988
Lease Term:	5 Years
Lessor:	State of New Mexico
Royalty Rate:	3/16 <sup>th</sup>
Description of Land Committed:	Township 21 South, Range 28 East, Section 2: N2S2
Number of Acres:	160.00
Current Lessee of Record:	Judah Oil LLC
Name of Working Interest Owners:	Bane Bigbie and wife, Melanie Bigbie Charmar, LLC CP Energy Investments III, LLC Innoventions, Inc Jalapeno Corporation Michael Kyle Leonard, Trustee of the Michael Kyle Leonard Child's Trust Mitchell Exploration, Inc MRC Permian Company Shannon C. Leonard, Trustee of the Shannon C. Leonard Child's Trust

**TRACT NO. 2**

Lease Serial Number: NMNM-115407

Lessor: United States of America

Description of Land Committed: Township 21 South, Range 28 East,  
Section 1: N2S2

Number of Acres: 160.00

Current Lessee of Record: COG Operating LLC  
Concho Oil & Gas LLC  
EOG Resources, Inc  
Oxy Y-1 Company

Name of Working Interest Owners: COG Operating LLC  
Concho Oil & Gas LLC  
EOG Resources, Inc  
Oxy Y-1 Company

**TRACT NO. 3**

Lease Serial Number: NMNM-0029588

Lessor: United States of America

Description of Land Committed: Township 21 South, Range 29 East,  
Section 6: Lot 17, NE/4SW/4

Number of Acres: 70.36

Current Lessee of Record: COG Operating LLC  
Concho Oil & Gas LLC

Name of Working Interest Owners: COG Operating LLC  
Concho Oil & Gas LLC  
EOG Resources, Inc  
Oxy Y-1 Company  
Sharbro Energy, LLC

**RECAPITULATION**

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	160.00	40.99%
2	160.00	40.99%
3	70.36	18.02%
Total	390.36	100.00%

**New Mexico State Land Office  
Oil, Gas, & Minerals Division**

**STATE/STATE OR  
STATE/FEE**  
Revised July 2023

**COMMUNITIZATION AGREEMENT**

ONLINE Version

API #: 30-015 \_\_\_\_\_ - 53728 \_\_\_\_\_

THIS COMMUNITIZATION AGREEMENT ("Agreement") [which is NOT to be used for carbon dioxide or helium] is entered into and made effective this 1<sup>st</sup> [day] of February [month] 2023, by and between the parties signing below ("Parties"):

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

WHEREAS, the Parties own working, royalty, or other leasehold or other interests or operating rights under the oil and gas leases and lands subject to this Agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules and regulations, which leases, along with the well(s) on each lease to be encompassed by this Agreement, are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

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

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

ONLINE  
version

State/State

1



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

1. The lands described in Exhibit A (or B) covered by this Agreement (hereinafter referred to as the "communitized area") are described as follows:

Subdivisions: N2S2 of Sections 1 & 2, Lot 17 & NE4SW4 of Section 6

Of Sect(s): 1, 2, & 6 Twp: 21S Rng: 28E & 29E NMPM Eddy County, NM

Containing 390.36 acres, more or less. It is the judgment of the Parties that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the OCD, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

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

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

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

3. Subject to Paragraph 5, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals or performance of other lease obligations under the terms of said leases shall not be affected by this Agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this Agreement shall remain in full force and effect as originally issued and amended.

ONLINE  
version

State/State

2

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4. **Matador Production Company** shall be the operator of the said communitized area ("Operator") and all matters of operation shall be determined and performed by **Matador Production Company**. If more than one Operator operates wells subject to this Agreement, the Commissioner reserves the right to require one or more or all operators who added infill wells to this Agreement to obtain a new agreement.

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

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

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

8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws.

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

ONLINE  
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State/State

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10. Notwithstanding any other provision herein, if there is a cessation of production of communitized substances for more than sixty (60) days beginning one year after the date of execution, this Agreement shall automatically terminate, along with the ability to produce communitized substances, unless notice of reworking or drilling operations on the communitized area is made within 60 days of cessation of production of communitized substances and are thereafter conducted with reasonable diligence or the Commissioner of Public Lands otherwise grants an exception to continued drilling operations, including for the compliance of other state rules, laws, or policies. All such notices provided pursuant to this Paragraph shall be in writing and must be approved by the Commissioner. As to State Trust Lands, written notice of intention to commence any operations hereunder shall be filed with the Commissioner within thirty(30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this Agreement. All requests to the Commissioner to grant an exception or exceptions for the compliance of other state rules, laws, or policies must be made in writing within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to this Agreement or any lease from the State of New Mexico included in this Agreement

11. Operator shall furnish the Commissioner and the OCD, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

12. It is agreed between the Parties that the Commissioner, or the Commissioner's duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State Land Office and the OCD.

13. If any order of the OCD upon which this Agreement is predicated or based is in anyway changed or modified, then in such event said Agreement is likewise modified to conform thereto.

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 instruments, in writing, specifically referring hereto, and shall be binding upon all Parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

15. 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.

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version

State/State

2023 DEC -5 4  
AM 11:34



16. In the event that Operator is aggrieved by a decision of the Commissioner with respect to any action by the Commissioner arising under this Agreement, Operator may within thirty (30) days after the date of such action file an administrative contest pursuant to 19.7.64 NMSA (1978) and 19.2.15 NMAC. Operator shall initiate no court action against the Commissioner or New Mexico State Land Office regarding this Agreement except to appeal a final decision of the Commissioner rendered pursuant to such a contest proceeding, and as provided by 19.7.64 NMSA (1978). **The Parties agree that any venue for any appeal or other action shall be in Santa Fe, New Mexico.**

17. Operator shall notify the Commissioner in writing within ten (10) days of (i) Operator's receipt of any compliance order, enforcement order, notice of violation, warning letter, or other written notice of final or contemplated enforcement action taken by any federal, state, or local governmental entity arising out of or concerning any of Operator's operations on New Mexico state trust land; (ii) Operator's receipt of any order, judgment, or decree (on consent or otherwise) entered by any federal or state court against Operator arising out of or concerning any of Operator's operations on New Mexico state trust land; or (iii) Operator's receipt of any written notice of claim, written pre-suit notice, or lawsuit arising out of or concerning any of Operator's operations on New Mexico state trust land. Upon the Commissioner's request, Operator shall promptly provide the Commissioner with a copy of any such order, judgment, decree, notice, letter, or lawsuit.

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

Commissioner of Public Lands: \_\_\_\_\_ Date: \_\_\_\_\_

ONLINE  
version

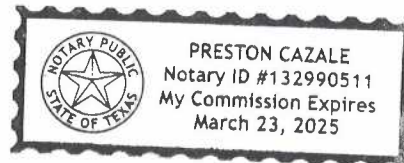
State/State

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AM 11:34

Operator: **Matador Production Company**By: Bryan A. Erman - E.V.P. and General Counsel and Head of M&A  
Name & Title of Authorized AgentBryan A. Erman  
Signature of Authorized AgentCW pd**Acknowledgment in a Representative Capacity**

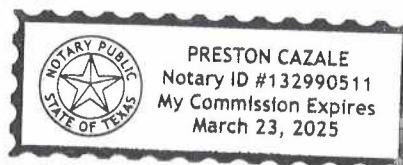
STATE OF TEXAS) §

COUNTY OF DALLAS) §

This instrument was acknowledged before me on November 27<sup>th</sup>, 2023, by Bryan A. Erman, as E.V.P. and General Counsel and Head of M&A for Matador Production Company, on behalf of said corporation.Preston Cazale  
Signature of Notarial Officer  
My commission expires 3/23/2025**WORKING INTEREST OWNERS  
AND/OR LESSEES OF RECORD****MRC Permian Company**By: Bryan A. Erman - E.V.P. and General Counsel and Head of M&A  
Name & Title of Authorized AgentBryan A. Erman  
Signature of Authorized AgentCW pd**Acknowledgment in a Representative Capacity**

STATE OF TEXAS) §

COUNTY OF DALLAS) §

This instrument was acknowledged before me on November 27<sup>th</sup>, 2023, by Bryan A. Erman, as E.V.P. and General Counsel and Head of M&A, for MRC Permian Company on behalf of said corporation.Preston Cazale  
Signature of Notarial Officer  
My commission expires 3/23/2025

2023 DEC -5 AM 11:34



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

EOG Resources, Inc

By: \_\_\_\_\_

Matthew W Smith  
Print Name *FW*

Date: 9/28/23

**Acknowledgment in an Individual Capacity**

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2023, by

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (Print)

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

**Acknowledgment in a Representative Capacity**

STATE OF Texas §

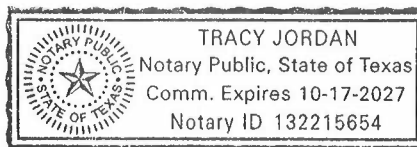
COUNTY OF Midland §

This instrument was acknowledged before me on September 28<sup>th</sup>, 2023, by Matthew W Smith, as  
Agent & Attorney-in-Fact, for EOG Resources, Inc. on  
behalf of said corporation.

Tracy Jordan  
Signature

Tracy Jordan  
Name (Print)

My commission expires 10-17-2027



2023 DEC -5 AM 11:34

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

Judah Oil, LLC

By: 

James B Campanella  
Print Name

Date: September 26, 2023

**Acknowledgment in an Individual Capacity**

STATE OF NM §

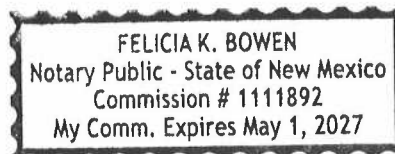
COUNTY OF Eddy §

This instrument was acknowledged before me on September 26, 2023, by

James B Campanella  
Member/Manager  
Judah Oil, LLC

Felicia K. Bowen  
Signature

Felicia K. Bowen  
Name (Print)  
My commission expires 05/01/2027



**Acknowledgment in a Representative Capacity**

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2023, by \_\_\_\_\_, as  
\_\_\_\_\_, for \_\_\_\_\_ on  
behalf of said corporation.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (Print)  
My commission expires \_\_\_\_\_

2023 DEC -5 AM 11:34

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

Concho Oil & Gas LLC

By: *Ry D. Owen*

Ryan D. Owen, Attorney-in-Fact  
Print Name

Date: 9-25-23

BTR  
JH

**Acknowledgment in an Individual Capacity**

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2023, by

\_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (Print)

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

**Acknowledgment in a Representative Capacity**

STATE OF TEXAS §

COUNTY OF MIDLAND §

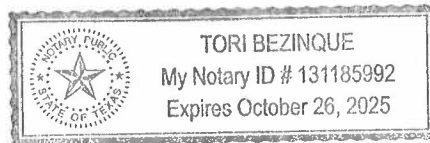
This instrument was acknowledged before me on Sept. 25, 2023, by Ryan D. Owen, as

Attorney-in-Fact, for Concho Oil & Gas, LLC on  
behalf of said corporation.

*Tori Bezinque*  
Signature

Tori Bezinque  
Name (Print)

My commission expires 10-26-25



2023 DEC -5 AM 11:34

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

COG Operating LLC

By: Ry D Owen

Ryan D. Owen, Attorney-in-Fact  
Print Name

Date: 9-25-23

<sup>BTR  
JW</sup>  
**Acknowledgment in an Individual Capacity**

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2023, by

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (Print)

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

**Acknowledgment in a Representative Capacity**

STATE OF TEXAS §

COUNTY OF MIDLAND §

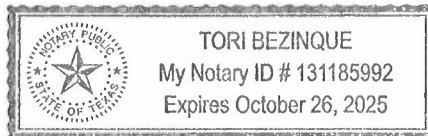
This instrument was acknowledged before me on Sept. 25, 2023, by Ryan D. Owen, as

Attorney-in-Fact, for COG Operating, LLC on  
behalf of said corporation.

T Bezinque  
Signature

Tori Bezinque  
Name (Print)

My commission expires 10-24-25



2023 DEC -5 AM 11:34

EXHIBIT “A”

Plat of communitized area covers 390.36 acres in N2S2 of Sections 2 & 1, Township 21 South, Range 28 East, Lot 17 & the NE/4SW/4 of Section 6, Township 21 South, Range 29 East, Eddy County, New Mexico.

Simon Camamile 0206 Fed Com #205H – API#: 30-015-53728

Section 2	Section 1	Section 6
<u>Tract 1</u> VB-0183-0003 160 Acres	<u>Tract 2</u> NMNM-115407 160 Acres	<u>Tract 3</u> NMNM-0029588 70.36



EXHIBIT “B”

Attached to and made a part of that certain Communitization Agreement dated February 1, 2023, embracing the following described land in N2S2 of Sections 2 & 1, Township 21 South, Range 28 East, Lot 17 & NE/4SW/4 of Section 6, Township 21 South, Range 29 East, Eddy County, New Mexico.

Operator of Communitized Area: Matador Resources Company

DESCRIPTION OF LEASES COMMITTED

TRACT NO. 1

Lease Serial Number:	VB-0183-0003
Lease Date:	2/1/1988
Lease Term:	5 Years
Lessor:	State of New Mexico
Royalty Rate:	3/16 <sup>th</sup>
Description of Land Committed:	Township 21 South, Range 28 East, Section 2: N2S2
Number of Acres:	160.00
Current Lessee of Record:	Judah Oil LLC
Name of Working Interest Owners:	Bane Bigbie and wife, Melanie Bigbie Charmar, LLC CP Energy Investments III, LLC Innoventions, Inc Jalapeno Corporation Michael Kyle Leonard, Trustee of the Michael Kyle Leonard Child's Trust Mitchell Exploration, Inc MRC Permian Company Shannon C. Leonard, Trustee of the Shannon C. Leonard Child's Trust

**TRACT NO. 2**

Lease Serial Number: NMNM-115407

Lessor: United States of America

Description of Land Committed: Township 21 South, Range 28 East,  
Section 1: N2S2

Number of Acres: 160.00

Current Lessee of Record: COG Operating LLC  
Concho Oil & Gas LLC  
EOG Resources, Inc  
Oxy Y-1 Company

Name of Working Interest Owners: COG Operating LLC  
Concho Oil & Gas LLC  
EOG Resources, Inc  
Oxy Y-1 Company

**TRACT NO. 3**

Lease Serial Number: NMNM-0029588

Lessor: United States of America

Description of Land Committed: Township 21 South, Range 29 East,  
Section 6: Lot 17, NE/4SW/4

Number of Acres: 70.36

Current Lessee of Record: COG Operating LLC  
Concho Oil & Gas LLC

Name of Working Interest Owners: COG Operating LLC  
Concho Oil & Gas LLC  
EOG Resources, Inc  
Oxy Y-1 Company  
Sharbro Energy, LLC

**RECAPITULATION**

<b>Tract No.</b>	<b>No. of Acres Committed</b>	<b>Percentage of Interest in Communitized Area</b>
<b>1</b>	160.00	40.99%
<b>2</b>	160.00	40.99%
<b>3</b>	70.36	18.02%
<b>Total</b>	<b>390.36</b>	<b>100.00%</b>

ONLINE  
version

State/State

8



COMMISSIONER

Stephanie Garcia Richard

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

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

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

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

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

January 17<sup>th</sup>, 2024

Re: Communitization Agreement Approval  
Simon Camamile 0206 Federal Com #206H  
Vertical Extent: Wolfcamp  
Township: 21 South, Range 28 East, NMPM  
Section 1: S2S2  
Section 2: S2S2  
Township: 21 South, Range 29 East, NMPM  
Section 6: Lot 18, SE4SW4

Eddy County, New Mexico

Dear Mr. Cazale,

The Commissioner of Public Lands has this date approved the Simon Camamile 0206 Federal Com #206H Communitization Agreement for the Wolfcamp formation effective 2-1-2023. Enclosed are three Certificates of Approval.

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

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

If we may be of further service, please contact Joseph Thompson at (505) 827-5750.

Sincerely,

*Joseph Thompson*

Joseph Thompson  
Petroleum Specialist

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

**Matador Production Company**  
**Simon Camamile 0206 Federal Com #206H**  
**Wolfcamp**  
**Township: 21 South, Range: 28 East, NMPM**  
**Section 1: S2S2**  
**Section 2: S2S2**  
**Township: 21 South, Range: 29 East, NMPM**  
**Section 6: Lot 18, SE4SW4**

**Eddy County, New Mexico**

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **February 1, 2023**, 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 17<sup>th</sup> day of January, 2024.

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



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

**Matador Production Company**  
**Simon Camamile 0206 Federal Com #206H**  
**Wolfcamp**  
**Township: 21 South, Range: 28 East, NMPM**  
**Section 1: S2S2**  
**Section 2: S2S2**  
**Township: 21 South, Range: 29 East, NMPM**  
**Section 6: Lot 18, SE4SW4**

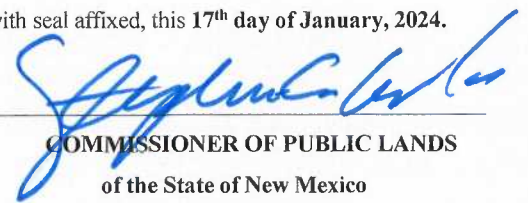
**Eddy County, New Mexico**

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **February 1, 2023**, 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 **17<sup>th</sup> day of January, 2024**.

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

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

**Matador Production Company  
Simon Camamile 0206 Federal Com #206H  
Wolfcamp**

**Township: 21 South, Range: 28 East, NMPM**

**Section 1: S2S2**

**Section 2: S2S2**

**Township: 21 South, Range: 29 East, NMPM**

**Section 6: Lot 18, SE4SW4**

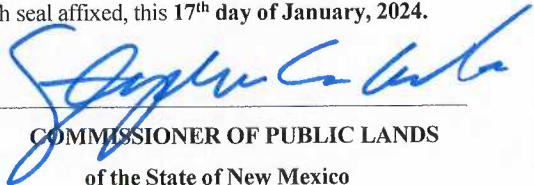
**Eddy County, New Mexico**

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- (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 17<sup>th</sup> day of January, 2024.

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

**New Mexico State Land Office  
Oil, Gas, & Minerals Division**

**STATE/STATE OR  
STATE/FEE**  
Revised July 2023

**COMMUNITIZATION AGREEMENT**

ONLINE Version

API #: 30-015 \_\_\_\_\_ - 53729 \_\_\_\_\_

THIS COMMUNITIZATION AGREEMENT ("Agreement") [which is NOT to be used for carbon dioxide or helium] is entered into and made effective this 1<sup>st</sup> [day] of February [month] 2023, by and between the parties signing below ("Parties"):

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

WHEREAS, the Parties own working, royalty, or other leasehold or other interests or operating rights under the oil and gas leases and lands subject to this Agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules and regulations, which leases, along with the well(s) on each lease to be encompassed by this Agreement, are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

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

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

2023 DEC -5 AM 11:33

ONLINE  
version

State/State

1

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

1. The lands described in Exhibit A (or B) covered by this Agreement (hereinafter referred to as the "communitized area") are described as follows:

Subdivisions: S2S2 of Sections 1 & 2, Lot 18 & SE4SW4 of Section 6

Of Sect(s): 1, 2, & 6 Twp: 21S Rng: 28E & 29E NMPM Eddy County, NM

Containing 390.32 acres, more or less. It is the judgment of the Parties that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the OCD, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

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

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

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

3. Subject to Paragraph 5, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals or performance of other lease obligations under the terms of said leases shall not be affected by this Agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this Agreement shall remain in full force and effect as originally issued and amended.



4. **Matador Production Company** shall be the operator of the said communitized area ("Operator") and all matters of operation shall be determined and performed by **Matador Production Company**. If more than one Operator operates wells subject to this Agreement, the Commissioner reserves the right to require one or more or all operators who added infill wells to this Agreement to obtain a new agreement.

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

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

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

8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws.

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

ONLINE  
version

State/State

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10. Notwithstanding any other provision herein, if there is a cessation of production of communitized substances for more than sixty (60) days beginning one year after the date of execution, this Agreement shall automatically terminate, along with the ability to produce communitized substances, unless notice of reworking or drilling operations on the communitized area is made within 60 days of cessation of production of communitized substances and are thereafter conducted with reasonable diligence or the Commissioner of Public Lands otherwise grants an exception to continued drilling operations, including for the compliance of other state rules, laws, or policies. All such notices provided pursuant to this Paragraph shall be in writing and must be approved by the Commissioner. As to State Trust Lands, written notice of intention to commence any operations hereunder shall be filed with the Commissioner within thirty(30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this Agreement. All requests to the Commissioner to grant an exception or exceptions for the compliance of other state rules, laws, or policies must be made in writing within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to this Agreement or any lease from the State of New Mexico included in this Agreement

11. Operator shall furnish the Commissioner and the OCD, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

12. It is agreed between the Parties that the Commissioner, or the Commissioner's duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State Land Office and the OCD.

13. If any order of the OCD upon which this Agreement is predicated or based is in anyway changed or modified, then in such event said Agreement is likewise modified to conform thereto.

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 instruments, in writing, specifically referring hereto, and shall be binding upon all Parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

15. 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.

16. In the event that Operator is aggrieved by a decision of the Commissioner with respect to any action by the Commissioner arising under this Agreement, Operator may within thirty (30) days after the date of such action file an administrative contest pursuant to 19.7.64 NMSA (1978) and 19.2.15 NMAC. Operator shall initiate no court action against the Commissioner or New Mexico State Land Office regarding this Agreement except to appeal a final decision of the Commissioner rendered pursuant to such a contest proceeding, and as provided by 19.7.64 NMSA (1978). **The Parties agree that any venue for any appeal or other action shall be in Santa Fe, New Mexico.**

17. Operator shall notify the Commissioner in writing within ten (10) days of (i) Operator's receipt of any compliance order, enforcement order, notice of violation, warning letter, or other written notice of final or contemplated enforcement action taken by any federal, state, or local governmental entity arising out of or concerning any of Operator's operations on New Mexico state trust land; (ii) Operator's receipt of any order, judgment, or decree (on consent or otherwise) entered by any federal or state court against Operator arising out of or concerning any of Operator's operations on New Mexico state trust land; or (iii) Operator's receipt of any written notice of claim, written pre-suit notice, or lawsuit arising out of or concerning any of Operator's operations on New Mexico state trust land. Upon the Commissioner's request, Operator shall promptly provide the Commissioner with a copy of any such order, judgment, decree, notice, letter, or lawsuit.

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

Commissioner of Public Lands: \_\_\_\_\_ Date: \_\_\_\_\_

Operator: **Matador Production Company**

By: Bryan A. Erman - E.V.P. and General Counsel and Head of M&A  
Name & Title of Authorized Agent

  
\_\_\_\_\_  
Signature of Authorized Agent


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piled

**Acknowledgment in a Representative Capacity**

STATE OF TEXAS) §

COUNTY OF DALLAS) §


This instrument was acknowledged before me on November 27<sup>th</sup>, 2023, by Bryan A. Erman, as E.V.P. and General Counsel and Head of M&A for Matador Production Company, on behalf of said corporation.

  
\_\_\_\_\_  
Signature of Notarial Officer  
My commission expires 3/23/2025

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

**MRC Permian Company**

By: Bryan A. Erman - E.V.P. and General Counsel and Head of M&A  
Name & Title of Authorized Agent

  
\_\_\_\_\_  
Signature of Authorized Agent

cu  
piled

**Acknowledgment in a Representative Capacity**

STATE OF TEXAS) §

COUNTY OF DALLAS) §

This instrument was acknowledged before me on November 27<sup>th</sup>, 2023, by Bryan A. Erman, as E.V.P. and General Counsel and Head of M&A, for MRC Permian Company on behalf of said corporation.

  
\_\_\_\_\_  
Signature of Notarial Officer  
My commission expires 3/23/2025

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

Judah Oil, LLC

By: \_\_\_\_\_

James B Campanella  
Print Name

Date: September 26-2023

**Acknowledgment in an Individual Capacity**

STATE OF NM §

COUNTY OF Eddy §

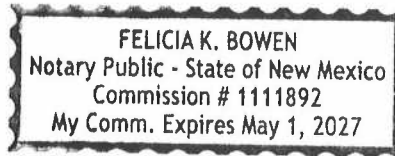
This instrument was acknowledged before me on September 26, 2023, by

James B Campanella  
Member/Manager  
Judah Oil, LLC

Felicia K. Bowen  
Signature

Felicia K. Bowen  
Name (Print)

My commission expires 05/01/2027



**Acknowledgment in a Representative Capacity**

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2023, by \_\_\_\_\_, as  
\_\_\_\_\_, for \_\_\_\_\_ on  
behalf of said corporation.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (Print)  
My commission expires \_\_\_\_\_

WORKING INTEREST OWNERS  
AND/OR LESSEES OF RECORDConcho Oil & Gas LLCBy: Ry D LRyan D. Owen, Attorney-in-Fact  
Print NameDate: 9-25-23

## Acknowledgment in an Individual Capacity

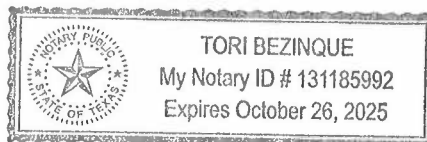
STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2023, by  
\_\_\_\_\_\_\_\_\_\_  
Signature\_\_\_\_\_  
Name (Print)

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

## Acknowledgment in a Representative Capacity

STATE OF TEXAS §COUNTY OF MIDLAND §This instrument was acknowledged before me on Sept. 25, 2023, by Ryan D. Owen, as  
Attorney-in-Fact, for Concho Oil & Gas, LLC on  
behalf of said corporation.\_\_\_\_\_  
Signature\_\_\_\_\_  
Name (Print)My commission expires 10-24-25



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

COG Operating LLC

By: Ry D K

Ryan D. Owen, Attorney-in-Fact  
Print Name

Date: 9-25-23

BTR

JH

**Acknowledgment in an Individual Capacity**

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2023, by

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (Print)

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

**Acknowledgment in a Representative Capacity**

STATE OF TEXAS §

COUNTY OF MIDLAND §

This instrument was acknowledged before me on Sept. 25, 2023, by Ryan D. Owen, as

Attorney-in-Fact, for COG Operating, LLC on  
behalf of said corporation.

\_\_\_\_\_  
Signature

Tori Bezinque  
Name (Print)

My commission expires 10-26-25

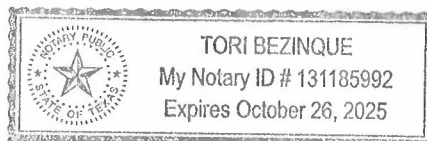


EXHIBIT “A”

Plat of communitized area covers 390.32 acres in S2S2 of Sections 2 & 1, Township 21 South, Range 28 East, Lot 18 & the SE/4SW/4 of Section 6, Township 21 South, Range 29 East, Eddy County, New Mexico.

Simon Camamile 0206 Fed Com #203H – API#: 30-015-53729

Section 2	Section 1	Section 6	
Tract 1 VB-0183-0003 160 Acres	Tract 2 NMNM-130856 160 Acres	Tract 3 NMNM-0029588 70.32	

**EXHIBIT “B”**

Attached to and made a part of that certain Communitization Agreement dated February 1, 2023, embracing the following described land in S2S2 of Sections 2 & 1, Township 21 South, Range 28 East, Lot 18 & the SE/4SW/4 of Section 6, Township 21 South, Range 29 East, Eddy County, New Mexico.

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

**DESCRIPTION OF LEASES COMMITTED**

**TRACT NO. 1**

Lease Serial Number:	VB-0183-0003
Lease Date:	2/1/1988
Lease Term:	5 Years
Lessor:	State of New Mexico
Royalty Rate:	3/16 <sup>th</sup>
Description of Land Committed:	Township 21 South, Range 28 East, Section 2: S2S2
Number of Acres:	160.00
Current Lessee of Record:	Judah Oil LLC
Name of Working Interest Owners:	Bane Bigbie and wife, Melanie Bigbie Charmar, LLC CP Energy Investments III, LLC Innoventions, Inc Jalapeno Corporation Chief Capital (O&G) II, LLC Michael Kyle Leonard, Trustee of the Michael Kyle Leonard Child's Trust Mitchell Exploration, Inc MRC Permian Company Shannon C. Leonard, Trustee of the Shannon C. Leonard Child's Trust

**TRACT NO. 2**

Lease Serial Number:	NMNM-130856
Lessor:	United States of America
Description of Land Committed:	Township 21 South, Range 28 East, Section 1: S2S2
Number of Acres:	160.00
Current Lessee of Record:	MRC Permian Company
Name of Working Interest Owners:	MRC Permian Company

**TRACT NO. 3**

Lease Serial Number:	NMNM-0029588
Lessor:	United States of America
Description of Land Committed:	Township 21 South, Range 29 East, Section 6: Lot 18, SE/4SW/4
Number of Acres:	70.32
Current Lessee of Record:	COG Operating LLC Concho Oil & Gas LLC
Name of Working Interest Owners:	COG Operating LLC Concho Oil & Gas LLC EOG Resources, Inc Oxy Y-1 Company Sharbro Energy, LLC

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**RECAPITULATION**

<b>Tract No.</b>	<b>No. of Acres Committed</b>	<b>Percentage of Interest in Communitized Area</b>
<b>1</b>	160.00	40.99%
<b>2</b>	160.00	40.99%
<b>3</b>	70.32	18.02%
<b>Total</b>	<b>390.32</b>	<b>100.00%</b>

ONLINE  
version

State/State

8



**New Mexico State Land Office  
Oil, Gas, & Minerals Division**

**STATE/STATE OR  
STATE/FEE**  
Revised July 2023

**COMMUNITIZATION AGREEMENT**  
ONLINE Version

API #: 30-015 \_\_\_\_\_ - 53729 \_\_\_\_\_

THIS COMMUNITIZATION AGREEMENT ("Agreement") [which is NOT to be used for carbon dioxide or helium] is entered into and made effective this 1<sup>st</sup> [day] of February [month] 2023, by and between the parties signing below ("Parties"):

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

WHEREAS, the Parties own working, royalty, or other leasehold or other interests or operating rights under the oil and gas leases and lands subject to this Agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules and regulations, which leases, along with the well(s) on each lease to be encompassed by this Agreement, are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

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

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

2023 DEC -5 AM 11:23

ONLINE  
version

State/State

1

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

1. The lands described in Exhibit A (or B) covered by this Agreement (hereinafter referred to as the "communitized area") are described as follows:

Subdivisions: S2S2 of Sections 1 & 2, Lot 18 & SE4SW4 of Section 6

Of Sect(s): 1, 2, & 6 Twp: 21S Rng: 28E & 29E NMPM Eddy County, NM

Containing 390.32 acres, more or less. It is the judgment of the Parties that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the OCD, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

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

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

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

3. Subject to Paragraph 5, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals or performance of other lease obligations under the terms of said leases shall not be affected by this Agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this Agreement shall remain in full force and effect as originally issued and amended.

4. **Matador Production Company** shall be the operator of the said communitized area ("Operator") and all matters of operation shall be determined and performed by **Matador Production Company**. If more than one Operator operates wells subject to this Agreement, the Commissioner reserves the right to require one or more or all operators who added infill wells to this Agreement to obtain a new agreement.

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

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

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

8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws.

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

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10. Notwithstanding any other provision herein, if there is a cessation of production of communitized substances for more than sixty (60) days beginning one year after the date of execution, this Agreement shall automatically terminate, along with the ability to produce communitized substances, unless notice of reworking or drilling operations on the communitized area is made within 60 days of cessation of production of communitized substances and are thereafter conducted with reasonable diligence or the Commissioner of Public Lands otherwise grants an exception to continued drilling operations, including for the compliance of other state rules, laws, or policies. All such notices provided pursuant to this Paragraph shall be in writing and must be approved by the Commissioner. As to State Trust Lands, written notice of intention to commence any operations hereunder shall be filed with the Commissioner within thirty(30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this Agreement. All requests to the Commissioner to grant an exception or exceptions for the compliance of other state rules, laws, or policies must be made in writing within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to this Agreement or any lease from the State of New Mexico included in this Agreement

11. Operator shall furnish the Commissioner and the OCD, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

12. It is agreed between the Parties that the Commissioner, or the Commissioner's duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State Land Office and the OCD.

13. If any order of the OCD upon which this Agreement is predicated or based is in anyway changed or modified, then in such event said Agreement is likewise modified to conform thereto.

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 instruments, in writing, specifically referring hereto, and shall be binding upon all Parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

15. 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.

16. In the event that Operator is aggrieved by a decision of the Commissioner with respect to any action by the Commissioner arising under this Agreement, Operator may within thirty (30) days after the date of such action file an administrative contest pursuant to 19.7.64 NMSA (1978) and 19.2.15 NMAC. Operator shall initiate no court action against the Commissioner or New Mexico State Land Office regarding this Agreement except to appeal a final decision of the Commissioner rendered pursuant to such a contest proceeding, and as provided by 19.7.64 NMSA (1978). **The Parties agree that any venue for any appeal or other action shall be in Santa Fe, New Mexico.**

17. Operator shall notify the Commissioner in writing within ten (10) days of (i) Operator's receipt of any compliance order, enforcement order, notice of violation, warning letter, or other written notice of final or contemplated enforcement action taken by any federal, state, or local governmental entity arising out of or concerning any of Operator's operations on New Mexico state trust land; (ii) Operator's receipt of any order, judgment, or decree (on consent or otherwise) entered by any federal or state court against Operator arising out of or concerning any of Operator's operations on New Mexico state trust land; or (iii) Operator's receipt of any written notice of claim, written pre-suit notice, or lawsuit arising out of or concerning any of Operator's operations on New Mexico state trust land. Upon the Commissioner's request, Operator shall promptly provide the Commissioner with a copy of any such order, judgment, decree, notice, letter, or lawsuit.

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

Commissioner of Public Lands: \_\_\_\_\_ Date: \_\_\_\_\_



Operator: **Matador Production Company**

By: Bryan A. Erman - E.V.P. and General Counsel and Head of M&A  
Name & Title of Authorized Agent

  
Signature of Authorized Agent


CW  
pad

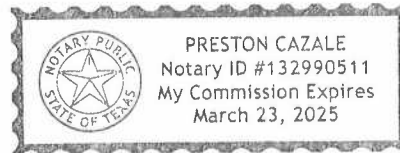
**Acknowledgment in a Representative Capacity**

STATE OF TEXAS) §

COUNTY OF DALLAS) §

This instrument was acknowledged before me on November 27<sup>th</sup>, 2023, by Bryan A. Erman, as E.V.P. and General Counsel and Head of M&A for Matador Production Company, on behalf of said corporation.

  
Signature of Notarial Officer  
My commission expires 3/23/2025



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

**MRC Permian Company**

By: Bryan A. Erman - E.V.P. and General Counsel and Head of M&A  
Name & Title of Authorized Agent

  
Signature of Authorized Agent


CW  
pad

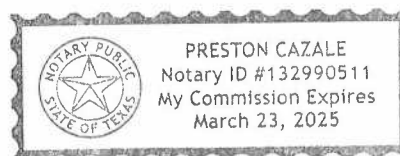
**Acknowledgment in a Representative Capacity**

STATE OF TEXAS) §

COUNTY OF DALLAS) §

This instrument was acknowledged before me on November 27<sup>th</sup>, 2023, by Bryan A. Erman, as E.V.P. and General Counsel and Head of M&A, for MRC Permian Company on behalf of said corporation.

  
Signature of Notarial Officer  
My commission expires 3/23/2025



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

Judah Oil, LLC

By: \_\_\_\_\_

James B Campanella  
Print Name

Date: September 26 - 2023

**Acknowledgment in an Individual Capacity**

STATE OF NM §

COUNTY OF Eddy §

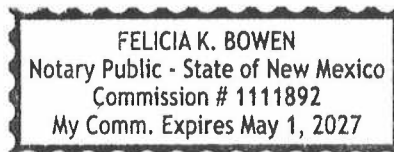
This instrument was acknowledged before me on September 26, 2023, by

James B Campanella  
Member / Manager  
Judah Oil, LLC

Felicia K. Bowen  
Signature

Felicia K. Bowen  
Name (Print)

My commission expires 05/01/2027



**Acknowledgment in a Representative Capacity**

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2023, by \_\_\_\_\_, as  
\_\_\_\_\_, for \_\_\_\_\_ on  
behalf of said corporation.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (Print)  
My commission expires \_\_\_\_\_

WORKING INTEREST OWNERS  
AND/OR LESSEES OF RECORD

Concho Oil & Gas LLC

By: Ry D Owen

Ryan D. Owen, Attorney-in-Fact  
Print Name

Date: 9-25-23

BTR  
JH

Acknowledgment in an Individual Capacity

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2023, by

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (Print)

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

Acknowledgment in a Representative Capacity

STATE OF TEXAS §

COUNTY OF MIDLAND §

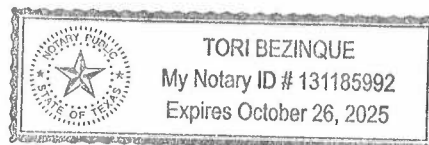
This instrument was acknowledged before me on Sept. 25, 2023, by Ryan D. Owen, as

Attorney-in-Fact, for Concho Oil & Gas, LLC on  
behalf of said corporation.

Tori Bezinque  
Signature

Tori Bezinque  
Name (Print)

My commission expires 10-26-25



WORKING INTEREST OWNERS  
AND/OR LESSEES OF RECORD

COG Operating LLC

By: Ry D L

Ryan D. Owen, Attorney-in-Fact  
Print Name

Date: 9-25-23

BTR  
JH

Acknowledgment in an Individual Capacity

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2023, by  
\_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (Print)  
My commission expires \_\_\_\_\_

Acknowledgment in a Representative Capacity

STATE OF TEXAS §

COUNTY OF MIDLAND §

This instrument was acknowledged before me on Sept. 25, 2023, by Ryan D. Owen, as

Attorney-in-Fact, for COG Operating, LLC on  
behalf of said corporation.

T Bezique  
Signature

Tori Bezingue  
Name (Print)  
My commission expires 10-26-25

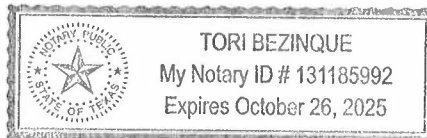


EXHIBIT “A”

Plat of communitized area covers 390.32 acres in S2S2 of Sections 2 & 1, Township 21 South, Range 28 East, Lot 18 & the SE/4SW/4 of Section 6, Township 21 South, Range 29 East, Eddy County, New Mexico.

Simon Camamile 0206 Fed Com #203H – API#: 30-015-53729

Section 2	Section 1	Section 6	
Tract 1 VB-0183-0003 160 Acres	Tract 2 NMNM-130856 160 Acres	Tract 3 NMNM-0029588 70.32	



**EXHIBIT “B”**

Attached to and made a part of that certain Communitization Agreement dated February 1, 2023, embracing the following described land in S2S2 of Sections 2 & 1, Township 21 South, Range 28 East, Lot 18 & the SE/4SW/4 of Section 6, Township 21 South, Range 29 East, Eddy County, New Mexico.

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

**DESCRIPTION OF LEASES COMMITTED**

**TRACT NO. 1**

Lease Serial Number:	VB-0183-0003
Lease Date:	2/1/1988
Lease Term:	5 Years
Lessor:	State of New Mexico
Royalty Rate:	3/16 <sup>th</sup>
Description of Land Committed:	Township 21 South, Range 28 East, Section 2: S2S2
Number of Acres:	160.00
Current Lessee of Record:	Judah Oil LLC
Name of Working Interest Owners:	Bane Bigbie and wife, Melanie Bigbie Charmar, LLC CP Energy Investments III, LLC Innoventions, Inc Jalapeno Corporation Chief Capital (O&G) II, LLC Michael Kyle Leonard, Trustee of the Michael Kyle Leonard Child's Trust Mitchell Exploration, Inc MRC Permian Company Shannon C. Leonard, Trustee of the Shannon C. Leonard Child's Trust

**TRACT NO. 2**

Lease Serial Number:	NMNM-130856
Lessor:	United States of America
Description of Land Committed:	Township 21 South, Range 28 East, Section 1: S2S2
Number of Acres:	160.00
Current Lessee of Record:	MRC Permian Company
Name of Working Interest Owners:	MRC Permian Company

**TRACT NO. 3**

Lease Serial Number:	NMNM-0029588
Lessor:	United States of America
Description of Land Committed:	Township 21 South, Range 29 East, Section 6: Lot 18, SE/4SW/4
Number of Acres:	70.32
Current Lessee of Record:	COG Operating LLC Concho Oil & Gas LLC
Name of Working Interest Owners:	COG Operating LLC Concho Oil & Gas LLC EOG Resources, Inc Oxy Y-1 Company Sharbro Energy, LLC

**RECAPITULATION**

<b>Tract No.</b>	<b>No. of Acres Committed</b>	<b>Percentage of Interest in Communitized Area</b>
<b>1</b>	160.00	40.99%
<b>2</b>	160.00	40.99%
<b>3</b>	70.32	18.02%
<b>Total</b>	<b>390.32</b>	<b>100.00%</b>

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Sante Fe Main Office  
Phone: (505) 476-3441

General Information  
Phone: (505) 629-6116

Online Phone Directory  
<https://www.emnrd.nm.gov/ocd/contact-us>

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

CONDITIONS

Action 431744

CONDITIONS

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 431744
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
sarah.clelland	ACCEPTED FOR RECORD ONLY; any revisions or the addition of wells to the commingling project shall be reported in accordance with the Commingling Order.	2/13/2025