# BEFORE THE OIL CONSERVATION DIVISION
# EXAMINER HEARING FEBRUARY 3, 2022

# CASE NOS. 22204-22205

*DR. ELLIS #113H, #123H WELLS*
*KATHY KREGOR FED COM #114H WELL*

***EDDY COUNTY, NEW MEXICO***

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

**APPLICATIONS OF MATADOR PRODUCTION COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.**

**CASE NOS. 22204-22205**

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# COMPULSORY POOLING APPLICATION CHECKLIST

**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

| **Case: 22204** | **APPLICANT'S RESPONSE** |
|---|---|
| **Date** | **February 3, 2022** |
| Applicant | **Matador Production Company** |
| Designated Operator & OGRID (affiliation if applicable) | **OGRID No. 228937** |
| Applicant's Counsel: | **Holland & Hart LLP** |
| Case Title: | **APPLICATION OF MATADOR PRODUCTION COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.** |
| Entries of Appearance/Intervenors: | **N/A** |
| Well Family | **Dr. Ellis** |
| **Formation/Pool** | |
| Formation Name(s) or Vertical Extent: | **Bone Spring Formation** |
| Primary Product (Oil or Gas): | **Oil** |
| Pooling this vertical extent: | **N/A** |
| Pool Name and Pool Code: | **Pierce Crossing; Bone Spring [50371]** |
| Well Location Setback Rules: | **Statewide oil rules** |
| Spacing Unit Size: | **320 acres** |
| **Spacing Unit** | |
| Type (Horizontal/Vertical) | **Horizontal** |
| Size (Acres) | **320** |
| Building Blocks: | **40 acres** |
| Orientation: | **West-East** |
| Description: TRS/County | **N/2 S/2 of Section 13, Township 24 South, Range 28 East and the N/2 S/2 of Section 18, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico.** |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe | **Yes** |
| **Other Situations** | |
| Depth Severance: Y/N. If yes, description | **No** |
| Proximity Tracts: If yes, description | **No** |
| Proximity Defining Well: if yes, description | **N/A** |
| Applicant's Ownership in Each Tract | **See Exhibit C-3** |
| **Well(s)** | |
| Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard) | **BEFORE THE OIL CONSERVATION DIVISION<br>Santa Fe, New Mexico<br>Exhibit No. A<br>Submitted by: Matador Production Company<br>Hearing Date: February 3, 2022<br>Case Nos. 22204-22205** |

| | |
|---|---|
| Well #1 | **Dr. Ellis 113H**<br>**SHL: (Unit I) of Section 14, Township 24 South, Range 28 East**<br>**BHL: (Unit I) of Section 18,Township 24 South, Range 29 East**<br>**Target: Bone Spring**<br>**Orientation: West-East**<br>**Completion: Standard Location** |
| Well #2 | **Dr. Ellis 123H**<br>**SHL: (Unit I) of Section 14, Township 24 South, Range 28 East**<br>**BHL: (Unit I) of Section 18,Township 24 South, Range 29 East**<br>**Target: Bone Spring**<br>**Orientation: West-East**<br>**Completion: Standard Location** |
| Horizontal Well First and Last Take Points | **Exhibit C-1** |
| Completion Target (Formation, TVD and MD) | **Exhibit C-1** |
| | |
| **AFE Capex and Operating Costs** | |
| Drilling Supervision/Month $ | **$8,000** |
| Production Supervision/Month $ | **$800** |
| Justification for Supervision Costs | **Exhibit C** |
| Requested Risk Charge | **200%** |
| **Notice of Hearing** | |
| Proposed Notice of Hearing | **Exhibit A** |
| Proof of Mailed Notice of Hearing (20 days before hearing) | **Exhibit E** |
| Proof of Published Notice of Hearing (10 days before hearing) | **Exhibit F** |
| **Ownership Determination** | |
| Land Ownership Schematic of the Spacing Unit | **Exhibit C-2** |
| Tract List (including lease numbers and owners) | **Exhibit C-2** |
| Pooled Parties (including ownership type) | **Exhibit C-3** |
| Unlocatable Parties to be Pooled | **N/A** |
| Ownership Depth Severance (including percentage above & below) | **N/A** |
| **Joinder** | |
| Sample Copy of Proposal Letter | **Exhibit C-4** |
| List of Interest Owners (ie Exhibit A of JOA) | **Exhibit C-3** |
| Chronology of Contact with Non-Joined Working Interests | **Exhibit C-5** |
| Overhead Rates In Proposal Letter | **Exhibit C-4** |

| | |
|---|---|
| Cost Estimate to Drill and Complete | **Exhibit C-4** |
| Cost Estimate to Equip Well | **Exhibit C-4** |
| Cost Estimate for Production Facilities | **Exhibit C-4** |
| **Geology** | |
| Summary (including special considerations) | **Exhibit D** |
| Spacing Unit Schematic | **Exhibit D** |
| Gunbarrel/Lateral Trajectory Schematic | **N/A** |
| Well Orientation (with rationale) | **Exhibit D** |
| Target Formation | **Exhibit D** |
| HSU Cross Section | **Exhibit D-3** |
| Depth Severance Discussion | **N/A** |
| **Forms, Figures and Tables** | |
| C-102 | **Exhibit C-1** |
| Tracts | **Exhibit C-2** |
| Summary of Interests, Unit Recapitulation (Tracts) | **Exhibit C** |
| General Location Map (including basin) | **Exhibit D-1** |
| Well Bore Location Map | **Exhibit D-1** |
| Structure Contour Map - Subsea Depth | **Exhibit D-2** |
| Cross Section Location Map (including wells) | **Exhibit D-2** |
| Cross Section (including Landing Zone) | **Exhibit D-3** |
| **Additional Information** | |
| Special Provisions/Stipulations | **N/A** |
| **CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.** | |
| **Printed Name** (Attorney or Party Representative): | **Adam G. Rankin** |
| **Signed Name** (Attorney or Party Representative): | |
| **Date:** | **3-Feb-22** |

# COMPULSORY POOLING APPLICATION CHECKLIST

**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

| **Case: 22205** | **APPLICANT'S RESPONSE** |
|---|---|
| **Date** | **February 3, 2022** |
| Applicant | **Matador Production Company** |
| Designated Operator & OGRID (affiliation if applicable) | **OGRID No. 228937** |
| Applicant's Counsel: | **Holland & Hart LLP** |
| Case Title: | **APPLICATION OF MATADOR PRODUCTION COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.** |
| Entries of Appearance/Intervenors: | **N/A** |
| Well Family | **Kathy Kregor** |
| **Formation/Pool** | |
| Formation Name(s) or Vertical Extent: | **Bone Spring Formation** |
| Primary Product (Oil or Gas): | **Oil** |
| Pooling this vertical extent: | **N/A** |
| Pool Name and Pool Code: | **Pierce Crossing; Bone Spring [50371]** |
| Well Location Setback Rules: | **Statewide oil rules** |
| Spacing Unit Size: | **320 acres** |
| **Spacing Unit** | |
| Type (Horizontal/Vertical) | **Horizontal** |
| Size (Acres) | **320** |
| Building Blocks: | **40 acres** |
| Orientation: | **West-East** |
| Description: TRS/County | **S/2 S/2 of Section 13, Township 24 South, Range 28 East and S/2 S/2 of Section 18, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico.** |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe | **Yes** |
| **Other Situations** | |
| Depth Severance: Y/N. If yes, description | **No** |
| Proximity Tracts: If yes, description | **No** |
| Proximity Defining Well: if yes, description | **N/A** |
| Applicant's Ownership in Each Tract | **See Exhibit C-3** |
| **Well(s)** | |
| Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard) | |

| | |
|---|---|
| Well #1 | **Kathy Kregor Fed Com 114H**<br>**SHL: (Unit P) of Section 14, Township 24 South, Range 28 East**<br>**BHL: (Unit P) of Section 18,Township 24 South, Range 29 East**<br>**Target: Bone Spring**<br>**Orientation: West-East**<br>**Completion: Standard Location** |
| Well #2 | |
| Horizontal Well First and Last Take Points | **Exhibit C-1** |
| Completion Target (Formation, TVD and MD) | **Exhibit C-1** |
| | |
| **AFE Capex and Operating Costs** | |
| Drilling Supervision/Month $ | **$8,000** |
| Production Supervision/Month $ | **$800** |
| Justification for Supervision Costs | **Exhibit C** |
| Requested Risk Charge | **200%** |
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| Tract List (including lease numbers and owners) | **Exhibit C-2** |
| Pooled Parties (including ownership type) | **Exhibit C-3** |
| Unlocatable Parties to be Pooled | **N/A** |
| Ownership Depth Severance (including percentage above & below) | **N/A** |
| **Joinder** | |
| Sample Copy of Proposal Letter | **Exhibit C-4** |
| List of Interest Owners (ie Exhibit A of JOA) | **Exhibit C-3** |
| Chronology of Contact with Non-Joined Working Interests | **Exhibit C-5** |
| Overhead Rates In Proposal Letter | **Exhibit C-4** |
| Cost Estimate to Drill and Complete | **Exhibit C-4** |
| Cost Estimate to Equip Well | **Exhibit C-4** |
| Cost Estimate for Production Facilities | **Exhibit C-4** |
| **Geology** | |
| Summary (including special considerations) | **Exhibit D** |

| | |
|---|---|
| Spacing Unit Schematic | **Exhibit D** |
| Gunbarrel/Lateral Trajectory Schematic | **N/A** |
| Well Orientation (with rationale) | **Exhibit D** |
| Target Formation | **Exhibit D** |
| HSU Cross Section | **Exhibit D-3** |
| Depth Severance Discussion | **N/A** |
| **Forms, Figures and Tables** | |
| C-102 | **Exhibit C-1** |
| Tracts | **Exhibit C-2** |
| Summary of Interests, Unit Recapitulation (Tracts) | **Exhibit C** |
| General Location Map (including basin) | **Exhibit D-1** |
| Well Bore Location Map | **Exhibit D-1** |
| Structure Contour Map - Subsea Depth | **Exhibit D-2** |
| Cross Section Location Map (including wells) | **Exhibit D-2** |
| Cross Section (including Landing Zone) | **Exhibit D-3** |
| **Additional Information** | |
| Special Provisions/Stipulations | **N/A** |
| **CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.** | |
| **Printed Name** (Attorney or Party Representative): | **Adam G. Rankin** |
| **Signed Name** (Attorney or Party Representative): | |
| **Date:** | **3-Feb-22** |

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

**APPLICATION OF MATADOR PRODUCTION COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.**

**CASE NO.** _22204_____

**APPLICATION**

Matador Production Company ("Matador" or "Applicant") (OGRID No. 228937), through its undersigned attorneys, hereby files this application with the Oil Conservation Division, pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the N/2 S/2 of Section 13, Township 24 South, Range 28 East, and the N/2 S/2 of Section 18, Township 24 South, Range 29 East, Eddy County, New Mexico. In support of its application, Matador states:

1. An affiliate entity of Matador is a working interest owner in the proposed spacing unit and has the right to drill thereon.

2. Applicant seeks to dedicate the above-referenced spacing unit to the following proposed initial wells, each of which will be drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 14, Township 24 South, Range 28 East, to a bottom hole location in the NE/4 SE/4 (Unit I) of said Section 18: (1) the **Dr. Ellis #113H well**; and the (2) the **Dr. Ellis #123H well**.

3. The completed interval of the wells will comply with statewide setbacks for oil wells.

**BEFORE THE OIL CONSERVATION DIVISION**
**Santa Fe, New Mexico**
**Exhibit No. B**
**Submitted by: Matador Production Company**
**Hearing Date: February 3, 2022**
**Case Nos. 22204-22205**

4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all working interest owners in the subject acreage.

5. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

6. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled, and Applicant should be designated the operator of the proposed initial wells and the proposed horizontal spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on October 7, 2021, and, after notice and hearing as required by law, the Division enter an order:

A. Pooling all uncommitted interests in the horizontal spacing unit in the Bone Spring formation and approving the initial wells thereon;

B. Designating Applicant as operator of this spacing unit and the horizontal wells to be drilled thereon;

C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the wells;

D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

HOLLAND & HART LLP

By:_ _____ _____

Michael H. Feldewert
Adam G. Rankin
Julia Broggi
Kaitlyn A. Luck
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Santa Fe, NM 87504
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**ATTORNEYS FOR MATADOR PRODUCTION COMPANY**

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

**APPLICATION OF MATADOR PRODUCTION COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.**

**CASE NO.** 22205

**APPLICATION**

Matador Production Company ("Matador" or "Applicant") (OGRID No. 228937), through its undersigned attorneys, hereby files this application with the Oil Conservation Division, pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the S/2 S/2 of Section 13, Township 24 South, Range 28 East, and the S/2 S/2 of Section 18, Township 24 South, Range 29 East, Eddy County, New Mexico. In support of its application, Matador states:

1. An affiliate entity of Matador is a working interest owner in the proposed spacing unit and has the right to drill thereon.

2. Applicant seeks to dedicate the above-referenced spacing unit to the proposed initial **Kathy Kregor Fed Com #114H well**, to be drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 14, Township 24 South, Range 28 East, to a bottom hole location in the SE/4 SE/4 (Unit P) of said Section 18.

3. The completed interval of the well will comply with statewide setbacks for oil wells.

4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all working interest owners in the subject acreage.

5. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

6. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled, and Applicant should be designated the operator of the proposed initial well and the proposed horizontal spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on October 7, 2021, and, after notice and hearing as required by law, the Division enter an order:

A. Pooling all uncommitted interests in the horizontal spacing unit in the Bone Spring formation and approving the initial well thereon;

B. Designating Applicant as operator of this spacing unit and the horizontal well to be drilled thereon;

C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the well;

D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By:_____ __

Michael H. Feldewert
Adam G. Rankin
Julia Broggi
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**ATTORNEYS FOR MATADOR PRODUCTION COMPANY**

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

**APPLICATIONS OF MATADOR PRODUCTION COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.**

**CASE NOS. 22204 and 22205**

**AFFIDAVIT OF HANNA BOLLENBACH**

Hanna Bollenbach, of lawful age and being first duly sworn, states the following:

1. My name is Hanna Bollenbach and I am employed by MRC Energy Company, an affiliate of Matador Production Company ("Matador"), as a Landman.

2. I graduated from the University of Oklahoma in December 2021 with a Bachelor's degree in Energy Management. After graduation, I began working for Matador as a Landman, with specific responsibilities in Eddy and Lea County, New Mexico. Prior to graduation, I also served an internship in the Land department for Matador during the Summer of 2021. As part of my employment with Matador, I am also required to complete at least 40 hours of continuing education about the oil and gas industry each year. I am also a member of the American Association of Professional Landmen.

3. I am familiar with the applications filed by Matador in these consolidated cases and the status of the lands in the subject area.

4. In these consolidated cases, Matador seeks orders pooling uncommitted interests in the Bone Spring formation in the following standard horizontal spacing units:

- In **Case 22204**, Matador seeks to pool all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the N/2 S/2 of Section 13, Township 24 South, Range

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C
Submitted by: Matador Production Company
Hearing Date: February 3, 2022
Case Nos. 22204-22205

28 East, and the N/2 S/2 of Section 18, Township 24 South, Range 29 East, Eddy County, New Mexico. The spacing unit will be dedicated to the proposed initial **Dr. Ellis #113H well** and the **Dr Ellis #123H well**, each of which will be drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 14, Township 24 South, Range 28 East to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 18.

- In **Case 22205**, Matador seeks to pool all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the S/2 S/2 of Section 13, Township 24 South, Range 28 East, and the S/2 S/2 of Section 18, Township 24 South, Range 29 East, Eddy County, New Mexico. The spacing unit will be dedicated to the proposed initial **Kathy Kregor Fed Com #114H well**, to be drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 14, Township 24 South, Range 28 East to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 18.

5. **Matador Exhibit C-1** contains draft Form C-102's for the proposed initial wells in each of these standard spacing units. These forms demonstrate that the completed interval for each well will meet the standard setback requirements for horizontal oil wells.

6. Matador understands that these Bone Spring wells will be placed in the Pierce Crossing; Bone Spring [50371] pool.

7. **Matador Exhibit C-2** identifies the tracts of land comprising each of the proposed horizontal spacing units. The subject acreage is comprised of federal and fee lands.

8. There are no depth severances within the Bone Spring formation underlying this acreage.

9. **Matador Exhibit C-3** identifies the working interest owners that Matador is seeking to pool in each of the proposed horizontal spacing units.

10. **Matador Exhibit C-4** identifies the overriding royalty interest owners and nonparticipating royalty interest owners that Matador is seeking to pool in each of the proposed horizontal spacing units.

11. Matador has conducted a diligent search of the public records in the county where the property is located, reviewed telephone directors and conducted computer searches to locate contact information for each of these mineral owners. As indicated in Matador Exhibit C-6, I have been able to make contact with a number of working interest owners Matador seeks to pool, but I have been unable to locate good contact information for some of the working interest owners.

12. **Matador Exhibit C-5** contains a sample of the well proposal letters and AFEs sent to the working interest owners Matador is seeking to pool, as well as a sample of the well proposal letter and AFE sent to unleased minerals owners that also contained an offer to lease. The costs reflected in these AFEs are consistent with what other operators have incurred for drilling similar horizontal wells in the area in these formations.

13. **Matador Exhibit C-6** contains a general summary of the contacts with the uncommitted working interest owners and unleased mineral owners that Matador was able to locate. In my opinion, Matador has undertaken good faith efforts to reach an agreement with the uncommitted working interest owners and unleased mineral owners.

14. Matador requests that the overhead and administrative costs for drilling and producing the proposed wells be set at $8,000 per month while drilling and $800 per month while producing. These costs are consistent with what other operators are charging in this area for similar wells.

15. Matador has provided the law firm of Holland & Hart LLP with the names and addresses (where available) of the parties that Matador seeks to pool and instructed that they be notified of this hearing.

16. **Matador Exhibits C-1 through C-6** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

Hanna Bollenbach

STATE OF TEXAS )
)
COUNTY OF DALLAS )

SUBSCRIBED and SWORN to before me this 25th day of January 2022 by Hanna Bollenbach.

NOTARY PUBLIC

My Commission Expires:

3/23/2025

PRESTON CAZALE
Notary ID #132990511
My Commission Expires
March 23, 2025

# EXHIBIT C-1

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C1
Submitted by: Matador Production Company
Hearing Date: February 3, 2022
Case Nos. 22204-22205

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

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

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

☐ AMENDED REPORT

# WELL LOCATION AND ACREAGE DEDICATION PLAT

| [1]API Number | [2]Pool Code | [3]Pool Name |
|---|---|---|
| | 50371 | Pierce Crossing; Bone Spring |

| [4]Property Code | [5]Property Name | [6]Well Number |
|---|---|---|
| | DR ELLIS | 113H |
| **[7]OGRID No.** | **[8]Operator Name** | **[9]Elevation** |
| | MATADOR PRODUCTION COMPANY | 2973' |

[10]Surface Location

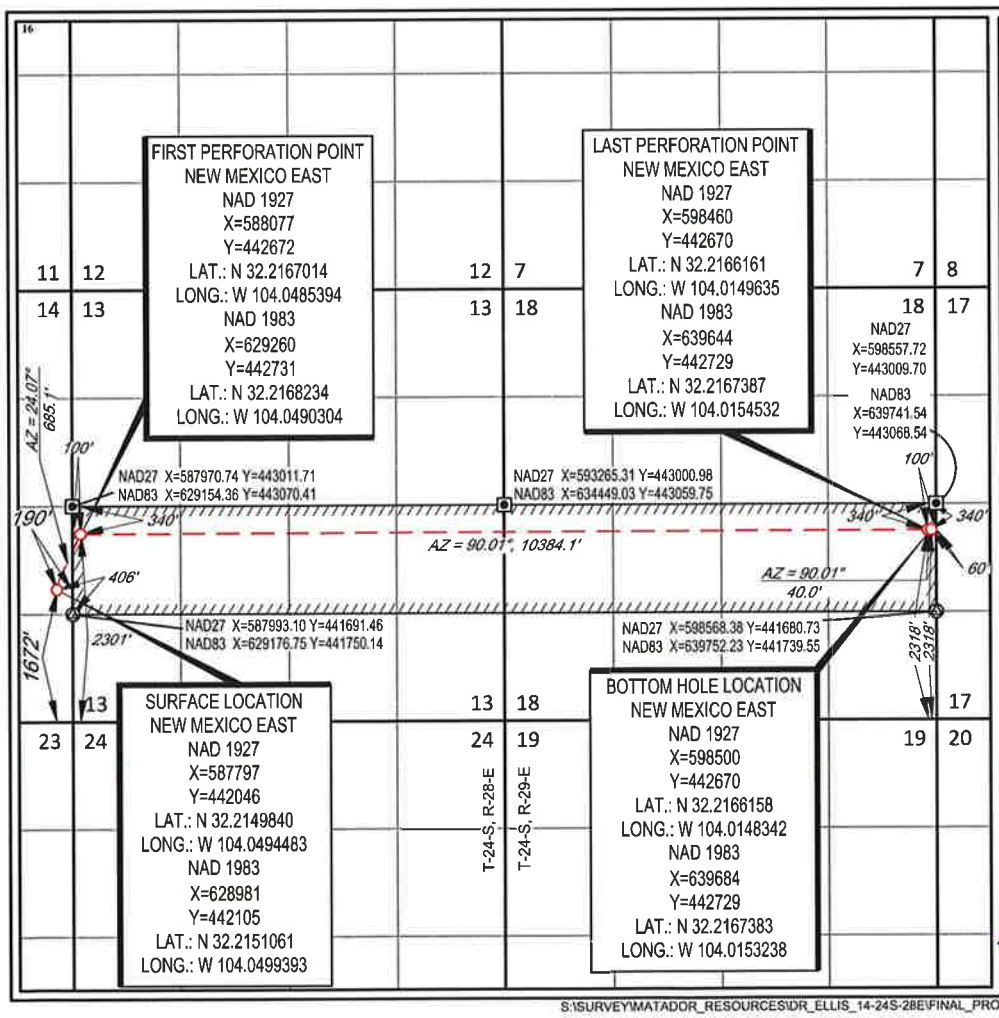
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---|---|---|---|---|---|---|---|---|---|
| I | 14 | 24-S | 28-E | – | 1672' | SOUTH | 190' | EAST | EDDY |

[11]Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---|---|---|---|---|---|---|---|---|---|
| I | 18 | 24-S | 29-E | – | 2318' | SOUTH | 60' | EAST | EDDY |

| [12]Dedicated Acres | [13]Joint or Infill | [14]Consolidation Code | [15]Order No. |
|---|---|---|---|
| 319.76 | | | |

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.




## [17]OPERATOR CERTIFICATION

*I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.*

Signature Date

Printed Name

E-mail Address

## [18]SURVEYOR CERTIFICATION

*I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.*

08/04/2021

Date of Survey
Signature and Seal of Professional Surveyor

MICHAEL B. BROWN
NEW MEXICO
18329
PROFESSIONAL SURVEYOR

Certificate Number

S:\SURVEY\MATADOR_RESOURCES\DR_ELLIS_14-24S-28E\FINAL_PRODUCTS\LO_DR_ELLIS_113H_REV1.DWG 8/25/2021 1:16:37 PM adisabella

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

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

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

☐ **AMENDED REPORT**

# WELL LOCATION AND ACREAGE DEDICATION PLAT

| [1]API Number | [2]Pool Code | [3]Pool Name |
|---|---|---|
| | 50371 | Pierce Crossing; Bone Spring |

| [4]Property Code | [5]Property Name | [6]Well Number |
|---|---|---|
| | DR ELLIS | 123H |

| [7]OGRID No. | [8]Operator Name | [9]Elevation |
|---|---|---|
| | MATADOR PRODUCTION COMPANY | 2973' |

**[10]Surface Location**

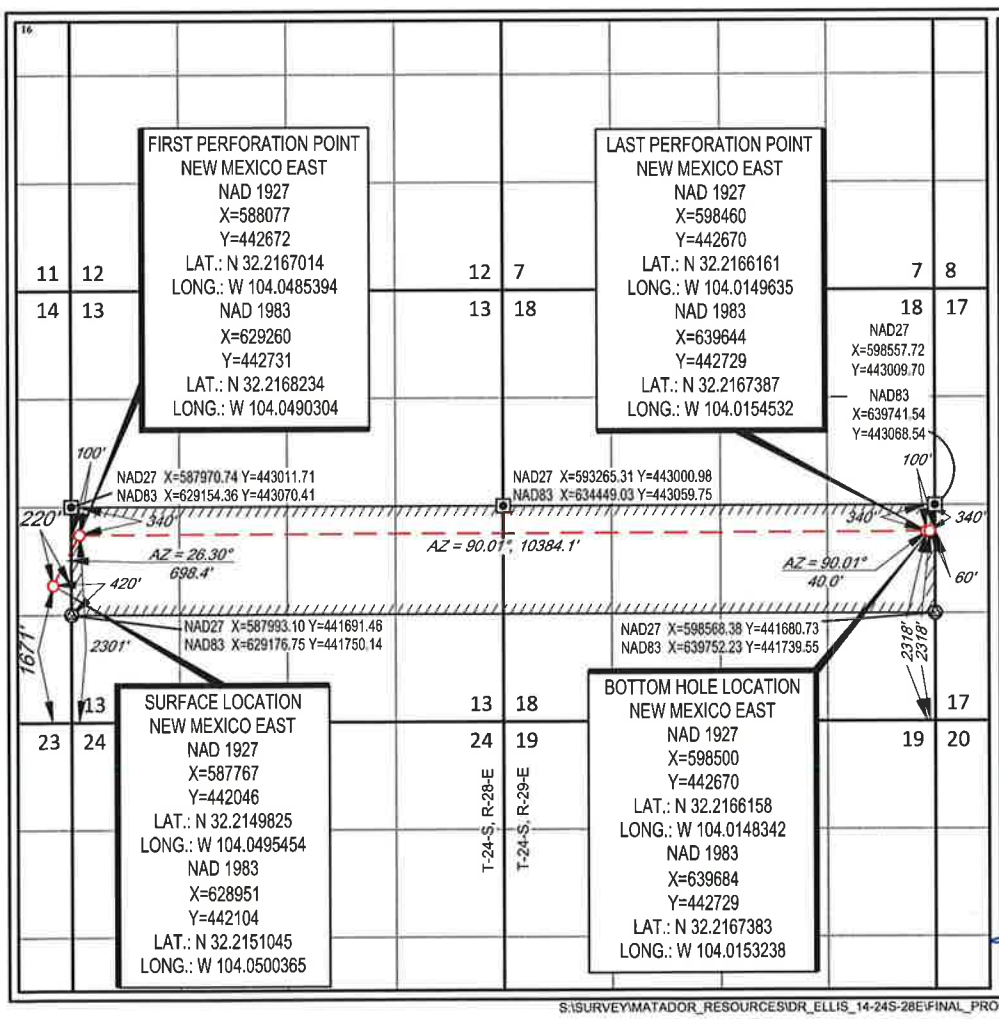
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---|---|---|---|---|---|---|---|---|---|
| I | 14 | 24-S | 28-E | – | 1671' | SOUTH | 220' | EAST | EDDY |

**[11]Bottom Hole Location If Different From Surface**

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---|---|---|---|---|---|---|---|---|---|
| I | 18 | 24-S | 29-E | – | 2318' | SOUTH | 60' | EAST | EDDY |

| [12]Dedicated Acres | [13]Joint or Infill | [14]Consolidation Code | [15]Order No. |
|---|---|---|---|
| 319.76 | | | |

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.




## [17]OPERATOR CERTIFICATION

*I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.*

Signature Date

Printed Name

E-mail Address

## [18]SURVEYOR CERTIFICATION

*I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.*

08/04/2021

Date of Survey
Signature and Seal of Professional Surveyor

MICHAEL P. BROWN
NEW MEXICO
18329
PROFESSIONAL SURVEYOR

Certificate Number

S:\SURVEY\MATADOR_RESOURCES\DR_ELLIS_14-24S-28E\FINAL_PRODUCTS\LO_DR_ELLIS_123H_REV1.DWG 8/25/2021 1:17:58 PM adisabella

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

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

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

☐ **AMENDED REPORT**

# WELL LOCATION AND ACREAGE DEDICATION PLAT

| [1]API Number | [2]Pool Code | [3]Pool Name |
|---|---|---|
| | 50371 | Pierce Crossing; Bone Spring |

| [4]Property Code | [5]Property Name | [6]Well Number |
|---|---|---|
| | KATHY KREGOR FED COM | 114H |

| [7]OGRID No. | [8]Operator Name | [9]Elevation |
|---|---|---|
| | MATADOR PRODUCTION COMPANY | 2978' |

**[10]Surface Location**

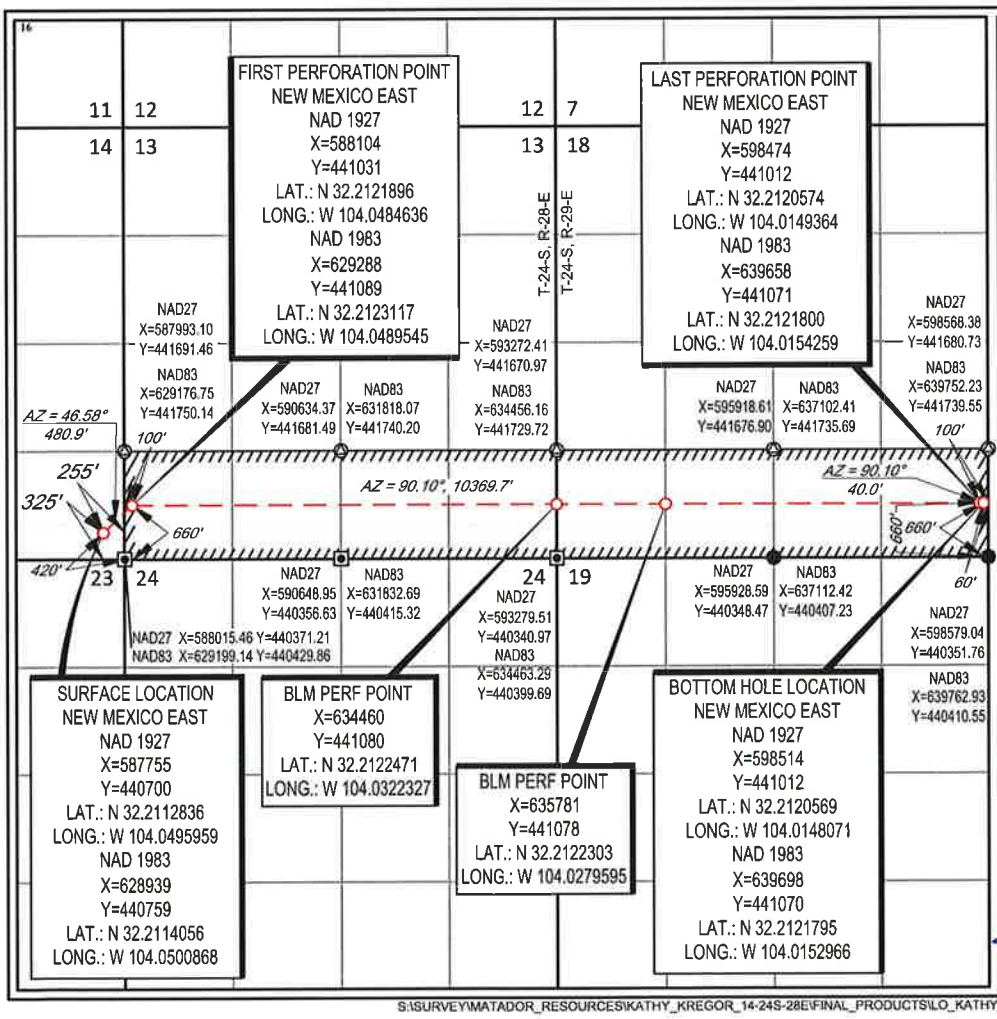
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---|---|---|---|---|---|---|---|---|---|
| P | 14 | 24-S | 28-E | – | 325' | SOUTH | 255' | EAST | EDDY |

**[11]Bottom Hole Location If Different From Surface**

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---|---|---|---|---|---|---|---|---|---|
| P | 18 | 24-S | 29-E | – | 660' | SOUTH | 60' | EAST | EDDY |

| [12]Dedicated Acres | [13]Joint or Infill | [14]Consolidation Code | [15]Order No. |
|---|---|---|---|
| 319.84 | | | |

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.




## [17]OPERATOR CERTIFICATION

*I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.*

Signature Date

Printed Name

E-mail Address

## [18]SURVEYOR CERTIFICATION

*I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.*

08/04/2021

Date of Survey
Signature and Seal of Professional Surveyor

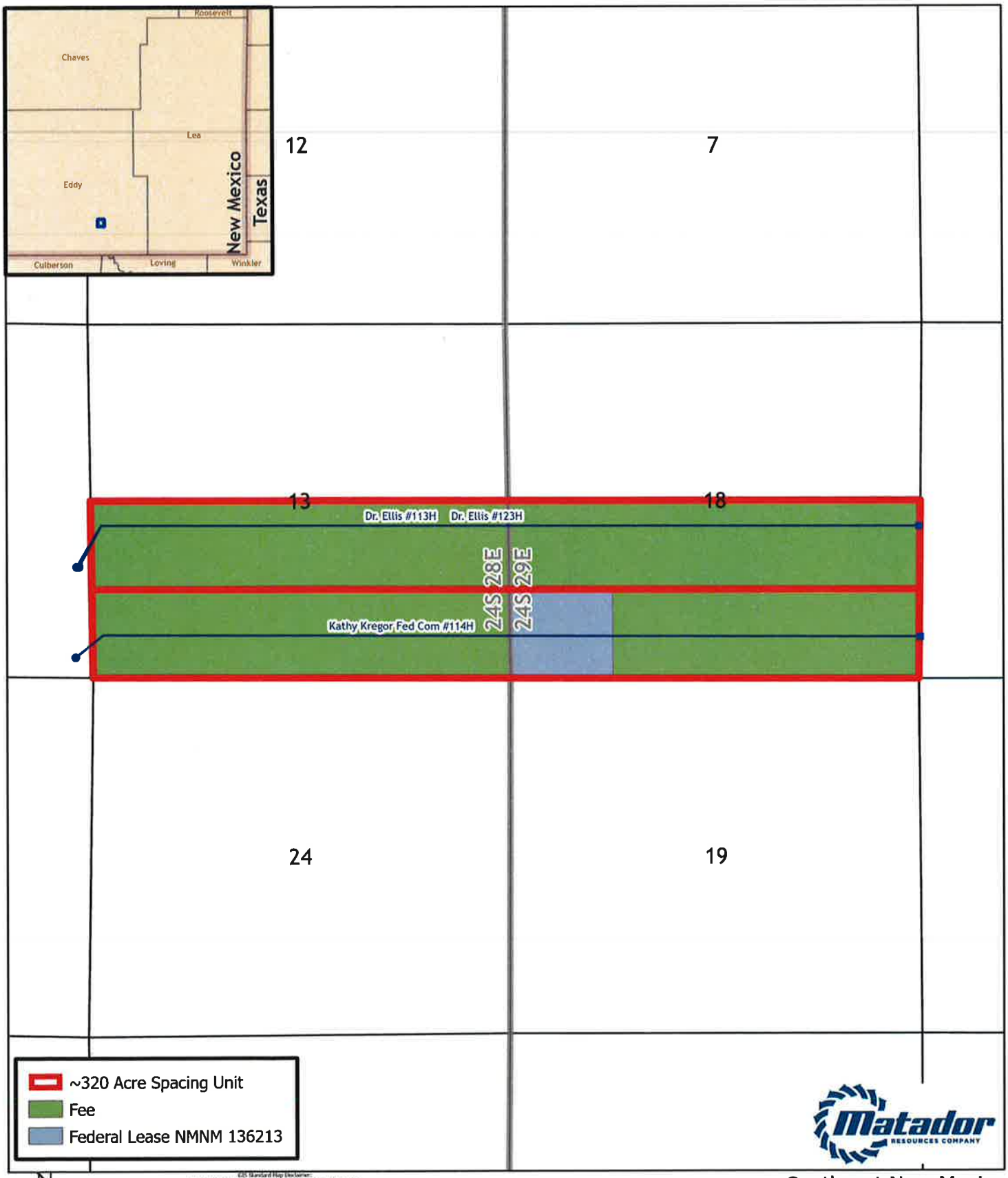
MICHAEL P. BROWN
NEW MEXICO
18329
PROFESSIONAL SURVEYOR

Certificate Number

S:\SURVEY\MATADOR_RESOURCES\KATHY_KREGOR_14-24S-28E\FINAL_PRODUCTS\LO_KATHY_KREGOR_FED_COM_114H_REV1.DWG 8/25/2021 1:29:55 PM adisabella

# EXHIBIT C-2

# Dr. Ellis / Kathy Kregor




Southeast New Mexico

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C2
Submitted by: Matador Production Company
Hearing Date: February 3, 2022
Case Nos. 22204-22205

Map Prepared by: agreen
Project: ForcedPooling
Date: 9/29/2021
Coordinate System:

# EXHIBIT C-3

Released to Imaging: 2/1/2022 8:11:54 AM

Received by OCD: 1/31/2022 9:38:34 PM

# Summary of Interests

| MRC Permian Company: | | 67.3195519% |
|---|---|---|
| Compulsory Pool: | | 25.7053273% |
| Voluntary Joinder: | | 06.9751208% |
| Interest Owner: | Description: | Interest: |
| OXY USA WTP, LP | Uncommitted Working Interest Owner | 1.567472% |
| Chevron U.S.A., Inc. | Uncommitted Working Interest Owner | 11.2292961% |
| Justin Nine and wife, Sara Nine | Uncommitted Working Interest Owner | 0.0815222% |
| Ricky D. Raindl, as his separate property | Unleased Mineral Interest Owner | 0.129576% |
| Debra K. Primera, as her separate property | Unleased Mineral Interest Owner | 0.129615% |
| Devon Energy Production Company, LP | Uncommitted Working Interest Owner | 12.567846% |

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C3
Submitted by: Matador Production Company
Hearing Date: February 3, 2022
Case Nos. 22204-22205



Page 26 of 72

Released to Imaging: 2/1/2022 8:11:54 AM

Received by OCD: 1/31/2022 9:38:34 PM

# Summary of Interests

| MRC Permian Company: | | 68.5550636% |
|---|---|---|
| **Compulsory Pool:** | | **23.9373476%** |
| **Voluntary Joinder:** | | **7.5075888%** |
| Interest Owner: | Description: | Interest: |
| OXY USA WTP, LP | Uncommitted Working Interest Owner | 10.964487% |
| Chevron U.S.A., Inc. | Uncommitted Working Interest Owner | 11.2440264% |
| Justin Nine and wife, Sara Nine | Uncommitted Working Interest Owner | 0.0815222% |
| Devon Energy Production Company, LP | Uncommitted Working Interest Owner | 1.566627% |
| Tundra AD3 LP | Unleased Mineral Interest Owner | 0.004890% |
| Sidney M. Coryell, Jr. | Unleased Mineral Interest Owner | 0.014670% |
| Robert Dean Richardson | Unleased Mineral Interest Owner | 0.001834% |
| Lois M. Durland | Unleased Mineral Interest Owner | 0.012225% |
| Linda Sue Richardson | Unleased Mineral Interest Owner | 0.001222% |
| Kristi Jones, Trustee of Evalyn Swearingen Testamentary Trust | Unleased Mineral Interest Owner | 0.016300% |
| Harry James Richardson | Unleased Mineral Interest Owner | 0.001834% |
| Gregory Collier | Unleased Mineral Interest Owner | 0.009780% |
| James A. Collier, III | Unleased Mineral Interest Owner | 0.009780% |
| Craig Collins | Unleased Mineral Interest Owner | 0.004075% |
| Dale M. Richardson | Unleased Mineral Interest Owner | 0.004075% |

# EXHIBIT C-4

# OVERRIDING ROYALTY OWNERS IN CASE 22204 (Dr. Ellis)

Camarie Oil & Gas, LLC

Ross Duncan Properties, LLC

Featherstone Development Corporation

Big Three Energy Group, LLC

Prospector, LLC

Xplor Resources, LLC

Cogent Energy, Inc. Profit Sharing Plan

Chevron Advantage, Inc.

**BEFORE THE OIL CONSERVATION DIVISION**
**Santa Fe, New Mexico**
**Exhibit No. C4**
**Submitted by: Matador Production Company**
**Hearing Date: February 3, 2022**
**Case Nos. 22204-22205**

**OVERRIDING ROYALTY OWNERS IN CASE 22205 (Kathy Kregor)**

Chevron Advantage, Inc.

Randall S. Cate

# EXHIBIT C-5

# MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
Voice 972.619.4341 • Fax 214.866.4946
hanna.bollenbach@matadorresources.com

**Hanna Bollenbach**
**Landman**


June 9, 2021

VIA CERTIFIED RETURN RECEIPT MAIL

Ricky D. Raindl, as his separate property
P.O. Box 142454
Irving, TX 75014-2454

Re: Matador Production Company – Dr. Ellis #113H, #123H
(the "Wells")
Participation Proposal / Offer to lease
Section 13, Township 24 South, Range 28 East & Section 18, Township 24 South, Range 29 East
Eddy, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Dr. Ellis #113H and Dr. Ellis #123H wells located in the N/2S/2 of Section 13, Township 24 South, Range 28 East and Section 18, Township 24 South, Range 29 East, Eddy County, New Mexico to the Bone Spring formation.

- The estimated cost of drilling, testing, completing, and equipping of each Well is itemized on the two (2) enclosed Authority for Expenditures ("AFE") dated May 20, 2021.

- **Dr. Ellis #113H:** to be drilled from a legal location with a proposed surface hole location in the NE/4SE/4 of Section 14-24S-28E and a proposed bottom hole location in the NE/4SE/4 of Section 18-24S-29E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~7,300' TVD) to a Measured Depth of approximately 17,550'.

- **Dr. Ellis #123H:** to be drilled from a legal location with a proposed surface hole location in the NE/4SE/4 of Section 14-24S-28E and a proposed bottom hole location in the NE/4SE/4 of Section 18-24S-29E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~8,200' TVD) to a Measured Depth of approximately 18,400'.

MRC reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. MRC will advise you of any such modifications.

Ricky D. Raindl, as his separate property will own a working interest in each Well, subject to title verification.

MRC requests that you indicate your election to participate in the drilling and completion of the Wells in the space provided below, sign and return one (1) copy of this letter to the undersigned.

**BEFORE THE OIL CONSERVATION DIVISION**
**Santa Fe, New Mexico**
**Exhibit No. C5**
**Submitted by: Matador Production Company**
**Hearing Date: February 3, 2022**
**Case Nos. 22204-22205**

As an alternative to participation in the well Matador is interested in leasing your mineral interest, subject to title verification, for $1,500/acre, 1/5 royalty, and a 3 year term on the lease form enclosed. Should you elect to lease your minerals, please sign the enclosed lease, in the presence of a notary public, and return it to my attention, at the address listed above.

If your election is to participate in the drilling and completion of the Well, please sign and return a copy of the enclosed AFE within thirty (30) days of receipt of this notice. Please be aware that the enclosed AFE is only an estimate of costs to be incurred and by electing to participate in the Well, each working interest owner shall be responsible for its proportionate share of all costs incurred.

Thank you for your consideration of this proposal. Please contact me if you have any questions.

Sincerely,

**MRC PERMIAN COMPANY**

Hanna Bollenbach

**Ricky D. Raindl, as his separate property hereby elects to:**

_____Not to participate in the **Dr. Ellis #113H**
_____Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Dr. Ellis #113H** well.

_____Not to participate in the **Dr. Ellis #123H**
_____Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Dr. Ellis #123H** well.

_____ Ricky D. Raindl, as his separate property hereby elects to lease our minerals for $1,500/acre, 1/5 royalty, and a 3-year term.

_____ Ricky D. Raindl, as his separate property is interested in selling its interest in this unit, please contact to discuss.

**Ricky D. Raindl, as his separate property**

By: _____

Title: _____

Date: _____

Contact Number: _____

# MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
Voice 972.619.4341 • Fax 214.866.4946
hanna.bollenbach@matadorresources.com

**Hanna Bollenbach**
**Landman**

June 9, 2021

VIA CERTIFIED RETURN RECEIPT MAIL

CRM 2018, LP
P.O. Box 51933
Midland, TX 79710

Re: Matador Production Company – Kathy Kregor Fed Com #114H
(the "Wells")
Participation Proposal / Offer to lease
Section 13, Township 24 South, Range 28 East & Section 18, Township 24 South, Range 29 East
Eddy, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Kathy Kregor Fed Com #114H well located in the S/2S/2 of Section 13, Township 24 South, Range 28 East and Section 18, Township 24 South, Range 29 East, Eddy County, New Mexico to the Bone Spring formation.

- The estimated cost of drilling, testing, completing, and equipping of each Well is itemized on the one (1) enclosed Authority for Expenditures ("AFE") dated May 20, 2021.

- **Kathy Kregor Fed Com #114H:** to be drilled from a legal location with a proposed surface hole location in the SE/4SE/4 of Section 14-24S-28E and a proposed bottom hole location in the SE/4SE/4 of Section 18-24S-29E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~7,300' TVD) to a Measured Depth of approximately 17,550'.

MRC reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. MRC will advise you of any such modifications.

CRM 2018, LP will own a working interest in each Well, subject to title verification.

MRC requests that you indicate your election to participate in the drilling and completion of the Wells in the space provided below, sign and return one (1) copy of this letter to the undersigned.

As an alternative to participation in the well Matador is interested in leasing your mineral interest, subject to title verification, for $1,500/acre, 1/5 royalty, and a 3 year term on the lease form enclosed. Should you elect to lease your minerals, please sign the enclosed lease, in the presence of a notary public, and return it to my attention, at the address listed above.

If your election is to participate in the drilling and completion of the Well, please sign and return a copy of the enclosed AFE within thirty (30) days of receipt of this notice. Please be aware that the enclosed AFE is only an estimate of costs to be incurred and by electing to participate in the Well, each working interest owner shall be responsible for its proportionate share of all costs incurred.

Thank you for your consideration of this proposal. Please contact me if you have any questions.

Sincerely,

**MRC PERMIAN COMPANY**

Hanna Bollenbach

**CRM 2018, LP hereby elects to:**

_____Not to participate in the **Kathy Kregor Fed Com #114H**

_____Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Kathy Kregor Fed Com #114H** well.

_____ CRM 2018, LP hereby elects to lease our minerals for $1,500/acre, 1/5 royalty, and a 3-year term.

_____ CRM 2018, LP is interested in selling its interest in this unit, please contact to discuss.

**CRM 2018, LP**

By: _____

Title: _____

Date: _____

Contact Number: _____

# MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
Voice 972.619.4341 • Fax 214.866.4946
hanna.bollenbach@matadorresources.com

**Hanna Bollenbach**
**Landman**

June 10, 2021

VIA CERTIFIED RETURN RECEIPT MAIL

RSC Resources, LP
P.O. Box 8329
Horseshoe Bay, TX 78657

Re: Matador Production Company – Dr. Ellis #113H, #123H
(the "Wells")
Participation Proposal
Section 13, Township 24 South, Range 28 East & Section 18, Township 24 South, Range 29 East
Eddy, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Dr. Ellis #113H and Dr. Ellis #123H wells located in the N/2S/2 of Section 13, Township 24 South, Range 28 East and Section 18, Township 24 South, Range 29 East, Eddy County, New Mexico to the Bone Spring formation.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping of each Well is itemized on the two (2) enclosed Authority for Expenditures ("AFE") dated May 20, 2021.

- **Dr. Ellis #113H:** to be drilled from a legal location with a proposed surface hole location in the NE/4SE/4 of Section 14-24S-28E and a proposed bottom hole location in the NE/4SE/4 of Section 18-24S-29E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~7,300' TVD) to a Measured Depth of approximately 17,550'.

- **Dr. Ellis #123H:** to be drilled from a legal location with a proposed surface hole location in the NE/4SE/4 of Section 14-24S-28E and a proposed bottom hole location in the NE/4SE/4 of Section 18-24S-29E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~8,200' TVD) to a Measured Depth of approximately 18,400'.

MRC reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. MRC will advise you of any such modifications.

RSC Resources, LP will own an approximate 0.04311799 working interest in each Well, subject to title verification.

MRC requests that you indicate your election to participate in the drilling and completion of the Wells in the space provided below, sign and return one (1) copy of this letter to the undersigned.

MRC is proposing to drill the Wells under the terms of the modified 1989 AAPL form of Operating Agreement dated June 1, 2021, by and between Matador Production Company, as Operator and MRC Permian Company et al as Non-Operators covering the S/2 of Section 13, Township 24 South, Range 28 East and the S/2 of Section 18, Township 24 South, Range 29 East, Eddy County, New Mexico, being 640.75 acres, more or less, and has the following general provisions:

- 100/300/300 Non-consenting penalty
- $8,000/$800 Drilling and Producing rate
- Matador Production Company named as Operator

If your election is to participate in the drilling and completion of the Wells, please sign and return a copy of the enclosed AFE(s) within thirty (30) days of receipt of this notice. Additionally, if your election is to participate, please accept this letter as an invoice notice and request for payment. Please remit payment for your proportionate share of costs to Matador Production Company on or before thirty (30) days after receipt of this estimate and invoice. Please be aware that the enclosed AFE(s) are only an estimate of costs to be incurred and by electing to participate in the Wells, each working interest owner shall be responsible for its proportionate share of all costs incurred.

Thank you for your consideration of this proposal. Please contact me if you have any questions.

Sincerely,

**MRC PERMIAN COMPANY**

Hanna Bollenbach

Hanna Bollenbach

**RSC Resources, LP hereby elects to:**

_____Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Dr. Ellis #113H** well, in the estimated amount of **$343,384.26.**
_____Not to participate in the **Dr. Ellis #113H**

_____Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Dr. Ellis #123H** well, in the estimated amount of **$346,781.52.**
_____Not to participate in the **Dr. Ellis #123H**

_____RSC Resources, LP is interested in selling its interest in the contract Area, please contact to discuss.

**RSC Resources, LP**

By: _____

Title: _____

Date: _____

Contact Number: _____

# MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
Voice 972.619.4341 • Fax 214.866.4946
hanna.bollenbach@matadorresources.com

**Hanna Bollenbach**
**Landman**

June 10, 2021

VIA CERTIFIED RETURN RECEIPT MAIL

RSC Resources, LP
P.O. Box 8329
Horseshoe Bay, TX 78657

Re: Matador Production Company – Kathy Kregor Fed Com #114H
(the "Wells")
Participation Proposal
Section 13, Township 24 South, Range 28 East & Section 18, Township 24 South, Range 29 East
Eddy, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Kathy Kregor Fed Com #114H well located in the S/2S/2 of Section 13, Township 24 South, Range 28 East and Section 18, Township 24 South, Range 29 East, Eddy County, New Mexico to the Bone Spring formation.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping of each Well is itemized on the one (1) enclosed Authority for Expenditures ("AFE") dated May 20, 2021.

- **Kathy Kregor Fed Com #114H:** to be drilled from a legal location with a proposed surface hole location in the SE/4SE/4 of Section 14-24S-28E and a proposed bottom hole location in the SE/4SE/4 of Section 18-24S-29E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~7,300' TVD) to a Measured Depth of approximately 17,550'.

MRC reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. MRC will advise you of any such modifications.

RSC Resources, LP will own an approximate 0.080371833 working interest in each Well, subject to title verification.

MRC requests that you indicate your election to participate in the drilling and completion of the Wells in the space provided below, sign and return one (1) copy of this letter to the undersigned.

MRC is proposing to drill the Wells under the terms of the modified 1989 AAPL form of Operating Agreement dated June 1, 2021, by and between Matador Production Company, as Operator and MRC Permian Company et al as Non-Operators covering the S/2 of Section 13, Township 24 South, Range 28 East and the S/2 of Section 18, Township 24 South, Range 29 East, Eddy County, New Mexico, being 640.75 acres, more or less, and has the following general provisions:

- 100/300/300 Non-consenting penalty
- $8,000/$800 Drilling and Producing rate
- Matador Production Company named as Operator

If your election is to participate in the drilling and completion of the Wells, please sign and return a copy of the enclosed AFE(s) within thirty (30) days of receipt of this notice. Additionally, if your election is to participate, please accept this letter as an invoice notice and request for payment. Please remit payment for your proportionate share of costs to Matador Production Company on or before thirty (30) days after receipt of this estimate and invoice. Please be aware that the enclosed AFE(s) are only an estimate of costs to be incurred and by electing to participate in the Wells, each working interest owner shall be responsible for its proportionate share of all costs incurred.

Thank you for your consideration of this proposal. Please contact me if you have any questions.

Sincerely,

**MRC PERMIAN COMPANY**

Hanna Bollenbach

**RSC Resources, LP hereby elects to:**

_____Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Kathy Kregor Fed Com #114H** well, in the estimated amount of **$640,715.73.**
_____Not to participate in the **Kathy Kregor Fed Com #114H**

_____RSC Resources, LP is interested in selling its interest in the contract Area, please contact to discuss.

**RSC Resources, LP**

By: _____

Title: _____

Date: _____

Contact Number: _____

# MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
Voice 972.619.4341 • Fax 214.866.4946
hanna.bollenbach@matadorresources.com

**Hanna Bollenbach**
**Landman**


November 23, 2021

VIA CERTIFIED RETURN RECEIPT MAIL

Devon Energy Production Company, LP
333 West Sheridan Avenue
Oklahoma City, OK 73102

Re: Matador Production Company – Dr. Ellis #113H, #123H
(the "Wells")
Offer to Lease / Participation Proposal
Section 13, Township 24 South, Range 28 East & Section 18, Township 24 South, Range 29 East
Eddy, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Dr. Ellis #113H and Dr. Ellis #123H wells located in the N/2S/2 of Section 13, Township 24 South, Range 28 East and Section 18, Township 24 South, Range 29 East, Eddy County, New Mexico to the Bone Spring formation.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping of each Well is itemized on the two (2) enclosed Authority for Expenditures ("AFE") dated May 20, 2021.

- **Dr. Ellis #113H:** to be drilled from a legal location with a proposed surface hole location in the NE/4SE/4 of Section 14-24S-28E and a proposed bottom hole location in the NE/4SE/4 of Section 18-24S-29E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~7,300' TVD) to a Measured Depth of approximately 17,550'.

- **Dr. Ellis #123H:** to be drilled from a legal location with a proposed surface hole location in the NE/4SE/4 of Section 14-24S-28E and a proposed bottom hole location in the NE/4SE/4 of Section 18-24S-29E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~8,200' TVD) to a Measured Depth of approximately 18,400'.

MRC reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. MRC will advise you of any such modifications.

Devon Energy Production Company, LP will own an approximate 0.12567846 working interest in each Well, subject to title verification.

MRC requests that you indicate your election to participate in the drilling and completion of the Wells in the space provided below, sign and return one (1) copy of this letter to the undersigned.

MRC is proposing to drill the Wells under the terms of the modified 1989 AAPL form of Operating Agreement dated June 1, 2021, by and between Matador Production Company, as Operator and MRC Permian Company et al as Non-Operators covering the S/2 of Section 13, Township 24 South, Range 28 East and the S/2 of Section 18, Township 24 South, Range 29 East, Eddy County, New Mexico, being 640.75 acres, more or less, and has the following general provisions:

- 100/300/300 Non-consenting penalty
- $8,000/$800 Drilling and Producing rate
- Matador Production Company named as Operator

If your election is to participate in the drilling and completion of the Wells, please sign and return a copy of the enclosed AFE(s) within thirty (30) days of receipt of this notice. Additionally, if your election is to participate, please accept this letter as an invoice notice and request for payment. Please remit payment for your proportionate share of costs to Matador Production Company on or before thirty (30) days after receipt of this estimate and invoice. Please be aware that the enclosed AFE(s) are only an estimate of costs to be incurred and by electing to participate in the Wells, each working interest owner shall be responsible for its proportionate share of all costs incurred.

Thank you for your consideration of this proposal. Please contact me if you have any questions.

Sincerely,

**MRC PERMIAN COMPANY**

Hanna Bollenbach

**Devon Energy Production Company, LP hereby elects to:**

_____Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Dr. Ellis #113H** well, in the estimated amount of **$1,000,881.64.**
_____Not to participate in the **Dr. Ellis #113H**

_____Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Dr. Ellis #123H** well, in the estimated amount of **$1,010,783.84.**
_____Not to participate in the **Dr. Ellis #123H**

_____Devon Energy Production Company, LP is interested in leasing its minerals, please contact to discuss.

_____Devon Energy Production Company, LP is interested in selling its interest in the contract Area, please contact to discuss.

**Devon Energy Production Company, LP**

By: _____

Title: _____

Date: _____

Contact Number: _____

# MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
Voice 972.619.4341 • Fax 214.866.4946
hanna.bollenbach@matadorresources.com

**Hanna Bollenbach**
**Landman**

November 23, 2021

VIA CERTIFIED RETURN RECEIPT MAIL

Devon Energy Production Company, LP
333 West Sheridan Avenue
Oklahoma City, OK 73102

Re: Matador Production Company – Kathy Kregor Fed Com #114H
(the "Wells")
Offer to Lease / Participation Proposal
Section 13, Township 24 South, Range 28 East & Section 18, Township 24 South, Range 29 East
Eddy, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Kathy Kregor Fed Com #114H well located in the S/2S/2 of Section 13, Township 24 South, Range 28 East and Section 18, Township 24 South, Range 29 East, Eddy County, New Mexico to the Bone Spring formation.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping of each Well is itemized on the one (1) enclosed Authority for Expenditures ("AFE") dated May 20, 2021.

- **Kathy Kregor Fed Com #114H:** to be drilled from a legal location with a proposed surface hole location in the SE/4SE/4 of Section 14-24S-28E and a proposed bottom hole location in the SE/4SE/4 of Section 18-24S-29E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~7,300' TVD) to a Measured Depth of approximately 17,550'.

MRC reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. MRC will advise you of any such modifications.

Devon Energy Production Company, LP will own an approximate 0.01566627 working interest in each Well, subject to title verification.

MRC requests that you indicate your election to participate in the drilling and completion of the Wells in the space provided below, sign and return one (1) copy of this letter to the undersigned.

MRC is proposing to drill the Wells under the terms of the modified 1989 AAPL form of Operating Agreement dated June 1, 2021, by and between Matador Production Company, as Operator and MRC Permian Company et al as Non-Operators covering the S/2 of Section 13, Township 24 South, Range 28 East and the S/2 of Section 18, Township 24 South, Range 29 East, Eddy County, New Mexico, being 640.75 acres, more or less, and has the following general provisions:

- 100/300/300 Non-consenting penalty
- $8,000/$800 Drilling and Producing rate
- Matador Production Company named as Operator

If your election is to participate in the drilling and completion of the Wells, please sign and return a copy of the enclosed AFE(s) within thirty (30) days of receipt of this notice. Additionally, if your election is to participate, please accept this letter as an invoice notice and request for payment. Please remit payment for your proportionate share of costs to Matador Production Company on or before thirty (30) days after receipt of this estimate and invoice. Please be aware that the enclosed AFE(s) are only an estimate of costs to be incurred and by electing to participate in the Wells, each working interest owner shall be responsible for its proportionate share of all costs incurred.

Thank you for your consideration of this proposal. Please contact me if you have any questions.

Sincerely,

**MRC PERMIAN COMPANY**

Hanna Bollenbach

**Devon Energy Production Company, LP hereby elects to:**

_____Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Kathy Kregor Fed Com #114H** well, in the estimated amount of **$124,889.84.**

_____Not to participate in the **Kathy Kregor Fed Com #114H**

_____Devon Energy Production Company, LP is interested in leasing its minerals, please contact to discuss.

_____Devon Energy Production Company, LP is interested in selling its interest in the contract Area, please contact to discuss.

**Devon Energy Production Company, LP**

By: _____

Title: _____

Date: _____

Contact Number: _____

# MATADOR PRODUCTION COMPANY

ONE LINCOLN CENTRE • 5400 LBJ FREEWAY • SUITE 1500 • DALLAS, TEXAS 75240
Phone (972) 371-5200 • Fax (972) 371-5201

## ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

| | | | |
|---|---|---|---|
| DATE: | May 20, 2021 | AFE NO.: | 500001.673.01.001 |
| WELL NAME: | Dr Ellis 113H | FIELD: | |
| LOCATION: | Section 13-24S-28E & 18-24S-29E | MD/TVD: | 17550'/7300' |
| COUNTY/STATE: | Eddy, NM | LATERAL LENGTH: | 10,000 |
| MRC WI: | | | |
| GEOLOGIC TARGET: | First Bone Spring Sand | | |
| REMARKS: | Drill and complete a horizontal 2 mile long First Bone Spring sand target with about 46 frac stages | | |

| INTANGIBLE COSTS | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | FACILITY COSTS | TOTAL COSTS |
|---|---|---|---|---|---|
| Land / Legal / Regulatory | $ 56,000 | $ | $ 50,000 | $ 10,000 | $ 116,000 |
| Location, Surveys & Damages | 123,333 | 13,000 | 25,000 | 25,000 | 186,333 |
| Drilling | 579,325 | | | | 579,325 |
| Cementing & Float Equip | 180,000 | | | | 180,000 |
| Logging / Formation Evaluation | - | 3,000 | 3,000 | | 6,000 |
| Flowback - Labor | | | 24,000 | | 24,000 |
| Flowback - Surface Rentals | | | 131,000 | | 131,000 |
| Flowback - Rental Living Quarters | | | - | | - |
| Mud Logging | 9,375 | | | | 9,375 |
| Mud Circulation System | 41,675 | | | | 41,675 |
| Mud & Chemicals | 65,000 | 49,000 | 10,000 | | 124,000 |
| Mud / Wastewater Disposal | 105,000 | - | 7,500 | - | 112,500 |
| Freight / Transportation | 12,750 | 26,700 | | - | 39,450 |
| Rig Supervision / Engineering | 87,400 | 91,500 | 8,400 | 12,600 | 199,900 |
| Drill Bits | 73,700 | | | | 73,700 |
| Fuel & Power | 97,200 | 352,098 | | - | 449,298 |
| Water | 35,000 | 577,500 | 3,000 | - | 615,500 |
| Drlg & Completion Overhead | 11,500 | - | | - | 11,500 |
| Plugging & Abandonment | - | | | | - |
| Directional Drilling, Surveys | 183,306 | | | | 183,306 |
| Completion Unit, Swab, CTU | - | 118,000 | 9,600 | | 127,600 |
| Perforating, Wireline, Slickline | - | 178,609 | 7,000 | | 185,609 |
| High Pressure Pump Truck | - | 61,875 | 8,000 | - | 69,875 |
| Stimulation | - | 1,645,076 | | | 1,645,076 |
| Stimulation Flowback & Disp | - | 15,500 | 100,000 | | 115,500 |
| Insurance | 31,590 | | | | 31,590 |
| Labor | 125,500 | 59,750 | 10,000 | - | 195,250 |
| Rental - Surface Equipment | 54,260 | 329,988 | 10,000 | - | 394,248 |
| Rental - Downhole Equipment | 165,875 | 86,000 | 2,000 | - | 253,875 |
| Rental - Living Quarters | 40,890 | 39,333 | - | - | 80,223 |
| Contingency | 63,072 | 200,185 | 40,100 | - | 303,357 |
| MaxCom | 21,726 | | | | 21,726 |
| TOTAL INTANGIBLES > | 2,165,477 | 3,847,113 | 448,600 | 47,600 | 6,508,790 |

| TANGIBLE COSTS | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | FACILITY COSTS | TOTAL COSTS |
|---|---|---|---|---|---|
| Surface Casing | $ 14,792 | $ | $ | $ | $ 14,792 |
| Intermediate Casing | 100,679 | | | | 100,679 |
| Drilling Liner | - | | | | - |
| Production Casing | 359,327 | | | | 359,327 |
| Production Liner | - | | | | - |
| Tubing | - | | 66,000 | | 66,000 |
| Wellhead | 72,250 | | 25,000 | | 97,250 |
| Packers, Liner Hangers | - | 58,989 | 6,000 | | 64,989 |
| Tanks | - | | | 50,000 | 50,000 |
| Production Vessels | - | | | 135,000 | 135,000 |
| Flow Lines | - | | | 100,000 | 100,000 |
| Rod string | - | | | | - |
| Artificial Lift Equipment | - | | 20,000 | | 20,000 |
| Compressor | - | | | 40,000 | 40,000 |
| Installation Costs | - | | | 75,000 | 75,000 |
| Surface Pumps | - | | 5,000 | 25,000 | 30,000 |
| Non-controllable Surface | - | | | - | - |
| Non-controllable Downhole | - | | - | | - |
| Downhole Pumps | - | | - | | - |
| Measurement & Meter Installation | - | | 11,000 | 75,000 | 86,000 |
| Gas Conditioning / Dehydration | | | | - | - |
| Interconnecting Facility Piping | | | - | 80,000 | 80,000 |
| Gathering / Bulk Lines | | | - | - | - |
| Valves, Dumps, Controllers | | | 2,000 | - | 2,000 |
| Tank / Facility Containment | | | - | 10,000 | 10,000 |
| Flare Stack | | | - | 20,000 | 20,000 |
| Electrical / Grounding | | | - | 50,000 | 50,000 |
| Communications / SCADA | | | 12,000 | - | 12,000 |
| Instrumentation / Safety | | | | 42,000 | 42,000 |
| TOTAL TANGIBLES > | 547,048 | 58,989 | 147,000 | 702,000 | 1,455,038 |
| TOTAL COSTS > | 2,712,526 | 3,906,102 | 595,600 | 749,600 | 7,963,828 |

**PREPARED BY MATADOR PRODUCTION COMPANY:**

Drilling Engineer: Blake Hermes
Completions Engineer: Garrett Hunt
Production Engineer: Kyle Christy

Team Lead - WTX/NM WTE

**MATADOR RESOURCES COMPANY APPROVAL:**

Executive VP, COO/CFO DEL
Executive VP, Legal CA
President MVH
SVP Geoscience NLF
EVP COO- Drilling, Completion and Production BG

**NON OPERATING PARTNER APPROVAL:**

Company Name: _____ Working Interest (%): _____ Tax ID: _____
Signed by: _____ Date: _____
Title: _____ Approval: ____ Yes ____ No (mark one)

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. Tubing installation approved under the AFE may be delayed up to a year after the well has been completed. In executing the AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including legal, customs, regulatory, brokerage and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well. Participants shall be covered by and billed proportionately for Operator's well control and general liability insurance unless participant provides Operator a certificate evidencing its own insurance in an amount acceptable to the Operator by the date of spud.

AFE - Version 3

# MATADOR PRODUCTION COMPANY

ONE LINCOLN CENTRE • 5400 LBJ FREEWAY • SUITE 1500 • DALLAS, TEXAS 75240
Phone (972) 371-5200 • Fax (972) 371-5201

## ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

| | | | |
|---|---|---|---|
| DATE: | May 20, 2021 | AFE NO.: | |
| WELL NAME: | Dr Ellis 123H | FIELD: | |
| LOCATION: | Section 13-24S-28E & 18-24S-29E | MD/TVD: | 18400'/8200' |
| COUNTY/STATE: | Eddy, NM | LATERAL LENGTH: | 10,000 |
| MRC WI: | | | |
| GEOLOGIC TARGET: | Second Bone Spring Sand | | |
| REMARKS: | Drill and complete a horizontal 2 mile long Second Bone Spring sand target with about 46 frac stages | | |

| INTANGIBLE COSTS | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | FACILITY COSTS | TOTAL COSTS |
|---|---|---|---|---|---|
| Land / Legal / Regulatory | $ 58,000 | $ | $ 50,000 | $ 10,000 | $ 118,000 |
| Location, Surveys & Damages | 123,333 | 13,000 | 25,000 | 25,000 | 186,333 |
| Drilling | 608,931 | | | | 608,931 |
| Cementing & Float Equip | 180,000 | | | | 180,000 |
| Logging / Formation Evaluation | - | 3,000 | 3,000 | | 6,000 |
| Flowback - Labor | | | 24,000 | | 24,000 |
| Flowback - Surface Rentals | | | 131,000 | | 131,000 |
| Flowback - Rental Living Quarters | | | - | | - |
| Mud Logging | 9,375 | | | | 9,375 |
| Mud Circulation System | 41,875 | | | | 41,875 |
| Mud & Chemicals | 65,000 | 49,000 | 10,000 | | 124,000 |
| Mud / Wastewater Disposal | 105,000 | - | 7,500 | - | 112,500 |
| Freight / Transportation | 12,750 | 26,700 | | - | 39,450 |
| Rig Supervision / Engineering | 87,400 | 91,500 | 8,400 | 12,600 | 199,900 |
| Drill Bits | 73,700 | | | | 73,700 |
| Fuel & Power | 97,200 | 352,098 | | - | 449,298 |
| Water | 35,000 | 577,500 | 3,000 | - | 615,500 |
| Drlg & Completion Overhead | 11,500 | - | | - | 11,500 |
| Plugging & Abandonment | - | | | | - |
| Directional Drilling, Surveys | 188,712 | | | | 188,712 |
| Completion Unit, Swab, CTU | - | 118,000 | 9,600 | | 127,600 |
| Perforating, Wireline, Slickline | - | 178,609 | 7,000 | | 185,609 |
| High Pressure Pump Truck | - | 61,875 | 8,000 | - | 69,875 |
| Stimulation | - | 1,667,902 | | | 1,667,902 |
| Stimulation Flowback & Disp | - | 15,500 | 100,000 | | 115,500 |
| Insurance | 33,120 | | | | 33,120 |
| Labor | 125,500 | 59,750 | 10,000 | - | 195,250 |
| Rental - Surface Equipment | 54,260 | 329,988 | 10,000 | - | 394,248 |
| Rental - Downhole Equipment | 165,875 | 88,000 | 2,000 | - | 253,875 |
| Rental - Living Quarters | 40,890 | 39,333 | - | - | 80,223 |
| Contingency | 64,168 | 200,185 | 40,100 | - | 304,454 |
| MaxCom | 21,726 | | | | 21,726 |
| TOTAL INTANGIBLES > | 2,203,115 | 3,869,939 | 448,600 | 47,600 | 6,569,254 |

| TANGIBLE COSTS | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | FACILITY COSTS | TOTAL COSTS |
|---|---|---|---|---|---|
| Surface Casing | $ 14,792 | $ | $ | $ | $ 14,792 |
| Intermediate Casing | 100,679 | | | | 100,679 |
| Drilling Liner | - | | | | - |
| Production Casing | 376,004 | | | | 376,004 |
| Production Liner | - | | | | - |
| Tubing | - | | 67,650 | | 67,850 |
| Wellhead | 72,250 | | 25,000 | | 97,250 |
| Packers, Liner Hangers | - | 58,989 | 6,000 | | 64,989 |
| Tanks | - | | | 50,000 | 50,000 |
| Production Vessels | - | | | 135,000 | 135,000 |
| Flow Lines | - | | | 100,000 | 100,000 |
| Rod string | - | | | | - |
| Artificial Lift Equipment | - | | 20,000 | | 20,000 |
| Compressor | - | | | 40,000 | 40,000 |
| Installation Costs | - | | - | 75,000 | 75,000 |
| Surface Pumps | - | | 5,000 | 25,000 | 30,000 |
| Non-controllable Surface | - | | - | - | - |
| Non-controllable Downhole | - | | - | | - |
| Downhole Pumps | - | | - | | - |
| Measurement & Meter Installation | - | | 11,000 | 75,000 | 86,000 |
| Gas Conditioning / Dehydration | | | | - | - |
| Interconnecting Facility Piping | | | - | 60,000 | 60,000 |
| Gathering / Bulk Lines | | | - | - | - |
| Valves, Dumps, Controllers | | | 2,000 | - | 2,000 |
| Tank / Facility Containment | | | - | 10,000 | 10,000 |
| Flare Stack | | | - | 20,000 | 20,000 |
| Electrical / Grounding | | | - | 50,000 | 50,000 |
| Communications / SCADA | | | 12,000 | - | 12,000 |
| Instrumentation / Safety | | | | 42,000 | 42,000 |
| TOTAL TANGIBLES > | 563,725 | 58,989 | 148,650 | 702,000 | 1,473,364 |
| TOTAL COSTS > | 2,766,840 | 3,928,928 | 597,250 | 749,600 | 8,042,618 |

**PREPARED BY MATADOR PRODUCTION COMPANY:**

Drilling Engineer: Blake Hermes
Completions Engineer: Garrett Hunt
Production Engineer: Kyle Christy

Team Lead - WTX/NM WTE

**MATADOR RESOURCES COMPANY APPROVAL:**

Executive VP, COO/CFO DEL
Executive VP, Legal CA
President MVH
SVP Geoscience NLF
EVP COO- Drilling, Completion and Production BG

**NON OPERATING PARTNER APPROVAL:**

Company Name: _____ Working Interest (%): _____ Tax ID: _____

Signed by: _____ Date: _____

Title: _____ Approval: ____ Yes ____ No (mark one)

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. Tubing installation approved under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including legal, curative, regulatory, brokerage and exit costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well. Participants shall be covered by and billed proportionately for Operator's well control and general liability insurance unless participant provides Operator a certificate evidencing its own insurance in an amount acceptable to the Operator by the date of spud.

AFE - Version 3

# MATADOR PRODUCTION COMPANY

ONE LINCOLN CENTRE • 5400 LBJ FREEWAY • SUITE 1500 • DALLAS, TEXAS 75240
Phone (972) 371-5200 • Fax (972) 371-5201

## ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

| | | | |
|---|---|---|---|
| DATE: | May 20, 2021 | AFE NO.: | 500001.675.01.001 |
| WELL NAME: | Kathy Kregor Fed Com 114H | FIELD: | |
| LOCATION: | Section 13-24S-28E & 18-24S-29E | MD/TVD: | 17550'/7300' |
| COUNTY/STATE: | Eddy, NM | LATERAL LENGTH: | 10,000 |
| MRC WI: | | | |
| GEOLOGIC TARGET: | First Bone Spring Sand | | |
| REMARKS: | Drill and complete a horizontal 2 mile long First Bone Spring sand target with about 46 frac stages | | |

| INTANGIBLE COSTS | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | FACILITY COSTS | TOTAL COSTS |
|---|---|---|---|---|---|
| Land / Legal / Regulatory | $ 58,000 | $ | $ 50,000 | $ 10,000 | $ 118,000 |
| Location, Surveys & Damages | 123,333 | 13,000 | 25,000 | 25,000 | 186,333 |
| Drilling | 579,325 | | | | 579,325 |
| Cementing & Float Equip | 160,000 | | | | 160,000 |
| Logging / Formation Evaluation | - | 3,000 | 3,000 | | 6,000 |
| Flowback - Labor | | | 24,000 | | 24,000 |
| Flowback - Surface Rentals | | | 138,333 | | 138,333 |
| Flowback - Rental Living Quarters | | | - | | - |
| Mud Logging | 9,375 | | | | 9,375 |
| Mud Circulation System | 41,675 | | | | 41,675 |
| Mud & Chemicals | 65,000 | 49,000 | 10,000 | | 124,000 |
| Mud / Wastewater Disposal | 105,000 | - | 7,500 | - | 112,500 |
| Freight / Transportation | 12,750 | 26,700 | | - | 39,450 |
| Rig Supervision / Engineering | 87,400 | 91,500 | 8,400 | 12,600 | 199,900 |
| Drill Bits | 73,700 | | | | 73,700 |
| Fuel & Power | 97,200 | 352,098 | | - | 449,298 |
| Water | 35,000 | 577,500 | 3,000 | - | 615,500 |
| Drlg & Completion Overhead | 11,500 | - | | - | 11,500 |
| Plugging & Abandonment | - | | | | - |
| Directional Drilling, Surveys | 183,306 | | | | 183,306 |
| Completion Unit, Swab, CTU | - | 118,000 | 9,600 | | 127,600 |
| Perforating, Wireline, Slickline | - | 178,609 | 7,000 | | 185,609 |
| High Pressure Pump Truck | - | 61,875 | 8,000 | - | 69,875 |
| Stimulation | - | 1,645,076 | | | 1,645,076 |
| Stimulation Flowback & Disp | - | 15,500 | 100,000 | | 115,500 |
| Insurance | 31,590 | | | | 31,590 |
| Labor | 125,500 | 59,750 | 10,000 | - | 195,250 |
| Rental - Surface Equipment | 54,260 | 329,988 | 10,000 | - | 394,248 |
| Rental - Downhole Equipment | 165,875 | 86,000 | 2,000 | - | 253,875 |
| Rental - Living Quarters | 40,890 | 39,333 | - | - | 80,223 |
| Contingency | 63,072 | 200,185 | 40,833 | - | 304,091 |
| MaxCom | 21,726 | | | | 21,726 |
| TOTAL INTANGIBLES > | 2,165,477 | 3,847,113 | 456,667 | 47,600 | 6,516,857 |

| TANGIBLE COSTS | DRILLING COSTS | COMPLETION COSTS | PRODUCTION COSTS | FACILITY COSTS | TOTAL COSTS |
|---|---|---|---|---|---|
| Surface Casing | $ 14,792 | $ | $ | $ | $ 14,792 |
| Intermediate Casing | 100,679 | | | | 100,679 |
| Drilling Liner | - | | | | - |
| Production Casing | 359,327 | | | | 359,327 |
| Production Liner | - | | | | - |
| Tubing | - | | 66,000 | | 66,000 |
| Wellhead | 72,250 | | 25,000 | | 97,250 |
| Packers, Liner Hangers | - | 58,969 | 6,000 | | 64,969 |
| Tanks | - | | | 50,000 | 50,000 |
| Production Vessels | - | | | 135,000 | 135,000 |
| Flow Lines | - | | | 100,000 | 100,000 |
| Rod string | - | | | | - |
| Artificial Lift Equipment | - | | 20,000 | | 20,000 |
| Compressor | - | | | 40,000 | 40,000 |
| Installation Costs | - | | | 75,000 | 75,000 |
| Surface Pumps | - | | 5,000 | 25,000 | 30,000 |
| Non-controllable Surface | - | | | - | - |
| Non-controllable Downhole | - | | - | | - |
| Downhole Pumps | - | | - | | - |
| Measurement & Meter Installation | - | | 11,000 | 75,000 | 86,000 |
| Gas Conditioning / Dehydration | | | - | - | - |
| Interconnecting Facility Piping | | | - | 80,000 | 80,000 |
| Gathering / Bulk Lines | | | - | - | - |
| Valves, Dumps, Controllers | | | 2,000 | - | 2,000 |
| Tank / Facility Containment | | | - | 10,000 | 10,000 |
| Flare Stack | | | - | 20,000 | 20,000 |
| Electrical / Grounding | | | - | 50,000 | 50,000 |
| Communications / SCADA | | | 12,000 | - | 12,000 |
| Instrumentation / Safety | | | | 42,000 | 42,000 |
| TOTAL TANGIBLES > | 547,048 | 58,969 | 147,000 | 702,000 | 1,455,038 |
| TOTAL COSTS > | 2,712,526 | 3,906,102 | 603,667 | 749,600 | 7,971,894 |

**PREPARED BY MATADOR PRODUCTION COMPANY:**

Drilling Engineer: Blake Hermes
Completions Engineer: Garrett Hunt
Production Engineer: Kyle Christy

Team Lead - WTX/NM WTE

**MATADOR RESOURCES COMPANY APPROVAL:**

Executive VP, COO/CFO DEL
Executive VP, Legal CA
President MVH
SVP Geoscience NLF
EVP COO- Drilling, Completion and Production BG

**NON OPERATING PARTNER APPROVAL:**

Company Name: _____ Working Interest (%): _____ Tax ID: _____
Signed by: _____ Date: _____
Title: _____ Approval: ____ Yes ____ No (mark one)

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. Tubing installation approved under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including, legal, surveys, regulatory, brokerage and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well. Participants shall be covered by and billed proportionately by Operator's well control and general liability insurance unless participant provides Operator a certificate evidencing its own insurance in an amount acceptable to the Operator by the date of spud.

AFE - Version 3

# EXHIBIT C-6

## Summary of Communications (Dr. Ellis/Kathy Kregor Fed Com)

**1. Tundra AD3 LP**

In addition to sending well proposals, Matador has had discussions with Tundra AD3 LP regarding their interest and continue to discuss voluntary joinder.

**2. OXY USA WTP, LP**

In addition to sending well proposals, Matador has had discussions with OXY USA WTP, LP regarding their interest and continue to discuss voluntary joinder.

**3. Devon Energy Production Company, LP**

In addition to sending well proposals, Matador has had a discussion with Devon Energy Production Company, LP regarding the well proposals and continue to discuss voluntary joinder.

**4. Chevron U.S.A., Inc.**

In addition to sending well proposals, Matador has had discussions with Chevron U.S.A., Inc. regarding their interest and continue to discuss voluntary joinder.

**5. Justin Nine and wife, Sara Nine**

In addition to sending well proposals, Matador has reached out to have discussions with Justin and Sara Nine regarding their interest but have not been able to make contact.

**6. Lois M. Durland**

Sent well proposals for Lois M. Durland but came back as undelivered. Unable to locate another form of contact for this individual.

**7. Sidney M. Coryell, Jr.**

Sent well proposals for Sidney M. Coryell, Jr. but came back as undelivered. Unable to locate another form of contact for this individual.

**8. Robert Dean Richardson**

Sent well proposals for Robert Dean Richardson but came back as undelivered. Unable to locate another form of contact for this individual.

**9. Linda Sue Richardson**

Sent well proposals to Linda Sue Richardson, received signed Green Card that this was received. Unable to locate another form of contact for this individual.

**10. Kristi Jones, Trustee of Evalyn Swearingen Testamentary Trust**

Sent well proposals to Kristi Jones, received signed Green Card that this was received. Unable to locate another form of contact for this individual.

**BEFORE THE OIL CONSERVATION DIVISION**
**Santa Fe, New Mexico**
**Exhibit No. C6**
**Submitted by: Matador Production Company**
**Hearing Date: February 3, 2022**
**Case Nos. 22204-22205**

**11. Harry James Richardson**

Sent well proposals for Harry James Richardson but came back as undelivered. Unable to locate another form of contact for this individual.

**12. Gregory Collier**

Sent well proposals to Gregory Collier, received signed Green Card that this was received. Unable to locate another form of contact for this individual.

**13. James A. Collier, III**

Sent well proposals to James A. Collier, III, received signed Green Card that this was received. Unable to locate another form of contact for this individual.

**14. Craig Collins**

Sent well proposals to Craig Collins, received signed Green Card that this was received. Unable to locate another form of contact for this individual.

**15. Dale M. Richardson**

Sent well proposals for Dale M. Richardson but came back as undelivered. Unable to locate another form of contact for this individual.

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

**APPLICATIONS OF MATADOR PRODUCTION COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.**

**CASE NOS. 22204 and 22205**

**AFFIDAVIT OF DANIEL BRUGIONI**

Daniel Brugioni, of lawful age and being first duly sworn, declares as follows:

1. My name is Daniel Brugioni and I am employed by MRC Energy Company, an affiliate of Matador Production Company ("Matador"), as a Senior Geologist.

2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology. I am familiar with the applications filed by Matador in these consolidated cases and have conducted a geologic study of the lands in the subject area.

3. **Matador Exhibit D-1** is a locator map outlining the horizontal spacing units with a black box shaded in yellow, with the larger area identified in a red box.

4. The target interval for the initial wells in these proposed spacing units is: (i) the First Bone Spring sand of the Bone Spring formation for the Dr. Ellis #113H and Kathy Kregor #114H, and (ii) the Second Bone Spring sand of the Bone Spring formation for the Dr. Ellis #123H.

5. **Matador Exhibit D-2** is a subsea structure map that I prepared for the top of the Bone Spring formation. The contour interval is 50 feet. The structure map shows the Bone Spring formation gently dipping to the east. The structure appears consistent across the proposed spacing unit and I do not observe any faulting, pinch outs, or other geologic impediments to horizontal drilling.

6. Also included on Matador Exhibit D-2 is a line of cross section from A to A'.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D
Submitted by: Matador Production Company
Hearing Date: February 3, 2022
Case Nos. 22204-22205

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7. **Matador Exhibit D-3** is a structural cross-section that I prepared displaying open-hole logs run over the Bone Spring formation from the three representative wells denoted from A to A'. For each well in the cross-section, the following logs are included, when available: gamma ray, caliper, resistivity, and porosity. The proposed target interval of each of the respective proposed wells is labeled and marked with a yellow shaded area. The logs in the cross-section demonstrate that the targeted interval, within the Bone Spring formation, is consistent in thickness across the entirety of the proposed spacing unit.

8. Based on my geologic study of the area, I have not identified any geologic impediments to drilling horizontal wells within the Bone Spring formation in the area of the spacing units proposed in these cases.

9. In my opinion, each quarter-quarter section will be productive and contribute more-or-less equally to production from each respective horizontal spacing unit.

10. In my opinion, the laydown orientation of the proposed wells is appropriate because there is no preferred orientation when comparing a standup orientation to a laydown orientation in this area.

11. In my opinion, horizontal drilling will be the most efficient method to develop this acreage, to prevent the drilling of unnecessary wells, and to result in the greatest ultimate recovery.

12. Approving Matador's applications will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

13. **Matador Exhibits D-1 through D-3** were either prepared by me or compiled under my direction and supervision.



Page 51 of 72

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FURTHER AFFIANT SAYETH NOT

DANIEL BRUGIONI

STATE OF TEXAS )
)
COUNTY OF Dallas )

SUBSCRIBED and SWORN to before me this 13th day of January 2022 by Daniel Brugioni.

Annabel Irvine
NOTARY PUBLIC

My Commission Expires:
10-23-2023

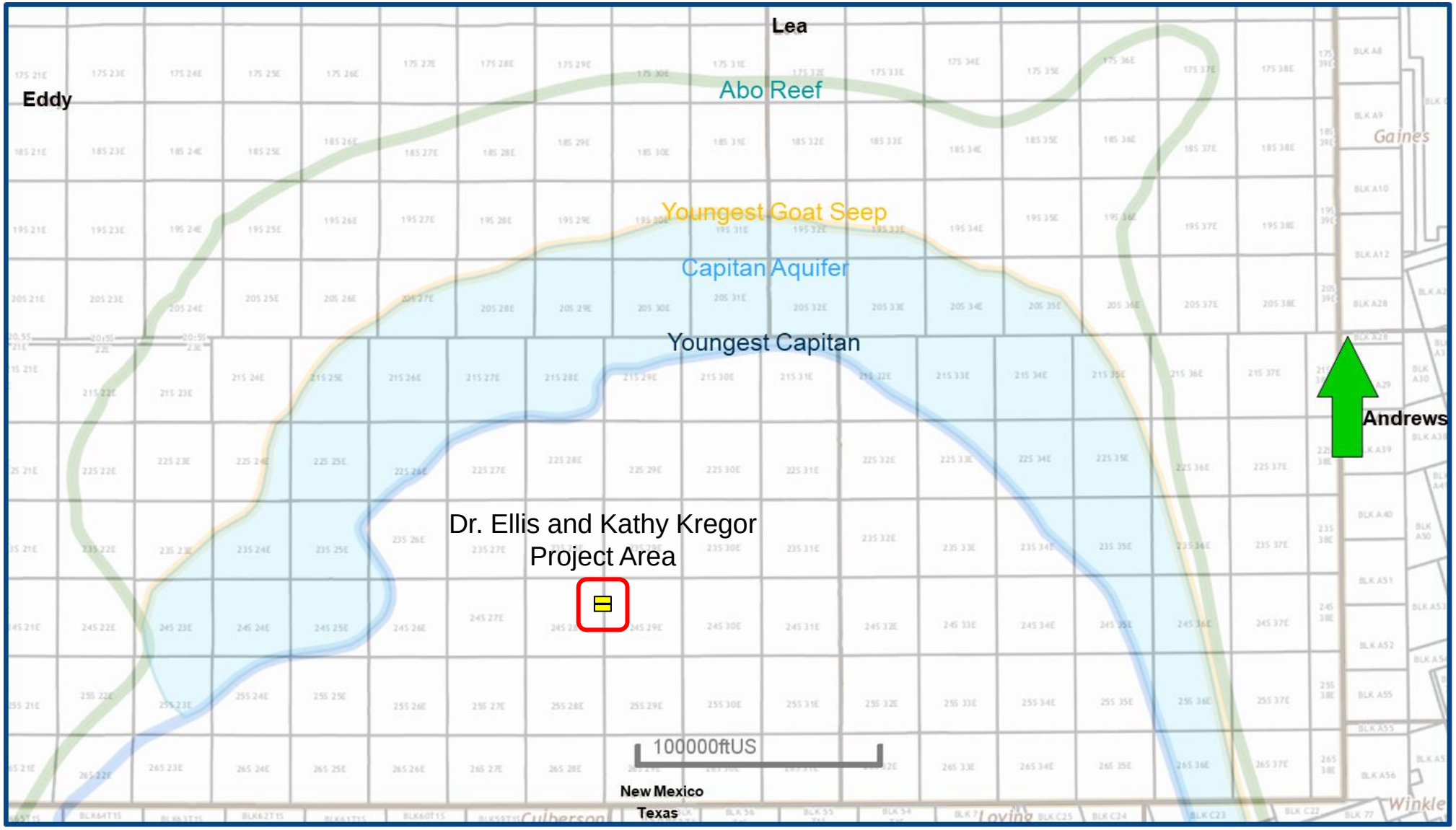
ANNABEL IRENE IRVINE
Notary Public, State of Texas
Comm. Expires 10-23-2023
Notary ID 132222806



Page 52 of 72

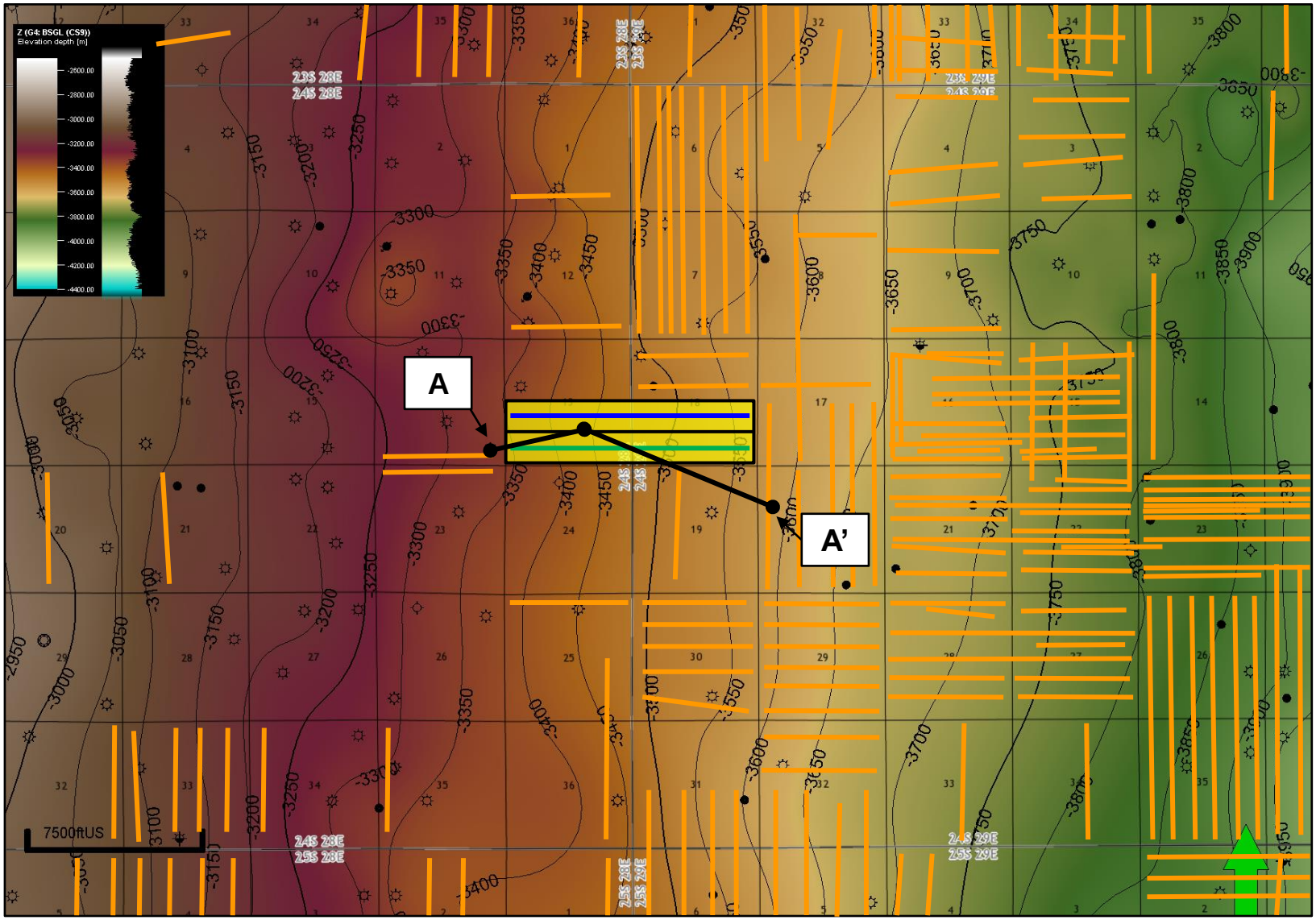
# Locator Map

# Exhibit D-1




BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D1
Submitted by: Matador Production Company
Hearing Date: February 3, 2022
Case Nos. 22204-22205

# Pierce Crossing; Bone Spring (50371)
# Exhibit D-2
## Structure Map (Top Bone Spring Subsea) A – A' Reference Line




**Map Legend**

Dr. Ellis Wells

Kathy Kregor Well

Bone Spring Wells

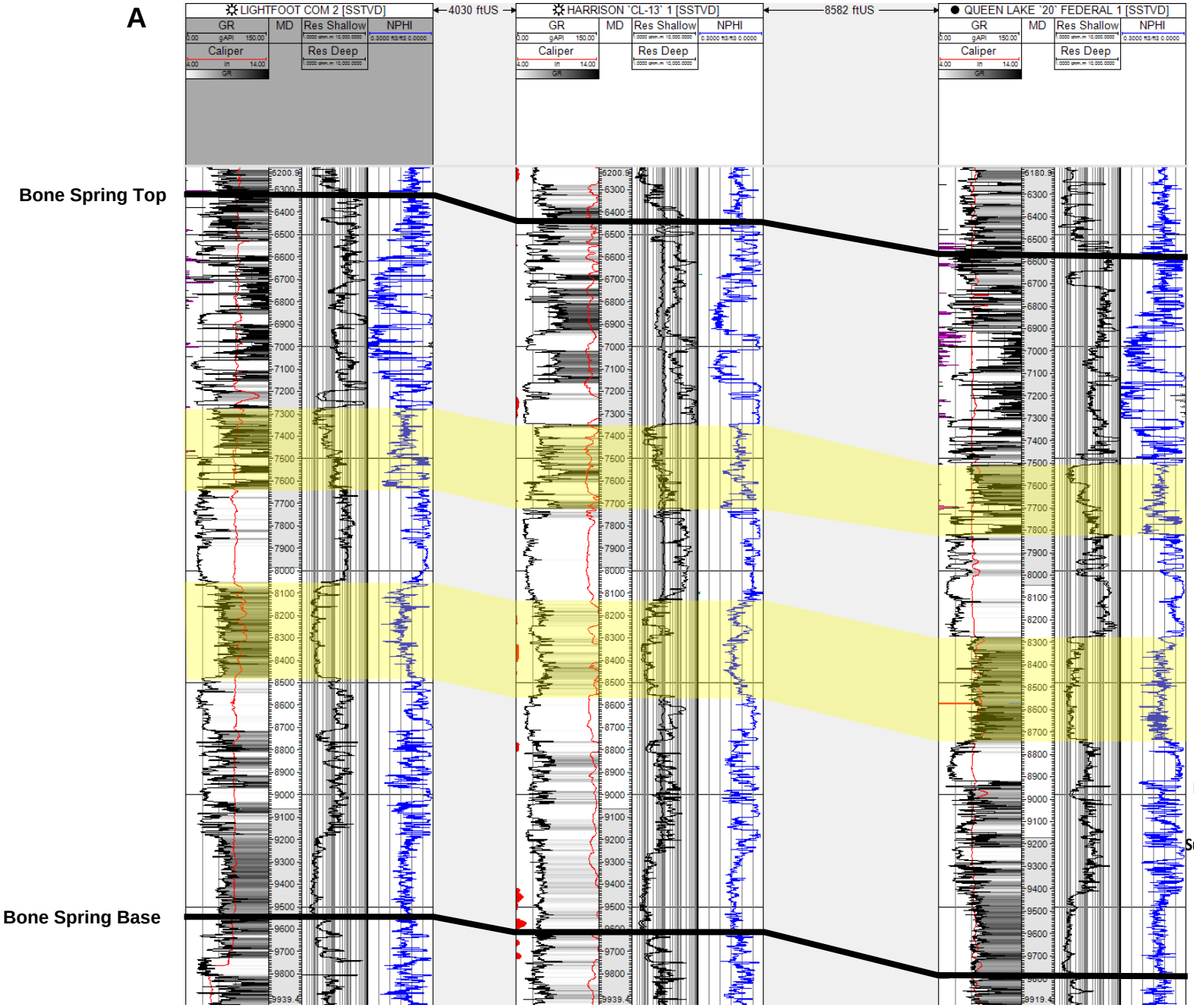
Project Areas

C. I. = 50'

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D2
Submitted by: Matador Production Company
Hearing Date: February 3, 2022
Case Nos. 22204-22205

# Pierce Crossing; Bone Spring (50371)
# Structural Cross-Section A – A'

## Exhibit D-3




BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D3
Submitted by: Matador Production Company
Hearing Date: February 3, 2022
Case Nos. 22204-22205

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

**APPLICATIONS OF MATADOR PRODUCTION COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.**

**CASE NOS. 22204-22205**

**AFFIDAVIT**

STATE OF NEW MEXICO )
) ss.
COUNTY OF SANTA FE )

Adam G. Rankin attorney in fact and authorized representative of Matador Production Company, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Applications have been provided under the notice letters and proof of receipts attached hereto.

Adam G. Rankin

SUBSCRIBED AND SWORN to before me this 31st day of January, 2022 by Adam G. Rankin.

Notary Public

My Commission Expires:

Nov. 12, 2023

OFFICIAL SEAL
Carla Garcia
NOTARY PUBLIC - STATE OF NEW MEXICO
My Commission Expires: Nov. 12, 2023

**BEFORE THE OIL CONSERVATION DIVISION**
**Santa Fe, New Mexico**
**Exhibit No. E**
**Submitted by: Matador Production Company**
**Hearing Date: February 3, 2022**
**Case Nos. 22204-22205**

HOLLAND&HART LLP

**Kaitlyn A. Luck**
**Phone** (505) 988-4421
kaluck@hollandhart.com

September 17, 2021

**VIA CERTIFIED MAIL**
**CERTIFIED RECEIPT REQUESTED**

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS**

**Re: Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico.**
**Dr. Ellis #113H, #123H wells**

Ladies & Gentlemen:

This letter is to advise you that Matador Production Company has filed the enclosed application with the New Mexico Oil Conservation Division.

**During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on October 7, 2021 beginning at 8:15 a.m., until it is concluded. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: http://www.emnrd.state.nm.us/OCD/announcements.html.**

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed online or in person at the Division's Santa Fe office and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Hanna Bollenbach, at (972) 619-4341 or hanna.bollenbach@matadorresources.com.

Sincerely,

Kaitlyn A. Luck
**ATTORNEY FOR MATADOR PRODUCTION COMPANY**

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

Alaska | Montana | Utah
Colorado | Nevada | Washington, D.C.
Idaho | New Mexico | Wyoming

HOLLAND&HART LLP

**Kaitlyn A. Luck**
**Phone** (505) 988-4421
kaluck@hollandhart.com

September 17, 2021

**VIA CERTIFIED MAIL**
**CERTIFIED RECEIPT REQUESTED**

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS**

**Re: Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico.**
**Kathy Kregor Fed Com #114H well**

Ladies & Gentlemen:

This letter is to advise you that Matador Production Company has filed the enclosed application with the New Mexico Oil Conservation Division.

**During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on October 7, 2021 beginning at 8:15 a.m., until it is concluded. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: http://www.emnrd.state.nm.us/OCD/announcements.html.**

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed online or in person at the Division's Santa Fe office and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Hanna Bollenbach, at (972) 619-4341 or hanna.bollenbach@matadorresources.com.

Sincerely,

Kaitlyn A. Luck
**ATTORNEY FOR MATADOR PRODUCTION COMPANY**

17293605_v1

HOLLAND&HART LLP

**Kaitlyn A. Luck**
**Phone** (505) 988-4421
kaluck@hollandhart.com

October 4, 2021

**VIA CERTIFIED MAIL**
**CERTIFIED RECEIPT REQUESTED**

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS**

**Re: Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico.**
**Dr. Ellis #113H, #123H wells**

Ladies & Gentlemen:

This letter is to advise you that Matador Production Company has filed the enclosed application with the New Mexico Oil Conservation Division.

**During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on December 16, 2021 beginning at 8:15 a.m., until it is concluded. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: http://www.emnrd.state.nm.us/OCD/announcements.html.**

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed online or in person at the Division's Santa Fe office and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Hanna Bollenbach, at (972) 619-4341 or hanna.bollenbach@matadorresources.com.

Sincerely,

Kaitlyn A. Luck
**ATTORNEY FOR MATADOR PRODUCTION COMPANY**

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

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71031 - Matador - Dr. Ellis Kregor Case Nos. 22204-22205
Postal Delivery Report

| TrackingNo | ToName | DeliveryAddress | City | State | Zip | USPS_Status |
|---|---|---|---|---|---|---|
| 9414811898765854917294 | Chevron Advantage, Inc. | 1400 Smith St | Houston | TX | 77002-7327 | Your item was delivered at 9:29 am on October 1, 2021 in HOUSTON, TX 77002. |
| 9414811898765854917201 | OXY USA | 5 Greenway Plz Ste 110 | Houston | TX | 77046-0521 | Your item has been delivered to an agent for final delivery in HOUSTON, TX 77046 on September 21, 2021 at 9:51 am. |
| 9414811898765854917225 | Gahr Energy Company | PO Box 1889 | Midland | TX | 79702-1889 | Your item was delivered at 11:55 am on September 22, 2021 in MIDLAND, TX 79701. |
| 9414811898765854917263 | BucJag Investments, LLC | 139 Sheridan Rd | Winnetka | IL | 60093-1539 | Your item has been delivered to an agent for final delivery in WINNETKA, IL 60093 on September 21, 2021 at 2:16 pm. |
| 9414811898765854917256 | Heidi C. Barton | 2008 N Vega Ct | Hobbs | NM | 88240-3446 | Your item was delivered to the front desk, reception area, or mail room at 3:24 pm on September 21, 2021 in HOBBS, NM 88240. |
| 9414811898765854917218 | Chevron U.S.A., Inc. | 1400 Smith St | Houston | TX | 77002-7327 | Your item was delivered at 9:29 am on October 1, 2021 in HOUSTON, TX 77002. |
| 9414811898765854918574 | CRM 2018 LP | PO Box 51933 | Midland | TX | 79710-1933 | Your item was picked up at a postal facility at 12:19 pm on September 21, 2021 in MIDLAND, TX 79705. |
| 9414811898765854918581 | Justin Nine and wife, Sara Nine | 1900 Larkspur Dr | Golden | CO | 80401-9114 | Your item has been delivered to an agent for final delivery in GOLDEN, CO 80401 on September 29, 2021 at 2:27 pm. |

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Dr. Ellis Case No. 22204
Postal Delivery Report

| TrackingNo | ToName | DeliveryAddress | City | State | Zip | USPS_Status |
|---|---|---|---|---|---|---|
| 9414811898765854917430 | Xplor Resources, LLC | 1104 North Shore Dr | Carlsbad | NM | 88220-4638 | Your item was delivered to an individual at the address at 5:04 pm on September 21, 2021 in CARLSBAD, NM 88220. |
| 9414811898765854917485 | Prospector, LLC | PO Box 429 | Roswell | NM | 88202-0429 | Your item was picked up at the post office at 8:49 am on September 22, 2021 in ROSWELL, NM 88201. |
| 9414811898765854917447 | Big Three Energy Group, LLC | PO Box 429 | Roswell | NM | 88202-0429 | Your item was picked up at the post office at 8:49 am on September 22, 2021 in ROSWELL, NM 88201. |
| 9414811898765854917492 | Featherstone Development Corporation | PO Box 429 | Roswell | NM | 88202-0429 | Your item was picked up at the post office at 8:49 am on September 22, 2021 in ROSWELL, NM 88201. |
| 9414811898765854917409 | Ross Duncan Properties, LLC | PO Box 647 | Artesia | NM | 88211-0647 | Your item was picked up at the post office at 10:37 am on September 21, 2021 in ARTESIA, NM 88210. |
| 9414811898765854917423 | Camarie Oil & Gas, LLC | 2502 Camarie Ave | Midland | TX | 79705-6309 | Your item has been delivered to an agent for final delivery in MIDLAND, TX 79705 on September 21, 2021 at 12:34 pm. |
| 9414811898765854917461 | TTCZ Properties, LLC c/o Wells Fargo, NA, ATTN Pedie Monta | 201 Main St Ste 400 | Fort Worth | TX | 76102-3116 | Your item was delivered to the front desk, reception area, or mail room at 10:49 am on September 22, 2021 in FORT WORTH, TX 76102. |
| 9414811898765854917454 | Cristobal Judah Blanco | 6021 Anderson Ave SE Apt 27 | Albuquerque | NM | 87108-1788 | Your item was delivered to an individual at the address at 12:43 pm on September 21, 2021 in ALBUQUERQUE, NM 87108. |
| 9414811898765854917515 | Cogent Energy, Inc. Profit Sharing Plan | PO Box 8329 | Horseshoe Bay | TX | 78657-8329 | Your item was picked up at the post office at 2:06 pm on September 22, 2021 in HORSESHOE BAY, TX 78657. |
| 9414811898765854917416 | Raul Rojelio Blanco | 2720 Central Ave SE Apt G413 | Albuquerque | NM | 87106-2862 | Your item was returned to the sender on September 29, 2021 at 3:31 pm in SANTA FE, NM 87501 because the addressee moved and left no forwarding address. |

UNITED STATES POSTAL SERVICE®

# Shipment Confirmation Acceptance Notice

## A. Mailer Action

**Note to Mailer:** The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

Shipment Date: 11/24/2021

Shipped From:

Name: HOLLAND & HART LLP (1)

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

| Type of Mail | Volume |
|---|---|
| Priority Mail Express®* | |
| Priority Mail® | 0 |
| First-Class Package Service® | |
| Returns | |
| International* | |
| Other | 2 |
| Total | 2 |

*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

## B. USPS Action

Note to RSS Clerk:
1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail. Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE

9275 0901 1935 6200 0033 2740 26

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UNITED STATES POSTAL SERVICE®

# Firm Mailing Book For Accountable Mail

Name and Address of Sender

HOLLAND & HART LLP (1)
110 N GUADALUPE ST # 1
SANTA FE NM 87501

Check type of mail or service

- ☐ Adult Signature Required
- ☐ Adult Signature Restricted Delivery
- ☒ Certified Mail
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery (COD)
- ☐ Insured Mail
- ☐ Priority Mail
- ☐ Priority Mail Express
- ☐ Registered Mail
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation
- ☐ Signature Confirmation Restricted Delivery

Affix Stamp Here
*(for additional copies of this receipt).*
***Postmark with Date of Receipt.***

| | USPS Tracking/Article Number | Addressee (Name, Street, City, State, & ZIP Code™) | Postage | (Extra Service) Fee | Handling Charge | Actual Value if Registered | Insured Value | Due Sender if COD | ASR Fee | ASRD Fee | RD Fee | RR Fee | SC Fee | SCRD Fee | SH Fee |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1. | **9214 8901 9403 8360 1958 51** | DEBRA K PRIMERA PO BOX 143277 IRVING TX 75014-3277 | 0.73 | 3.75 | | | | | | | | 1.85 | | | |
| 2. | **9214 8901 9403 8360 1960 87** | RICKY D RAINDL PO BOX 142454 IRVING TX 75014-2454 | 0.73 | 3.75 | | | | | | | | 1.85 | | | |
| | | | | | | | | | | | | | | | |
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Handling Charge - if Registered and over $50,000 in value
Adult Signature Required
Adult Signature Restricted Delivery
Restricted Delivery
Return Receipt
Signature Confirmation
Signature Confirmation Restricted Delivery
Special Handling

| Total Number of Pieces Listed by Sender | Total Number of Pieces Received at Post Office | Postmaster, Per *(Name of receiving employee)* |
|---|---|---|
| 2 | | |

PS Form **3877**, January 2017 (Page 1 of 1) **Complete in Ink** **Privacy Notice: For more information on USPS privacy policies, visit *usps.com/privacypolicy***

PSN 7530-02-000-9098 JobId: 3080726

# USPS Tracking®

FAQs >

Track Another Package +

Remove ×

**Tracking Number:** 9214890194038360195851

This is a reminder to arrange for redelivery of your item or your item will be returned to sender.

**USPS Tracking Plus™ Available**

## Reminder to Schedule Redelivery of your item

Feedback

**Get Updates**

**Text & Email Updates**

**Return Receipt Electronic**

**Tracking History**

**USPS Tracking Plus™**

**Product Information**

**See Less**

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Go to our FAQs section to find answers to your tracking questions.

**FAQs**

Feedback

# USPS Tracking®

FAQs >

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Remove ×

**Tracking Number:** 9214890194038360196087

Your item was delivered at 2:56 pm on November 30, 2021 in IRVING, TX 75014.

**USPS Tracking Plus™ Available**

## Delivered

November 30, 2021 at 2:56 pm
IRVING, TX 75014

Feedback

**Get Updates**

**Text & Email Updates**

**Return Receipt Electronic**

**Tracking History**

**USPS Tracking Plus™**

**Product Information**

See Less

# Can’t find what you’re looking for?

Go to our FAQs section to find answers to your tracking questions.

**FAQs**

Feedback

Carlsbad Current Argus.

## Affidavit of Publication

**Ad # 0004919649**

**This is not an invoice**

**DAVID WASHINGTON**
110 NORTH GUADALUPE, SUITE 1 P

**SANTA FE, NM 87504**

I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

**09/23/2021**

Legal Clerk

Subscribed and sworn before me this September 23, 2021:

State of WI, County of Brown
NOTARY PUBLIC

1-7-23
My commission expires

KATHLEEN ALLEN
Notary Public
State of Wisconsin

Ad # 0004919649
PO #:
# of Affidavits 1

**This is not an invoice**

**BEFORE THE OIL CONSERVATION DIVISION**
**Santa Fe, New Mexico**
**Exhibit No. F**
**Submitted by: Matador Production Company**
**Hearing Date: February 3, 2022**
**Case Nos. 22204-22205**

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case. During the COVID-19 Public Health Emergency, state buildings are closed to the public and Division hearings will be conducted remotely. The public hearing for the following case will be electronic and conducted remotely. The hearing will be conducted on **Thursday, October 7, 2021, beginning at 8:15 a.m.** To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at https://www.emnrd.nm.gov/ocd/hearing-info/ or obtained from Marlene Salvidrez, at Marlene.Salvidrez@state.nm.us. Documents filed in the case may be viewed at http://ocdimage.emnrd.state.nm.us/imaging/CaseFileCriteria.aspx. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Marlene Salvidrez at Marlene.Salvidrez@state.nm.us, or the New Mexico Relay Network at 1-800-659-1779, no later than **September 27, 2021.**

Persons may view and participate in the hearings through the following link:

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https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID=e31a346dbbf01a09cd6beca60085a1ffe
Event number: 2497 424 5971
Event password: GxJqZW5M3H3

Join by video: 24974245971@nmemnrd.webex.com
Numeric Password: 935619
You can also dial 173.243.2.68 and enter your meeting number

Join by audio: 1-844-992-4726 United States Toll Free
Access code: 2497 424 5971

**STATE OF NEW MEXICO TO:**
**All named parties and persons having any right, title, interest or claim in the following case and notice to the public.**

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

**To: All overriding royalty interest owners and pooled parties, including: Raul Rojelio Blanco, his heirs and devisees; Cristobal Judah Blanc, his heirs and devisees; TTCZ Properties, LLC, c/o Wells Fargo, NA, ATTN Pedie Monta; Camarie Oil & Gas, LLC; Ross Duncan Properties, LLC; Featherstone Development Corporation; Big Three Energy Group, LLC; Prospector, LLC; Xplor Resources, LLC; Cogent Energy, Inc. Profit Sharing Plan; Justin Nine and wife, Sara Nine, their heirs and devisees; CRM 2018 LP; Chevron U.S.A., Inc.; Heidi C. Barton, her heirs and devisees; BucJag Investments, LLC; Gahr Energy Company; OXY USA; and Chevron Advantage, Inc.**

**Case No. 22204: Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the N/2 S/2 of Section 13, Township 24 South, Range 28 East, and the N/2 S/2 of Section 18, Township 24 South, Range 29 East, Eddy County, New Mexico. The above-referenced unit will be dedicated to the following proposed initial wells, each of which will be drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 14, Township 24 South, Range 28 East, to a bottom hole location in the NE/4 SE/4 (Unit I) of said Section 18: (1) the **Dr. Ellis #113H well;** and the (2) the **Dr. Ellis #123H well.** The completed interval of the well will comply with statewide setbacks for oil wells. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing the wells. Said area is located approximately 4 miles west of Malaga, New Mexico.
Current Argus September 23, 2021 #4919649

Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

## Affidavit of Publication

**Ad # 0004919665**

**This is not an invoice**

**DAVID WASHINGTON**
110 NORTH GUADALUPE, SUITE 1 P

**SANTA FE, NM 87504**

I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

**09/23/2021**

Legal Clerk

Subscribed and sworn before me this September 23, 2021:

State of WI, County of Brown
NOTARY PUBLIC

1-7-25
My commission expires

KATHLEEN ALLEN
Notary Public
State of Wisconsin

Ad # 0004919665
PO #:
# of Affidavits 1

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

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**All named parties and persons having any right, title, interest or claim in the following case and notice to the public.**

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

**To: All overriding royalty interest owners and pooled parties, including: Robert Dean Richardson, his heirs and devisees; Dale Morgan Richardson, his heirs and devisees; Harry James Richardson, his heirs and devisees; Linda Sue Richardson, her heirs and devisees; Leslie Blanco Miller, his/her heirs and devisees; Elias Blanco, his heirs and devisees; Sidney M. Coryell, Jr., his heirs and devisees; Craig Collins, his heirs and devisees; Lois M. Durland, her heirs and devisees; Kristi Jones, Trustee of the Evalyn Swearingen Testamentary Trust; Tundra AD3 LP; James A. Collier, III, his heirs and devisees; Gregory Collier, his heirs and devisees; Velia Briceno Blanco, her heirs and devisees; Millicena Denean Blanco, her heirs and devisees; Geralyn Agloro Blanco, her heirs and devisees; Randall S. Cate, his heirs and devisees; Justin Nine and wife, Sara Nine, their heirs and devisees; CRM 2018 LP; Chevron U.S.A., Inc.; Heidi C. Barton, her heirs and devisees; BucJag Investments, LLC; Gahr Energy Company; OXY USA; and Chevron Advantage, Inc.**

**Case No. 22205: Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of S/2 S/2 of Section 13, Township 24 South, Range 28 East, and the S/2 S/2 of Section 18, Township 24 South, Range 29 East, Eddy County, New Mexico. The above-referenced unit will be dedicated to the following proposed initial **Kathy Kregor Fed Com #114H** well, to be drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 14, Township 24 South, Range 28 East, to a bottom hole location in the SE/4 SE/4 (Unit P) of said Section 18. The completed interval of the well will comply with statewide setbacks for oil wells. Also, to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located approximately

4 miles west of Malaga, New Mexico.
Current Argus September 23, 2021 #4919665