

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Geological & Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: \_\_\_\_\_ OGRID Number: \_\_\_\_\_  
 Well Name: \_\_\_\_\_ API: \_\_\_\_\_  
 Pool: \_\_\_\_\_ Pool Code: \_\_\_\_\_

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW**

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]  
 A. Location – Spacing Unit – Simultaneous Dedication  
 NSL       NSP (PROJECT AREA)       NSP (PRORATION UNIT)       SD
- B. Check one only for [ I ] or [ II ]  
 [ I ] Commingling – Storage – Measurement  
 DHC    CTB    PLC    PC    OLS    OLM  
 [ II ] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery  
 WFX    PMX    SWD    IPI    EOR    PPR

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

<u>FOR OCD ONLY</u>	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note: Statement must be completed by an individual with managerial and/or supervisory capacity.**

\_\_\_\_\_

Print or Type Name

Signature

\_\_\_\_\_

Date

\_\_\_\_\_

Phone Number

\_\_\_\_\_

e-mail Address



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

February 2, 2024

**VIA ONLINE FILING**

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

**Re: Application of Matador Production Company to amend NMOCD Order PLC-650 and for administrative approval to surface commingle (pool and lease) oil and gas production from additional wells in the spacing units comprised of the W/2 W/2 of Section 32, Township 21 South, and Range 33 East, and the W/2 NW/4 of Section 5, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico (the “Lands”)**

Dear Mr. Fuge:

Matador Production Company (OGRID No. 228937) (“Matador”) seeks to amend Administrative Order PLC-650 (“Order PLC-650”), attached as **Exhibit 1**. Order PLC-650 authorizes lease commingling, off-lease storage, off-lease measurement, and off-lease marketing at the **Dagger Lake Pad D Tank Battery** of production from *all existing and future wells drilled in the following spacing units*:

(a) The 240-acre, more or less, spacing unit underlying the W/2 W/2 of Section 32, Township 21 South, and Range 33 East, and the W/2 NW/4 of Section 5, Township 22 South, Range 33 East, in the Legg; Bone Spring [37870]. This spacing unit is currently dedicated to the **Dagger Lake 5 State 501H** (API 30-025-45579), **Dagger Lake 5 State 503H** (API 30-025-45703), **Dagger Lake 5 State Com 551H** (API 30-025-46416), **Dagger Lake 5 State 601H** (API 30-025-45853) and **Dagger Lake 5 State 603H** (API 30-025-45854);

(b) The 240-acre, more or less, spacing unit underlying the W/2 W/2 of Section 32, Township 21 South, and Range 33 East, and the W/2 NW/4 of Section 5, Township 22 South, Range 33 East, in the WC-025 G-10 S213328O; Wolcamp [98033]. This spacing unit is currently dedicated to the **Dagger Lake 5 State Com 801H** (API 30-025-46289); and

(c) Pursuant to 19.15.12.10.C(4)(g), *from all future additions of pools, leases or leases and pools to the Dagger Lake Pad D Tank Battery* with notice provided only to the owners of interests to be added.



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Pursuant to 19.15.12.7 NMAC and provision 8 of Order PLC-650, Matador seeks to amend the terms of Order PLC-650 to add production from the following infill wells:

(a) The 240-acre, more or less, spacing unit underlying the W/2 W/2 of Section 32, Township 21 South, and Range 33 East, and the W/2 NW/4 of Section 5, Township 22 South, Range 33 East, in the Legg; Bone Spring [37870]. This spacing unit is currently dedicated to the **Dagger Lake 5 State 301H** (API 30-025-48600) and **Dagger Lake 5 State 513H** (API 30-025-48601).

Oil and gas production from these spacing units will be commingled and sold at the **Dagger Lake Pad D Tank Battery** ("CTB"), located in the NW/4 SW/4 (Unit L) of Section 5, Township 22 South, Range 33 East. Each well is equipped with a three-phase separator and metered off-lease. Gas production from the separator will be individually metered with a calibrated orifice meter that is manufactured to AGA specifications. Oil production from the separator will be separately metered using turbine meters.

**Exhibit 2** is a land plat showing Matador's current development plan, flow lines, well pads, the central tank battery ("Facility Pad") in the subject area, and common gathering line. The plat also identifies the wellbores and lease/spacing unit boundaries.

**Exhibit 3** is a completed Surface Commingling (Diverse Ownership)<sup>1</sup> Form C-107-B, that includes a statement from Oscar Gonzalez, Senior Facilities Engineer with Matador, identifying the facilities and the measurement devices to be utilized, a detailed schematic of the surface facilities (Exhibit A to the statement) and an example gas analysis (Exhibit B to the statement).

**Exhibit 4** is a statement from Chris Carleton, VP of Land Operations with Matador, certifying that the ownership of the leases to be commingled are identical as defined by 19.15.12.7 NMAC.

**Exhibit 5** is a C-102 for each of the wells currently permitted or drilled within the existing spacing units.

**Exhibit 6** includes relevant communitization agreements.

Ownership is identical between the above-described spacing units, each of which are either subject to a pooling agreement or a pooling order and are therefore considered "leases" as defined by 19.15.12.7(C) NMAC; however, because the meters and facility are located off-lease, notice is required for the other working interest owners that own an interest "in the production to be

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<sup>1</sup> This application involves identical ownership; however, the meters and facility are located off-lease. Therefore, the application falls under 19.15.23.9 NMAC and requires filing of a C-107-B form.



**Paula M. Vance**  
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transported off-lease.” See 19.16.23.9 NMAC. Therefore, Matador has provided notice to the other working interest owners, as well as the New Mexico State Land Office (“NMSLO”) since state lands are involved. **Exhibit 6** is an example of the letter sent by certified mail advising the other working interest owners and NMSLO that any objections must be filed in writing with the Division within 20 days from the date the Division receives this application, and proof of mailing.

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

Sincerely,

A handwritten signature in blue ink that reads "Paula M. Vance".

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

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

**APPLICATION FOR SURFACE COMMINGLING  
SUBMITTED BY ADVANCE ENERGY PARTNERS HAT MESA, LLC  
ORDER NO. PLC-650**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application, issues the following Order.

**FINDINGS OF FACT**

1. Advance Energy Partners Hat Mesa, LLC (“Applicant”) submitted a complete application to surface commingle and off-lease measure the oil and gas production (“Application”) from the pools, leases, and horizontal wells identified in Exhibit A.
2. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and horizontal wells to be commingled is identical as defined in 19.15.12.7(B) NMAC.
3. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and horizontal wells to be commingled.
4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless whether they have a right or option to take their interests in kind, in accordance with 19.15.12.10(C)(4)(c) NMAC and 19.15.12.10(C)(4)(e) NMAC, and those persons either submitted a written waiver or did not file an objection to the Application.
5. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
6. Applicant submitted one or more proposed communitization or unitization agreement(s) (“Proposed Agreement(s)”) to the BLM or NMSLO, as applicable, identifying the leases to be consolidated into a single lease (“Proposed Consolidated Lease”)

**CONCLUSIONS OF LAW**

7. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, and 19.15.12 NMAC.

Order No. PLC-650

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8. To the extent that ownership is diverse, Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10(C)(4)(c) NMAC and 19.15.12.10(C)(4)(e) NMAC.
9. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

### ORDER

1. Effective February 28, 2020, Applicant is authorized to surface commingle and off-lease measure oil and gas production from the pools, leases, and horizontal wells identified in Exhibit A.
2. No later than five (5) business days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit Form C-103 with a copy of the decision and agreement. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, then this Order shall terminate on the date of such action, and Applicant shall cease commingling the production on the Proposed Consolidated Lease. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), then Applicant shall comply with the approved agreement(s), and no later than ten (10) business days after such decision, Applicant shall submit a new surface commingle application to conform this Order with the approved agreement(s). If OCD denies the application, this Order shall terminate automatically.
3. Applicant shall allocate the oil and gas production to each lease within a Proposed Consolidated Lease in proportion to the acreage that each lease bears to the entire acreage of the Proposed Consolidated Lease described in Exhibit B.
4. The oil and gas production from each well shall be separated and metered individually prior to commingling.
5. Applicant shall measure the commingled oil at the central tank battery described in Exhibit A in accordance with 19.15.18.15 NMAC or 19.15.23.8 NMAC.
6. Applicant shall measure the commingled gas at the central delivery point described in Exhibit A in accordance with 19.15.19.9 NMAC, provided however that if the gas is flared, regardless whether OCD has granted an exception pursuant to 19.15.18.12(B) NMAC, Applicant shall report the gas in accordance with 19.15.18.12(F) NMAC.
7. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10(C)(2) NMAC.
8. Applicant may add subsequently drilled wells to this Order in accordance with 19.15.12.10(C)(4)(g) NMAC by submitting a Form C-107-B via the OCD Fee Portal.

Order No. PLC-650

Page 3 of 3

9. Applicant shall not commence commingling involving state, federal, or tribal leases unless or until approved by the BLM or NMSLO, as applicable. *See* 19.15.12.10(B)(3) and (C)(4)(h) NMAC.
10. OCD retains jurisdiction and reserves the right to modify or revoke this Order if it determines that the Application did not accurately describe the pools, leases, and horizontal wells in the Proposed Consolidated Lease(s) or any action affecting or related to the commingling of oil and gas production, or as deemed necessary to prevent waste or protect correlative rights, public health, or the environment.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



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**ADRIENNE SANDOVAL  
DIRECTOR**

**DATE:** 2/28/20

State of  
Energy, Minerals and N

**Ex**

Order:

Operator:

Central Tank Battery:

Central Tank Battery Location (NMPM):

Gas Custody Transfer Meter Location (NMPM):

**Pools**

Pool Name	Pool Code
LEGG; BONE SPRING	37870
WC-025 G-10 S2133280; WOLFCAMP	98033

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

Lease	Location (NMPM)
VO 84040001 BS	D, E, L, and M Sec 32-T21S-R33E
VO 61510003 BS	D and E Sec 5-T22S-R33E
VO 84040001 WC	D, E, L, and M Sec 32-T21S-R33E
VO 61510003 WC	D and E Sec 5-T22S-R33E

**Wells**

Well API	Well Name	Location (NMPM)	Pool Code	Train
30-025-45579	Dagger Lake 5 State Com 501H	L-05-22S-33E	37870	
30-025-45703	Dagger Lake 5 State Com 503H	L-05-22S-33E	37870	
30-025-45853	Dagger Lake 5 State Com 601H	L-05-22S-33E	37870	
30-025-45854	Dagger Lake 5 State Com 603H	L-05-22S-33E	37870	
30-025-46416	Dagger Lake 5 State Com 551H	L-05-22S-33E	37870	
30-025-46289	Dagger Lake 5 State 801H	L-05-22S-33E	98033	

State of New Mexico  
Energy, Minerals and Natural Resources Department

**Exhibit B**

Order: PLC-650

Operator: Advance Energy Partners Hat Mesa, LLC (372417)

**Proposed Consolidated Leases**

Consolidated Lease	Location (NMPM)	Acres	Consolidated Lease ID
BS CA	(E & D Sec 5-T22S-R33E), (M, L, E, & D Sec 32-T21S-R33E)	240.04	A
WC CA	(E & D Sec 5-T22S-R33E); (M, L, E, & D Sec 32-T21S-R33E)	240.04	B

**Leases Comprising Proposed Consolidated Leases**

Lease	Location (NMPM)	Acres	Consolidated Lease ID
VO 84040001 BS	D, E, L, and M	160	A
VO 61510003 BS	D and E	80.04	A
VO 84040001 WC	D, E, L, and M	160	B
VO 61510003 WC	D and E	80.04	B

# Dagger Lake 5 Commingling Map

Date Published:  
10/4/2023

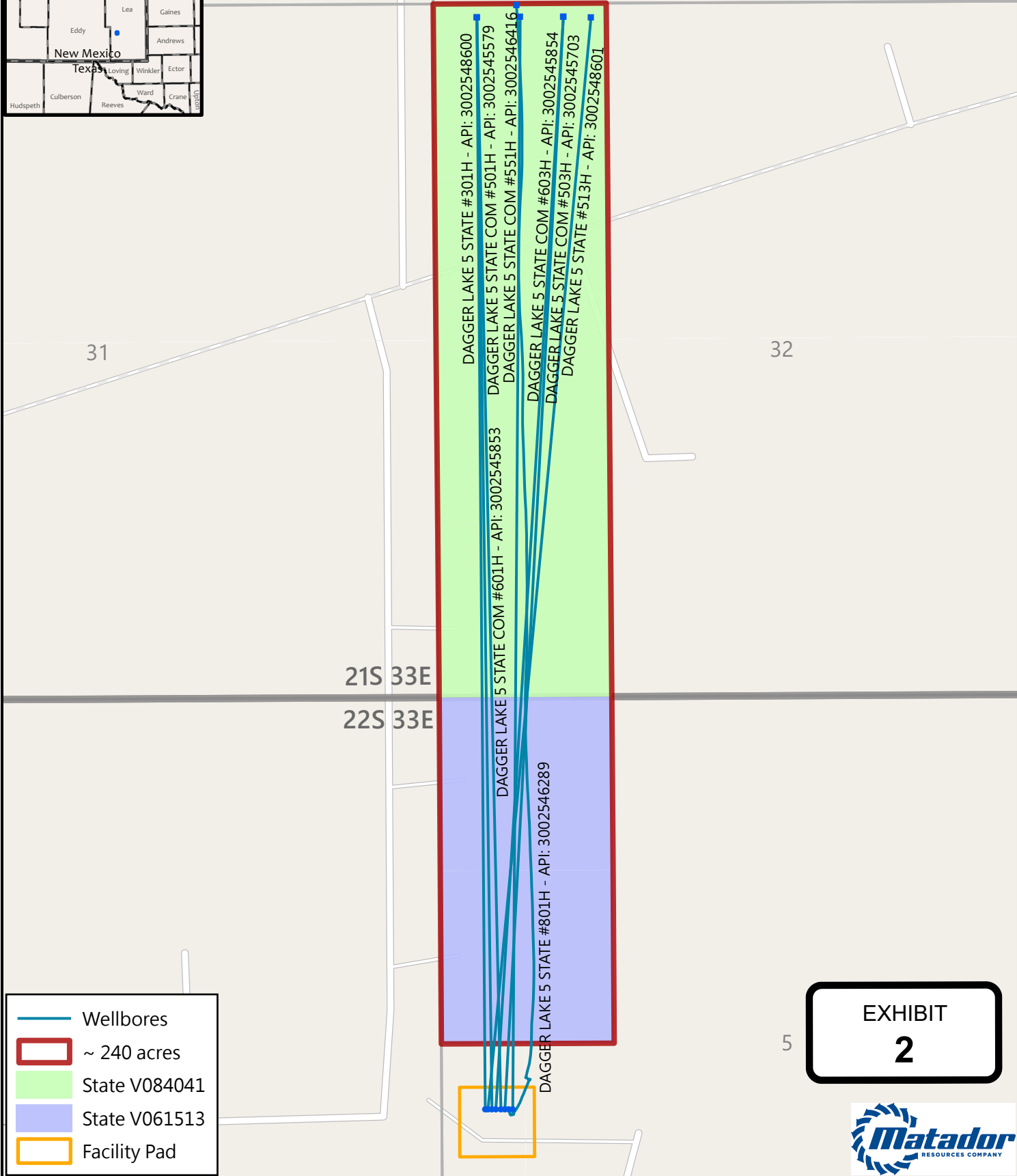
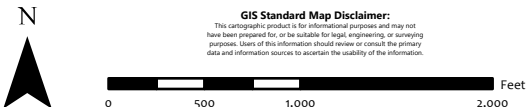


EXHIBIT  
2



1:12,000  
1 inch equals 1,000 feet

Map Prepared by: americo.gamarral  
Date: October 4, 2023  
Spatial Reference: NAD 1983 StatePlane New Mexico East FIPS 3001 Feet  
Sources: IHS; ESRI; US DOI BLM Carlsbad, NM Field Office, GIS Department; Texas Cooperative Wildlife Collection, Texas A&M University; United States Census Bureau (TIGER);

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
811 S. First St., Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St Francis Dr, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-B  
Revised August 1, 2011

**OIL CONSERVATION DIVISION**  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: Matador Production Company  
OPERATOR ADDRESS: 5400 LBJ Freeway Tower 1 Suite 1500 Dallas, TX 75240  
APPLICATION TYPE:

Pool Commingling  Lease Commingling  Pool and Lease Commingling  Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE:  Fee  State  Federal

Is this an Amendment to existing Order?  Yes  No If "Yes", please include the appropriate Order No. PLC-650  
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
 Yes  No

**(A) POOL COMMINGLING**  
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production	Calculated Value of Commingled Production	Volumes
Legg; Bone Spring (37870)	46.4°	46.45° oil 1,450 BTU/CF	\$69.26/bbl oil Deemed 40°/Sweet (Mar '23 realized price)  \$2.40/mcf (Mar '23 realized price)	1,000 bopd
Legg; Bone Spring (37870)	1,469 BTU/CF			3,500 mcf
WC-025 G-10 S2133280; WOLFCAMP (98033)	47.2°			100 bopd
WC-025 G-10 S2133280; WOLFCAMP (98033)	1,307 BTU/CF			500 mcf

- (2) Are any wells producing at top allowables?  Yes  No  
(3) Has all interest owners been notified by certified mail of the proposed commingling?  Yes  No.  
(4) Measurement type:  Metering  Other (Specify)  
(5) Will commingling decrease the value of production?  Yes  No If "yes", describe why commingling should be approved

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

- (1) Pool Name and Code-  
(2) Is all production from same source of supply?  Yes  No  
(3) Has all interest owners been notified by certified mail of the proposed commingling?  Yes  No  
(4) Measurement type:  Metering  Other (Specify)

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

- (1) Complete Sections A and E.

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

- (1) Is all production from same source of supply?  Yes  No  
(2) Include proof of notice to all interest owners.

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

- (1) A schematic diagram of facility, including legal location.  
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.  
(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE: Oscar Gonzalez TITLE: Senior Production Engineer DATE: 09/29/2023  
TYPE OR PRINT NAME: Oscar Gonzalez TELEPHONE NO.: 972-629-2147  
E-MAIL ADDRESS: ogonzalez@matadorresources.com

EXHIBIT  
**3**

# Matador Production Company

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

Voice 972.371.5427 • Fax 972.371.5201

[ogonzalez@matadorresources.com](mailto:ogonzalez@matadorresources.com)

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Oscar Gonzalez  
Senior Production Engineer

September 29, 2023

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

**Re: Application of Matador Production Company for administrative approval to amend administrative order PLC-650 to surface commingle (pool and lease) gas and oil production from the spacing units comprised of the W/2 W/2 of Section 32, Township 21 South, Range 33 East & the W/2 of the NW/4 of Section 5, Township 22 South, Range 33 E, Lea County, New Mexico (the “Lands”).**

To Whom This May Concern,

Under NMOCD approval PLC-650, Matador’s predecessor operator, Advance Energy Partners Hat Mesa, LLC, previously obtained approval to surface commingling production from certain wells on the Lands. Pursuant to this application, Matador Production Company (“Matador”), OGRID: 228937, requests to amend PLC-650 to gain authority to surface commingling from additional wells within the Lands not included in the original order set forth in, as set forth herein.

Specifically, Matador requests approval to commingle current oil and gas production from eight (8) distinct wells located on the Lands and future production from the Lands as described herein. All wells will be metered through individual test separators with an oil turbine meter and gas orifice meter. The gas commingling will occur after individual measurement at each well. Gas exiting each well test flows into one gathering line, as depicted on **Exhibit A**, the Targa Resources gathering line. Each well on the Lands will have its own test separator with an orifice meter manufactured and assembled in accordance with American Gas Association (AGA) specifications. All primary and secondary Electronic Flow Measurement (EFM) equipment is tested and calibrated by a reputable third party measurement company in accordance with industry specifications.

The orifice meter is the preferred measurement device utilized by midstream and E&P companies in natural gas measurement. The gas samples are obtained at the time of the meter testing/calibration and the composition and heating value are determined by a laboratory in accordance with American Petroleum Institute (API) specifications to ensure accurate volume and Energy (MMBTU) determinations. See example from FESCO attached as **Exhibit B** hereto.

The flow stream from each wellhead is demonstrated in the Process Flow Diagram (PFD) attached as **Exhibit A** hereto. This PFD shows that the water, oil, and gas exit the wellbore and flow into a wellhead three-phase separator which separates the oil, gas, and water. The oil is measured via turbine meter which is calibrated periodically in accordance with industry specifications by a third party measurement company for accuracy. The gas is measured on a volume and MMBTU basis by an orifice meter and supporting EFM equipment in accordance with American Petroleum Association (API) Chapter 21.1. The gas is then sent into a gathering line where it is commingled with each of the other wells' metered gas, as shown on **Exhibit A**. The gathering line gas is then metered by another orifice meter at the tank battery check to show the total volume of gas leaving the Tank Battery. This meter is tested and calibrated in accordance with industry specifications and volume and energy are determined on an hourly, daily, and monthly basis. Once the gas exits this final tank battery sales check it travels directly into a third party sales connect meter. Targa Resources has its own orifice meter that measures the gas for custody transfer. These meters are also calibrated periodically to ensure the measurement accuracy.

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

Very truly yours,

MATADOR PRODUCTION COMPANY



Oscar Gonzalez  
Senior Production Engineer

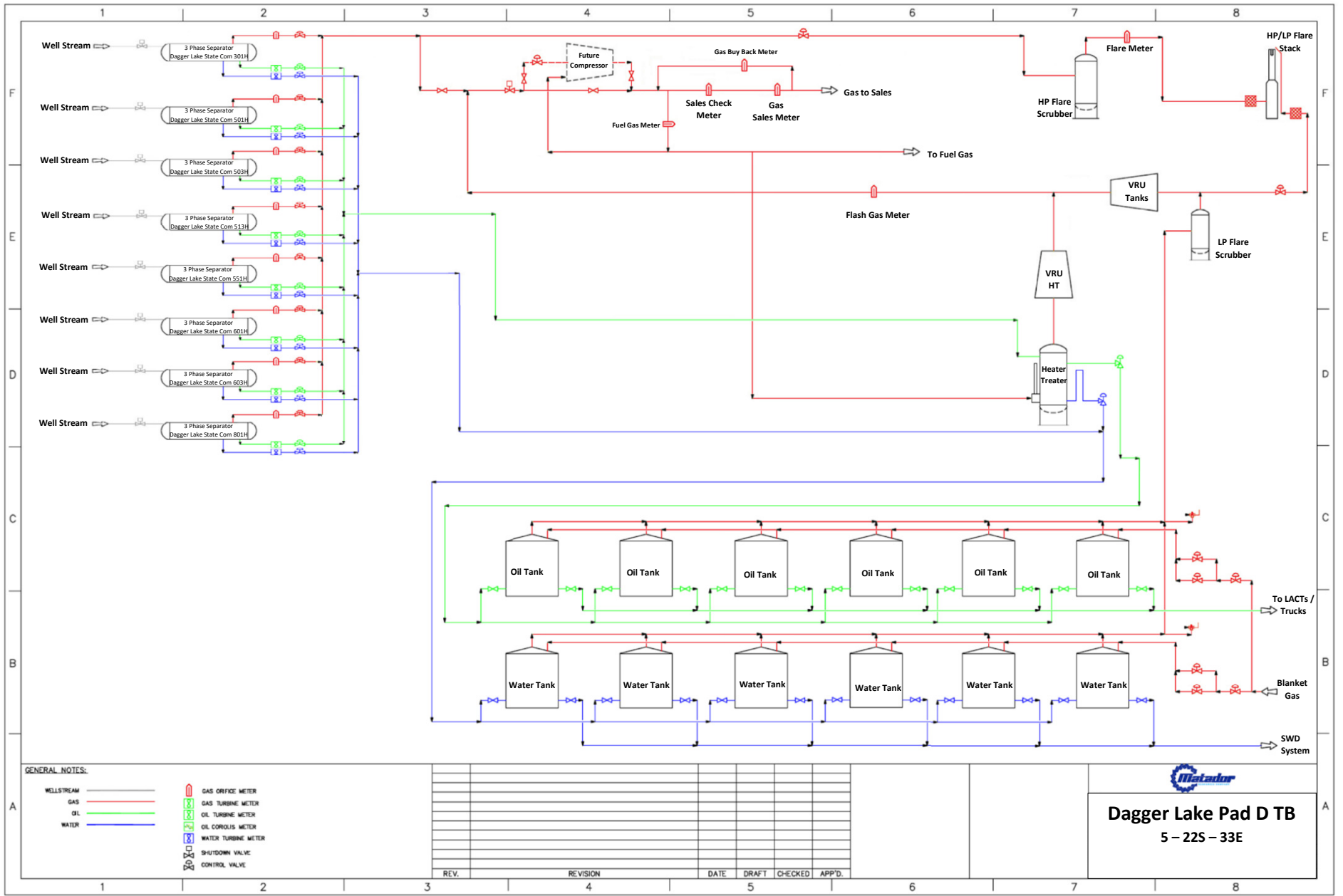


EXHIBIT  
**A**

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

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

Sample: Horshoe Federal COM No. 601H  
First Stage Separator  
Spot Gas Sample @ 175 psig & 106 °F

Date Sampled: 11/29/2022

Job Number: 222603.001

CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286

COMPONENT	MOL%	GPM
Hydrogen Sulfide*	< 0.001	
Nitrogen	1.982	
Carbon Dioxide	0.139	
Methane	68.063	
Ethane	14.962	4.102
Propane	7.932	2.240
Isobutane	0.945	0.317
n-Butane	2.520	0.814
2-2 Dimethylpropane	0.001	0.000
Isopentane	0.575	0.216
n-Pentane	0.718	0.267
Hexanes	0.710	0.300
Heptanes Plus	<u>1.453</u>	<u>0.642</u>
Totals	100.000	8.898

Computed Real Characteristics Of Heptanes Plus:

Specific Gravity ----- 3.553 (Air=1)  
Molecular Weight ----- 102.37  
Gross Heating Value ----- 5529 BTU/CF

Computed Real Characteristics Of Total Sample:

Specific Gravity ----- 0.853 (Air=1)  
Compressibility (Z) ----- 0.9948  
Molecular Weight ----- 24.58  
Gross Heating Value  
Dry Basis ----- 1469 BTU/CF  
Saturated Basis ----- 1444 BTU/CF

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

Base Conditions: 15.025 PSI & 60 Deg F

Sampled By: (14) D. Turner  
Analyst: KV  
Processor: RG  
Cylinder ID: T-5197

Certified: FESCO, Ltd. - Alice, Texas

Conan Pierce 361-661-7015

**CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286  
TOTAL REPORT**

COMPONENT	MOL %	GPM	WT %
Hydrogen Sulfide*	< 0.001		< 0.001
Nitrogen	1.982		2.259
Carbon Dioxide	0.139		0.249
Methane	68.063		44.424
Ethane	14.962	4.102	18.304
Propane	7.932	2.240	14.230
Isobutane	0.945	0.317	2.235
n-Butane	2.520	0.814	5.959
2,2 Dimethylpropane	0.001	0.000	0.003
Isopentane	0.575	0.216	1.688
n-Pentane	0.718	0.267	2.108
2,2 Dimethylbutane	0.009	0.004	0.032
Cyclopentane	0.000	0.000	0.000
2,3 Dimethylbutane	0.070	0.029	0.245
2 Methylpentane	0.207	0.088	0.726
3 Methylpentane	0.118	0.049	0.414
n-Hexane	0.306	0.129	1.073
Methylcyclopentane	0.155	0.056	0.531
Benzene	0.051	0.015	0.162
Cyclohexane	0.180	0.063	0.616
2-Methylhexane	0.045	0.021	0.183
3-Methylhexane	0.053	0.025	0.216
2,2,4 Trimethylpentane	0.037	0.020	0.172
Other C7's	0.109	0.049	0.440
n-Heptane	0.120	0.057	0.489
Methylcyclohexane	0.174	0.072	0.695
Toluene	0.046	0.016	0.172
Other C8's	0.165	0.079	0.740
n-Octane	0.060	0.032	0.279
Ethylbenzene	0.007	0.003	0.030
M & P Xylenes	0.023	0.009	0.099
O-Xylene	0.006	0.002	0.026
Other C9's	0.105	0.055	0.539
n-Nonane	0.035	0.020	0.183
Other C10's	0.061	0.036	0.351
n-Decane	0.010	0.006	0.058
Undecanes (11)	<u>0.011</u>	<u>0.008</u>	<u>0.070</u>
Totals	100.000	8.898	100.000

Computed Real Characteristics of Total Sample

Specific Gravity -----	0.853	(Air=1)
Compressibility (Z) -----	0.9948	
Molecular Weight -----	24.58	
Gross Heating Value		
Dry Basis -----	1469	BTU/CF
Saturated Basis -----	1444	BTU/CF

**FESCO, Ltd.**

**1100 Fesco Ave. - Alice, Texas 78332**

**Sample:** Horseshoe Federal COM No. 601H  
 First Stage Separator  
 Spot Gas Sample @ 175 psig & 106 °F

Date Sampled: 11/29/2022

Job Number: 222603.001

**GLYCALC FORMAT**

<b>COMPONENT</b>	<b>MOL%</b>	<b>GPM</b>	<b>Wt %</b>
Carbon Dioxide	0.139		0.249
Hydrogen Sulfide	< 0.001		< 0.001
Nitrogen	1.982		2.259
Methane	68.063		44.424
Ethane	14.962	4.102	18.304
Propane	7.932	2.240	14.230
Isobutane	0.945	0.317	2.235
n-Butane	2.521	0.815	5.962
Isopentane	0.575	0.216	1.688
n-Pentane	0.718	0.267	2.108
Cyclopentane	0.000	0.000	0.000
n-Hexane	0.306	0.129	1.073
Cyclohexane	0.180	0.063	0.616
Other C6's	0.404	0.171	1.417
Heptanes	0.482	0.208	1.859
Methylcyclohexane	0.174	0.072	0.695
2,2,4 Trimethylpentane	0.037	0.020	0.172
Benzene	0.051	0.015	0.162
Toluene	0.046	0.016	0.172
Ethylbenzene	0.007	0.003	0.030
Xylenes	0.029	0.011	0.125
Octanes Plus	<u>0.447</u>	<u>0.235</u>	<u>2.220</u>
Totals	100.000	8.898	100.000

**Real Characteristics Of Octanes Plus:**

Specific Gravity ----- 4.235 (Air=1)  
 Molecular Weight ----- 122.02  
 Gross Heating Value ----- 6499 BTU/CF

**Real Characteristics Of Total Sample:**

Specific Gravity ----- 0.853 (Air=1)  
 Compressibility (Z) ----- 0.9948  
 Molecular Weight ----- 24.58  
 Gross Heating Value  
 Dry Basis ----- 1469 BTU/CF  
 Saturated Basis ----- 1444 BTU/CF

# Matador Production Company

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

Voice 972.371.5430 • Fax 214.866.4930

[ccarleton@matadorresources.com](mailto:ccarleton@matadorresources.com)

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Chris Carleton  
Vice President of Land Operations

September 29, 2023

## VIA ONLINE FILING

Mr. Dean McClure  
Engineering Bureau  
New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Re: Matador Production Company's Application for Commingling Approval for its  
Dagger Lake 5 State Facility.

Dear Mr. McClure,

I am writing in support of Matador Production Company's application for commingling approval for its Dagger Lake 5 State Facility.

I am a landman for Matador and write to inform you that the mineral ownership in the W/2 W/2 of Section 32, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico and the W/2 NW/4 of Section 5, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico, is identical, meaning that such above-described acreage has the same working interest and royalty owners in exactly the same percentages. This identical ownership includes being identical within the Bone Spring formation as well as the Wolfcamp formation.

Sincerely,

  
Chris Carleton

EXHIBIT

4

DISTRICT I  
1626 N. French Dr., Hobbs, NM 88240  
Phone (575) 398-8161 Fax: (575) 398-0720

DISTRICT II  
811 S. First St., Artesia, NM 88210  
Phone (575) 745-1263 Fax: (575) 745-0720

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone (505) 334-8176 Fax: (505) 334-8170

DISTRICT IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone (505) 476-3480 Fax: (505) 476-3488

State of New Mexico  
Energy, Minerals and Natural Resources Department

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number <b>30-025-48600</b>	Pool Code <b>37870</b>	Well Name <b>LEGG; BONE SPRING</b>
Property Code <b>325950</b>	Property Name <b>DAGGER LAKE 5 STATE</b>	Well Number <b>301H</b>
OGRID No. <b>372417</b>	Operator Name <b>ADVANCE ENERGY PARTNERS HAT MESA</b>	Elevation <b>3658'</b>

Surface Location

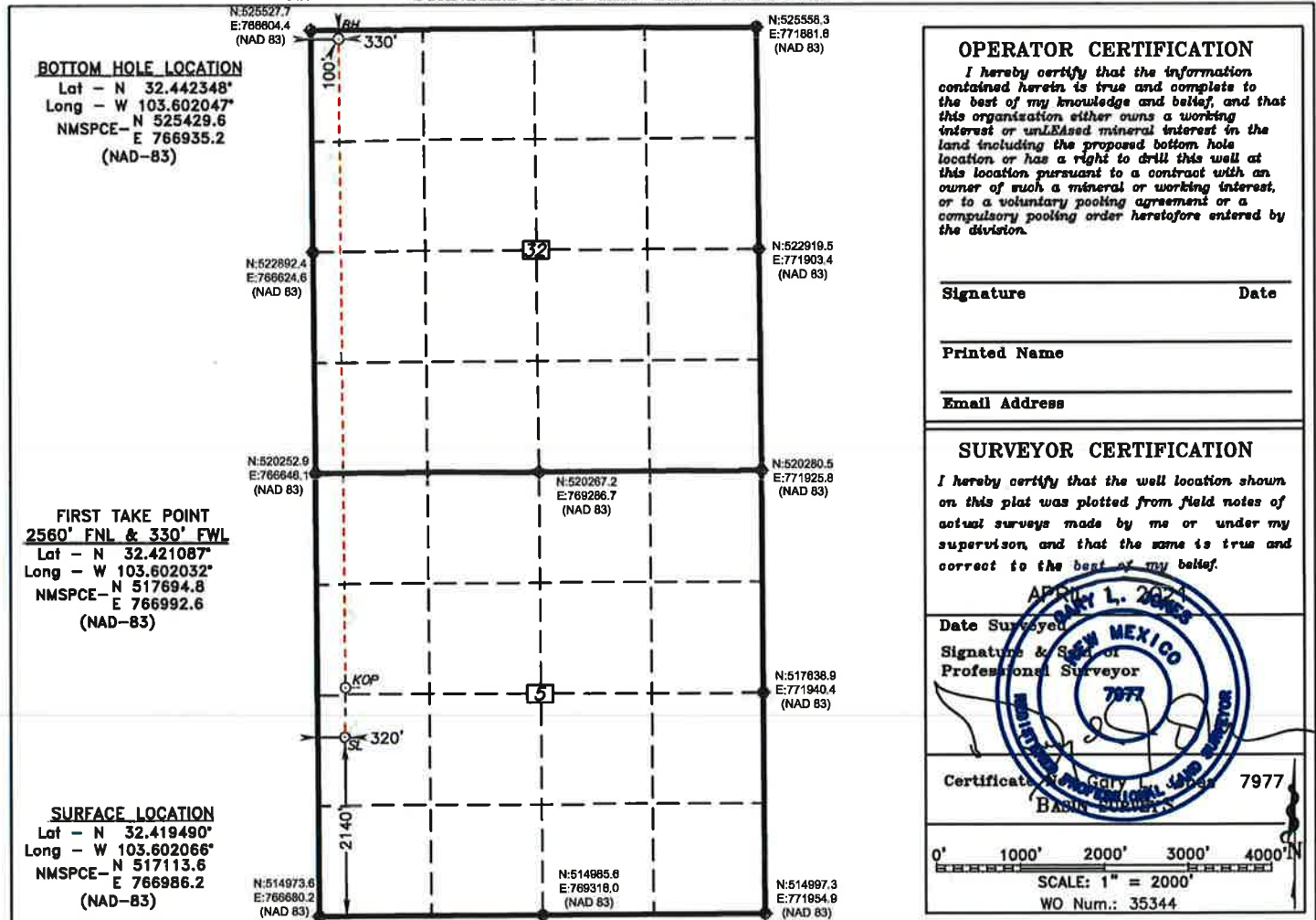
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
L	5	22 S	33 E		2140	SOUTH	320	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
D	32	21 S	33 E		100	NORTH	330	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



**DISTRICT I**  
 1888 N. French Dr., Hobbs, NM 88240  
 Phone (703) 526-8151 Fax (703) 526-0782

**DISTRICT II**  
 811 E. First St., Artesia, NM 88210  
 Phone (703) 748-1222 Fax (703) 748-0920

**DISTRICT III**  
 1000 Rio Arriba Rd., Artesia, NM 87410  
 Phone (505) 524-0170 Fax (505) 524-0170

**DISTRICT IV**  
 1220 S. St. Francis Dr., Santa Fe, NM 87505  
 Phone (505) 476-0420 Fax (505) 476-0420

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

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

AMENDED REPORT

AFT Number <b>30-025-45579</b>	Pool Code <b>77870</b>	Pool Name <b>LEGG; BONE SPRING</b>
Property Code <b>319599</b>	Property Name <b>DAGGER LAKE 5 STATE</b>	Well Number <b>501H</b>
OGRD No. <b>772417</b>	Operator Name <b>ADVANCE ENERGY PARTNERS HAT MESA</b>	Elevation <b>3658'</b>

**Surface Location**

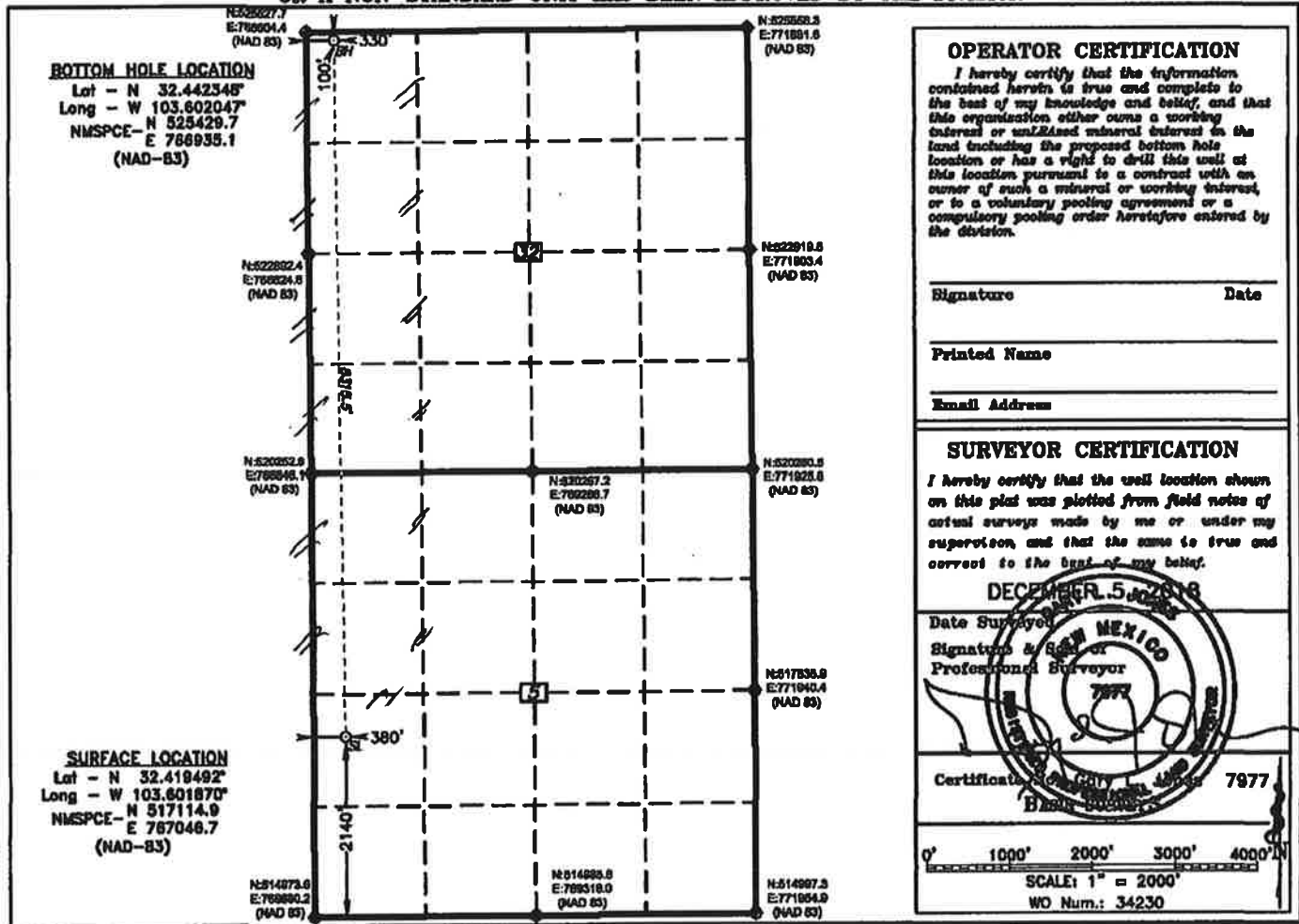
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
L	5	22 S	33 E		2140	SOUTH	380	WEST	LEA

**Bottom Hole Location If Different From Surface**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
D	32	21 S	33 E		100	NORTH	330	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**



**DISTRICT I**  
 1993 N. French Dr., Hobbs, NM 88240  
 Phone (505) 398-6181 Fax (505) 398-0788

**DISTRICT II**  
 811 S. First St., Artesia, NM 88210  
 Phone (505) 745-1825 Fax (505) 745-0782

**DISTRICT III**  
 1900 Rio Brazos Rd., Abo, NM 87410  
 Phone (505) 334-6176 Fax (505) 334-6176

**DISTRICT IV**  
 1220 S. St. Francis Dr., Santa Fe, NM 87505  
 Phone (505) 476-3459 Fax (505) 476-3488

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 Energy, Minerals and Natural Resources Department

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

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name DAGGER LAKE 5 STATE	Well Number 503H
OGRID No.	Operator Name ADVANCE ENERGY PARTNERS HAT MESA	Elevation 3655'

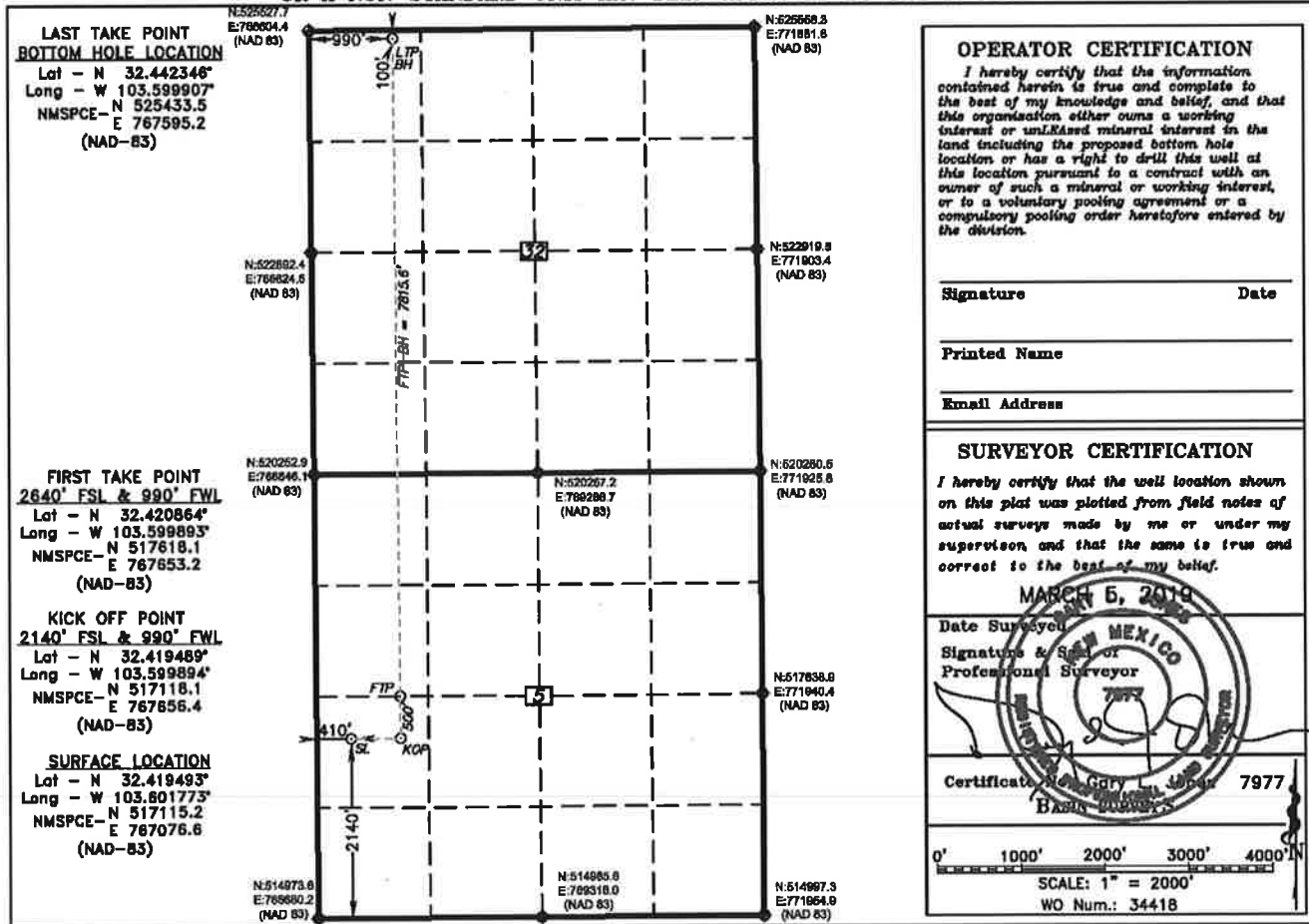
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
L	5	22 S	33 E		2140	SOUTH	410	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
D	32	21 S	33 E		100	NORTH	990	WEST	LEA
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

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**DISTRICT I**  
1620 N. French Dr., Hobbs, NM 88240  
Phone (575) 392-8181 Fax (575) 392-0720

**DISTRICT II**  
811 S. First St., Artesia, NM 88210  
Phone (575) 746-1889 Fax (575) 746-9720

**DISTRICT III**  
1000 Rio Brazos Rd., Asteo, NM 87410  
Phone (505) 334-6176 Fax (505) 334-6170

**DISTRICT IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone (505) 476-3490 Fax (505) 476-3485

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number <b>30-025-48601</b>	Pool Code <b>37870</b>	Pool Name <b>LEGG; BONE SPRING</b>
Property Code <b>325950</b>	Property Name <b>DAGGER LAKE 5 STATE</b>	Well Number <b>513H</b>
OGRID No. <b>372417</b>	Operator Name <b>ADVANCE ENERGY PARTNERS HAT MESA</b>	Elevation <b>3656'</b>

Surface Location

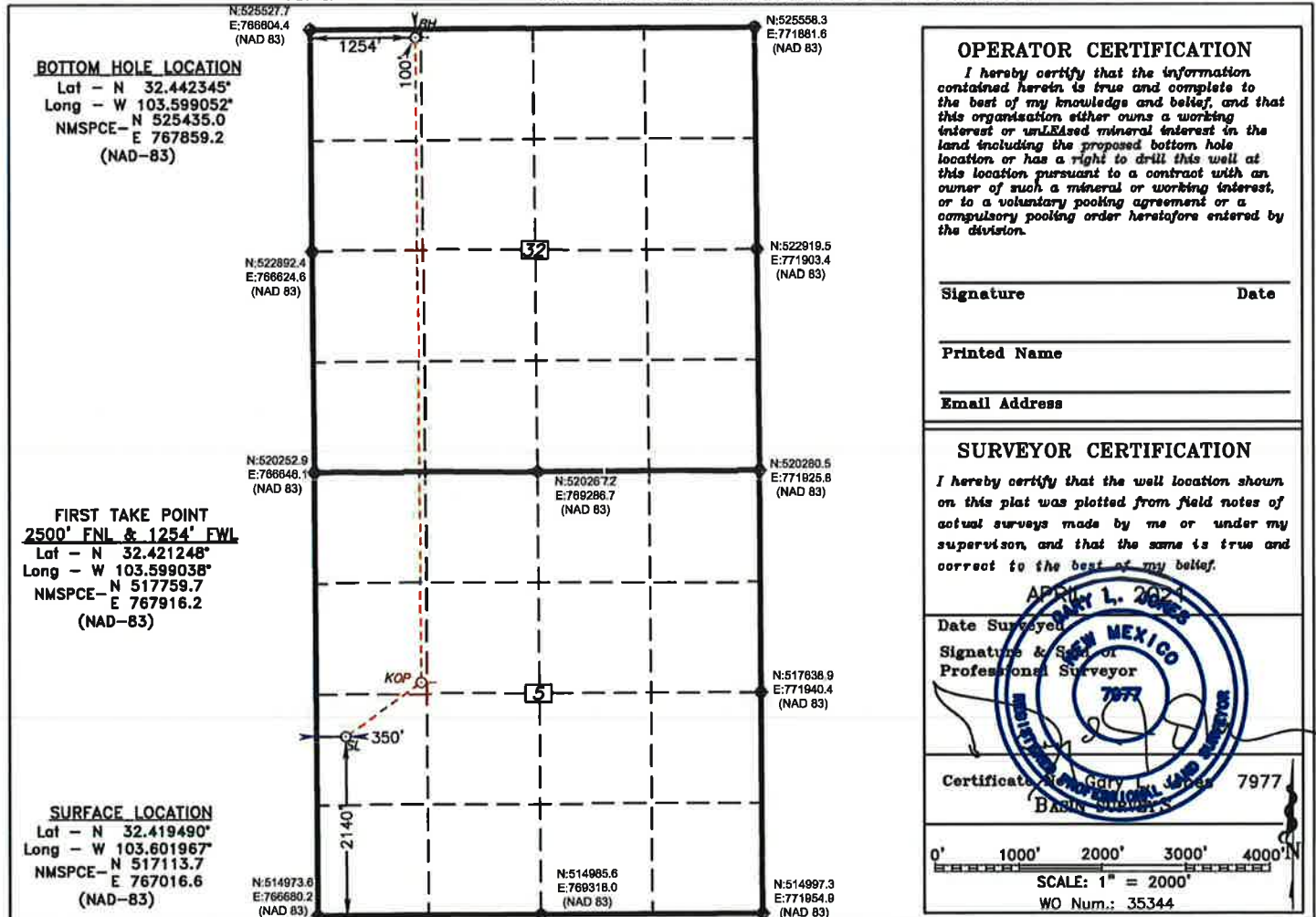
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
L	5	22 S	33 E		2140	SOUTH	350	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
D	32	21 S	33 E		100	NORTH	1254	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

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**District I**  
 1625 N. French Dr., Hobbs, NM 88240  
 Phone:(575) 393-6161 Fax:(575) 393-0720

**District II**  
 811 S. First St., Artesia, NM 88210  
 Phone:(575) 748-1283 Fax:(575) 748-9720

**District III**  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**  
 1220 S. St Francis Dr., Santa Fe, NM 87505  
 Phone:(505) 476-3470 Fax:(505) 476-3462

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

Form C-102  
 August 1, 2011  
 Permit 272641

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-46416	2. Pool Code 37870	3. Pool Name LEGG;BONE SPRING
4. Property Code 319599	5. Property Name DAGGER LAKE 5 STATE COM	6. Well No. 551H
7. OGRID No. 372417	8. Operator Name ADVANCE ENERGY PARTNERS HAT MESA, LLC	9. Elevation 3654

**10. Surface Location**

UL - Lot L	Section 5	Township 22S	Range 33E	Lot Idn L	Feet From 2140	N/S Line S	Feet From 530	E/W Line W	County Lea
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**11. Bottom Hole Location If Different From Surface**

UL - Lot D	Section 32	Township 21S	Range 33E	Lot Idn D	Feet From 100	N/S Line N	Feet From 660	E/W Line W	County Lea
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12. Dedicated Acres 240.04	13. Joint or Infill	14. Consolidation Code	15. Order No.
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	<p align="center"><b>OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>E-Signed By:       David C Harwell              Title:                VP Engineering              Date:                 10/1/2019</p>
	<p align="center"><b>SURVEYOR CERTIFICATION</b></p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>Surveyed By:        Gary Jones              Date of Survey:    9/14/2019              Certificate Number: 7977</p>

**DISTRICT I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone (505) 523-6181 Fax: (505) 593-0750

**DISTRICT II**  
611 S. First St., Artesia, NM 88210  
Phone (505) 742-1203 Fax: (505) 742-9720

**DISTRICT III**  
1000 Rio Branos Rd., Aztec, NM 87410  
Phone (505) 534-0175 Fax: (505) 534-0170

**DISTRICT IV**  
1820 S. St. Francis Dr., Santa Fe, NM 87608  
Phone (505) 476-3450 Fax: (505) 476-3450

State of New Mexico  
Energy, Minerals and Natural Resources Department

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Revised August 4, 2011

**OIL CONSERVATION DIVISION**  
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Santa Fe, New Mexico 87505

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AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number <b>30-025-45853</b>	Pool Code <b>37870</b>	Pool Name <b>Legg; Bone Spring</b>
Property Code <b>319599</b>	Property Name <b>DAGGER LAKE 5 STATE</b>	Well Number <b>601H</b>
OGRID No. <b>372417</b>	Operator Name <b>ADVANCE ENERGY PARTNERS HAT MESA</b>	Elevation <b>3655'</b>

**Surface Location**

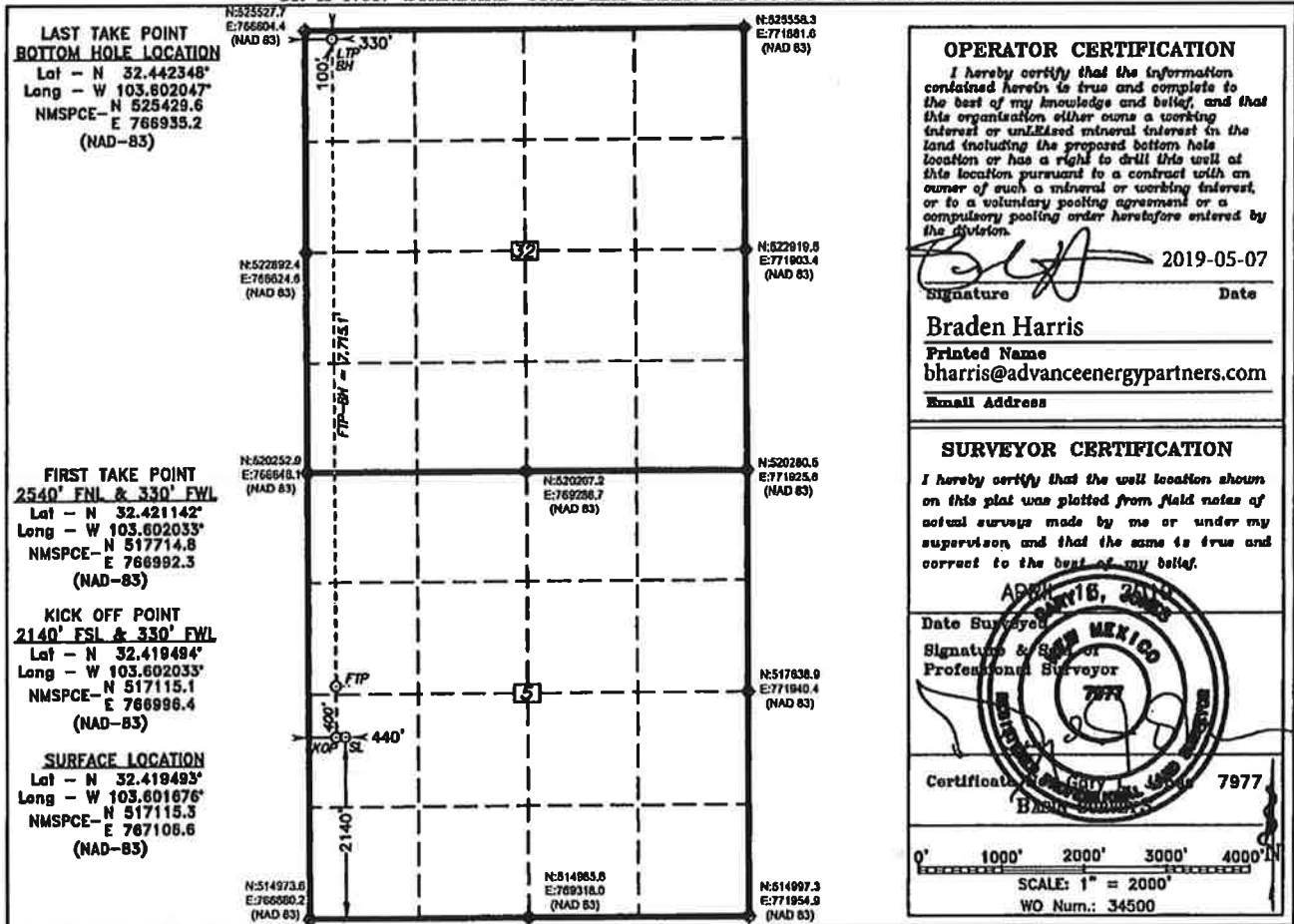
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
L	5	22 S	33 E		2140	SOUTH	440	WEST	LEA

**Bottom Hole Location If Different From Surface**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
D	32	21 S	33 E		100	NORTH	330	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
-----------------	-----------------	--------------------	-----------

**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**



**DISTRICT I**  
1885 N. French Dr., Hobbs, NM 88240  
Phone (505) 523-8181 Fax (505) 528-0780

**DISTRICT II**  
511 S. First St., Artesia, NM 88210  
Phone (505) 748-1283 Fax (505) 748-0730

**DISTRICT III**  
1000 Rio Aramos Rd., Aztec, NM 87410  
Phone (505) 834-8178 Fax (505) 834-8170

**DISTRICT IV**  
1820 S. St. Francis Dr., Santa Fe, NM 87608  
Phone (505) 478-3450 Fax (505) 478-3448

State of New Mexico  
Energy, Minerals and Natural Resources Department

**HOBBS OCD** Form C-102  
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**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87605

MAY 07 2019

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AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number <b>30-025-45854</b>	Pool Code <b>37870</b>	Pool Name <b>Legg; Bone Spring</b>
Property Code <b>319599</b>	Property Name <b>DAGGER LAKE 5 STATE</b>	Well Number <b>603H</b>
OGRD No. <b>372417</b>	Operator Name <b>ADVANCE ENERGY PARTNERS HAT MESA</b>	Elevation <b>3655'</b>

**Surface Location**

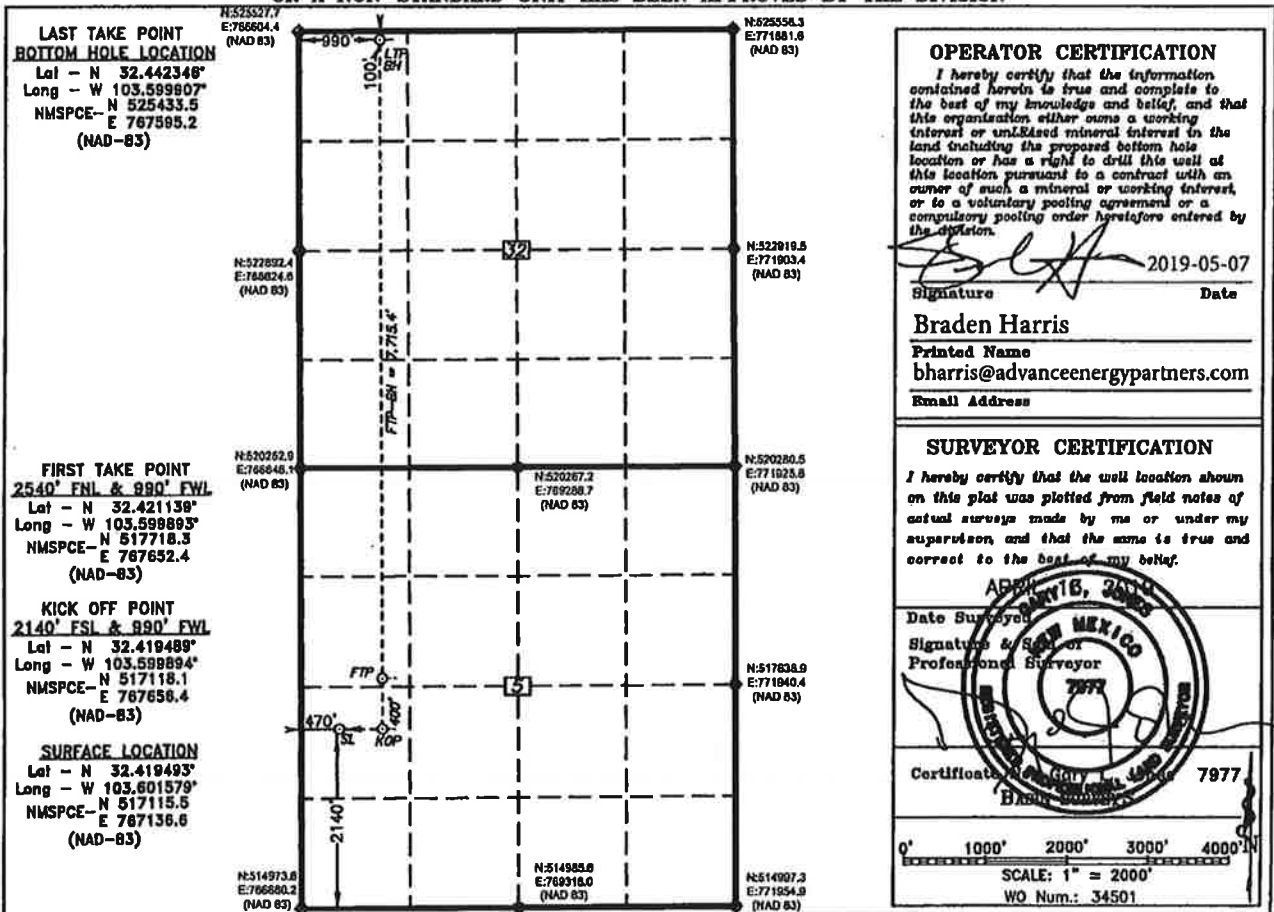
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
L	5	22 S	33 E		2140	SOUTH	470	WEST	LEA

**Bottom Hole Location If Different From Surface**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
D	32	21 S	33 E		100	NORTH	990	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

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**DISTRICT I**  
1620 N. French Dr., Hobbs, NM 88240  
Phone (575) 335-6181 Fax (575) 393-0723

**DISTRICT II**  
811 S. First St., Artesia, NM 88210  
Phone (575) 746-1283 Fax (575) 746-0720

**DISTRICT III**  
1000 Rio Brazos Rd., Artec, NM 87410  
Phone (505) 334-8178 Fax (505) 334-8170

**DISTRICT IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone (505) 476-3480 Fax (505) 476-3482

State of New Mexico  
Energy, Minerals and Natural Resources Department

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

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District Office

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**FEB 24 2020**  
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**WELL LOCATION AND ACREAGE DEDICATION PLAT**

AMENDED REPORT

API Number <b>30-025-46289</b>	Pool Code <b>98033</b>	Pool Name <b>WC-025 G-10 52133280; WOLF CAMP</b>
Property Code <b>325950</b>	Property Name <b>DAGGER LAKE 5 STATE COM</b>	Well Number <b>801H</b>
OGRID No. <b>372417</b>	Operator Name <b>ADVANCE ENERGY PARTNERS HAT MESA</b>	Elevation <b>3655'</b>

**Surface Location**

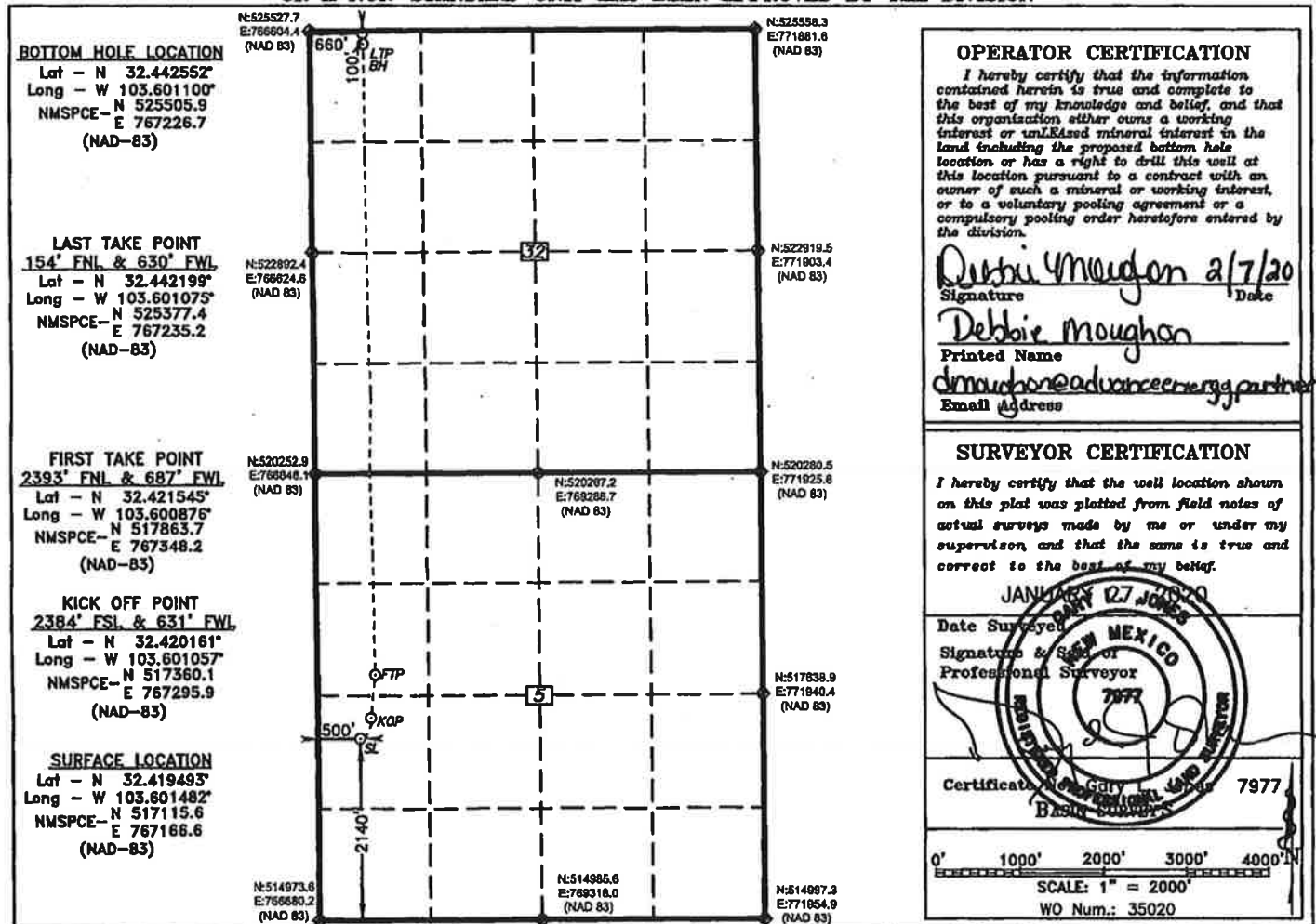
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
<b>L</b>	<b>5</b>	<b>22 S</b>	<b>33 E</b>		<b>2140</b>	<b>SOUTH</b>	<b>500</b>	<b>WEST</b>	<b>LEA</b>

**Bottom Hole Location If Different From Surface**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
<b>D</b>	<b>32</b>	<b>21 S</b>	<b>33 E</b>		<b>25</b>	<b>NORTH</b>	<b>622</b>	<b>WEST</b>	<b>LEA</b>

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**





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

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

Subdivisions Units E, D in Section 5, Units M, L, E, D of Section 32

Of Sect(s) **5 and 32** Twnshp **22S, 21S** Rng **33E** NMPM **Lea** County, NM

containing **960** acres, more or less. It is the judgment of the parties hereto 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 Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, 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 hereto do hereby communitize for proration or spacing purposes only the leases and/or 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 hereto 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 4, 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 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. Advance Energy Partners Hat Mesa, LLC shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by Advance Energy Partners Hat Mesa, LLC

5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and 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 hereto 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 hereto 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. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, 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; provided, that this agreement shall not expire if there is a well capable of 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. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner of Public Lands 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 hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands 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.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, 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.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his 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 of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, 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.

13. 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.

14. 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.

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





**EXHIBIT A**

Attached to and made a part of that Communitization Agreement dated

by and between **Advance Energy Partners Hat Mesa, LLC** company and **Oxy USA Inc**,

**Advance Energy Partners Hat Mesa, LLC**

the Subdivisions **Units E and D of Section 5, Units M, L, E, D of Section 32**,

Sect **5, 32**, Twnshp **22S, 21S**, Rnge **33E**, NMPM **Lea** County, NM

Limited in depth from \_\_\_\_\_ ft to \_\_\_\_\_ ft. (enter here what is granted in pooling order if applicable)

OPERATOR of Communitized Area: **Advance Energy Partners Hat Mesa, LLC**

**DESCRIPTION OF LEASES COMMITTED:**

**TRACT NO. 1**

Lessor: **State of New Mexico**

Lessee of Record: **Oxy USA Inc**

Serial No. of Lease: **V0-6151-0002** Date of Lease: **March 1, 2001**

Description of Lands Committed:

Subdivisions: **E and D**

Sect **5** Twnshp **22S** Rng **33E** NMPM **Lea** County NM

No. of Acres: **80**

**TRACT NO. 2**

Lessor: **State of New Mexico**

Lessee of Record: **Advance Energy Partners Hat Mesa, LLC**

Serial No. of Lease: **V0-8404-0001** Date of Lease: **December 1, 2008**

Description of Lands Committed:

Subdivisions: **M, L, E, D**

Sect **32** Twnshp **21S** Rng **33E** NMPM **Lea** County NM

No. of Acres: **160**

ONLINE version  
March, 2017

State/State  
State/Fee

**TRACT NO. 3**

Lessor:

Lessee of Record:

Serial No. of Lease:

Date of Lease:

Description of Lands Committed:

Subdivisions:

Sect            Twnshp                            Rng                            NMPM                            County NM

No. of Acres:

**TRACT NO. 4**

Lessor:

Lessee of Record:

Serial No. of Lease:

Date of Lease:

Description of Lands Committed:

Subdivisions:

Sect            Twnshp                            Rng                            NMPM                            County NM

No. of Acres:

**RECAPITULATION**

<b>Tract number</b>	<b>Number of Acres Committed</b>	<b>Percentage of Interest in Communitized Area</b>
No. 1	<b>80</b>	<b>33.3333%</b>
No. 2	<b>160</b>	<b>67.6667%</b>
No. 3		
No. 4		
<b>TOTAL</b>	<b>240</b>	<b>100.0000%</b>

ONLINE version  
March, 2017

State/State  
State/Fee

SCANNED



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

Paul Burdick  
Advance Energy Partners Hat Mesa, LLC  
11490 Westheimer Rd, Suite 950  
Houston, TX, 77077

January 29<sup>th</sup>, 2021

Re: Communitization Agreement Approval  
Dagger Lake 5 State Com #801H  
Vertical Extent: Wolfcamp  
Township: 21 South, Range 33 East, NMPM  
Sect 32: W2W2  
Township: 22 South, Range 33 East, NMPM  
Sect 5: W2NE4  
Lea County, New Mexico

Dear Mr Burdick,

The Commissioner of Public Lands has this date approved the Dagger Lake 5 State Com #801H Communitization Agreement for the Wolfcamp formation effective 6/1/2019. Enclosed are three Certificates of Approval.

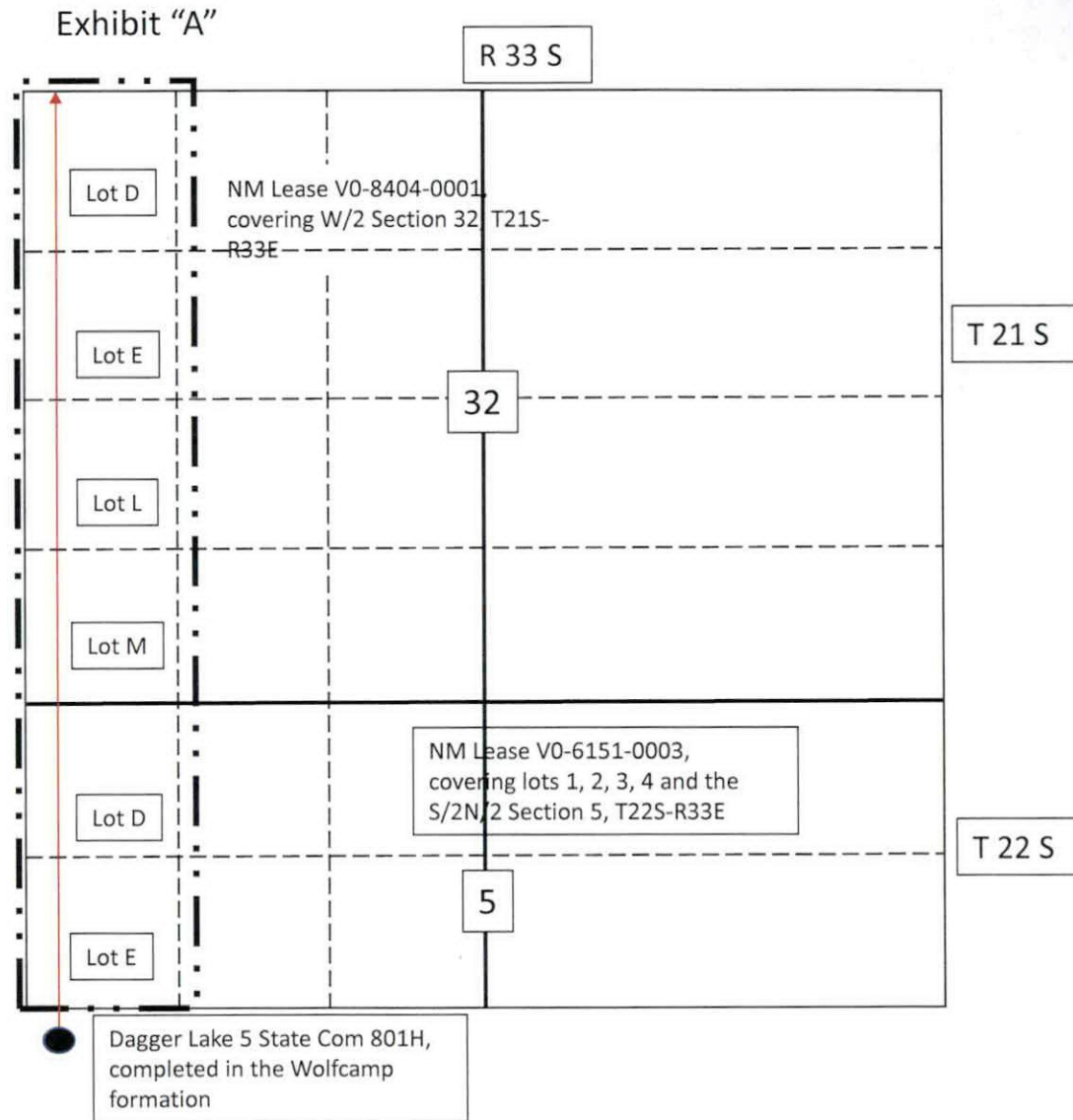
The agreement shall remain in effect for One Year, and as long thereafter as communitized substances are produced from the communitized area in paying quantities.

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 Niranjana Khalsa at (505) 827-6628.

Sincerely,

Stephanie Garcia Richard  
COMMISSIONER OF PUBLIC LANDS



**NEW MEXICO STATE LAND OFFICE**

**CERTIFICATE OF APPROVAL**

**COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

**Advance Energy Partners Hat Mesa, LLC  
Dagger Lake 5 State Com #801H  
Vertical Extent: Wolfcamp  
Township: 21 South, Range: 33 East, NMPM  
Sect 32: W2W2  
Township 22 South, Range 33 East NMPM  
Sect 5: W2NE4  
Lea County, New Mexico**

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **June 1, 2019**, 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 29<sup>th</sup> Day of January, 2021.

*Stephanne Corwin Richards/CS*  
**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**

**Advance Energy Partners Hat Mesa, LLC**  
**Dagger Lake 5 State Com #801H**  
**Vertical Extent: Wolfcamp**  
**Township: 21 South, Range: 33 East, NMPM**  
**Sect 32: W2W2**  
**Township 22 South, Range 33 East NMPM**  
**Sect 5: W2NE4**  
**Lea County, New Mexico**

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **June 1, 2019**, 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:

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- (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.

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IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 29<sup>th</sup> Day of January, 2021.

*Stephanie Covatta Richards*  
**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**

**Advance Energy Partners Hat Mesa, LLC  
Dagger Lake 5 State Com #801H  
Vertical Extent: Wolfcamp  
Township: 21 South, Range: 33 East, NMPM  
Sect 32: W2W2  
Township 22 South, Range 33 East NMPM  
Sect 5: W2NE4  
Lea County, New Mexico**

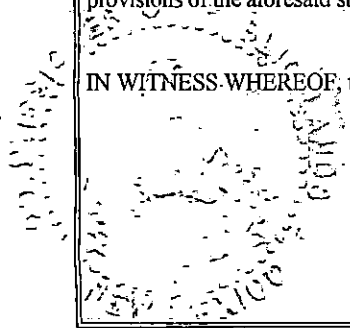
There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **June 1, 2019**, which has been executed, or is to 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 29<sup>th</sup> Day of January, 2021.

*Stephanne Garcia Richards/SS*  
**COMMISSIONER OF PUBLIC LANDS**  
of the State of New Mexico



New Mexico State Land Office  
Oil, Gas, and Minerals Division  
ONLINE VERSION  
CONSOLIDATION OF STATE OIL AND GAS LEASES

2020 JAN 14 10:20  
Revised May 2016

Advance Energy Partners Hat Mesa, LLC, Lessee, record title owner of State Oil and Gas Leases numbered VO-6151-0003 and VO-8404-0001, requests approval of lease consolidation affecting: Subdivisions Units E & D in Sec 5, T22S-R33E and Units M, L, E and D of Sec 32, T21S-R33E Sect 5, 32, T 22S, 21S, R 33E, NMPM Lea County NM to establish a 240.04 acre proration unit in the Wolfcamp formation.

Lessee submits a plat, Exhibit A, showing the subject area, leases involved and the requested consolidation. This plat also delineates the proration unit and locates and designates the completed well and consolidated horizon.

Lessee states that the State of New Mexico, for the assigned beneficiaries, owns the royalty interest under these leases and agrees that the state, at its own election, is entitled to delivery in-kind of its share of all communitized substances produced from the leased area.

Approval is requested pursuant to authority granted by applicable statutes. Approval will promote conservation and is in the best interest of the State.

This consolidation, if approved by the Commissioner of Public Lands, shall be effective June 1, 2019 (date), and shall continue in effect for 365 days and as long thereafter as communitized substances are produced from the consolidated area in paying quantities; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the consolidated area, if such 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 provision 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 is in its primary or secondary term (if a ten-year lease), or is held by production from another well.

Provided further, however, that prior to production in paying quantities from the consolidated area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the consolidated area, this Consolidation may be terminated at any time by the Lessee. This consolidation shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the consolidated area are commenced and are thereafter conducted and prosecuted with reasonable diligence. Intention to commence such operations 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.

Requesting approval of consolidation of NM state oil and gas leases

David A. Scott For Advance Energy Partners Hat Mesa, L Corporation  
Print person's name

Signature

Acknowledgment in an Individual Capacity:

State of \_\_\_\_\_ )

ss)

County of \_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_ Date

by \_\_\_\_\_  
Name(s) of Person(s)

(Notary Seal)

Signature of Notarial Officer

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

Acknowledgment in a Representative Capacity:

State of Texas \_\_\_\_\_ )

ss)

County of Harris \_\_\_\_\_ )

This instrument was acknowledged before me on JANUARY 9, 2020 Date

by David A. Scott  
Name(s) of Person(s)

as Vice-President of Advance Energy Partners Hat Mesa, LLC

Type of authority, e.g., officer, trustee, etc.

Name of party on behalf of whom this instrument was executed

Signature of Notarial Officer

Signature of Notarial Officer

My commission expires: 10/30/2022



2020 JAN 14 AM 10:20

Attwell Interests Inc c/o Kathy Gibson, 1383 Oaklawn Drive  
Blanco Holdings I Ltd Attn: Peter Way, PO Box 36530  
Brett D Taylor 2040 Crown View Drive  
Jukebox Interests LLC 2726 Bissonnet St., Ste. 240-448  
R Miller Houghton 3114 Gulf Ave  
Royal Oak Oil And Gas Inc Attn: George M Ragsdale, 11510 Montmarte  
Tom M Ragsdale Attn: Barbara Johnson, 8500 Cypresswood Dr Ste. 104  
Vonnie Khuu Wenck 2859 Panagard Drive  
Wellington Hotwells I Lp 5599 San Felipe, Suite 110  
New Mexico State Land Office P O Box 1148

New Braunfels TX 78132-4014  
Houston TX 77236  
Kerrville TX 78028  
Houston TX 77005-1319  
Midland TX 79705  
Houston TX 77082-2764  
Spring TX 77379  
Houston TX 77082-1859  
Houston TX 77056  
Santa Fe NM 87504



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

February 1, 2024

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

**TO: ALL AFFECTED PARTIES**

**Re: Application of Matador Production Company to amend NMOCD Order PLC-650 and for administrative approval to surface commingle (pool and lease) oil and gas production from additional wells in the spacing units comprised of the W/2 W/2 of Section 32, Township 21 South, and Range 33 East, and the W/2 NW/4 of Section 5, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico (the “Lands”)**

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application, which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from the date this application is received by the Division’s Santa Fe office located at 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

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

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

Sincerely,

---

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

MRC - Dagger Lake South 5 Commingling  
Postal Delivery Report

9414811898765402518553	Attwell Interests Inc c/o Kathy Gibson	1383 Oaklawn Dr	New Braunfels	TX	78132-4014
9414811898765402518560	Blanco Holdings I Ltd Attn Peter Way	PO Box 36530	Houston	TX	77236-6530
9414811898765402518522	Brett D Taylor	2040 Crown View Dr	Kerrville	TX	78028-8927
9414811898765402518508	Jukebox Interests LLC	2726 Bissonnet St Ste 240-448	Houston	TX	77005-1319
9414811898765402518591	R Miller Houghton	3114 Gulf Ave	Midland	TX	79705-8205
9414811898765402518546	Royal Oak Oil And Gas Inc Attn George M Ragsdale,	11510 Montmarte Blvd	Houston	TX	77082-2764
9414811898765402518584	Tom M Ragsdale Attn Barbara Johnson,	8500 Cypresswood Dr Ste 104	Spring	TX	77379-7106
9414811898765402518539	Vonnie Khuu Wenck	2859 Panagard Dr	Houston	TX	77082-1859
9414811898765402518577	Wellington Hotwells I Lp	5599 San Felipe St Ste 110	Houston	TX	77056-2761
9414811898765402517211	New Mexico State Land Office	PO Box 1148	Santa Fe	NM	87504-1148

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

**APPLICATION FOR SURFACE COMMINGLING  
SUBMITTED BY MATADOR PRODUCTION COMPANY      ORDER NO. PLC-1090**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

**FINDINGS OF FACT**

1. Matador Production Company (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools and leases described in Exhibit A (“Application”).
2. Applicant included a complete list of the wells currently dedicated to each pool and lease.
3. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
4. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.
5. Applicant in the notice for the Application stated that it sought authorization to prospectively include additional pools and leases in accordance with 19.15.12.10(C)(4)(g) NMAC.
6. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil and gas production from wells which have not yet been approved to be drilled, but will produce from a pool and lease as described in Exhibit A.
7. Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
8. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.

**CONCLUSIONS OF LAW**

9. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.

10. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10(A)(2) NMAC, 19.15.12.10(C)(4)(c) NMAC, and 19.15.12.10(C)(4)(e) NMAC, as applicable.
11. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9(A)(5) NMAC and 19.15.23.9(A)(6) NMAC, as applicable.
12. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10(B)(1) NMAC or 19.15.12.10(C)(1) NMAC, as applicable.
13. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10(B)(3) NMAC and 19.15.12.10(C)(4)(h) NMAC.
14. Applicant satisfied the notice requirements for the subsequent addition of pools, leases, and wells in the notice for the Application, in accordance with 19.15.12.10(C)(4)(g) NMAC. Subsequent additions of pools, leases, and wells within Applicant's defined parameters, as modified herein, will not, in reasonable probability, reduce the commingled production's value or otherwise adversely affect the interest owners in the production to be added.
15. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

### **ORDER**

1. Applicant is authorized to surface commingle oil and gas production from the pools and leases as described in Exhibit A.

Applicant is authorized to surface commingle oil and gas production from the wells included in Exhibit A, provided that they produce from a pool and lease described in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease, as applicable, from the pools and leases as described in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

Applicant is authorized to surface commingle oil and gas production from wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease, as applicable, from wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

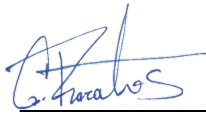
2. This Order supersedes Order PLC-650.
3. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more

than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil and gas production to each well not included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.

4. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling it with production from another well.
5. If Applicant recovers oil or gas production from produced water prior to Applicant injecting it or transferring custody of it, then that production shall be allocated to each well in the proportion that it contributed to the total produced water.
6. If Applicant recovers gas production using a vapor recovery unit (VRU), then that gas production shall be allocated to each well in the proportion that it contributed to the total oil production.
7. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15 NMAC or 19.15.23.8 NMAC.
8. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9 NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8(B) NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8(E) NMAC.
9. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10(C)(2) NMAC.
10. Applicant shall install and utilize vessels that are appropriately designed to ensure sufficient separation of the fluids and to accurately measure oil and gas production.
11. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
12. Applicant may submit an application to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by this Order by submitting a Form C-107-B in accordance with 19.15.12.10(C)(4)(g) NMAC, provided the pools, leases, and subsequently drilled wells are within the identified parameters included in the Application.

13. If a well is not included in Exhibit A but produces from a pool and lease as described in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well, proposed method to determine the allocation of oil and gas production to it, and the location(s) that commingling of its production will occur.
14. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
15. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
16. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



Gerasimos Razatos for Albert Chang

DATE: 2/24/2026

**ALBERT C. S. CHANG  
DIRECTOR**

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit A

**Order: PLC-1090**  
**Operator: Matador Production Company (228937)**  
**Central Tank Battery: Dagger Lake Pad D Central Tank Battery**  
**Central Tank Battery Location: UL L, Section 5, Township 22 South, Range 33 East**  
**Gas Title Transfer Meter Location: UL L, Section 5, Township 22 South, Range 33 East**

### Pools

Pool Name	Pool Code
LEGG;BONE SPRING	37870
WC-025 G-10 S213328O;WOLFCAMP	98033

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

Lease	UL or Q/Q	S-T-R
CA Bone Spring SLO 204246 PUN 1391642	W2W2	32-21S-33E
	W2NW	05-22S-33E
CA Bone Spring SLO 204246 PUN 1391953	W2W2	32-21S-33E
	W2NW	05-22S-33E
SLO Lease V0-8404-0001	W2	32-21S-33E
SLO Lease V0-6151-0003	N2	05-22S-33E

### Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-45579	DAGGER LAKE 5 STATE COM #501H	W2W2	32-21S-33E	37870
		W2NW	05-22S-33E	
30-025-45703	DAGGER LAKE 5 STATE COM #503H	W2W2	32-21S-33E	37870
		W2NW	05-22S-33E	
30-025-46416	DAGGER LAKE 5 STATE COM #551H	W2W2	32-21S-33E	37870
		W2NW	05-22S-33E	
30-025-45853	DAGGER LAKE 5 STATE COM #601H	W2W2	32-21S-33E	37870
		W2NW	05-22S-33E	
30-025-45854	DAGGER LAKE 5 STATE COM #603H	W2W2	32-21S-33E	37870
		W2NW	05-22S-33E	
30-025-46289	DAGGER LAKE 5 STATE #801H	W2W2	32-21S-33E	98033
		W2NW	05-22S-33E	
30-025-48600	DAGGER LAKE 5 STATE COM #301H	W2W2	32-21S-33E	37870
		W2NW	05-22S-33E	
30-025-48601	DAGGER LAKE 5 STATE COM #513H	W2W2	32-21S-33E	37870
		W2NW	05-22S-33E	

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 310907

**CONDITIONS**

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 310907
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

**CONDITIONS**

Created By	Condition	Condition Date
sarah.clelland	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please email us at <a href="mailto:OCD.Engineer@emnrd.nm.gov">OCD.Engineer@emnrd.nm.gov</a> .	2/25/2026