

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

**APPLICATION OF MATADOR PRODUCTION
COMPANY TO AMEND ORDER R-22860
TO ADD ADDITIONAL POOLED PARTIES,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 25584

NOTICE OF REVISED EXHIBITS


Matador Permian Company (“Matador”) gives notice that it is filing the attached revised exhibit for acceptance into the record.

Revised Matador Exhibit D is a revised self-affirmed statement of notice reflecting notice of all additional parties.

Revised Matador Exhibit E is a revised affidavit of publication reflecting notice of all additional parties.

Respectfully submitted,

HOLLAND & HART LLP

By: 

Adam G. Rankin
Paula M. Vance
A. Raylee Starnes
Post Office Box 2208
Santa Fe, NM 87504
505-988-4421
505-983-6043 Facsimile
agrankin@hollandhart.com
pmvance@hollandhart.com
arstarnes@hollandhart.com

ATTORNEYS FOR MATADOR PERMIAN COMPANY

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING DECEMBER 18, 2025**

CASE No. 25584

*C SWEENEY REOPEN ORDER R-22860
111H, 121H & 131H WELLS*

EDDY COUNTY, NEW MEXICO



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

**APPLICATION OF MATADOR PRODUCTION
COMPANY TO AMEND ORDER R-22860
TO ADD ADDITIONAL POOLED PARTIES,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 25584

TABLE OF CONTENTS

- **Matador Exhibit A:** Application of Matador Production Company for Pooling an Additional Party
- **Matador Exhibit B:** Original Pooling Order
- **Matador Exhibit C:** Affidavit of Reece Clark, Landman
 - Matador Exhibit C-1: Land Tract Map
 - Matador Exhibit C-2: Updated Uncommitted Interest Owners
 - Matador Exhibit C-3: Sample Well Proposal with AFE
 - Matador Exhibit C-4: Chronology of Contacts
- **Matador Revised Exhibit D:** Self-Affirmed Statement of Notice
- **Matador Revised Exhibit E:** Affidavit of Publication for the Case

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

**APPLICATION OF MATADOR PRODUCTION
COMPANY TO AMEND ORDER R-22860
TO ADD ADDITIONAL POOLED PARTIES,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 25584

APPLICATION

Matador Production Company ("Matador" or "Applicant"), through its undersigned attorneys, hereby files this application with the Oil Conservation Division to amend pooling Order R-22860 to add additional interest owners to the pooling order. In support of its application, Matador states:

1. On September 11, 2023, the Division issued Order R-22860 in Case No. 23672, which pooled the uncommitted interest owners in the Bone Spring formation (Culebra Bluff; Bone Spring, South [15011]) underlying the N/2 N/2 of Section 1 and the N/2 NE/4 of Section 2, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. This standard 240-acre overlapping horizontal well spacing unit is currently dedicated to the drilled and producing **C Sweeney State Com 111H** (API No. 30-015-54331), **C Sweeney State Com 121H** (API No. 30-015-54333), and **C Sweeney State Com 131H** (API No. 30-015-54332) wells.

2. Applicant has discovered additional interest owners in the pooled acreage that were not subject to the pooling proceedings giving rise to Order R-22860.

3. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from these additional interest owners.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on September 11, 2025, and, after notice and hearing

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A
Submitted by: Matador Production Company
Hearing Date: December 18, 2025
Case No. 25584**

as required by law, the Division enter an order pooling these additional mineral interest owners under the terms of Order R-22860.

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert
Adam G. Rankin
Paula M. Vance
Post Office Box 2208
Santa Fe, NM 87504
505-988-4421
505-983-6043 Facsimile
mfeldewert@hollandhart.com
agrankin@hollandhart.com
pmvance@hollandhart.com

**ATTORNEYS FOR MATADOR PRODUCTION
COMPANY**

CASE _____: Application of Matador Production Company to Amend Order R-22860 to Add Additional Pooled Parties, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order amending pooling Order R-22860 to add additional interest owners to the pooling order. Division Order R-22860 was issued in Case No. 23672 and pooled uncommitted interest owners in the Bone Spring formation (Culebra Bluff; Bone Spring, South [15011]) underlying the N/2 N/2 of Section 1 and the N/2 NE/4 of Section 2, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. This standard 240-acre overlapping horizontal well spacing unit is currently dedicated to the drilled and producing **C Sweeney State Com 111H** (API No. 30-015-54331), **C Sweeney State Com 121H** (API No. 30-015-54333), and **C Sweeney State Com 131H** (API No. 30-015-54332). The subject area is located approximately 2 miles northeast of Malaga, New Mexico.

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
MRC PERMIAN COMPANY**

**CASE NO. 23672
ORDER NO. R-22860**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on August 17, 2023, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

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

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B
Submitted by: Matador Production Company
Hearing Date: December 18, 2025
Case No. 25584**

11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. If the Unit is a non-standard horizontal spacing unit which has not been approved under this Order, Operator shall obtain the OCD's approval for a non-standard horizontal spacing unit in accordance with 19.15.16.15(B)(5) NMAC.
20. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
21. This Order shall terminate automatically if Operator fails to comply with Paragraph 20 unless Operator obtains an extension by amending this Order for good cause shown.
22. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
23. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
24. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled

CASE NO. 23672
ORDER NO. R-22860

Page 2 of 7

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

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

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

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



DYLAN M FUGE
DIRECTOR
DMF/hat

Date: 9/11/2023

CASE NO. 23672
ORDER NO. R-22860

Page 4 of 7

Exhibit A

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 23672	APPLICANT'S RESPONSE
Date	August 17, 2023
Applicant	MRC Permian Company
Designated Operator & OGRID (affiliation if applicable)	Matador Production Company (OGRID No. 228937)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF MRC PERMIAN COMPANY FOR APPROVAL OF AN OVERLAPPING HORIZONTAL WELL SPACING UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	S.K. Warren Resources, LLC
Well Family	Scott King
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Culebra Bluff; Bone Spring, South [15011]
Well Location Setback Rules:	Statewide oil rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	240
Building Blocks:	40 acres
Orientation:	East-West
Description: TRS/County	N/2 N/2 of Section 1 and the N/2 NE/4 of Section 2, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	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	Exhibit C-4, C-5
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed

Released to Imaging: 8/16/2023 8:07:47 AM

CASE NO. 23672
ORDER NO. R-22860

Page 5 of 7


Page 4 of 5

Well #1	Scott King State Com #111H well SHL: 1,030' FNL, 765' FEL (Lot 1) of Section 1 BHL: 660' FNL, 2,543' FEL (Lot 2) of Section 2 Target: Bone Spring Orientation: East-West Completion: Standard Location
Well #2	Scott King State Com #121H well SHL: 1,013' FNL, 790' FEL (Lot 1) of Section 1 BHL: 332' FNL, 2,541' FEL (Lot 2) of Section 2 Target: Bone Spring Orientation: East-West Completion: Standard Location
Well #3	Scott King State Com #131H well SHL: 1,076' FNL, 699' FEL (Lot 1) of Section 1 BHL: 660' FNL, 2,543' FEL (Lot 2) of Section 2 Target: Bone Spring Orientation: East-West Completion: Standard Location
Horizontal Well First and Last Take Points	Exhibit C-2
Completion Target (Formation, TVD and MD)	Exhibit C-6
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 B
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-3
Tract List (including lease numbers and owners)	Exhibit C-3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit C-4, C-5
Unlocatable Parties to be Pooled	See Exhibit C (9 unlocatable parties)
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit C-6

Released to Imaging: 8/16/2023 8:07:47 AM

CASE NO. 23672
ORDER NO. R-22860

Page 6 of 7

<i>Received by OCD: 8/15/2023 6:59:13 PM</i> List of Interest Owners (ie Exhibit A or JOA)	Exhibit C-4, C-5	<i>Page 5 of 5</i>
Chronology of Contact with Non-Joined Working Interests	Exhibit C-7	
Overhead Rates In Proposal Letter	Exhibit C-6	
Cost Estimate to Drill and Complete	Exhibit C-6	
Cost Estimate to Equip Well	Exhibit C-6	
Cost Estimate for Production Facilities	Exhibit C-6	
Geology		
Summary (including special considerations)	Exhibit D	
Spacing Unit Schematic	Exhibit D-1	
Gunbarrel/Lateral Trajectory Schematic	N/A	
Well Orientation (with rationale)	Exhibit D	
Target Formation	Exhibit D, D-3	
HSU Cross Section	Exhibit D-3	
Depth Severance Discussion	N/A	
Forms, Figures and Tables		
C-102	Exhibit C-2	
Tracts	Exhibit C-3	
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-4, C-5	
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):	Paula M. Vance	
Signed Name (Attorney or Party Representative):		
Date:		8/15/2023

Released to Imaging: 8/16/2023 8:07:47 AM

CASE NO. 23672
ORDER NO. R-22860

Page 7 of 7

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

**APPLICATION OF MATADOR PRODUCTION
COMPANY TO AMEND ORDER R-22860
TO ADD ADDITIONAL POOLED PARTIES,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 25584

AFFIDAVIT OF REECE CLARK

Reece Clark, of lawful age and being first duly sworn, states the following:

1. My name is Reece Clark and I am employed by MRC Energy Company, an affiliate of Matador Production Company ("Matador"), as a Surface Land Manager.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of public record.
3. I am familiar with the application filed by Matador in this case and the status of the lands in the subject area.
4. In this case, MRC seeks to add two additional parties to be pooled under NMOCD Order No. R-22860, which created a standard horizontal spacing unit in the Bone Spring formation (Culebra Bluff; Bone Spring, South [15011]) underlying the N/2 N/2 of Section 1 and the N/2 NE/4 of Section 2, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. This standard 240-acre overlapping horizontal well spacing unit was dedicated to the **Scott King State Com 111H, Scott King State Com 121H, and Scott King State Com 131H** wells. Matador later filed sundries to change the names of those initial wells to the C Sweeney State Com #111 (30-015-54331), C Sweeney State Com #121 (30-015-54333), and C Sweeney State Com #131 (30-015-54332), respectively.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C
Submitted by: Matador Production Company
Hearing Date: December 18, 2025
Case No. 25584

5. Since the original pooling case, Matador has received updated title information and identified an additional working interest owner, Devon Energy Production Company, LP (“Devon”) to be pooled. In addition, Matador discovered that a second working interest owner, Benco Energy, Inc. (“Benco”), was not included in the original pooling case, so is seeking to pool that interest owner as well, as described below.

6. **Matador Exhibit C-1** contains a tract map showing the existing spacing unit in this case, which is comprised of state and fee minerals.

7. **MRC Exhibit C-2** identifies the additional working interest owners that MRC is seeking to pool. The first pages of Exhibit C-2 show the additional parties MRC is seeking to pool on a unit basis. Behind the unit analysis, there are additional pages showing the working interest owners that MRC seeks to pool, on a tract by tract basis, along with their ownership interest in each of the tracts in the proposed horizontal spacing unit. The parties that MRC is seeking to pool are highlighted yellow.

8. **Matador Exhibit C-3** contains a sample of the well proposal letter and AFE sent to Devon. The costs reflected in the AFE are consistent with what other operators have incurred for drilling similar horizontal wells in the area in these formations. Matador Exhibit C-3 also contains a copy of Benco’s election to go non-consent in the wells that it sent Matador after Matador previously proposed the wells to Benco in May of 2023.

9. **Matador Exhibit C-4** contains a general summary of the contacts with the uncommitted working interest owners that Matador is seeking to add to the existing pooling order in this case. As indicated on Matador Exhibit C-4, Matador been able to contact both of the working interest owners it seeks to pool.

10. In my opinion, Matador has undertaken good faith efforts to locate and reach an agreement with the additional working interest owners that Matador is seeking to pool in this case.

11. Matador has provided its outside counsel, Holland and Hart, with the name and address of the parties that Matador seeks to pool and instructed that they be notified of this hearing.

12. **Matador Exhibits C-1 through C-4** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NAUGHT.


Reece Clark

STATE OF TEXAS)
)
COUNTY OF DALLAS)

SUBSCRIBED and SWORN to before me this 31 day of October 2025 by
Reece Clark.


NOTARY PUBLIC

My Commission Expires:

9.8.2029



Exhibit C-1

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-1
Submitted by: Matador Production Company
Hearing Date: December 18, 2025
Case No. 25584

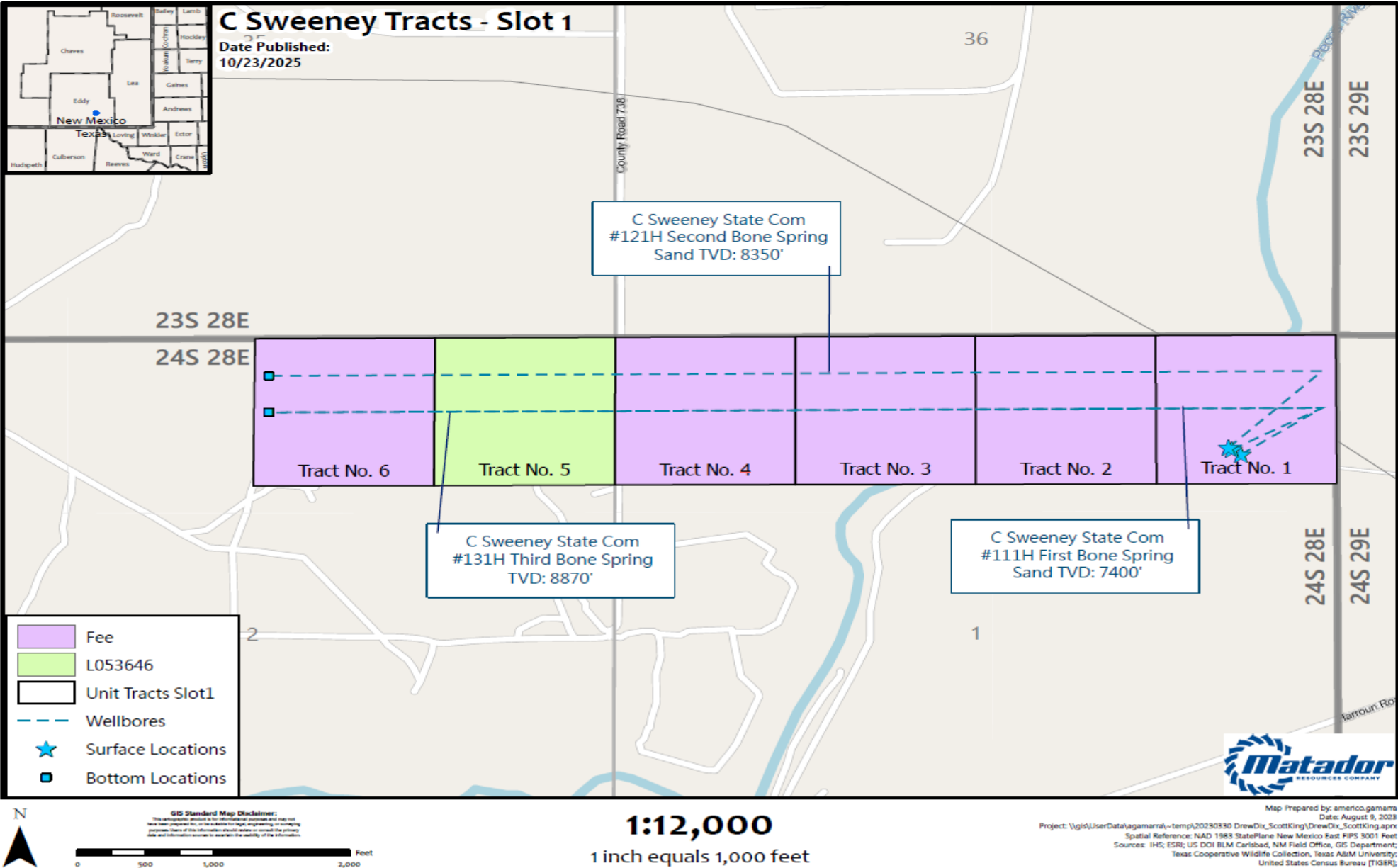


Exhibit C-2

C Sweeney State Com (N/2 N/2 of Sec. 1 & N/2 NE/4 of Sec. 2-T24S-R28E)		
Summary of Interest		
Interest Owners:	Tract:	Interest:
Matador Working Interest	Tracts 1-6	87.18%
Committed Working Interest		8.02%
Theresa Carol Townsend Cox (WI)*	Tracts 1-6	0.05%
Christie Rene Townsend Baker (WI)*	Tracts 1-6	0.05%
ENK3 Minerals, LP (WI)*	Tracts 1-6	0.02%
S.N.S. Oil & Gas Properties, Inc. (WI)*	Tracts 1-6	0.07%
Highland (Texas) Energy Company (WI)*	Tracts 1-6	1.02%
Alfred J. Rodriguez (WI)*	Tracts 1-6	0.12%
Jack C. Holland (WI)*	Tracts 1-6	0.10%
W. R. Hughey, II (WI)*	Tracts 1-6	0.03%
BMW Investments, LP (WI)*	Tracts 1-6	0.01%
Frank J. Hughey (WI)*	Tracts 1-6	0.01%
Ann Norris (WI)*	Tracts 1-6	0.01%
Tamara Joy McDearmon Manning (WI)*	Tracts 1-6	0.07%
Timothy Ray McDearmon (WI)*	Tracts 1-6	0.07%
Trevis Coy McDearmon (WI)*	Tracts 1-6	0.07%
Michael Gollob Oil Company, Inc. (WI)**	Tracts 1-6	0.01%
S. K. Warren Resources, LLC (WI)**	Tracts 1-6	4.11%
Union Hill Oil & Gas Co. Inc. (WI)**	Tracts 1-6	0.93%
Tierra Encantada, LLC (WI)**	Tracts 1-6	0.31%
Sam Wolf (WI)**	Tracts 1-6	0.01%
Sealy Hutchings Cavin, Inc. (WI)**	Tracts 5-6	0.21%
Symphony OD, LLC (WI)**	Tracts 1-6	0.06%
DHB Partnership (WI)**	Tracts 1-6	0.70%
Uncommitted Compulsory Pool Interest		4.79%
Devon Energy Production Company, LP (WI)	Tracts 1-4	4.57%
Benco Energy, Inc. (WI)	Tracts 1-4	0.23%

*Committed under OA

**Committed under previous Pooling Order (R-22860)

Uncommitted WI

C Sweeney (N/2 N/2 of Sec. 1 & N/2 NE/4 of Sec. 2-T24S-R28E)			
Tract 1			
Interest Owners:	Description:	Net Mineral Acres:	Working Interest in Tract:
MRC Permian Company (WI)	Committed Working Interest*	35.38787	88.55823%
Theresa Carol Townsend Cox (WI)	Committed Working Interest*	0.02045	0.05119%
Christie Rene Townsend Baker (WI)	Committed Working Interest*	0.02045	0.05119%
ENK3 Minerals, LP (WI)	Committed Working Interest*	0.00818	0.02047%
S.N.S. Oil & Gas Properties, Inc. (WI)	Committed Working Interest*	0.02702	0.06761%
Highland (Texas) Energy Company (WI)	Committed Working Interest*	0.40743	1.01960%
Alfred J. Rodriguez (WI)	Committed Working Interest*	0.04906	0.12278%
Jack C. Holland (WI)	Committed Working Interest*	0.04091	0.10237%
W. R. Hughey, II (WI)	Committed Working Interest*	0.01023	0.02559%
BMW Investments, LP (WI)	Committed Working Interest*	0.00409	0.01024%
Frank J. Hughey (WI)	Committed Working Interest*	0.00307	0.00768%
Ann Norris (WI)	Committed Working Interest*	0.00307	0.00768%
Tamara Joy McDearmon Manning (WI)	Committed Working Interest*	0.02727	0.06824%
Timothy Ray McDearmon (WI)	Committed Working Interest*	0.02727	0.06824%
Trevis Coy McDearmon (WI)	Committed Working Interest*	0.02727	0.06824%
Michael Gollob Oil Company, Inc. (WI)	Committed Working Interest**	0.00322	0.00807%
S. K. Warren Resources, L.L.C. (WI)	Committed Working Interest**	0.44474	1.11297%
Union Hill Oil & Gas Co. Inc. (WI)	Committed Working Interest**	0.40187	1.00568%
Tierra Encantada, LLC (WI)	Committed Working Interest**	0.09670	0.24199%
Sam Wolf (WI)	Committed Working Interest**	0.00322	0.00807%
Symphony OD, LLC (WI)	Committed Working Interest**	0.02015	0.05042%
DHB Partnership (WI)	Committed Working Interest**	0.20848	0.52172%
Devon Energy Production Company, L.P. (WI)	Uncommitted Working Interest	2.74778	6.87633%
Benco Energy, Inc. (WI)	Uncommitted Working Interest	0.13739	0.34381%
Tracts 2 & 4			
Interest Owners:	Description:	Net Mineral Acres:	Working Interest in Tract:
MRC Permian Company (WI)	Committed Working Interest*	70.49235	88.55823%
Theresa Carol Townsend Cox (WI)	Committed Working Interest*	0.04074	0.05119%
Christie Rene Townsend Baker (WI)	Committed Working Interest*	0.04074	0.05119%
ENK3 Minerals, LP (WI)	Committed Working Interest*	0.01630	0.02047%
S.N.S. Oil & Gas Properties, Inc. (WI)	Committed Working Interest*	0.05382	0.06761%
Highland (Texas) Energy Company (WI)	Committed Working Interest*	0.81161	1.01960%
Alfred J. Rodriguez (WI)	Committed Working Interest*	0.09773	0.12278%
Jack C. Holland (WI)	Committed Working Interest*	0.08149	0.10237%
W. R. Hughey, II (WI)	Committed Working Interest*	0.02037	0.02559%
BMW Investments, LP (WI)	Committed Working Interest*	0.00815	0.01024%
Frank J. Hughey (WI)	Committed Working Interest*	0.00611	0.00768%
Ann Norris (WI)	Committed Working Interest*	0.00611	0.00768%
Tamara Joy McDearmon Manning (WI)	Committed Working Interest*	0.05432	0.06824%
Timothy Ray McDearmon (WI)	Committed Working Interest*	0.05432	0.06824%
Trevis Coy McDearmon (WI)	Committed Working Interest*	0.05432	0.06824%
Michael Gollob Oil Company, Inc. (WI)	Committed Working Interest**	0.00642	0.00807%
S. K. Warren Resources, L.L.C. (WI)	Committed Working Interest**	0.88592	1.11297%
Union Hill Oil & Gas Co. Inc. (WI)	Committed Working Interest**	0.80052	1.00568%
Tierra Encantada, LLC (WI)	Committed Working Interest**	0.19263	0.24199%
Sam Wolf (WI)	Committed Working Interest**	0.00642	0.00807%
Symphony OD, LLC (WI)	Committed Working Interest**	0.04014	0.05042%
DHB Partnership (WI)	Committed Working Interest**	0.41529	0.52172%
Devon Energy Production Company, L.P. (WI)	Uncommitted Working Interest	5.47356	6.87633%
Benco Energy, Inc. (WI)	Uncommitted Working Interest	0.27368	0.34381%
Tract 3			
Interest Owners:	Description:	Net Mineral Acres:	Working Interest in Tract:
MRC Permian Company (WI)	Committed Working Interest*	35.24618	88.55823%
Theresa Carol Townsend Cox (WI)	Committed Working Interest*	0.02037	0.05119%
Christie Rene Townsend Baker (WI)	Committed Working Interest*	0.02037	0.05119%
ENK3 Minerals, LP (WI)	Committed Working Interest*	0.00815	0.02047%
S.N.S. Oil & Gas Properties, Inc. (WI)	Committed Working Interest*	0.02691	0.06761%
Highland (Texas) Energy Company (WI)	Committed Working Interest*	0.40580	1.01960%
Alfred J. Rodriguez (WI)	Committed Working Interest*	0.04887	0.12278%
Jack C. Holland (WI)	Committed Working Interest*	0.04074	0.10237%
W. R. Hughey, II (WI)	Committed Working Interest*	0.01019	0.02559%
BMW Investments, LP (WI)	Committed Working Interest*	0.00407	0.01024%
Frank J. Hughey (WI)	Committed Working Interest*	0.00306	0.00768%
Ann Norris (WI)	Committed Working Interest*	0.00306	0.00768%
Tamara Joy McDearmon Manning (WI)	Committed Working Interest*	0.02716	0.06824%
Timothy Ray McDearmon (WI)	Committed Working Interest*	0.02716	0.06824%
Trevis Coy McDearmon (WI)	Committed Working Interest*	0.02716	0.06824%
Michael Gollob Oil Company, Inc. (WI)	Committed Working Interest**	0.00321	0.00807%
S. K. Warren Resources, L.L.C. (WI)	Committed Working Interest**	0.44296	1.11297%
Union Hill Oil & Gas Co. Inc. (WI)	Committed Working Interest**	0.40026	1.00568%
Tierra Encantada, LLC (WI)	Committed Working Interest**	0.09631	0.24199%
Sam Wolf (WI)	Committed Working Interest**	0.00321	0.00807%
Symphony OD, LLC (WI)	Committed Working Interest**	0.02007	0.05042%
DHB Partnership (WI)	Committed Working Interest**	0.20765	0.52172%
Devon Energy Production Company, L.P. (WI)	Uncommitted Working Interest	2.73678	6.87633%
Benco Energy, Inc. (WI)	Uncommitted Working Interest	0.13684	0.34381%
Tract 5			
Interest Owners:	Description:	Net Mineral Acres:	Working Interest in Tract:
MRC Permian Company (WI)	Committed Working Interest*	33.99460	85.52100%
Theresa Carol Townsend Cox (WI)	Committed Working Interest*	0.02035	0.05119%
Christie Rene Townsend Baker (WI)	Committed Working Interest*	0.02035	0.05119%
ENK3 Minerals, LP (WI)	Committed Working Interest*	0.00814	0.02047%
S.N.S. Oil & Gas Properties, Inc. (WI)	Committed Working Interest*	0.02688	0.06761%
Highland (Texas) Energy Company (WI)	Committed Working Interest*	0.40529	1.01960%
Alfred J. Rodriguez (WI)	Committed Working Interest*	0.04880	0.12278%
Jack C. Holland (WI)	Committed Working Interest*	0.04069	0.10237%
W. R. Hughey, II (WI)	Committed Working Interest*	0.01017	0.02559%
BMW Investments, LP (WI)	Committed Working Interest*	0.00407	0.01024%
Frank J. Hughey (WI)	Committed Working Interest*	0.00305	0.00768%
Ann Norris (WI)	Committed Working Interest*	0.00305	0.00768%
Tamara Joy McDearmon Manning (WI)	Committed Working Interest*	0.02713	0.06824%
Timothy Ray McDearmon (WI)	Committed Working Interest*	0.02713	0.06824%
Trevis Coy McDearmon (WI)	Committed Working Interest*	0.02713	0.06824%
Michael Gollob Oil Company, Inc. (WI)	Committed Working Interest**	0.00579	0.01458%
S. K. Warren Resources, L.L.C. (WI)	Committed Working Interest**	0.43479	10.15042%
Union Hill Oil & Gas Co. Inc. (WI)	Committed Working Interest**	0.31034	0.78074%
Tierra Encantada, LLC (WI)	Committed Working Interest**	0.17380	0.43724%

*Committed under OA

**Committed under previous Pooling Order (R-22860)

Uncommitted WI

Sam Wolf (WI)	Committed Working Interest**	0.00579	0.01458%
Sealy Hutchings Cavin, Inc. (WI)	Committed Working Interest**	0.25447	0.64017%
Symphony OD, LLC (WI)	Committed Working Interest**	0.03622	0.09111%
DHB Partnership (WI)	Committed Working Interest**	0.42829	1.07746%
Tract 6			
Interest Owners:	Description:	Net Mineral Acres:	Working Interest in Tract:
MRC Permian Company (WI)	Committed Working Interest*	34.11433	85.82221%
Theresa Carol Townsend Cox (WI)	Committed Working Interest*	0.02042	0.05137%
Christie Rene Townsend Baker (WI)	Committed Working Interest*	0.02042	0.05137%
ENK3 Minerals, LP (WI)	Committed Working Interest*	0.00817	0.02055%
S.N.S. Oil & Gas Properties, Inc. (WI)	Committed Working Interest*	0.02697	0.06785%
Highland (Texas) Energy Company (WI)	Committed Working Interest*	0.40672	1.02319%
Alfred J. Rodriguez (WI)	Committed Working Interest*	0.04898	0.12321%
Jack C. Holland (WI)	Committed Working Interest*	0.04084	0.10273%
W. R. Hughey, II (WI)	Committed Working Interest*	0.01021	0.02568%
BMW Investments, LP (WI)	Committed Working Interest*	0.00408	0.01027%
Frank J. Hughey (WI)	Committed Working Interest*	0.00306	0.00770%
Ann Norris (WI)	Committed Working Interest*	0.00306	0.00770%
Tamara Joy McDearmon Manning (WI)	Committed Working Interest*	0.02722	0.06848%
Timothy Ray McDearmon (WI)	Committed Working Interest*	0.02722	0.06848%
Trevis Coy McDearmon (WI)	Committed Working Interest*	0.02722	0.06848%
Michael Gollob Oil Company, Inc. (WI)	Committed Working Interest**	0.00582	0.01463%
S. K. Warren Resources, L.L.C. (WI)	Committed Working Interest**	4.04900	10.18616%
Union Hill Oil & Gas Co. Inc. (WI)	Committed Working Interest**	0.31144	0.78349%
Tierra Encantada, LLC (WI)	Committed Working Interest**	0.17442	0.43878%
Sam Wolf (WI)	Committed Working Interest**	0.00582	0.01463%
Sealy Hutchings Cavin, Inc. (WI)	Committed Working Interest**	0.25536	0.64242%
Symphony OD, LLC (WI)	Committed Working Interest**	0.03634	0.09143%
DHB Partnership (WI)	Committed Working Interest**	0.42980	1.08126%

Exhibit C-3

MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
Voice 972.371.5403 • Fax 214.866.4946
reece.clark@matadorresources.com

Reece Clark
Senior Landman

March 20, 2025

VIA CERTIFIED RETURN RECEIPT MAIL

Devon Energy Production Company, L.P.
Attn: Lorre Youngblood
333 West Sheridan Avenue
Oklahoma City, OK 73102-5015

Re: C Sweeney State Com #111H, #121H & #131H (the "Wells")
Participation Proposal
N/2N/2 of Section 1 & N/2NE/4 of Section 2, Township 24 South, Range 28 East
Eddy County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's C Sweeney State Com #111H, C Sweeney State Com #121H and C Sweeney State Com #131H wells, located in the N/2N/2 of Section 1 and the N/2NE/4 of Section 2, Township 24 South, Range 28 East, Eddy County, New Mexico.

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 three (3) enclosed Authority for Expenditures ("AFE") dated May 4, 2023.
- **C Sweeney State Com #111H:** to be drilled from a legal location with a proposed surface hole location located at 1,030' FNL and 765' FEL of Section 1-24S-28E, a proposed first take point located at 660' FNL and 100' FEL of Section 1-24S-28E, and a proposed last take point located at 660' FNL and 2,543' FEL of Section 2-24S-28E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~7,500' TVD) to a Measured Depth of approximately 15,267'.
- **C Sweeney State Com #121H:** to be drilled from a legal location with a proposed surface hole location located at 1,013' FNL and 790' FEL of Section 1-24S-28E, a proposed first take point located at 330' FNL and 100' FEL of Section 1-24S-28E, and a proposed last take point located at 332' FNL and 2,541' FEL of Section 2-24S-28E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~8,450' TVD) to a Measured Depth of approximately 16,217'.
- **C Sweeney State Com #131H:** to be drilled from a legal location with a proposed surface hole location located at 1,076' FNL and 699' FEL of Section 1-24S-28E, a proposed first take point located at 660' FNL and 100' FEL of Section 1-24S-28E, and a proposed last take point located at 660' FNL and 2,543' FEL of Section 2-24S-28E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~8,870' TVD) to a Measured Depth of approximately 16,637'.

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.

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, 2023 by and between Matador Production Company, as Operator and MRC Permian Company et al as Non-Operators, covering the N/2 of Section 1 and the NE/4 of Section 2, Township 24 South, Range 28 East, Eddy County, New Mexico, 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 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



Reece Clark

Devon Energy Production Company, L.P. hereby elects to:

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador
Production Company's **C Sweeney State Com #111H** well.

_____ Not to participate in the **C Sweeney State Com #111H**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador
Production Company's **C Sweeney State Com #121H** well.

_____ Not to participate in the **C Sweeney State Com #121H**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador
Production Company's **C Sweeney State Com #131H** well.

_____ Not to participate in the **C Sweeney State Com #131H**

Devon Energy Production Company, L.P.

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 4th, 2023	AFE NO.:	
WELL NAME:	Scott King State Com #111H	FIELD:	Bone Spring
LOCATION:	Section 1&2 24S 28E	MD/TVD:	15267'/7500'
COUNTY/STATE:	Eddy, NM	LATERAL LENGTH:	7,200
MRC WI:			
GEOLOGIC TARGET:	First Bone Spring Sand		
REMARKS:	Drill and complete a horizontal 1.5 mile long First Bone Spring sand target with about 31 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	174,333	13,000	25,000	12,500	224,833
Drilling	619,550				619,550
Cementing & Float Equip	191,000				191,000
Logging / Formation Evaluation	-	8,000	3,000		11,000
Flowback - Labor			31,050		31,050
Flowback - Surface Rentals			121,488		121,488
Flowback - Rental Living Quarters			-		-
Mud Logging	26,100				26,100
Mud Circulation System	69,900				69,900
Mud & Chemicals	390,000	57,500	9,000		456,500
Mud / Wastewater Disposal	125,000	-	7,500	1,000	133,500
Freight / Transportation	12,750	33,500		-	46,250
Rig Supervision / Engineering	67,200	81,100	9,900	1,800	160,000
Drill Bits	58,300				58,300
Fuel & Power	115,200	549,304		-	664,504
Water	22,500	452,813	3,000	1,000	479,313
Drig & Completion Overhead	10,000	-		-	10,000
Plugging & Abandonment	-				-
Directional Drilling, Surveys	220,471				220,471
Completion Unit, Swab, CTU	-	150,000	11,400		161,400
Perforating, Wireline, Slickline	-	173,318	7,000		180,318
High Pressure Pump Truck	-	97,000	8,000	-	105,000
Stimulation	-	2,116,575			2,116,575
Stimulation Flowback & Disp	-	15,500	50,400		65,900
Insurance	9,771				9,771
Labor	138,500	57,000	12,500	5,000	213,000
Rental - Surface Equipment	68,860	287,070	10,000	5,000	370,930
Rental - Downhole Equipment	120,500	82,500	2,000	-	205,000
Rental - Living Quarters	36,240	43,365	-	5,000	84,605
Contingency	76,489	157,573	35,374	4,130	273,565
Operations Center	15,456				15,456
TOTAL INTANGIBLES >	2,626,120	4,375,118	396,611	45,430	7,443,279

TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	\$ 43,932	\$	\$	\$	\$ 43,932
Intermediate Casing	417,936				417,936
Drilling Liner	-				-
Production Casing	703,514				703,514
Production Liner	-				-
Tubing	-		128,238		128,238
Wellhead	78,000		30,000		108,000
Packers, Liner Hangers	-	49,824	6,000		55,824
Tanks	-			35,000	35,000
Production Vessels	-			126,181	126,181
Flow Lines	-			120,000	120,000
Rod string	-				-
Artificial Lift Equipment	-		20,000		20,000
Compressor	-			27,500	27,500
Installation Costs	-		-	80,000	80,000
Surface Pumps	-		5,000	15,000	20,000
Non-controllable Surface	-		-	2,000	2,000
Non-controllable Downhole	-		-		-
Downhole Pumps	-		-		-
Measurement & Meter Installation	-		11,000	32,000	43,000
Gas Conditioning / Dehydration				-	-
Interconnecting Facility Piping			-	53,125	53,125
Gathering / Bulk Lines					-
Valves, Dumps, Controllers			2,000	-	2,000
Tank / Facility Containment			-	8,750	8,750
Flare Stack			-	20,625	20,625
Electrical / Grounding			-	40,000	40,000
Communications / SCADA			12,000	5,000	17,000
Instrumentation / Safety				39,000	39,000
TOTAL TANGIBLES >	1,243,382	49,824	214,238	604,181	2,111,625
TOTAL COSTS >	3,869,502	4,424,941	610,849	649,611	9,554,904

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Tyler Kinnon	Team Lead - WTX/NM	
Completions Engineer:	Colin Lesnick		JME
Production Engineer:	Kyle Christy		

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, Res	_____	SVP Geoscience	_____	COO- Drilling, Completion and Production	_____
	WTE		NLF		CC
Executive VP, Legal	_____				
	CA				
President	_____				
	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 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.

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 4th, 2023	AFE NO.:	
WELL NAME:	Scott King State Com #121H	FIELD:	Bone Spring
LOCATION:	Section 1&2 24S 28E	MD/TVD:	16217'/8450'
COUNTY/STATE:	Eddy, NM	LATERAL LENGTH:	7,200
MRC WI:			
GEOLOGIC TARGET:	Second Bone Spring Sand		
REMARKS:	Drill and complete a horizontal 1.5 mile long 2nd Bone Spring sand target with about 31 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	154,333	13,000	25,000	12,500	204,833
Drilling	538,050				538,050
Cementing & Float Equip	191,000				191,000
Logging / Formation Evaluation	-	8,000	3,000		11,000
Flowback - Labor			31,050		31,050
Flowback - Surface Rentals			121,488		121,488
Flowback - Rental Living Quarters			-		-
Mud Logging	7,250				7,250
Mud Circulation System	61,088				61,088
Mud & Chemicals	325,000	57,500	9,000		391,500
Mud / Wastewater Disposal	115,000	-	7,500	1,000	123,500
Freight / Transportation	8,500	33,500		-	42,000
Rig Supervision / Engineering	56,700	81,100	9,900	1,800	149,500
Drill Bits	45,800				45,800
Fuel & Power	97,200	549,304		-	646,504
Water	22,500	452,813	3,000	1,000	479,313
Drig & Completion Overhead	10,000	-		-	10,000
Plugging & Abandonment	-				-
Directional Drilling, Surveys	210,821				210,821
Completion Unit, Swab, CTU	-	150,000	11,400		161,400
Perforating, Wireline, Slickline	-	173,318	7,000		180,318
High Pressure Pump Truck	-	97,000	8,000	-	105,000
Stimulation	-	2,116,575			2,116,575
Stimulation Flowback & Disp	-	15,500	50,400		65,900
Insurance	10,379				10,379
Labor	138,500	57,000	12,500	5,000	213,000
Rental - Surface Equipment	58,735	287,070	10,000	5,000	360,805
Rental - Downhole Equipment	98,000	82,500	2,000	-	182,500
Rental - Living Quarters	33,915	43,365	-	5,000	82,280
Contingency	45,076	157,573	35,374	4,130	242,153
Operations Center	13,041				13,041
TOTAL INTANGIBLES >	2,298,888	4,375,118	396,611	45,430	7,116,047

TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	\$ 43,932	\$	\$	\$	\$ 43,932
Intermediate Casing	475,454				475,454
Drilling Liner	-				-
Production Casing	744,658				744,658
Production Liner	-				-
Tubing	-		128,238		128,238
Wellhead	78,000		30,000		108,000
Packers, Liner Hangers	-	49,824	6,000		55,824
Tanks	-			35,000	35,000
Production Vessels	-			126,181	126,181
Flow Lines	-			120,000	120,000
Rod string	-				-
Artificial Lift Equipment	-		20,000		20,000
Compressor	-			27,500	27,500
Installation Costs	-		-	80,000	80,000
Surface Pumps	-		5,000	15,000	20,000
Non-controllable Surface	-		-	2,000	2,000
Non-controllable Downhole	-		-		-
Downhole Pumps	-		-		-
Measurement & Meter Installation	-		11,000	32,000	43,000
Gas Conditioning / Dehydration				-	-
Interconnecting Facility Piping			-	53,125	53,125
Gathering / Bulk Lines					-
Valves, Dumps, Controllers			2,000	-	2,000
Tank / Facility Containment			-	8,750	8,750
Flare Stack			-	20,625	20,625
Electrical / Grounding			-	40,000	40,000
Communications / SCADA			12,000	5,000	17,000
Instrumentation / Safety				39,000	39,000
TOTAL TANGIBLES >	1,342,044	49,824	214,238	604,181	2,210,287
TOTAL COSTS >	3,640,932	4,424,941	610,849	649,611	9,326,334

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Tyler Kinnon	Team Lead - WTX/NM	
Completions Engineer:	Colin Lesnick		JME
Production Engineer:	Kyle Christy		

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, Res	WTE	SVP Geoscience	NLF	COO- Drilling, Completion and Production	CC
Executive VP, Legal	CA				
President	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 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.

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 4th, 2023	AFE NO.:	
WELL NAME:	Scott King State Com #131H	FIELD:	Bone Spring
LOCATION:	Section 1&2 24S 28E	MD/TVD:	16637'8870'
COUNTY/STATE:	Eddy, NM	LATERAL LENGTH:	7,200
MRC WI:			
GEOLOGIC TARGET:	Third Bone Spring		
REMARKS:	Drill and complete a horizontal 1.5 mile long 3rd Bone Spring target with about 31 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	154,333	13,000	25,000	12,500	204,833
Drilling	586,950				586,950
Cementing & Float Equip	196,000				196,000
Logging / Formation Evaluation	-	8,000	3,000		11,000
Flowback - Labor			31,050		31,050
Flowback - Surface Rentals			121,488		121,488
Flowback - Rental Living Quarters			-		-
Mud Logging	14,500				14,500
Mud Circulation System	66,375				66,375
Mud & Chemicals	415,000	57,500	9,000		481,500
Mud / Wastewater Disposal	115,000	-	7,500	1,000	123,500
Freight / Transportation	8,500	33,500		-	42,000
Rig Supervision / Engineering	63,000	81,100	9,900	1,800	155,800
Drill Bits	45,800				45,800
Fuel & Power	108,000	549,304		-	657,304
Water	22,500	452,813	3,000	1,000	479,313
Drlg & Completion Overhead	10,000	-		-	10,000
Plugging & Abandonment	-				-
Directional Drilling, Surveys	238,281				238,281
Completion Unit, Swab, CTU	-	150,000	11,400		161,400
Perforating, Wireline, Slickline	-	173,318	7,000		180,318
High Pressure Pump Truck	-	97,000	8,000	-	105,000
Stimulation	-	2,116,575			2,116,575
Stimulation Flowback & Disp	-	15,500	50,400		65,900
Insurance	10,648				10,648
Labor	138,500	57,000	12,500	5,000	213,000
Rental - Surface Equipment	64,810	287,070	10,000	5,000	366,880
Rental - Downhole Equipment	117,500	82,500	2,000	-	202,000
Rental - Living Quarters	35,310	43,365	-	5,000	83,675
Contingency	74,505	157,573	35,374	4,130	271,581
Operations Center	14,490				14,490
TOTAL INTANGIBLES >	2,558,002	4,375,118	396,611	45,430	7,375,161

TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	\$ 43,932	\$	\$	\$	\$ 43,932
Intermediate Casing	499,159				499,159
Drilling Liner	-				-
Production Casing	762,848				762,848
Production Liner	-				-
Tubing	-		128,238		128,238
Wellhead	78,000		30,000		108,000
Packers, Liner Hangers	-	49,824	6,000		55,824
Tanks	-			35,000	35,000
Production Vessels	-			126,181	126,181
Flow Lines	-			120,000	120,000
Rod string	-				-
Artificial Lift Equipment	-		20,000		20,000
Compressor	-			27,500	27,500
Installation Costs	-		-	80,000	80,000
Surface Pumps	-		5,000	15,000	20,000
Non-controllable Surface	-		-	2,000	2,000
Non-controllable Downhole	-		-		-
Downhole Pumps	-		-		-
Measurement & Meter Installation	-		11,000	32,000	43,000
Gas Conditioning / Dehydration				-	-
Interconnecting Facility Piping			-	53,125	53,125
Gathering / Bulk Lines					-
Valves, Dumps, Controllers			2,000	-	2,000
Tank / Facility Containment			-	8,750	8,750
Flare Stack			-	20,625	20,625
Electrical / Grounding			-	40,000	40,000
Communications / SCADA			12,000	5,000	17,000
Instrumentation / Safety				39,000	39,000
TOTAL TANGIBLES >	1,383,939	49,824	214,238	604,181	2,252,182
TOTAL COSTS >	3,941,941	4,424,941	610,849	649,611	9,627,343

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Tyler Kinnon	Team Lead - WTX/NM	
Completions Engineer:	Colin Lesnick		JME
Production Engineer:	Kyle Christy		

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, Res	WTE	SVP Geoscience	NLF	COO- Drilling, Completion and Production	CC
Executive VP, Legal	CA				
President	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 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.

MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
Voice 972.371.5403 • Fax 214.866.4946
reece.clark@matadorresources.com

Reece Clark
Landman

May 4, 2023

VIA CERTIFIED RETURN RECEIPT MAIL

Benco Energy, Inc.
P.O. Box 29
Fort Worth, TX 76101

Re: Scott King #111H, #112H, #121H, #122H, #131H & #132H (the "Wells")
Participation Proposal
N2 of Section 1 & NE/4 of Section 2, Township 24 South, Range 28 East
Eddy County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Scott King State Com #111H, Scott King Fed Com #112H, Scott King State Com #121H, Scott King Fed Com #122H, Scott King State Com #131H & Scott King Fed Com #132H wells, located in N2 of Section 1 & NE/4 of Section 2, Township 24 South, Range 28 East, Eddy County, New Mexico.

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 six (6) enclosed Authority for Expenditures ("AFE") dated May 4, 2023.
- **Scott King State Com #111H:** to be drilled from a legal location with a proposed surface hole location located at 1,030' FNL and 765' FEL of Section 1-24S-28E, a proposed first take point located at 660' FNL and 100' FEL of Section 1-24S-28E, and a proposed last take point located at 660' FNL and 2,543' FEL of Section 2-24S-28E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~7,500' TVD) to a Measured Depth of approximately 15,267'.
- **Scott King Fed Com #112H:** to be drilled from a legal location with a proposed surface hole location located at 1,055' FNL and 782' FEL of Section 1-24S-28E, a proposed first take point located at 1,980' FNL and 100' FEL of Section 1-24S-28E, and a proposed last take point located at 1,980' FNL and 2,552' FEL of Section 2-24S-28E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~7,490' TVD) to a Measured Depth of approximately 15,257'.
- **Scott King State Com #121H:** to be drilled from a legal location with a proposed surface hole location located at 1,013' FNL and 790' FEL of Section 1-24S-28E, a proposed first take point located at 330' FNL and 100' FEL of Section 1-24S-28E, and a proposed last take point located at 332' FNL and 2,541' FEL of Section 2-24S-28E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~8,450' TVD) to a Measured Depth of approximately 16,217'.

- **Scott King Fed Com #122H:** to be drilled from a legal location with a proposed surface hole location located at 1,037' FNL and 807' FEL of Section 1-24S-28E, a proposed first take point located at 1,650' FNL and 100' FEL of Section 1-24S-28E, and a proposed last take point located at 1,650' FNL and 2,550' FEL of Section 2-24S-28E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~8,450' TVD) to a Measured Depth of approximately 16,217'.
- **Scott King State Com #131H:** to be drilled from a legal location with a proposed surface hole location located at 1,076' FNL and 699' FEL of Section 1-24S-28E, a proposed first take point located at 660' FNL and 100' FEL of Section 1-24S-28E, and a proposed last take point located at 660' FNL and 2,543' FEL of Section 2-24S-28E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~8,870' TVD) to a Measured Depth of approximately 16,637'.
- **Scott King Fed Com #132H:** to be drilled from a legal location with a proposed surface hole location located at 1,100' FNL and 716' FEL of Section 1-24S-28E, a proposed first take point located at 1,980' FNL and 100' FEL of Section 1-24S-28E, and a proposed last take point located at 1,980' FNL and 2,552' FEL of Section 2-24S-28E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~8,870' TVD) to a Measured Depth of approximately 16,637'.

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.

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, which will be provided at a later date, 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 AFEs within thirty (30) days of receipt of this notice. Please be aware that the enclosed AFEs 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

Reece Clark

Reece Clark

Benco Energy, Inc. hereby elects to:

____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador
Production Company's Scott King State Com #111H well.

☒ Not to participate in the Scott King State Com #111H

____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador
Production Company's Scott King Fed Com #112H well.

☒ Not to participate in the Scott King Fed Com #112H

____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador
Production Company's Scott King State Com #121H well.

☒ Not to participate in the Scott King State Com #121H

____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador
Production Company's Scott King Fed Com #122H well.

☒ Not to participate in the Scott King Fed Com #122H

____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador
Production Company's Scott King State Com #131H well.

☒ Not to participate in the Scott King State Com #131H

____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador
Production Company's Scott King Fed Com #132H well.

☒ Not to participate in the Scott King Fed Com #132H

Benco Energy, Inc.

By:

William K. Gentry

Title:

PRESIDENT

Date:

6/09/2023

Contact Number:

817-259-9100

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 4th, 2023	AFE NO.:	
WELL NAME:	Scott King State Com #111H	FIELD:	Bone Spring
LOCATION:	Section 1&2 24S 28E	MD/TVD:	15267/7750'
COUNTY/STATE:	Eddy, NM	LATERAL LENGTH:	7,200
MRC WI:			
GEOLOGIC TARGET:	First Bone Spring Sand		
REMARKS:	Drill and complete a horizontal 1.5 mile long First Bone Spring sand target with about 31 frac stages		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
INTANGIBLE COSTS					
Land / Legal / Regulatory	\$ 58,000	\$ -	\$ 50,000	\$ 10,000	\$ 118,000
Location, Surveys & Damages	174,333	13,000	25,000	12,500	224,833
Drilling	619,550	-	-	-	619,550
Cementing & Float Equip	181,000	-	-	-	181,000
Logging / Formation Evaluation	-	8,000	3,000	-	11,000
Flowback - Labor	-	-	31,050	-	31,050
Flowback - Surface Rentals	-	-	121,488	-	121,488
Flowback - Rental Living Quarters	-	-	-	-	-
Mud Logging	26,100	-	-	-	26,100
Mud Circulation System	69,900	-	-	-	69,900
Mud & Chemicals	390,000	57,500	9,000	-	456,500
Mud / Wastewater Disposal	125,000	-	7,500	1,000	133,500
Freight / Transportation	12,750	33,500	-	-	46,250
Rig Supervision / Engineering	67,200	81,100	9,800	1,800	180,000
Drill Bits	58,300	-	-	-	58,300
Fuel & Power	115,200	549,304	-	-	664,504
Water	22,500	452,813	3,000	1,000	479,313
Drig & Completion Overhead	10,000	-	-	-	10,000
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	220,471	-	-	-	220,471
Completion Unit, Swab, CTU	-	150,000	11,400	-	161,400
Perforating, Wireline, Slickline	-	173,318	7,000	-	180,318
High Pressure Pump Truck	-	97,000	8,000	-	105,000
Stimulation	-	2,116,575	-	-	2,116,575
Stimulation Flowback & Disp	-	15,500	50,400	-	65,900
Insurance	9,771	-	-	-	9,771
Labor	138,500	57,000	12,500	5,000	213,000
Rental - Surface Equipment	68,650	287,070	10,000	5,000	370,720
Rental - Downhole Equipment	120,500	82,500	2,000	-	205,000
Rental - Living Quarters	36,240	43,365	-	5,000	84,605
Contingency	76,488	157,573	35,374	4,130	273,565
Operations Center	15,456	-	-	-	15,456
TOTAL INTANGIBLES >	2,625,120	4,375,118	395,611	45,430	7,445,279
TANGIBLE COSTS					
Surface Casing	\$ 43,932	\$ -	\$ -	\$ -	\$ 43,932
Intermediate Casing	417,835	-	-	-	417,835
Drilling Liner	-	-	-	-	-
Production Casing	703,514	-	-	-	703,514
Production Liner	-	-	-	-	-
Tubing	-	-	128,238	-	128,238
Wellhead	78,000	-	30,000	-	108,000
Packers, Liner Hangers	-	49,824	6,000	-	55,824
Tanks	-	-	-	35,000	35,000
Production Vessels	-	-	-	126,181	126,181
Flow Lines	-	-	-	120,000	120,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	20,000	-	20,000
Compressor	-	-	-	27,500	27,500
Installation Costs	-	-	-	80,000	80,000
Surface Pumps	-	-	5,000	15,000	20,000
Non-controllable Surface	-	-	-	2,000	2,000
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	11,000	32,000	43,000
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	53,125	53,125
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	2,000	-	2,000
Tank / Facility Containment	-	-	-	8,750	8,750
Flare Stack	-	-	-	20,825	20,825
Electrical / Grounding	-	-	-	40,000	40,000
Communications / SCADA	-	-	12,000	5,000	17,000
Instrumentation / Safety	-	-	-	38,000	38,000
TOTAL TANGIBLES >	1,243,382	49,824	214,238	604,181	2,111,625
TOTAL COSTS >	3,868,502	4,424,941	610,849	649,611	9,554,904

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer: Tyler Ximmon
 Completions Engineer: Colin Lesnick
 Production Engineer: Kyle Christy

Team Lead - WTX/NM

JME

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, Res

WTE

SVP Geoscience

NLF

COO- Drilling, Completion and Production

CC

Executive VP, Legal

CA

President

BG

NON OPERATING PARTNER APPROVAL:

Company Name:

Working Interest (%):

Tax ID:

Signed by:

Date:

Title:

Approval: Yes

No (mark one)

This cost on this AFE are estimates only and may not be confirmed as savings on any specific item or the total cost of the project. Telling this/that 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 proportional share of actual costs incurred, including legal, auditing, regulatory, insurance and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well. Participants shall be removed by and held proportionately for Operator's cost control and general liability insurance unless participant provides Operator a written undertaking to own insurance to an amount comparable to the Operator by the date of approval.

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 4th, 2023	AFE NO.:	
WELL NAME:	Scott King Fed Com #112H	FIELD:	Bone Spring
LOCATION:	Section 1&2 24S 28E	MD/TVD:	15257/7490'
COUNTY/STATE:	Edgely, NM	LATERAL LENGTH:	7,200
MRC WI:			
GEOLOGIC TARGET:	First Bone Spring Sand		
REMARKS:	Drill and complete a horizontal 1.5 mile long First Bone Spring sand target with about 31 frac stages		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
INTANGIBLE COSTS					
Land / Legal / Regulatory	\$ 58,000	\$ -	\$ 50,000	\$ 10,000	\$ 118,000
Location, Surveys & Damages	174,333	13,000	25,000	12,500	224,833
Drilling	619,550	-	-	-	619,550
Cementing & Float Equip	191,000	-	-	-	191,000
Logging / Formation Evaluation	-	8,000	3,000	-	11,000
Flowback - Labor	-	-	31,050	-	31,050
Flowback - Surface Rentals	-	-	121,488	-	121,488
Flowback - Rental Living Quarters	-	-	-	-	-
Mud Logging	26,100	-	-	-	26,100
Mud Circulation System	69,900	-	-	-	69,900
Mud & Chemicals	390,000	57,500	9,000	-	456,500
Mud / Wastewater Disposal	125,000	-	7,500	1,000	133,500
Freight / Transportation	12,750	38,500	-	-	46,250
Rig Supervision / Engineering	67,200	81,100	9,900	1,800	160,000
Drill Bits	58,300	-	-	-	58,300
Fuel & Power	115,200	549,304	-	-	664,504
Water	22,500	452,813	3,000	1,000	478,313
Drig & Completion Overhead	10,000	-	-	-	10,000
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	220,341	-	-	-	220,341
Completion Unit, Swab, CTU	-	150,000	11,400	-	161,400
Perforating, Wireline, Slickline	-	173,318	7,000	-	180,318
High Pressure Pump Truck	-	97,000	8,000	-	105,000
Stimulation	-	2,118,575	-	-	2,118,575
Stimulation Flowback & Disp	-	15,500	50,400	-	65,900
Insurance	9,754	-	-	-	9,754
Labor	138,500	57,000	12,500	5,000	213,000
Rental - Surface Equipment	68,880	287,070	10,000	5,000	370,930
Rental - Downhole Equipment	120,500	82,500	2,000	-	205,000
Rental - Living Quarters	38,240	43,365	-	5,000	84,605
Contingency	76,485	157,573	35,574	4,130	273,661
Operations Center	15,456	-	-	-	15,456
TOTAL INTANGIBLES >	2,625,980	4,375,118	396,611	45,430	7,443,139
TANGIBLE COSTS					
Surface Casing	\$ 43,932	\$ -	\$ -	\$ -	\$ 43,932
Intermediate Casing	417,372	-	-	-	417,372
Drilling Liner	-	-	-	-	-
Production Casing	703,081	-	-	-	703,081
Production Liner	-	-	-	-	-
Tubing	-	-	128,238	-	128,238
Wellhead	78,000	-	30,000	-	108,000
Packers, Liner Hangers	-	48,824	6,000	-	55,824
Tanks	-	-	-	35,000	35,000
Production Vessels	-	-	-	126,181	126,181
Flow Lines	-	-	-	120,000	120,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	20,000	-	20,000
Compressor	-	-	-	27,500	27,500
Installation Costs	-	-	-	60,000	60,000
Surface Pumps	-	-	5,000	15,000	20,000
Non-controllable Surface	-	-	-	2,000	2,000
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	11,000	32,000	43,000
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	53,125	53,125
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	2,000	-	2,000
Tank / Facility Containment	-	-	-	8,750	8,750
Flare Stack	-	-	-	20,625	20,625
Electrical / Grounding	-	-	-	40,000	40,000
Communications / SCADA	-	-	12,000	5,000	17,000
Instrumentation / Safety	-	-	-	39,000	39,000
TOTAL TANGIBLES >	1,242,384	49,824	214,238	604,181	2,110,627
TOTAL COSTS >	3,868,364	4,424,941	610,849	649,611	9,553,766

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer: Tyler Kinmon
 Completions Engineer: Colin Lesnick
 Production Engineer: Kyle Chisley

Team Lead - WTX/NM

JME

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, Res: WTE
 Executive VP, Legal: CA
 President: BG

SVP Geoscience: NLF

COO- Drilling, Completion and Production

CC

NON OPERATING PARTNER APPROVAL:

Company Name:

Working Interest (%):

Tax ID:

Signed by:

Date:

Title:

Approval: Yes

No (mark one)

The copy on this AFE is estimates only and may not be considered an offering or any specific loan or the total cost of the project. Tying installation approved under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Production agrees to pay the associated costs of actual costs incurred, including, but not limited to, engineering, geoscience and well costs under the terms of the wellhead/paid operating agreement, regulatory orders or other equipment covering the well. Participants shall be deemed to have agreed to the AFE's well control and general liability insurance unless participant provides evidence of insurance to the Operator by the date of sign-off.

AFE - Version 3

MATADOR PRODUCTION COMPANY

ONE LINCOLN CENTRE • 6400 LBJ FREEWAY • SUITE 1600 • DALLAS, TEXAS 75240
Phone (972) 371-5200 • Fax (972) 371-5201

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	May 4th, 2023	AFE NO.:	
WELL NAME:	Scott King State Com #121H	FIELD:	Bone Spring
LOCATION:	Section 1&2 24S 28E	MDTV/D:	162177/8450'
COUNTY/STATE:	Eddy, NM	LATERAL LENGTH:	7,200
MRC WI:			
GEOLOGIC TARGET:	Second Bone Spring Sand		
REMARKS:	Drill and complete a horizontal 1.5 mile long 2nd Bone Spring sand target with about 31 frac stages		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
INTANGIBLE COSTS					
Land / Legal / Regulatory	\$ 66,000	\$ -	\$ 60,000	\$ 10,000	\$ 116,000
Location, Surveys & Damages	154,333	13,000	25,000	12,500	204,833
Drilling	538,050	-	-	-	538,050
Cementing & Float Equip	191,000	-	-	-	191,000
Logging / Formation Evaluation	-	8,000	3,000	-	11,000
Flowback - Labor	-	-	31,050	-	31,050
Flowback - Surface Rentals	-	-	121,488	-	121,488
Flowback - Rental Living Quarters	-	-	-	-	-
Mud Logging	7,250	-	-	-	7,250
Mud Circulation System	61,088	-	-	-	61,088
Mud & Chemicals	325,000	57,500	5,000	-	387,500
Mud / Wastewater Disposal	115,000	-	7,500	1,000	123,500
Freight / Transportation	8,500	33,500	-	-	42,000
Rig Supervision / Engineering	56,700	81,100	8,900	1,800	149,500
Drill Bits	45,600	-	-	-	45,600
Fuel & Power	97,200	549,304	-	-	646,504
Water	22,500	452,813	3,000	1,000	479,313
Drig & Completion Overhead	10,000	-	-	-	10,000
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	210,821	-	-	-	210,821
Completion Unit, Swab, CTU	-	150,000	11,400	-	161,400
Perforating, Wireline, Silckline	-	173,318	7,000	-	180,318
High Pressure Pump Truck	-	97,000	8,000	-	105,000
Stimulation	-	2,116,575	-	-	2,116,575
Stimulation Flowback & Diep	-	15,500	50,400	-	65,900
Insurance	10,379	-	-	-	10,379
Labor	138,500	57,000	12,500	5,000	213,000
Rental - Surface Equipment	55,735	287,070	10,000	5,000	360,805
Rental - Downhole Equipment	98,000	82,500	2,000	-	182,500
Rental - Living Quarters	33,915	43,365	-	5,000	82,280
Contingency	45,076	157,573	35,374	4,130	242,153
Operations Center	13,041	-	-	-	13,041
TOTAL INTANGIBLES >	2,288,888	4,375,118	386,611	45,430	7,116,047
TANGIBLE COSTS					
Surface Casing	\$ 43,932	\$ -	\$ -	\$ -	\$ 43,932
Intermediate Casing	475,454	-	-	-	475,454
Drilling Liner	-	-	-	-	-
Production Casing	744,658	-	-	-	744,658
Production Liner	-	-	-	-	-
Tubing	-	-	126,238	-	126,238
Wellhead	78,000	-	30,000	-	108,000
Packers, Liner Hangers	-	49,824	6,000	-	55,824
Tanks	-	-	-	35,000	35,000
Production Vessels	-	-	-	126,181	126,181
Flow Lines	-	-	-	120,000	120,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	20,000	-	20,000
Compressor	-	-	-	27,500	27,500
Installation Costs	-	-	-	80,000	80,000
Surface Pumps	-	-	5,000	15,000	20,000
Non-controllable Surface	-	-	-	2,000	2,000
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	11,000	32,000	43,000
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	53,125	53,125
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	2,000	-	2,000
Tank / Facility Containment	-	-	-	8,750	8,750
Flare Stack	-	-	-	20,625	20,625
Electrical / Grounding	-	-	-	40,000	40,000
Communications / SCADA	-	-	12,000	5,000	17,000
Instrumentation / Safety	-	-	-	39,000	39,000
TOTAL TANGIBLES >	1,342,044	49,824	214,238	604,181	2,210,287
TOTAL COSTS >	3,640,932	4,424,941	610,849	649,611	9,326,334

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer: Tyler Kinnon
 Completions Engineer: Colin Lesnick
 Production Engineer: Kyle Christy

Team Lead - WTX/NM


MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, Res: WTE
 Executive VP, Legal: CA
 President: BG

SVP Geoscience: NLF

COO- Drilling, Completion and Production: CC

NON OPERATING PARTNER APPROVAL:

Company Name: _____ Working Interest (%): _____
 Signed by: _____ Date: _____
 Title: _____ Approval: Yes ☒ No ☐ (mark one)

This could on this AFE are estimates only and may not be considered as a binding contract or any specific term or the total cost of the project. Taking into account the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay the proportionate share of actual costs incurred, including, but not limited to, legal, consulting, regulatory, brokerage and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this work. Participants shall be covered by and shall be responsible for Operator's well control and general liability insurance unless participant provides Operator a certificate evidencing its own insurance to its direct responsibility to the Operator by the date of input.

AFE - Version 3

MATADOR PRODUCTION COMPANY

ONE LINCOLN CENTRE • 5400 LEJ FREEWAY • SUITE 1500 • DALLAS, TEXAS 75240

Phone (972) 371-5200 • Fax (972) 371-5201

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	May 4th, 2023	AFE NO.:	
WELL NAME:	Scott King Fed Com #122H	FIELD:	Bone Spring
LOCATION:	Section 1&2 24S 28E	MD/TVD:	16217/8450'
COUNTY/STATE:	Eddy, NM	LATERAL LENGTH:	7,200
MRC WI:			
GEOLOGIC TARGET:	Second Bone Spring Sand		
REMARKS:	Drill and complete a horizontal 1.5 mile long 2nd Bone Spring sand target with about 31 frac stages		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
INTANGIBLE COSTS					
Land / Legal / Regulatory	\$ 58,000	\$ -	\$ 50,000	\$ 10,000	\$ 118,000
Location, Surveys & Damages	154,333	13,000	25,000	12,500	204,833
Drilling	538,050	-	-	-	538,050
Cementing & Float Equip	191,000	-	-	-	191,000
Logging / Formation Evaluation	-	8,000	3,000	-	11,000
Flowback - Labor	-	-	31,050	-	31,050
Flowback - Surface Rentals	-	-	121,483	-	121,483
Flowback - Rental Living Quarters	-	-	-	-	-
Mud Logging	7,250	-	-	-	7,250
Mud Circulation System	61,088	-	-	-	61,088
Mud & Chemicals	325,000	57,500	8,000	-	391,500
Mud / Wastewater Disposal	115,000	-	7,500	1,000	123,500
Freight / Transportation	8,500	33,500	-	-	42,000
Rig Supervision / Engineering	56,700	81,100	8,900	1,800	148,500
Drill Bits	45,800	-	-	-	45,800
Fuel & Power	97,200	549,304	-	-	646,504
Water	22,500	452,813	3,000	1,000	479,313
Drig & Completion Overhead	10,000	-	-	-	10,000
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	210,821	-	-	-	210,821
Completion Unit, Swab, CTU	-	150,000	11,400	-	161,400
Perforating, Wireline, Stickline	-	173,318	7,000	-	180,318
High Pressure Pump Truck	-	97,000	8,000	-	105,000
Stimulation	-	2,116,575	-	-	2,116,575
Stimulation Flowback & Disp	-	15,500	50,400	-	65,900
Insurance	10,379	-	-	-	10,379
Labor	138,500	57,000	12,500	5,000	213,000
Rental - Surface Equipment	58,735	287,070	10,000	5,000	360,805
Rental - Downhole Equipment	18,000	62,500	2,000	-	82,500
Rental - Living Quarters	33,315	43,365	-	5,000	82,280
Contingency	45,076	157,573	35,374	4,130	242,153
Operations Center	13,041	-	-	-	13,041
TOTAL INTANGIBLES >	2,288,888	4,375,118	396,611	45,430	7,116,047
TANGIBLE COSTS					
Surface Casing	\$ 43,832	\$ -	\$ -	\$ -	\$ 43,832
Intermediate Casing	475,454	-	-	-	475,454
Drilling Liner	-	-	-	-	-
Production Casing	744,658	-	-	-	744,658
Production Liner	-	-	-	-	-
Tubing	-	-	128,238	-	128,238
Weilhead	78,000	-	30,000	-	108,000
Packers, Liner Hangers	-	49,824	8,000	-	57,824
Tanks	-	-	-	35,000	35,000
Production Vessels	-	-	-	126,181	126,181
Flow Lines	-	-	-	120,000	120,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	20,000	-	20,000
Compressor	-	-	-	27,500	27,500
Installation Costs	-	-	-	80,000	80,000
Surface Pumps	-	-	5,000	15,000	20,000
Non-controllable Surface	-	-	-	2,000	2,000
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	11,000	32,000	43,000
Measurement & Meter Installation	-	-	-	-	-
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	53,125	53,125
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	2,000	-	2,000
Tank / Facility Containment	-	-	-	8,750	8,750
Flare Stack	-	-	-	20,625	20,625
Electrical / Grounding	-	-	-	40,000	40,000
Communications / SCADA	-	-	12,000	5,000	17,000
Instrumentation / Safety	-	-	-	39,000	39,000
TOTAL TANGIBLES >	1,342,044	49,824	214,238	604,181	2,210,287
TOTAL COSTS >	3,640,932	4,424,941	610,849	649,611	9,326,334

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer: Tyler Kinnon
 Completions Engineer: Colin Leankik
 Production Engineer: Kyle Christy

Team Lead - WTX/NM

JME

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, Res _____
 WTE
 Executive VP, Legal _____
 CA
 President _____
 BG

SVP Geoscience _____
 NLFCOD- Drilling, Completion and Production _____
 CC**NON OPERATING PARTNER APPROVAL:**

Company Name: _____

Working Interest (%): _____

Tax ID: _____

Signed by: _____

Date: _____

Title: _____

Approval: Yes

No (mark one)

This costs to this AFE are estimates only and may not be available on a specific item of the total cost of the project. Totaling liabilities 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, advisory, regulatory, brokerage and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement governing this well. Participants shall be deemed to have agreed proportionately for Operator's well control and general liability, however, unless participant provides Operator a certificate endorsing its own insurance in an amount acceptable to the Operator by the date of sign-off.

AFE - Version 3

MATADOR PRODUCTION COMPANY

ONE LINCOLN CENTRE • 5400 LBJ FREEWAY • SUITE 1800 • DALLAS, TEXAS 75240

Phone (972) 371-5200 • Fax (972) 371-5201

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	May 4th, 2023	AFE NO.:	
WELL NAME:	Scott King State Com #131H	FIELD:	Bone Spring
LOCATION:	Section 1&2 24S 28E	MD/TVD:	18637/8870'
COUNTY/STATE:	Eddy, NM	LATERAL LENGTH:	7,200
MRC WI:			
GEOLOGIC TARGET:	Third Bone Spring		
REMARKS:	Drill and complete a horizontal 1.5 mile long 3rd Bone Spring target with about 31 frac stages		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
INTANGIBLE COSTS					
Land / Legal / Regulatory	\$ 58,000	\$ -	\$ 50,000	\$ 10,000	\$ 118,000
Location, Surveys & Damages	154,333	13,000	25,000	12,500	204,833
Drilling	586,950	-	-	-	586,950
Cementing & Float Equip	196,000	-	-	-	196,000
Logging / Formation Evaluation	-	8,000	3,000	-	11,000
Flowback - Labor	-	-	31,050	-	31,050
Flowback - Surface Rentals	-	-	121,488	-	121,488
Flowback - Rental Living Quarters	-	-	-	-	-
Mud Logging	14,500	-	-	-	14,500
Mud Circulation System	66,375	-	-	-	66,375
Mud & Chemicals	415,000	57,500	9,000	-	481,500
Mud / Wastewater Disposal	115,000	-	7,500	1,000	123,500
Freight / Transportation	8,500	38,500	-	-	42,000
Rig Supervision / Engineering	63,000	81,100	9,900	1,800	155,800
Drill Bits	45,800	-	-	-	45,800
Fuel & Power	108,000	549,304	-	-	657,304
Water	22,500	452,813	3,000	1,000	479,313
Drig & Completion Overhead	10,000	-	-	-	10,000
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	238,281	-	-	-	238,281
Completion Unit, Swab, CTU	-	150,000	11,400	-	161,400
Perforating, Wireline, Stuckline	-	173,318	7,000	-	180,318
High Pressure Pump Truck	-	97,000	8,000	-	105,000
Stimulation	-	2,116,575	-	-	2,116,575
Stimulation Flowback & Dip	-	15,500	50,400	-	65,900
Insurance	10,848	-	-	-	10,848
Labor	136,500	57,000	12,500	5,000	211,000
Rental - Surface Equipment	64,810	287,070	10,000	5,000	366,880
Rental - Downhole Equipment	117,500	82,500	2,000	-	202,000
Rental - Living Quarters	35,310	43,365	-	5,000	83,675
Contingency	74,605	167,673	35,374	4,130	271,581
Operations Center	14,490	-	-	-	14,490
TOTAL INTANGIBLES >	2,568,002	4,375,118	396,611	45,430	7,375,161
TANGIBLE COSTS					
Surface Casing	\$ 43,832	\$ -	\$ -	\$ -	\$ 43,832
Intermediate Casing	499,159	-	-	-	499,159
Drilling Liner	-	-	-	-	-
Production Casing	762,848	-	-	-	762,848
Production Liner	-	-	-	-	-
Tubing	-	-	128,238	-	128,238
Wellhead	78,000	-	30,000	-	108,000
Packers, Liner Hangers	-	49,824	6,000	-	55,824
Tanks	-	-	-	35,000	35,000
Production Vessels	-	-	-	128,181	128,181
Flow Lines	-	-	-	120,000	120,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	20,000	-	20,000
Compressor	-	-	-	27,500	27,500
Installation Costs	-	-	-	80,000	80,000
Surface Pumps	-	-	5,000	15,000	20,000
Non-controllable Surface	-	-	-	2,000	2,000
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	11,000	32,000	43,000
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	53,125	53,125
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	2,000	-	2,000
Tank / Facility Containment	-	-	-	8,750	8,750
Piase Stack	-	-	-	20,625	20,625
Electrical / Grounding	-	-	-	40,000	40,000
Communications / SCADA	-	-	12,000	5,000	17,000
Instrumentation / Safety	-	-	-	39,000	39,000
TOTAL TANGIBLES >	1,383,939	49,824	214,238	604,181	2,252,182
TOTAL COSTS >	3,941,941	4,424,941	610,849	649,611	9,627,343

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer: Tyler Kinson
 Completions Engineer: Colin Lesnick
 Production Engineer: Kyle Christy

Team Lead - WTX/NM

JME

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, Res

WTE

SVP Geoscience

NLF

COO- Drilling, Completion and Production

CC

Executive VP, Legal

CA

President

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 considered as ceilings on any specific item or the total cost of the project. "Taking Instruction approval" 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, creative, 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 to an amount acceptable to the Operator by the time of report.

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 4th, 2023	AFE NO.:	
WELL NAME:	Scott King Fed Corn #132H	FIELD:	Bone Spring
LOCATION:	Section 1&2 24S 28E	MD/TVD:	19937/8870'
COUNTY/STATE:	Eddy, NM	LATERAL LENGTH:	7,200
MRC WI:			
GEOLOGIC TARGET:	Third Bone Spring		
REMARKS:	Drill and complete a horizontal 1.5 mile long 3rd Bone Spring target with about 31 frac stages		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
INTANGIBLE COSTS					
Land / Legal / Regulatory	\$ 58,000	\$ -	\$ 50,000	\$ 10,000	\$ 118,000
Location, Surveys & Damages	154,333	13,000	25,000	12,500	204,833
Drilling	586,950	-	-	-	586,950
Cementing & Float Equip	186,000	-	-	-	186,000
Logging / Formation Evaluation	-	8,000	3,000	-	11,000
Flowback - Labor	-	-	31,050	-	31,050
Flowback - Surface Rentals	-	-	121,488	-	121,488
Flowback - Rental Living Quarters	-	-	-	-	-
Mud Logging	14,500	-	-	-	14,500
Mud Circulation System	66,375	-	-	-	66,375
Mud & Chemicals	415,000	57,500	9,000	-	481,500
Mud / Wastewater Disposal	115,000	-	7,500	1,000	123,500
Freight / Transportation	8,500	33,500	-	-	42,000
Rig Supervision / Engineering	83,000	61,100	9,900	1,800	155,800
Drill Bits	45,800	-	-	-	45,800
Fuel & Power	108,000	549,304	-	-	657,304
Water	22,500	452,813	3,000	1,000	479,313
Drig & Completion Overhead	10,000	-	-	-	10,000
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	238,281	-	-	-	238,281
Completion Unit, Swab, CTU	-	150,000	11,400	-	161,400
Perforating, Wireline, Slickline	-	173,318	7,000	-	180,318
High Pressure Pump Truck	-	97,000	8,000	-	105,000
Stimulation	-	2,116,576	-	-	2,116,576
Stimulation Flowback & Disp	-	15,500	50,400	-	65,900
Insurance	10,648	-	-	-	10,648
Labor	136,500	57,000	12,500	5,000	211,000
Rental - Surface Equipment	64,810	287,070	10,000	5,000	366,880
Rental - Downhole Equipment	117,500	62,500	2,000	-	202,000
Rental - Living Quarters	35,310	43,365	-	5,000	83,675
Contingency	74,505	157,573	35,374	4,130	271,581
Operations Center	14,460	-	-	-	14,460
TOTAL INTANGIBLES >	2,558,002	4,375,118	396,611	45,430	7,375,161
TANGIBLE COSTS					
Surface Casing	\$ 43,632	\$ -	\$ -	\$ -	\$ 43,632
Intermediate Casing	498,159	-	-	-	498,159
Drilling Liner	-	-	-	-	-
Production Casing	762,848	-	-	-	762,848
Production Liner	-	-	-	-	-
Tubing	-	-	128,238	-	128,238
Wellhead	78,000	-	30,000	-	108,000
Packers, Liner Hangers	-	49,824	5,000	-	54,824
Tanks	-	-	-	35,000	35,000
Production Vessels	-	-	-	126,181	126,181
Flow Lines	-	-	-	120,000	120,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	20,000	-	20,000
Compressor	-	-	-	27,500	27,500
Installation Costs	-	-	-	60,000	60,000
Surface Pumps	-	-	5,000	15,000	20,000
Non-controllable Surface	-	-	-	2,000	2,000
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	11,000	32,000	43,000
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	53,125	53,125
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	2,000	-	2,000
Tank / Facility Containment	-	-	-	8,750	8,750
Flare Stack	-	-	-	20,625	20,625
Electrical / Grounding	-	-	-	40,000	40,000
Communications / SCADA	-	-	12,000	5,000	17,000
Instrumentation / Safety	-	-	-	39,000	39,000
TOTAL TANGIBLES >	1,383,939	49,824	214,238	604,181	2,252,182
TOTAL COSTS >	3,941,941	4,424,941	610,849	649,611	9,627,343

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Tyler Kannon	Team Lead - WTX/NM	JME
Completions Engineer:	Colin Lesnick		
Production Engineer:	Kyle Christy		

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, Res	WTE	SVP Geoscience	NLF	COO- Drilling, Completion and Production	CC
Executive VP, Legal	CA				
President	BS				

NON OPERATING PARTNER APPROVAL:

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

This estimate is an estimate only and may not be considered as an offer or any specific form of the total cost of the project. "Noting limitations 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 the proportionate share of actual costs incurred, including legal, consulting, regulatory, brokerage and well costs under the terms of the application just reporting agreement, regulatory order or other agreement covering this well. Participants shall be covered by and billed proportionately for Operator's well cost and general facility expenses unless participant provides Operator a certificate authorizing its own invoice in an amount acceptable to the Operator by the date of sign.

AFE - Version 3

Exhibit C-4

Summary of Communications C Sweeney State Com 111H, 121H, 131H
(fka Scott King State Com 111H, 121H, 131H)

Uncommitted Working Interest Owner

1. Devon Energy Production Company, L.P

Matador has had discussions with **Devon Energy Production Company, L.P** regarding their interest in the C Sweeney (fka Scott King) wells.

- Matador sent proposal on March 20, 2025
- Email correspondence with Devon Energy Production Company, L.P. April 23, 2025
- Email correspondence with Devon Energy Production Company, L.P. from September 23, 2025, to October 17, 2025

2. Benco Energy, Inc.

Matador previously sent Benco Energy, Inc. initial proposals for all Scott King wells (including what's now known as the C Sweeney State Com 111H, 121H, 131H) back in May of 2023, and Benco elected to go non-consent in the subject wells. A copy of Benco's signed election sheet has included in MRC Exhibit C-3. Since May 2023, there have been multiple updates to title calculations, which caused MRC to not include Benco in case no. 23672 initially and now also subsequently caused MRC to re-open this case to then include Benco.

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

**APPLICATION OF MATADOR PRODUCTION
COMPANY TO AMEND ORDER R-22860
TO ADD ADDITIONAL POOLED PARTIES,
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 25584
ORDER NO. R-22860**

**SELF-AFFIRMED STATEMENT OF
PAULA M. VANCE**

1. I am attorney in fact and authorized representative of Matador Production Company (“Matador”), the Applicant herein. I have personal knowledge of the matter addressed herein and am competent to provide this self-affirmed statement.

2. The above-referenced application and notice of the hearing on this application was sent by certified mail to the locatable affected parties on the date set forth in the letter attached hereto.

3. The spreadsheet attached hereto contains the names of the parties to whom notice was provided.

4. The spreadsheet attached hereto contains the information provided by the United States Postal Service on the status of the delivery of this notice as of December 11, 2025.

5. I caused a notice to be published to all parties subject to these proceedings. An affidavit of publication from the publication’s legal clerk with a copy of the notice of publication is attached herein.

6. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Revised Exhibit No. D
Submitted by: Matador Production Company
Hearing Date: December 18, 2025
Case No. 25584**



Paula M. Vance

12/11/25

Date



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

August 22, 2025

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Matador Production Company to Amend Order R-22860 to Add Additional Pooled Parties, Eddy County, New Mexico: *C Sweeney State Com 111H, 121H, & 131H 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. A hearing has been requested before a Division Examiner on September 11, 2025, and the status of the hearing can be monitored through the Division's website at <https://www.emnrd.nm.gov/ocd/>.

It is anticipated that hearings will be held in a hybrid format with both in-person and virtual participation options. The meeting will be held in the Pecos Hall Hearing Room at the Wendall Chino Building, 1st Floor, 1220 South St. Francis Dr., Santa Fe, New Mexico. To participate virtually in the hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

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 to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

If you have any questions about this matter, please contact Reece Clark at (972) 371-5403 or reece.clark@matadorresources.com.

Sincerely,

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

Paula M. Vance
**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



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

November 13, 2025

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Matador Production Company to Amend Order R-22860 to Add Additional Pooled Parties, Eddy County, New Mexico: *C Sweeney State Com 111H, 121H, & 131H 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. A hearing has been requested before a Division Examiner on December 9, 2025, and the status of the hearing can be monitored through the Division's website at <https://www.emnrd.nm.gov/ocd/>.

It is anticipated that hearings will be held in a hybrid format with both in-person and virtual participation options. The meeting will be held in the Pecos Hall Hearing Room at the Wendall Chino Building, 1st Floor, 1220 South St. Francis Dr., Santa Fe, New Mexico. To participate virtually in the hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

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 to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

If you have any questions about this matter, please contact Reece Clark at (972) 371-5403 or reece.clark@matadorresources.com.

Sincerely,

A handwritten signature in blue ink that appears to read "Paula M. Vance".

Paula M. Vance
**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

Postal Delivery Report

9214 8901 9403 8328 7104 09	DEVON ENERGY PRODUCTION COMPANY L P 333 WEST SHERIDAN AVENUE OKLAHOMA CITY OK 73102	Delivered Signature Received
-----------------------------	---	------------------------------

MRC - C Sweeney Reopen R-22860 - 111H, 121H, 131H wells - Case no. 25584 - Additional party
Postal Delivery Report

9214 8901 9403 8342 9306 30	BENCO ENERGY INC PO BOX 29 FORT WORTH TX 76101 TX 76101	Delivered Signature Received
-----------------------------	---	------------------------------

AFFIDAVIT OF PUBLICATION

CARLSBAD CURRENT-ARGUS
PO BOX 507
HUTCHINSON, KS 67504-0507

STATE OF NEW MEXICO } SS
COUNTY OF EDDY }

Account Number: 1232
Ad Number: 60070
Description: Case 25584
Ad Cost: \$72.60

Sherry Groves, being first duly sworn, says:

That she is the Agent of the the Carlsbad Current-Argus, a Weekly newspaper of general circulation, printed and published in Carlsbad, Eddy County, New Mexico; that the publication, a copy of which is attached hereto, was published in said newspaper on the following dates:

August 26, 2025

That said newspaper was regularly issued and circulated on those dates.

SIGNED:

Sherry Groves

Agent

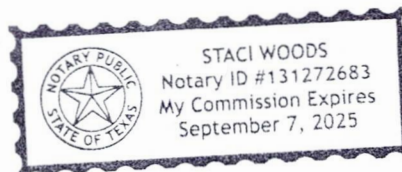
Subscribed to and sworn to me this 3rd day of September 2025.

Staci Woods

Notary Public

County Eddy
ID#: 131272683
My commission expires: 9/7/25

Case No. 25584: Application of Matador Production Company to Amend Order R-22860 to Add Additional Pooled Parties, Eddy County, New Mexico. Notice to all affected interest owners, including all heirs, devisees and successors of: Devon Energy Production Company, L.P. The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division (Division) hereby gives notice that the Division will hold public hearing 8:30 a.m. on September 11, 2025, to consider this application. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the hearings electronically, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/> or contact Freya Tschantz, at Freya.Tschantz@emnrd.nm.gov. Applicant in the above-styled cause seeks an order amending pooling Order R-22860 to add additional interest owners to the pooling order. Division Order R-22860 was issued in Case No. 23672 and pooled uncommitted interest owners in the Bone Spring formation (Culebra Bluff; Bone Spring, South [15011]) underlying the N/2 N/2 of Section 1 and the N/2 NE/4 of Section 2, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. This standard 240-acre overlapping horizontal well spacing unit is currently dedicated to the drilled and producing C Sweeney State Com 111H (API No. 30-015-54331), C Sweeney State Com 121H (API No. 30-015-54333), and C Sweeney State Com 131H (API No. 30-015-54332). The subject area is located approximately 2 miles northeast of Malaga, New Mexico.
60070-Published in Carlsbad Current Argus Aug 26, 2025.



KARI REESE
HOLLAND & HART LLP
420 L STREET, SUITE 550
ANCHORAGE, AK 99501

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Revised Exhibit No. E

Submitted by: Matador Production Company

Hearing Date: November 13, 2025

Case No. 25584

Affidavit of Publication**Copy of Publication:**No. 73460

State of New Mexico

Publisher

County of Eddy:

Adrian Hedden

being duly sworn, says that he is the

Publisher

of the Carlsbad Current Argus, a weekly newspaper of
general circulation, published in English at Carlsbad,
said county and state, and that the hereto attached

Legal Ad

was published in a regular and entire issue of the said
Carlsbad Current Argus, a weekly newspaper duly qualified
for that purpose within the meaning of Chapter 167 of
the 1937 Session Laws of the state of New Mexico for
1 Consecutive weeks/day on the same

day as follows:

First Publication November 20, 2025

Second Publication _____

Third Publication _____

Fourth Publication _____

Fifth Publication _____

Sixth Publication _____

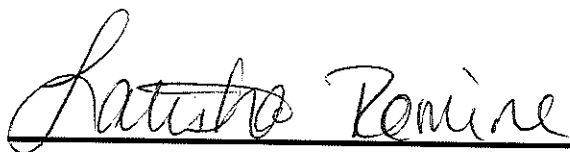
Seventh Publication _____

Eighth Publication _____

Subscribed and sworn before me this

20th day of November 2025

LATISHA ROMINE
Notary Public, State of New Mexico
Commission No. 1076338
My Commission Expires
05-12-2027



Latisha Romine

Notary Public, Eddy County, New Mexico

Case No. 25584: Application of Matador Production Company to Amend Order R-22860 to Add Additional Pooled Parties, Eddy County, New Mexico. Notice to all affected interest owners, including all heirs, devisees and successors of: Benco Energy, Inc. The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division (Division) hereby gives notice that the Division will hold public hearing 8:30 a.m. on December 9, 2025, to consider this application. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the hearings electronically, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/> or contact Freya Tschantz, at Freya.Tschantz@emnrd.nm.gov. Applicant in the above-styled cause seeks an order amending pooling Order R-22860 to add additional interest owners to the pooling order. Division Order R-22860 was issued in Case No. 23672 and pooled uncommitted interest owners in the Bone Spring formation (Culebra Bluff, Bone Spring, South [15011]) underlying the N/2 N/2 of Section 1 and the N/2 NE/4 of Section 2, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. This standard 240-acre overlapping horizontal well spacing unit is currently dedicated to the drilled and producing C Sweeney State Com 111H (API No. 30-015-54331), C Sweeney State Com 121H (API No. 30-015-54333), and C Sweeney State Com 131H (API No. 30-015-54332). The subject area is located approximately 2 miles northeast of Malaga, New Mexico. 73460-Published in Carlsbad Current Argus Nov. 20, 2025.