

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

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised July 18, 2013

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

WELL API NO. 30-015-47013
5. Indicate Type of Lease STATE ☐ FEE ☐
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name VONI FED COM
8. Well Number 021H
9. OGRID Number 228937
10. Pool name or Wildcat Big Sinks Delaware; Southeast

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

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

2. Name of Operator
 MATADOR PRODUCTION COMPANY

3. Address of Operator
 One Lincoln Center 5400 LBJ Freeway Suite 1500 Dallas, Texas 75240

4. Well Location
 Unit Letter D 350 feet from the NORTH line and 594 feet from the WEST line
 Section 21 Township 26-S Range 31-E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 3193'

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

NOTICE OF INTENTION TO:

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

SUBSEQUENT REPORT OF:

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

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Pursuant to Paragraph 3 of Order No. PLC-708, Matador files a copy of the attached communitization agreement, which has been approved.

Spud Date:

n/a

Rig Release Date:

n/a

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

SIGNATURE



TITLE VP & Assistant General Counsel

DATE 9/13/21

Type or print name Kyle Perkins

E-mail address: kperkins@matadorresources.com PHONE: (972) 371-5202

For State Use Only

APPROVED BY:

TITLE

DATE



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
New Mexico State Office
301 Dinosaur Trail
Santa Fe, New Mexico 87508
<https://www.blm.gov/new-mexico>



In Reply Refer To:
NMNM142968
3105.2 (NM920)

Reference:
Communitization Agreement
Voni Fed Com
Section 21 & 28: W2W2
Section 33: W2NW
T.26 S., R.31 E., N.M.P.M.
Eddy County, NM

AUG 20 2021

Matador Production Co.
5400 LBJ Freeway Suite 1500
Dallas TX 75240

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM142968 involving 160.00 acres of Federal land in lease NMNM138866 and 225.38 acres of Federal land in lease NMNM138867, Eddy County, New Mexico, which comprise a 385.38 acre well spacing unit.

The agreement communitizes all rights to gas production from the Delaware formation beneath the W2W2 of Secs. 21 and 28 and the W2NW of Sec. 33 of T. 26 S., R. 31 E., NMPM, Eddy County, NM, and is effective May 19, 2020. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is accurate.

Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

INTERIOR REGION 5 · MISSOURI BASIN
Kansas, Most of Montana, North Dakota,
Nebraska, South Dakota

INTERIOR REGION 6 · ARKANSAS-
RIO GRANDE-TEXAS GULF
Oklahoma, Texas

INTERIOR REGION 7 · UPPER
COLORADO BASIN
Colorado, New Mexico, Utah, Wyoming

If you have any questions regarding this approval, please contact Jordan Yawn by email at jyawn@blm.gov or by phone (505) 954-2138. Please furnish all interested principals with appropriate evidence of this approval.

Sincerely,

**KYLE
PARADIS**

Digitally signed by
KYLE PARADIS
Date: 2021.08.20
08:27:31 -06'00'

Kyle Paradis
Branch Chief of Reservoir Management
Division of Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver

NM Taxation & Revenue Dept. (Revenue Processing Div.)

NMOCD

NM (P0220-CFO, File Room)

NMSO (NM925, File)

NM STATE LAND COMM. (only if state/fee land)

DETERMINATION - APPROVAL - CERTIFICATION

Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 266(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- A. Determine and certify that the plan of development and operation contemplated in the attached Communitization Agreement is necessary, advisable, and in the public interest for the purpose of more properly conserving the natural resources.
- B. Approve the attached Communitization Agreement NMNM142968 involving Federal Lease(s) NMNM138866 and NMNM138867. This Communitization Agreement is in Section 21, 28, and 33, T. 26 S., R. 31 E., NMPM, Eddy County, New Mexico, for production of gas producible from the Delaware Formation.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said Communitization Agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the Communitization Agreement.

Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto. In addition, approval of this agreement does not warrant or certify that the State or Patented land descriptions and acreages are consistent with the latest survey for those lands.

This approval is granted subject to the condition that the requirements of Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982 be satisfied for all wells drilled anywhere within the communitized area.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a leases site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated, or the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells, as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated, or the date on which gas is first measured through permanent metering facilities, whichever first occurs.

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for civil penalties for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3163.2(e)(2).

KYLE
PARADIS

Digitally signed
by KYLE PARADIS
Date: 2021.08.20
08:30:16 -06'00'

Kyle Paradis
Branch Chief of Reservoir Management
Division of Minerals

AUG 20 2021

Approved:
Effective: May 19, 2020
Contract No.: NMNM142968

EJ-4080
2020 MAY 14 PM 07
RECEIVEDFederal Communitization AgreementContract No. NMMN 142968

THIS AGREEMENT entered into as of the 19th day of May, 2020, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

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

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

W2W2 of Sections 21 & 28 and the W2NW/4 of Section 33, Township 26 South, Range 31 East, Eddy County, New Mexico.

Containing **385.38** acres, and this agreement shall include only the Delaware Formation underlying said lands and the the natural gas and associated liquid hydrocarbons hereafter referred to as "communitized substances," producible from such formation.

Voni Fed Com

Delaware Formation

W2W2 of Sections 21 & 28 and the W2NW/4 of Section 33-26S-31E
Eddy County, New Mexico

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
 3. The Operator of the communitized area shall be Matador Production Company, 5400 Lyndon B. Johnson Fwy, Suite 1500, Dallas, Texas, 75240. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
 4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
 5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.
- All proceeds, 8/8ths, attributed to unleased Federal lands included within the CA area are to be paid into the appropriate Unleased Lands Account by the designated operator until the land is leased or ownership is established.
6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day,

Voni Fed Com

Delaware Formation

W2W2 of Sections 21 & 28 and the W2NW/4 of Section 33-26S-31E

Eddy County, New Mexico

such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is May 19, 2020, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or

Voni Fed Com
Delaware Formation
W2W2 of Sections 21 & 28 and the W2NW/4 of Section 33-26S-31E
Eddy County, New Mexico

conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.

12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Operator: Matador Production Company

By: Craig N. Adams – Executive Vice President
Name & Title of Authorized Agent

6/24/20
Date


Signature of Authorized Agent



Yoni Fed Com
Delaware Formation
W2W2 of Sections 21 & 28 and the W2NW/4 of Section 33-26S-31E
Eddy County, New Mexico

ACKNOWLEDGEMENT

STATE OF TEXAS)

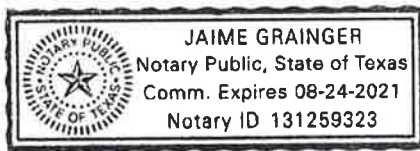
COUNTY OF DALLAS)

On this 24th day of JUNE, 2020, before me, a Notary Public for the State of Texas, personally appeared Craig N. Adams, known to me to be the Executive Vice President of Matador Production Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

8.24.2021
My Commission Expires

Jaime Grainger
Notary Public



Voni Fed Com
Delaware Formation
W2W2 of Sections 21 & 28 and the W2NW/4 of Section 33-26S-31E
Eddy County, New Mexico

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

I, the undersigned, hereby certify, on behalf of Matador Production Company, Operator of this Communitization Agreement, that all working interest owners (i.e., lessees of record and operating rights owners) shown on Exhibit B attached to this Agreement are, to the best of my knowledge, the working interest owners of the leases subject to this Agreement, and that the written consents of all of the named owners have been obtained and will be made available to the BLM immediately upon request.

By: Craig N. Adams – Executive Vice President
Name & Title of Authorized Agent

6/24/20
Date


Signature of Authorized Agent



ACKNOWLEDGEMENT

STATE OF TEXAS)

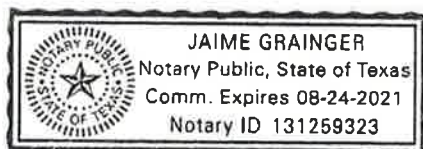
COUNTY OF DALLAS)

On this 24th day of JUNE, 2020 before me, a Notary Public for the State of Texas, personally appeared Craig N. Adams, known to me to be the Executive Vice President of Matador Production Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

8-24-2021
My Commission Expires


Notary Public



Voni Fed Com
Delaware Formation
W2W2 of Sections 21 & 28 and the W2NW/4 of Section 33-26S-31E
Eddy County, New Mexico

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

MRC Permian Company

By: 

Craig N. Adams Executive Vice President
Print Name

Date: 6/24/20



ACKNOWLEDGEMENT

STATE OF TEXAS)

COUNTY OF DALLAS)

Texas, personally appeared Craig N. Adams, known to me to be the Executive Vice President of MRC Permian Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

Yoni Fed Com
Delaware Formation
W2W2 of Sections 21 & 28 and the W2NW/4 of Section 33-26S-31E
Eddy County, New Mexico

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

MRC Permian Company

By: _____

Craig N. Adams Executive Vice President

Print Name

Date: _____

ACKNOWLEDGEMENT

STATE OF TEXAS)

COUNTY OF DALLAS)

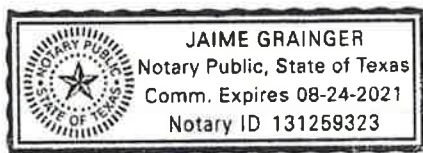
On this 24th day of June, 2020 before me, a Notary Public for the State of Texas, personally appeared Craig N. Adams, known to me to be the Executive Vice President of MRC Permian Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

8-24-2021

My Commission Expires

Jaime Grainger
Notary Public

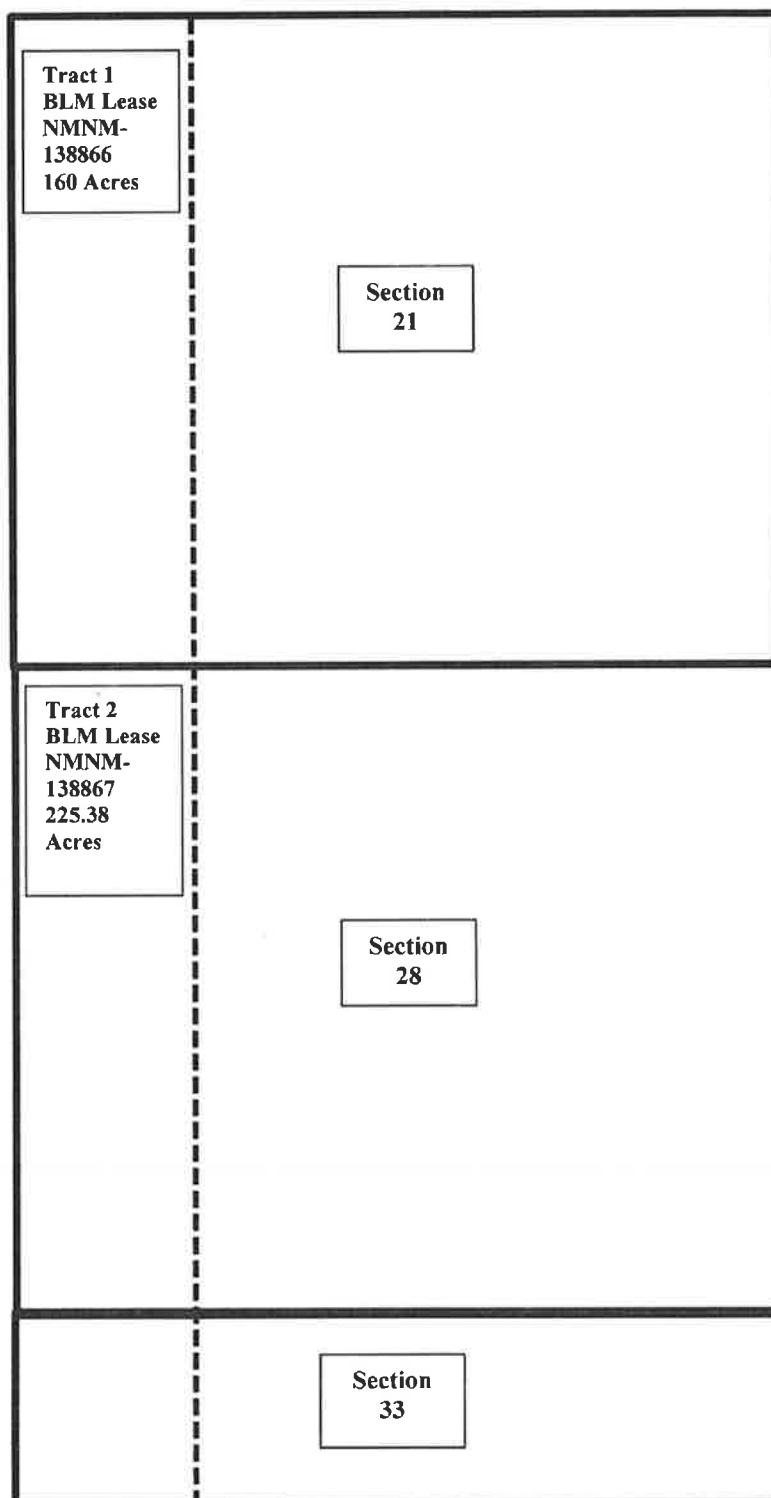


Voni Fed Com
Delaware Formation
W2W2 of Sections 21 & 28 and the W2NW/4 of Section 33-26S-31E
Eddy County, New Mexico

EXHIBIT "A"

Plat of communitized area covering **385.38** acres in W2W2 of Sections 21 & 28 and the W2NW/4 of Section 33, Township 26 South, Range 31 East, Eddy County, New Mexico.

Voni Federal Com #021H



Voni Fed Com
Delaware Formation
W2W2 of Sections 21 & 28 and the W2NW/4 of Section 33-26S-31E
Eddy County, New Mexico

EXHIBIT "B"

To Communitization Agreement Dated May 19, 2020 embracing the following described land in W2W2 of Sections 21 & 28 and the W2NW/4 of Section 33, Township 26 South, Range 31 East, Eddy County, New Mexico.

Operator of Communitized Area: Matador Production Company

DESCRIPTION OF LEASES COMMITTED**Tract No. 1**

Lease Serial Number:	NMNM-138866
Description of Land Committed:	Township 26 South, Range 31 East, Section 21: W2W2
Number of Acres:	160
Current Lessee of Record:	MRC Permian Company
Name of Working Interest Owners:	MRC Permian Company
Name of ORRI:	N/A

Tract No. 2

Lease Serial Number:	NMNM-138867
Description of Land Committed:	Township 26 South, Range 31 East, W2W2 of Section 28 & the W2NW/4 of Section 33
Number of Gross Acres:	225.38
Current Lessee of Record:	MRC Permian Company
Name of Working Interest Owners:	MRC Permian Company
Name of ORRI:	N/A

Yoni Fed Com
Delaware Formation
W2W2 of Sections 21 & 28 and the W2NW/4 of Section 33-26S-31E
Eddy County, New Mexico

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	160.00	41.52%
2	225.38	58.48%
Total	385.38	100.0000%

Voni Fed Com
Delaware Formation
W2W2 of Sections 21 & 28 and the W2NW/4 of Section 33-26S-31E
Eddy County, New Mexico

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

General Information
Phone: (505) 629-6116

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

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

CONDITIONS

Action 48000

CONDITIONS

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 48000
	Action Type: [C-103] Sub. General Sundry (C-103Z)

CONDITIONS

Created By	Condition	Condition Date
sarah.clelland	ACCEPTED FOR RECORD ONLY; any revisions or the addition of wells to the commingling project shall be reported in accordance with the Commingling Order.	2/7/2025