

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING AUGUST 05, 2021**

CASE NOS. 22054-22055, 22058

*DEE OSBORNE 1930 STATE COM 111H, 121H, 135H WELLS
DEE OSBORNE 1930 STATE COM 112H, 122H, 136H WELLS
DEE OSBORNE 1930 STATE COM 201H, 202H WELLS*

LEA COUNTY, NEW MEXICO



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

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

CASE NOS. 22054, 22055 and 22058

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COMPULSORY POOLING APPLICATION CHECKLIST (pdf)**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

Case: 22054	APPLICANT'S RESPONSE
Date: August 5, 2021	
Applicant	Matador Production Company
Designated Operator & OGRID (affiliation if applicable)	228937
Applicant's Counsel:	Holland & Hart, LLP
Case Title	Application of Matador Production Company for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	None
Well Family	Dee Osborne 1930 State Com wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring formation
Pool Names and Pool Codes:	Wilson; Bone Spring pool [64560]
Well Location Setback Rules:	Statewide rules
Spacing Unit Size:	287.32-acres, more or less
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	287.32-acres, more or less
Building Blocks:	quarter-quarter sections
Orientation:	north/south
Description: TRS/County	W/2 W/2 of Sections 19 and 30, Township 21 South, Range 35 East, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	No
Applicant's Ownership in Each Tract	Exhibit C-3
Well(s)	

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico


Exhibit No. A

Case Nos. 22054, 22055, 22058

Submitted by: MATADOR PRODUCTION COMPANY

Hearing Date: August 05, 2021

Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	
Well #1	Dee Osborne 1930 State Com #111H well (API No. 30-025-pending): SHL: 190' FNL and 1433' FWL (Unit C) of Section 19, 21S, 35E BHL: 100' FSL and 330' FWL (Lot 4) of Section 30, 21S, 35E Completion Target: Bone Spring formation Well Orientation: north/south Completion Location expected to be: standard
Well #2	Dee Osborne 1930 State Com #121H well (API No. 30-025-pending): SHL: 190' FNL and 1463' FWL (Unit C) of Section 19, 21S, 35E BHL: 100' FSL and 990' FWL (Lot 4) of Section 30, 21S, 35E Completion Target: Bone Spring formation Well Orientation: north/south Completion Location expected to be: standard
Well #3	Dee Osborne 1930 State Com #135H well (API No. 30-025-pending): SHL: 190' FNL and 1351' FWL (Unit C) of Section 19, 21S, 35E BHL: 100' FSL and 660' FWL (Lot 4) of Section 30, 21S, 35E Completion Target: Bone Spring formation Well Orientation: north/south Completion Location expected to be: standard
Horizontal Well First and Last Take Points	Exhibit C-1
Completion Target (Formation, TVD and MD)	Exhibits C-4, D-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibits C, C-4
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-2
Tract List (including lease numbers and owners)	Exhibit C-2
Pooled Parties (including ownership type)	Exhibit C-3
Unlocatable Parties to be Pooled	Exhibit C, E
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit C-5
Release to Lessee Owners (Exhibit A BMOA)	Exhibit C-3


Chronology of Contact with Non-Joined Working Interests	Exhibit C-5
Overhead Rates In Proposal Letter	Exhibit C-4
Cost Estimate to Drill and Complete	Exhibit C-4
Cost Estimate to Equip Well	Exhibit C-4
Cost Estimate for Production Facilities	Exhibit C-4
Geology	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit D-2
Well Orientation (with rationale)	Exhibit D-2
Target Formation	Exhibit D-2, D-4
HSU Cross Section	Exhibit D-4
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit C-1
Tracts	Exhibit C-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-3
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-3
Cross Section (including Landing Zone)	Exhibit D-4
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):	Kaitlyn A. Luck
Signed Name (Attorney or Party Representative):	
Date:	31-Jul-21

COMPULSORY POOLING APPLICATION CHECKLIST (pdf)

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 22055	APPLICANT'S RESPONSE
Date: August 5, 2021	
Applicant	Matador Production Company
Designated Operator & OGRID (affiliation if applicable)	228937
Applicant's Counsel:	Holland & Hart, LLP
Case Title	Application of Matador Production Company for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	None
Well Family	Dee Osborne 1930 State Com wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring formation
Pool Names and Pool Codes:	Wilson; Bone Spring pool [64560]
Well Location Setback Rules:	Statewide rules
Spacing Unit Size:	320-acres, more or less
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acres, more or less
Building Blocks:	quarter-quarter sections
Orientation:	north/south
Description: TRS/County	E/2 W/2 of Sections 19 and 30, Township 21 South, Range 35 East, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	No
Applicant's Ownership in Each Tract	Exhibit C-3
Well(s)	

Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	
Well #1	Dee Osborne 1930 State Com #112H well (API No. 30-025-pending): SHL: 219' FNL and 1433' FWL (Unit C) of Section 19, 21S, 35E BHL: 100' FSL and 1650' FWL (Unit N) of Section 30, 21S, 35E Completion Target: Bone Spring formation Well Orientation: north/south Completion Location expected to be: standard
Well #2	Dee Osborne 1930 State Com #122H well (API No. 30-025-pending): SHL: 219' FNL and 1433' FWL (Unit C) of Section 19, 21S, 35E BHL: 100' FSL and 1650' FWL (Unit N) of Section 30, 21S, 35E Completion Target: Bone Spring formation Well Orientation: north/south Completion Location expected to be: standard
Well #3	Dee Osborne 1930 State Com #136H well (API No. 30-025-pending): SHL: 219' FNL and 1353' FWL (Unit C) of Section 19, 21S, 35E BHL: 100' FSL and 1980' FWL (Unit N) of Section 30, 21S, 35E Completion Target: Bone Spring formation Well Orientation: north/south Completion Location expected to be: standard
Horizontal Well First and Last Take Points	Exhibit C-1
Completion Target (Formation, TVD and MD)	Exhibits C-4, D-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibits C, C-5
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-2
Tract List (including lease numbers and owners)	Exhibit C-2
Pooled Parties (including ownership type)	Exhibit C-3
Unlocatable Parties to be Pooled	Exhibit C, E
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit C-4
Release to Interested Parties (171A BMOA)	Exhibit C-3


Chronology of Contact with Non-Joined Working Interests	Exhibit C-5
Overhead Rates In Proposal Letter	Exhibit C-4
Cost Estimate to Drill and Complete	Exhibit C-4
Cost Estimate to Equip Well	Exhibit C-4
Cost Estimate for Production Facilities	Exhibit C-4
Geology	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit D-2
Well Orientation (with rationale)	Exhibit D-2
Target Formation	Exhibit D-2, D-4
HSU Cross Section	Exhibit D-4
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit C-1
Tracts	Exhibit C-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-3
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-3
Cross Section (including Landing Zone)	Exhibit D-4
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):	Kaitlyn A. Luck
Signed Name (Attorney or Party Representative):	
Date:	31-Jul-21

COMPULSORY POOLING APPLICATION CHECKLIST (pdf)

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 22058	APPLICANT'S RESPONSE
Date: August 5, 2021	
Applicant	Matador Production Company
Designated Operator & OGRID (affiliation if applicable)	228937
Applicant's Counsel:	Holland & Hart, LLP
Case Title	Application of Matador Production Company for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	None
Well Family	Dee Osborne 1930 State Com wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Wolfcamp formation
Pool Names and Pool Codes:	Grama Ridge; Wolfcamp, North (Gas) pool [77715]
Well Location Setback Rules:	Statewide rules
Spacing Unit Size:	607.32-acres, more or less
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	607.32-acres, more or less
Building Blocks:	quarter sections
Orientation:	north/south
Description: TRS/County	W/2 of Sections 19 and 30, Township 21 South, Range 35 East, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	No
Applicant's Ownership in Each Tract	Exhibit C-3
Well(s)	

Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	
Well #1	Dee Osborne 1930 State Com #201H well (API No. 30-025-pending): SHL: 190' FNL and 1323' FWL (Unit C) of Section 19, 21S, 35E BHL: 240' FSL and 330' FWL (Lot 4) of Section 30, 21S, 35E Completion Target: Wolfcamp formation Well Orientation: north/south Completion Location expected to be: standard
Well #2	Dee Osborne 1930 State Com #202H well (API No. 30-025-pending): SHL: 219' FNL and 1323' FWL (Unit C) of Section 19, 21S, 35E BHL: 240' FSL and 1650' FWL (Unit N) of Section 30, 21S, 35E Completion Target: Wolfcamp formation Well Orientation: north/south Completion Location expected to be: standard
Horizontal Well First and Last Take Points	Exhibit C-1
Completion Target (Formation, TVD and MD)	Exhibits C-4, D-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibits C, C-4
Requested Risk Charge	200%
Notice of Hearing	
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Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-2
Tract List (including lease numbers and owners)	Exhibit C-2
Pooled Parties (including ownership type)	Exhibit C-3
Unlocatable Parties to be Pooled	Exhibit C, E
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit C-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-3
Chronology of Contact with Non-Joined Working Interests	Exhibit C-5
Overhead Rates In Proposal Letter	Exhibit C-4
Cost Estimate to Drill and Complete	Exhibit C-4
Cost Estimate to Equip Well	Exhibit C-4

Cost Estimate for Production Facilities	Exhibit C-4
Geology	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit D-2
Well Orientation (with rationale)	Exhibit D-2
Target Formation	Exhibit D-2, D-4
HSU Cross Section	Exhibit D-4
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit C-1
Tracts	Exhibit C-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-3
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-3
Cross Section (including Landing Zone)	Exhibit D-4
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):	Kaitlyn A. Luck
Signed Name (Attorney or Party Representative):	
Date:	31-Jul-21

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

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

CASE NO. 22054

APPLICATION

Matador Production Company (“Matador” or “Applicant”) (OGRID No. 228937), through its undersigned attorneys, hereby files this application with the Oil Conservation Division, pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the W/2 W/2 of Sections 19 and 30, Township 21 South, Range 35 East, Lea County, New Mexico. In support of its application, Matador states:

1. An affiliate entity of Matador is a working interest owner in the proposed spacing unit and has the right to drill thereon.
2. Applicant seeks to dedicate the above-referenced spacing unit to the following proposed initial wells: (1) the **Dee Osborne 1930 State Com #111H well**, (2) the **Dee Osborne 1930 State Com #121H well**, and (3) the **Dee Osborne 1930 State Com #135H well**, which are to be drilled from surface locations in the NW/4 NW/4 (Lot 1) of Section 19 to bottom hole locations in the SW/4 SW/4 (Lot 4) of Section 30.
3. The completed interval of the wells will comply with statewide setbacks for oil wells.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B
Case Nos. 22054, 22055, 22058
Submitted by: MATADOR PRODUCTION COMPANY
Hearing Date: August 05, 2021**

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

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

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

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on August 5, 2021, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit in the Bone Spring formation and approving the initial wells thereon;
- B. Designating Applicant as operator of this spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the wells;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

HOLLAND & HART LLP



By: _____

Michael H. Feldewert
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**ATTORNEYS FOR MATADOR PRODUCTION
COMPANY**

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

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

CASE NO. 22055

APPLICATION

Matador Production Company (“Matador” or “Applicant”) (OGRID No. 228937), through its undersigned attorneys, hereby files this application with the Oil Conservation Division, pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the E/2 W/2 of Sections 19 and 30, Township 21 South, Range 35 East, Lea County, New Mexico. In support of its application, Matador states:

1. An affiliate entity of Matador is a working interest owner in the proposed spacing unit and has the right to drill thereon.
2. Applicant seeks to dedicate the above-referenced spacing unit to the following proposed initial wells: (1) the **Dee Osborne 1930 State Com #112H well**, (2) the **Dee Osborne 1930 State Com #122H well**, and (3) the **Dee Osborne 1930 State Com #136H well**, which are to be drilled from surface locations in the NE/4 NW/4 (Unit C) of Section 19 to bottom hole locations in the SE/4 SW/4 (Unit N) of Section 30.
3. The completed interval of the wells will comply with statewide setbacks for oil wells.

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

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

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

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on August 5, 2021, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit in the Bone Spring formation and approving the initial wells thereon;
- B. Designating Applicant as operator of this spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the wells;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert
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**ATTORNEYS FOR MATADOR PRODUCTION
COMPANY**

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

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

CASE NO. 22058

APPLICATION

Matador Production Company (“Matador” or “Applicant”) (OGRID No. 228937), through its undersigned attorneys, hereby files this application with the Oil Conservation Division, pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the W/2 of Sections 19 and 30, Township 21 South, Range 35 East, Lea County, New Mexico. In support of its application, Matador states:

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

2. Applicant seeks to dedicate the above-referenced spacing unit to the following proposed initial wells:

(1) the **Dee Osborne 1930 State Com #201H well**, to be drilled from a surface location in the NW/4 NW/4 (Lot 1) of Section 19 to a bottom hole location in the SW/4 SW/4 (Lot 4) of Section 30; and

(2) the **Dee Osborne 1930 State Com #202H well**, to be drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 19 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 30.

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

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

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

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

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on August 5, 2021, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit in the Wolfcamp formation and approving the initial wells thereon;
- B. Designating Applicant as operator of this spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the wells;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

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

Respectfully submitted,

HOLLAND & HART LLP

By: _____

Michael H. Feldewert
Adam G. Rankin
Julia Broggi
Kaitlyn A. Luck
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Santa Fe, NM 87504
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jbroggi@hollandhart.com
kaluck@hollandhart.com

**ATTORNEYS FOR MATADOR PRODUCTION
COMPANY**

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

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

CASE NOS. 22054, 22055 and 22058

AFFIDAVIT OF NICHOLAS WEEKS (Landman)

Nicholas Weeks, of lawful age and being first duly sworn, declares as follows:

1. My name is Nicholas Weeks and I am employed by MRC Energy Company, an affiliate of Matador Production Company (“Matador”), as a landman. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. I am familiar with the applications filed by Matador in these consolidated cases and the status of the lands in the subject area.

2. In these consolidated cases, Matador seeks orders pooling two standard 320-acre, more or less, horizontal spacing units in the Bone Spring formation (Wilson; Bone Spring pool [64560]) and a standard 640-acre, more or less, horizontal spacing unit in the Wolfcamp formation (Grama Ridge; WC, North (Gas) pool [77715]) underlying the W/2 of Sections 19 and 30, Township 21 South, Range 35 East, Lea County, New Mexico as follows:

- Under Case 22054 Matador seeks to pool the W/2 W/2 of Sections 19 and 30 to initially dedicate this 287-acre, more or less, Bone Spring spacing unit to the proposed **Dee Osborne 1930 State Com #111H**, the **Dee Osborne 1930 State Com #121H** and the **Dee Osborne 1930 State Com #135H** wells to be drilled from surface locations in the NE/4 NW/4 of Section 19 to bottom hole locations in the SW/4 SW/4 (Lot 4) of Section 30.
- Under Case 22055 Matador seeks to pool the E/2 W/2 of Sections 19 and 30 to initially dedicate this 320-acre, more or less, Bone Spring spacing unit to the proposed **Dee Osborne 1930 State Com #112H**, the **Dee Osborne 1930 State Com #122H** and the **Dee Osborne 1930 State Com #136H** wells, which are to

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C

Case Nos. 22054, 22055, 22058
Submitted by: MATADOR PRODUCTION COMPANY
Hearing Date: August 05, 2021

be drilled from surface locations in the NE/4 NW/4 (Unit C) of Section 19 to bottom hole locations in the SE/4 SW/4 (Unit N) of Section 30.

- Under Case 22058 Matador seeks to pool the W/2 of Sections 19 and 30 and initially dedicate this 607-acre, more or less, Wolfcamp spacing unit to the proposed **Dee Osborne 1930 State Com #201H** well, to be drilled from a surface location in the NE/4 NW/4 of Section 19 to a bottom hole location in the SW/4 SW/4 (Lot 4) of Section 30; and the **Dee Osborne 1930 State Com #202H** well, to be drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 19 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 30.

3. **Matador Exhibit C-1** contains draft plats in numerical order for the proposed initial wells in each of these standard spacing units. These forms demonstrate that the completed interval for each well will meet the standard setback requirements for each respective well.

4. **Matador Exhibit C-2** is a general location map outlining each of the proposed horizontal spacing units in red and the lateral trajectory of the proposed wells with blue lines. This acreage is comprised of all State lands.

5. There are no depth severances within the Bone Spring or Wolfcamp formations underlying this acreage.

6. **Matador Exhibit C-3** identifies the working interest owners that Matador seeks to pool in each respective case. Matador has conducted a diligent search of the public records in the county where the property is located and was able to locate contact information for each of these parties.

7. **Matador Exhibit C-4** contains a sample of the well proposal letters and AFEs sent to the working interest owners in each case. The costs reflected in these AFEs are consistent with what other operators have incurred for drilling similar horizontal wells in the area in these formations.

8. **Matador Exhibit C-5** contains a chronology of the contacts with the uncommitted working interest owners that Matador was able to locate. In my opinion, Matador has undertaken good faith efforts to reach an agreement with the uncommitted mineral owners.

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

10. I have provided the law firm of Holland & Hart LLP with the names and addresses (where available) of the mineral owners that Matador seeks to pool and instructed that they be notified of this hearing.

11. **Matador Exhibits C-1 through C-5** were either prepared by me or compiled under my direction and supervision.

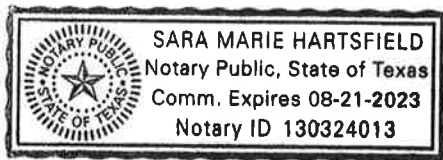
FURTHER AFFIANT SAYETH NOT.



Nicholas Weeks

STATE OF TEXAS)
)
COUNTY OF DALLAS)

SUBSCRIBED and SWORN to before me this 28th day of July 2021 by Nicholas Weeks.





NOTARY PUBLIC

My Commission Expires:
8-21-2023

EXHIBIT C-1

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
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Phone: (505) 476-3460 Fax: (505) 476-3462

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

Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 64560		³ Pool Name WILSON; BONE SPRING	
⁴ Property Code		⁵ Property Name DEE OSBORNE 1930 STATE COM			⁶ Well Number #111H
⁷ OGRID No. 228937		⁸ Operator Name MATADOR PRODUCTION COMPANY			⁹ Elevation

¹⁰ Surface Location

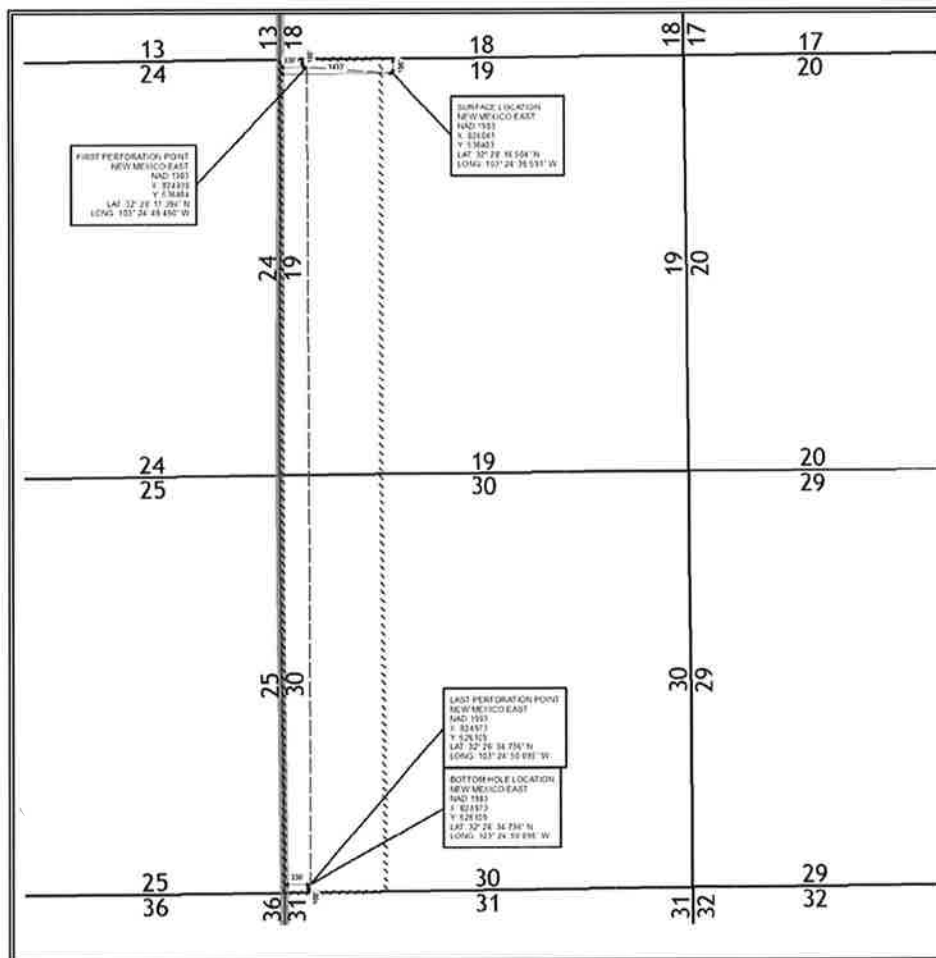
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	19	21-S	35-E	-----	190	NORTH	1433	WEST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	30	21-S	35-E	-----	100	SOUTH	330	WEST	LEA

¹² Dedicated Acres 287.32	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--	-------------------------------	----------------------------------	-------------------------

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



¹⁷ OPERATOR CERTIFICATION

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

Signature _____ Date _____
Printed Name _____
E-mail Address _____

¹⁸ SURVEYOR CERTIFICATION

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

Date of Survey _____
Signature and Seal of Professional Surveyor: _____

Certificate Number _____

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 64560		³ Pool Name WILSON; BONE SPRING	
⁴ Property Code		⁵ Property Name DEE OSBORNE 1930 STATE COM			⁶ Well Number #112H
⁷ OGRID No. 228937		⁸ Operator Name MATADOR PRODUCTION COMPANY			⁹ Elevation

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	19	21-S	35-E	----	219	NORTH	1433	WEST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	30	21-S	35-E	----	100	SOUTH	1650	WEST	LEA

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
---	-------------------------------	----------------------------------	-------------------------

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 64560		³ Pool Name WILSON; BONE SPRING	
⁴ Property Code		⁵ Property Name DEE OSBORNE 1930 STATE COM			⁶ Well Number #121H
⁷ OGRID No. 228937		⁸ Operator Name MATADOR PRODUCTION COMPANY			⁹ Elevation

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	19	21-S	35-E	-----	190	NORTH	1463	WEST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	30	21-S	35-E	-----	100	SOUTH	990	WEST	LEA

¹² Dedicated Acres 287.32	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--	-------------------------------	----------------------------------	-------------------------

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 64560		³ Pool Name WILSON; BONE SPRING	
⁴ Property Code		⁵ Property Name DEE OSBORNE 1930 STATE COM			⁶ Well Number #122H
⁷ OGRID No. 228937		⁸ Operator Name MATADOR PRODUCTION COMPANY			⁹ Elevation

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	19	21-S	35-E	-----	219	NORTH	1463	WEST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	30	21-S	35-E	-----	100	SOUTH	2200	WEST	LEA

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
---	-------------------------------	----------------------------------	-------------------------

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 64560		³ Pool Name WILSON; BONE SPRING	
⁴ Property Code		⁵ Property Name DEE OSBORNE 1930 STATE COM			⁶ Well Number #135H
⁷ OGRID No. 228937		⁸ Operator Name MATADOR PRODUCTION COMPANY			⁹ Elevation

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	19	21-S	35-E	-----	190	NORTH	1351	WEST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	30	21-S	35-E	-----	100	SOUTH	660	WEST	LEA

¹² Dedicated Acres 287.32	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 64560		³ Pool Name WILSON; BONE SPRING	
⁴ Property Code		⁵ Property Name DEE OSBORNE 1930 STATE COM			⁶ Well Number #136H
⁷ OGRID No. 228937		⁸ Operator Name MATADOR PRODUCTION COMPANY			⁹ Elevation

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	19	21-S	35-E	-----	219	NORTH	1353	WEST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	30	21-S	35-E	-----	100	SOUTH	1980	WEST	LEA

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
---	-------------------------------	----------------------------------	-------------------------

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 77715	³ Pool Name GRAMA RIDGE; WC, NORTH (GAS)
⁴ Property Code	⁵ Property Name DEE OSBORNE 1930 STATE COM	
⁷ OGRID No. 228937	⁸ Operator Name MATADOR PRODUCTION COMPANY	⁶ Well Number #201H
		⁹ Elevation

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	19	21-S	35-E	-----	190	NORTH	1323	WEST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	30	21-S	35-E	-----	240	SOUTH	330	WEST	LEA

¹² Dedicated Acres 607.32	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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⁴ Property Code		⁵ Property Name DEE OSBORNE 1930 STATE COM			⁶ Well Number #202H
⁷ OGRID No. 228937		⁸ Operator Name MATADOR PRODUCTION COMPANY			⁹ Elevation

¹⁰ Surface Location

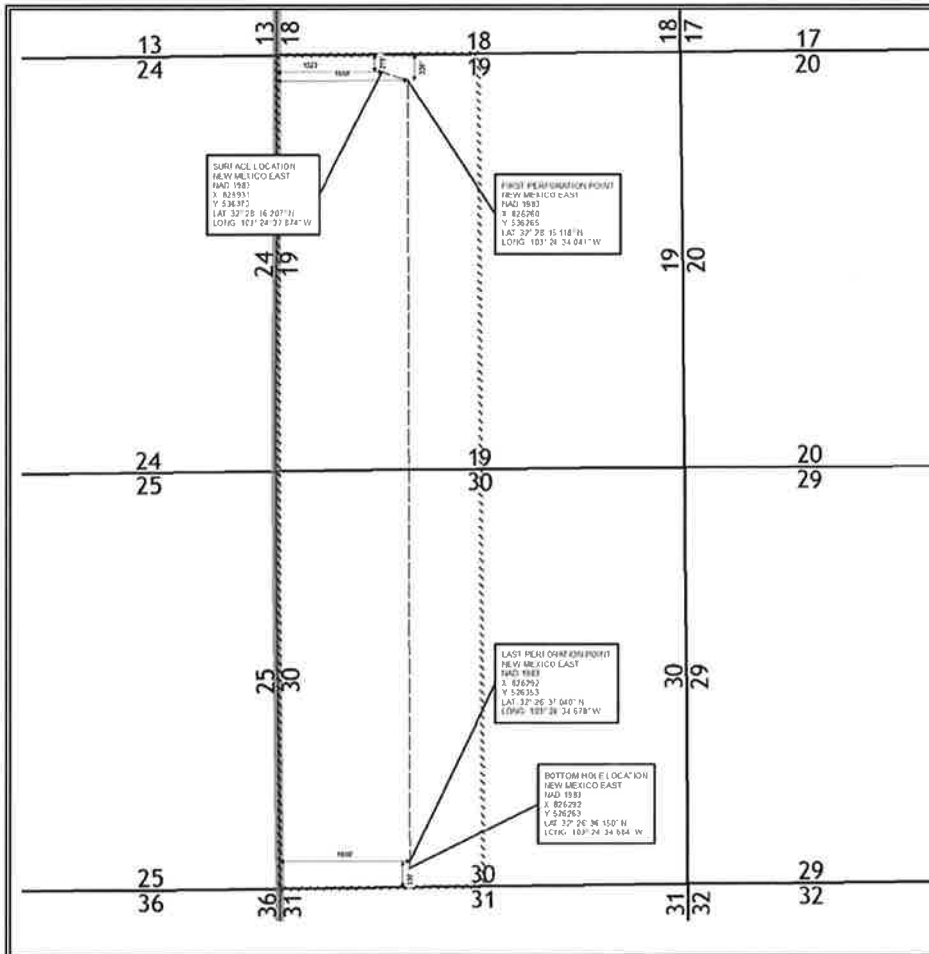
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	19	21-S	35-E	-----	219	NORTH	1323	WEST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	30	21-S	35-E	-----	240	SOUTH	1650	WEST	LEA

¹² Dedicated Acres 607.32	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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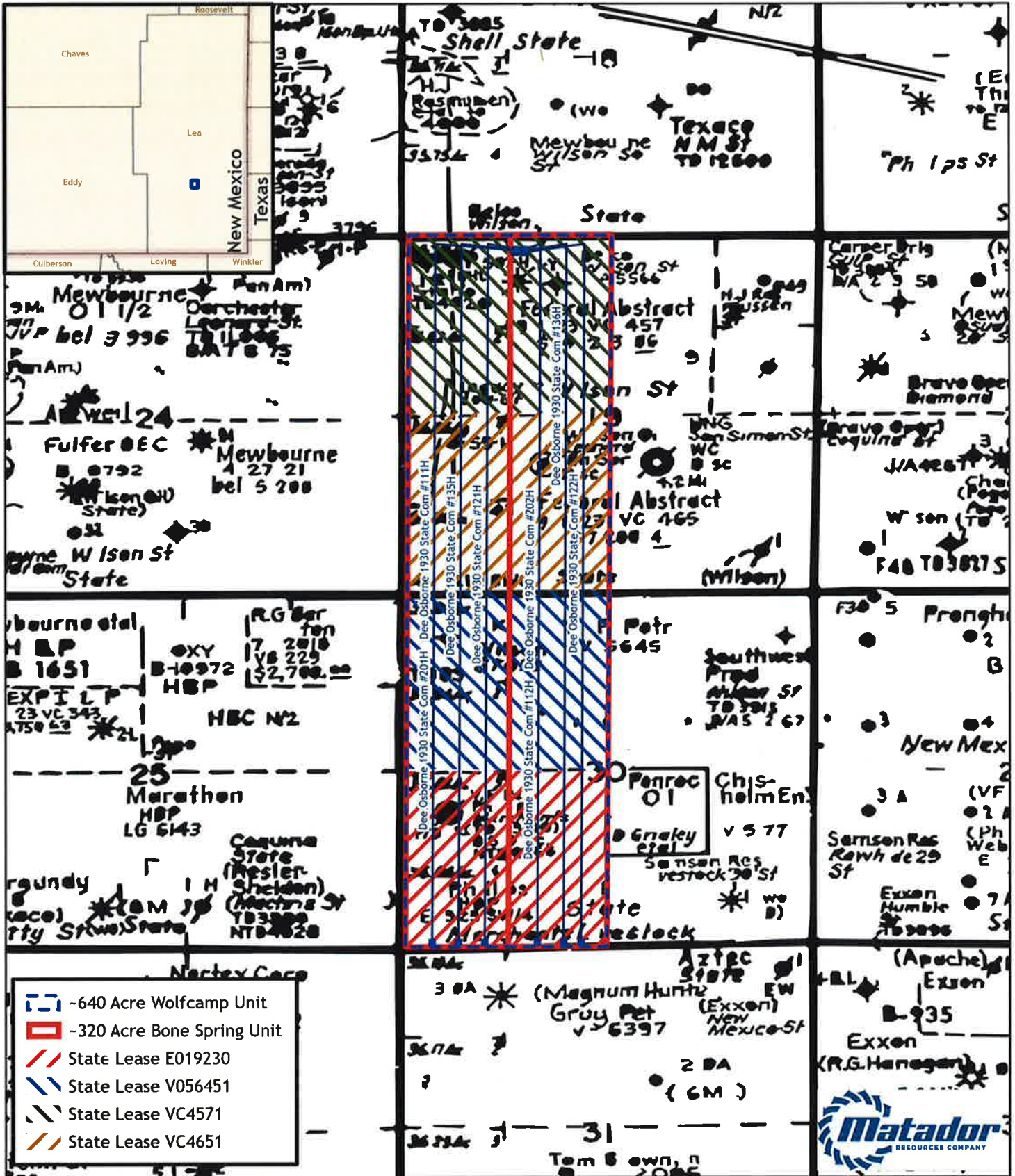
Date of Survey _____

Signature and Seal of Professional Surveyor: _____

Certificate Number _____

EXHIBIT C-2

19/30-21S-35E



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BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Exhibit No. C2
Case Nos. 22054, 22055, 22058

Submitted by: MATADOR PRODUCTION COMPANY

Hearing Date: August 05, 2021

Southeast New Mexico

Map Prepared by: agreeen
Project: Forced Pooling
Date: 7/21/2021
Coordinate System:

EXHIBIT C-3

CASE No. 22054

Matador Exhibit C-3

Summary of Interests

MRC Permian Company:		49.895586%
Compulsory Pool:		50.104414%
Interest Owner:	Description:	Interest:
ConocoPhillips Company	Working Interest	25.076570%
V-F Petroleum Inc.	Working Interest	25.027844%

Dee Osborne 1930 State Com 111H, Dee Osborne 1930 State Com 121H, 1
Dee Osborne 1930 State Com 135H



BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. C3
 Case Nos. 22054, 22055, 22058
 Submitted by: MATADOR PRODUCTION COMPANY
 Hearing Date: August 05, 2021

CASE No. 22055

Matador
Exhibit

C-3

Summary of Interests

MRC Permian Company:		50.000000%
Compulsory Pool:		50.000000%
Interest Owner:	Description:	Interest:
ConocoPhillips Company	Working Interest	25.000000%
V-F Petroleum Inc.	Working Interest	25.000000%

Dee Osborne 1930 State Com 112H, Dee Osborne 1930 State Com 122H, 1
Dee Osborne 1930 State Com 136H



CASE No. 22050

Matador Exhibit C-3

Summary of Interests

MRC Permian Company:		49.950602%
Compulsory Pool:		50.049398%
Interest Owner:	Description:	Interest:
ConocoPhillips Company	Working Interest	25.036225%
V-F Petroleum Inc.	Working Interest	25.013173%



EXHIBIT C-4

MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
Voice (972)-371-5481 • Fax (214).866.4981
nweeks@matadorresources.com

Nicholas Weeks
Senior Landman

February 10, 2021

VIA CERTIFIED RETURN RECEIPT MAIL

V-F Petroleum, Inc.
P.O. Box 1889
Midland, TX 79702

Re: Dee Osborne 1930 State Com #111H, #112H, #121H, #122H, #135H, #136H, #201H & #202H
(the "Wells")
Participation Proposal
Sections 19&30, Township 21 South, Range 35 East
Lea County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Dee Osborne 1930 State Com #111H, Dee Osborne 1930 State Com #112H, Dee Osborne 1930 State Com #121H, Dee Osborne 1930 State Com #122H, Dee Osborne 1930 State Com #135H, Dee Osborne 1930 State Com #136H, Dee Osborne 1930 State Com #201H, & Dee Osborne 1930 State Com #202H located in Sections 19 & 30, Township 21 South, Range 35 East, Lea 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 eight (8) enclosed Authority for Expenditures ("AFE") dated January 25, 2021.
- **Dee Osborne 1930 State Com #111H:** to be drilled from a legal location with a proposed surface hole location in the Lot 1 of Section 19-21S-35E and a proposed bottom hole location in the Lot 4 of Section 30-21S-35E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~9,320' TVD) to a Measured Depth of approximately 19,670'.
- **Dee Osborne 1930 State Com #112H:** to be drilled from a legal location with a proposed surface hole location in the NE/4NW/4 of Section 19-21S-35E and a proposed bottom hole location in the SE/4SW/4 of Section 30-21S-35E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~9,320' TVD) to a Measured Depth of approximately 19,670'.
- **Dee Osborne 1930 State Com #121H:** to be drilled from a legal location with a proposed surface hole location in the Lot 1 of Section 19-21S-35E and a proposed bottom hole location in the Lot 4 of Section 30-21S-35E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,100' TVD) to a Measured Depth of approximately 20,450'.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C4
Case Nos. 22054, 22055, 22058
Submitted by: MATADOR PRODUCTION
COMPANY
Hearing Date: August 05, 2021

- **Dee Osborne 1930 State Com #122H:** to be drilled from a legal location with a proposed surface hole location in the NE/4NW/4 of Section 19-21S-35E and a proposed bottom hole location in the SE/4SW/4 of Section 30-21S-35E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,100' TVD) to a Measured Depth of approximately 20,450'.
- **Dee Osborne 1930 State Com #135H:** to be drilled from a legal location with a proposed surface hole location in the Lot 1 of Section 19-21S-35E and a proposed bottom hole location in the Lot 4 of Section 30-21S-35E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,750' TVD) to a Measured Depth of approximately 21,100'.
- **Dee Osborne 1930 State Com #136H:** to be drilled from a legal location with a proposed surface hole location in the NE/4NW/4 of Section 19-21S-35E and a proposed bottom hole location in the SE/4SW/4 of Section 30-21S-35E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,750' TVD) to a Measured Depth of approximately 21,100'.
- **Dee Osborne 1930 State Com #201H:** to be drilled from a legal location with a proposed surface hole location in the Lot 1 of Section 19-21S-35E and a proposed bottom hole location in the Lot 4 of Section 30-21S-35E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~10,860' TVD) to a Measured Depth of approximately 21,210'.
- **Dee Osborne 1930 State Com #202H:** to be drilled from a legal location with a proposed surface hole location in the NE/4NW/4 of Section 19-21S-35E and a proposed bottom hole location in the SE/4SW/4 of Section 30-21S-35E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~10,860' TVD) to a Measured Depth of approximately 21,210'.

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. The proposed Operating Agreement dated August 1, 2019, by and between Matador Production Company, as Operator and MRC Permian Company et al as Non-Operators, covers certain depths in the Lots 1 - 4 & E2W2 Section 19 and Lots 1 - 4 & E2W2 Section 30, Township 21 South, Range 35 East, Lea County, New Mexico, as previously mailed to you with 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



Nicholas Weeks

V-F Petroleum, Inc. hereby elects to:

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Dee Osborne 1930 State Com #111H** well.
_____ Not to participate in the **Dee Osborne 1930 State Com #111H**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Dee Osborne 1930 State Com #112H** well.
_____ Not to participate in the **Dee Osborne 1930 State Com #112H**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Dee Osborne 1930 State Com #121H** well.
_____ Not to participate in the **Dee Osborne 1930 State Com #121H**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Dee Osborne 1930 State Com #122H** well.
_____ Not to participate in the **Dee Osborne 1930 State Com #122H**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Dee Osborne 1930 State Com #135H** well.
_____ Not to participate in the **Dee Osborne 1930 State Com #135H**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Dee Osborne 1930 State Com #136H** well.
_____ Not to participate in the **Dee Osborne 1930 State Com #136H**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Dee Osborne 1930 State Com #201H** well.
_____ Not to participate in the **Dee Osborne 1930 State Com #201H**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Dee Osborne 1930 State Com #202H** well.
_____ Not to participate in the **Dee Osborne 1930 State Com #202H**

_____ I / We are interested in selling our interest in the contract Area, please contact us at _____ to discuss.

V-F Petroleum, Inc.

By: _____

Title: _____

Date: _____

Contact Number: _____

MATADOR PRODUCTION COMPANY
 ONE LINCOLN CENTRE • 5400 LBJ FREEWAY • SUITE 1600 • DALLAS, TEXAS 75240
 Phone (972) 371-5200 • Fax (972) 371-5201

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	January 25, 2021	AFE NO.:	
WELL NAME:	Dee Osborne 1930 State Corn #111H	FIELD:	
LOCATION:	Sections 19 & 30, 21S-35E	MD/TVD:	19,670/9,320'
COUNTY/STATE:	Lea County, New Mexico	LATERAL LENGTH:	9,800'
MRC W#:			
GEOLOGIC TARGET:	1st Bone Spring		
REMARKS:	Drill, complete and equip a horizontal 1st Bone Spring well		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Land / Legal / Regulatory	\$ 36,500	\$ -	\$ -	\$ 10,000	\$ 46,500
Location, Surveys & Damages	84,000	13,000	15,000	25,000	147,000
Drilling	714,225	-	-	-	714,225
Cementing & Float Equip	224,000	-	-	-	224,000
Logging / Formation Evaluation	-	5,000	3,000	-	8,000
Flowback - Labor	-	-	23,400	-	23,400
Flowback - Surface Rentals	-	-	20,304	-	20,304
Flowback - Rental Living Quarters	-	-	-	-	-
Mud Logging	12,000	-	-	-	12,000
Mud Circulation System	37,900	-	-	-	37,900
Mud & Chemicals	150,000	49,000	6,000	-	205,000
Mud / Wastewater Disposal	125,500	-	-	1,000	126,500
Freight / Transportation	7,500	19,500	-	-	27,000
Rig Supervision / Engineering	84,500	112,000	4,350	14,400	215,250
Drill Bits	86,500	-	-	-	86,500
Drill BH Purchase	-	-	-	-	-
Fuel & Power	58,500	8,000	-	-	66,500
Water	25,000	756,250	3,000	1,000	785,250
Drig & Completion Overhead	13,000	10,000	-	-	23,000
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	187,960	-	-	-	187,960
Completion Unit, Swab, CTU	-	130,000	13,500	-	143,500
Perforating, Wireline, Slickline	-	180,000	-	-	180,000
High Pressure Pump Truck	-	64,000	6,000	-	70,000
Stimulation	-	1,872,750	-	-	1,872,750
Stimulation Flowback & Disp	-	15,500	195,000	-	210,500
Insurance	35,568	-	-	-	35,568
Labor	89,500	62,500	15,000	5,000	172,000
Rental - Surface Equipment	60,770	315,890	10,000	5,000	391,660
Rental - Downhole Equipment	78,800	80,000	8,000	-	164,800
Rental - Living Quarters	23,550	48,050	-	5,000	76,600
Contingency	64,358	186,869	16,028	6,640	273,895
Operations Center	27,950	-	-	-	27,950
TOTAL INTANGIBLES >	2,237,681	3,928,309	336,662	73,040	6,675,612

TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	\$ 69,660	\$ -	\$ -	\$ -	\$ 69,660
Intermediate Casing	144,645	-	-	-	144,645
Drilling Liner	-	-	-	-	-
Production Casing	421,286	-	-	-	421,286
Production Liner	-	-	-	-	-
Tubing	-	-	43,200	-	43,200
Wellhead	46,000	-	23,500	-	69,500
Packers, Liner Hangers	-	67,350	-	-	67,350
Tanks	-	-	-	29,900	29,900
Production Vessels	-	-	-	119,638	119,638
Flow Lines	-	-	-	120,000	120,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	275,000	-	275,000
Compressor	-	-	-	42,500	42,500
Installation Costs	-	-	-	96,000	96,000
Surface Pumps	-	-	2,500	26,250	28,750
Non-controllable Surface	-	-	-	2,000	2,000
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	10,000	49,000	59,000
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	62,500	62,500
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	-	-	-
Tank / Facility Containment	-	-	-	11,250	11,250
Flare Stack	-	-	-	20,000	20,000
Electrical / Grounding	-	-	30,000	16,000	46,000
Communications / SCADA	-	-	4,000	2,500	6,500
Instrumentation / Safety	-	-	-	55,750	55,750
TOTAL TANGIBLES >	681,691	67,350	388,200	683,288	1,790,429
TOTAL COSTS >	2,919,172	3,995,659	724,782	726,328	8,365,941

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Tyler Brooking	Team Lead - WTX/NM	
Completions Engineer:	Garrett Hurt		
Production Engineer:	George Malloy		

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, COO/CFO	VP - Res Engineering	VP - Drilling
DEL	BMR	BC
Executive VP, Legal	Exec Dir - Exploration	
CA	NLF	
President		
MVH		

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 confirmed as a result of an audit or other review of the data used in this report. This document is prepared under the AFE, and the user of this report is responsible for the accuracy of the data used in this report. The user of this report is responsible for the accuracy of the data used in this report. The user of this report is responsible for the accuracy of the data used in this report.

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:	January 25, 2021	AFE NO.:	
WELL NAME:	Dee Osborne 1930 State Com #121H	FIELD:	
LOCATION:	Sections 19 & 30, 21S-35E	MD/TVD:	20,450'/10,100'
COUNTY/STATE:	Lea County, New Mexico	LATERAL LENGTH:	9,800'
MRC WI:			
GEOLOGIC TARGET:	2nd Bone Spring		
REMARKS:	Drill, complete and equip a horizontal 2nd Bone Spring well		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
INTANGIBLE COSTS					
Land / Legal / Regulatory	\$ 36,500	\$ -	\$ -	\$ 10,000	\$ 46,500
Location, Surveys & Damages	94,000	13,000	15,000	25,000	147,000
Drilling	739,475	-	-	-	739,475
Cementing & Float Equip	229,000	-	-	-	229,000
Logging / Formation Evaluation	-	5,000	3,000	-	8,000
Flowback - Labor	-	-	23,400	-	23,400
Flowback - Surface Rentals	-	-	20,304	-	20,304
Flowback - Rental Living Quarters	-	-	-	-	-
Mud Logging	12,000	-	-	-	12,000
Mud Circulation System	38,550	-	-	-	38,550
Mud & Chemicals	150,000	49,000	6,000	-	205,000
Mud / Wastewater Disposal	125,500	-	-	1,000	126,500
Freight / Transportation	7,500	19,500	-	-	27,000
Rig Supervision / Engineering	87,750	112,000	4,350	14,400	218,500
Drill Bits	86,500	-	-	-	86,500
Drill Bit Purchase	-	-	-	-	-
Fuel & Power	60,750	8,000	-	-	68,750
Water	25,000	756,250	3,000	1,000	785,250
Rtg & Completion Overhead	13,500	10,000	-	-	23,500
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	194,675	-	-	-	194,675
Completion Unit, Swab, CTU	-	130,000	13,500	-	143,500
Perforating, Wireline, Slickline	-	180,000	-	-	180,000
High Pressure Pump Truck	-	64,000	6,000	-	70,000
Stimulation	-	1,872,750	-	-	1,872,750
Stimulation Flowback & Dsp	-	15,500	195,000	-	210,500
Insurance	36,990	-	-	-	36,990
Labor	89,500	62,500	15,000	5,000	172,000
Rental - Surface Equipment	62,855	315,890	10,000	5,000	393,745
Rental - Downhole Equipment	78,800	80,000	6,000	-	164,800
Rental - Living Quarters	24,125	48,050	-	5,000	77,175
Contingency	109,649	166,869	18,028	6,540	319,185
Operations Center	29,025	-	-	-	29,025
TOTAL INTANGIBLES >	2,331,644	3,928,309	336,582	73,040	6,669,574

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
TANGIBLE COSTS					
Surface Casing	\$ 69,660	\$ -	\$ -	\$ -	\$ 69,660
Intermediate Casing	144,645	-	-	-	144,645
Drilling Liner	-	-	-	-	-
Production Casing	438,204	-	-	-	438,204
Production Liner	-	-	-	-	-
Tubing	-	-	43,200	-	43,200
Wellhead	46,000	-	23,500	-	69,500
Packers, Liner Hangers	-	67,350	-	-	67,350
Tanks	-	-	-	29,900	29,900
Production Vessels	-	-	-	119,638	119,638
Flow Lines	-	-	-	120,000	120,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	275,000	-	275,000
Compressor	-	-	-	42,500	42,500
Installation Costs	-	-	-	96,000	96,000
Surface Pumps	-	-	2,500	-	2,500
Non-controllable Surface	-	-	-	2,000	2,000
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	10,000	49,000	59,000
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	62,500	62,500
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	-	-	-
Tank / Facility Containment	-	-	-	11,250	11,250
Flare Stack	-	-	-	20,000	20,000
Electrical / Grounding	-	-	30,000	16,000	46,000
Communications / SCADA	-	-	4,000	2,500	6,500
Instrumentation / Safety	-	-	-	55,750	55,750
TOTAL TANGIBLES >	698,509	87,350	388,200	653,288	1,807,346
TOTAL COSTS >	3,030,152	3,995,659	724,782	726,328	8,476,920

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Tyler Brooking	Team Lead - WTX/NM	
Completions Engineer:	Garrett Hunt		
Production Engineer:	George Malloy		

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, COO/CFO	VP - Res Engineering	VP - Drilling
DEL	BMR	BS
Executive VP, Legal	Exec Dir - Exploration	
CA	NLF	
President		
MVH		

NON OPERATING PARTNER APPROVAL:

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

This AFE and wellhead title may not be considered as evidence in any court of law or in the public interest of the state. This AFE may be subject to a year after the well has been completed. In executing this AFE, the Partner agrees to its proportionate share of all costs incurred, including legal, contract, regulatory, overhead and other costs prior to the date of the applicable non-operating agreement, regulatory action or other agreement covering this well. Partners will be covered by and hold responsibility for the Operator's well control and general liability insurance and performance bonds, covering all wellhead, including to the extent of the amount recoverable by the Operator by the date of approval.

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:	January 25, 2021	AFE NO.:	
WELL NAME:	Dee Osborne 1930 State Com #135H	FIELD:	
LOCATION:	Sections 19 & 30, 21S-35E	MD/TVD:	21,100'/10,750'
COUNTY/STATE:	Lea County, New Mexico	LATERAL LENGTH:	9,800'
MRC W/:			
GEOLOGIC TARGET:	3rd Bone Spring		
REMARKS:	Drill, complete and equip a horizontal 3rd Bone Spring well		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Land / Legal / Regulatory	\$ 36,500	\$ -	\$ -	\$ 10,000	\$ 46,500
Location, Surveys & Damages	94,000	13,000	15,000	25,000	147,000
Drilling	764,725				764,725
Cementing & Float Equip	274,000				274,000
Logging / Formation Evaluation		5,000	3,000		8,000
Flowback - Labor			23,400		23,400
Flowback - Surface Rentals			20,304		20,304
Flowback - Rental Living Quarters					
Mud Logging	12,000				12,000
Mud Circulation System	39,200				39,200
Mud & Chemicals	170,000	49,000	6,000		225,000
Mud / Wastewater Disposal	135,000			1,000	136,000
Freight / Transportation	7,500	19,500			27,000
Rig Supervision / Engineering	91,000	112,000	4,350	14,400	221,750
Drill Bits	95,000				95,000
Drill Bit Purchase					
Fuel & Power	84,000	8,000			92,000
Water	25,000	756,250	3,000	1,000	785,250
Drig & Completion Overhead		10,000			10,000
Plugging & Abandonment					
Directional Drilling, Surveys	199,775				199,775
Completion Unit, Swab, CTU		130,000	13,500		143,500
Perforating, Wireline, Slickline		180,000			180,000
High Pressure Pump Truck		64,000	6,000		70,000
Stimulation		1,872,750			1,872,750
Stimulation Flowback & Disp		15,500	195,000		210,500
Insurance	38,070				38,070
Labor	89,500	62,500	15,000	5,000	172,000
Rental - Surface Equipment	64,940	315,890	10,000	5,000	395,830
Rental - Downhole Equipment	78,800	80,000	6,000		164,800
Rental - Living Quarters	24,700	48,050		5,000	77,750
Contingency	116,188	188,869	16,028	6,640	327,725
Operations Center	30,100				30,100
TOTAL INTANGIBLES >	2,469,996	3,928,309	338,582	73,040	6,807,926

TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	\$ 69,660	\$ -	\$ -	\$ -	\$ 69,660
Intermediate Casing	144,645				144,645
Drilling Liner					
Production Casing	456,976				456,976
Production Liner					
Tubing			43,200		43,200
Wellhead	46,000		29,500		75,500
Packers, Liner Hangers		67,350			67,350
Tanks				29,900	29,900
Production Vessels				119,638	119,638
Flow Lines				120,000	120,000
Rod string					
Artificial Lift Equipment			275,000		275,000
Compressor				42,500	42,500
Installation Costs				96,000	96,000
Surface Pumps			2,500	26,250	28,750
Non-controllable Surface				2,000	2,000
Non-controllable Downhole					
Downhole Pumps					
Measurement & Meter Installation			10,000	49,000	59,000
Gas Conditioning / Dehydration					
Interconnecting Facility Piping				62,500	62,500
Gathering / Bulk Lines					
Valves, Dumps, Controllers					
Tank / Facility Containment				11,250	11,250
Flare Stack				20,000	20,000
Electrical / Grounding			30,000	16,000	46,000
Communications / SCADA			4,000	2,500	6,500
Instrumentation / Safety				55,750	55,750
TOTAL TANGIBLES >	717,281	67,350	388,200	653,288	1,826,118
TOTAL COSTS >	3,187,278	3,895,659	724,782	726,328	8,634,044

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Tyler Brooking	Team Lead - WTX/NM	<u>AS</u>
Completions Engineer:	Garrett Hunt		JTG
Production Engineer:	George Malloy		

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, COO/CFD	<u>DEL</u>	VP - Res Engineering	<u>BMR</u>	VP - Drilling	<u>BG</u>
Executive VP, Legal	<u>CA</u>	Exec Dir - Exploration	<u>NLF</u>		
President	<u>MVH</u>				

NON OPERATING PARTNER APPROVAL:

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

The wells to this AFE are operated only and not for or controlled as to the field cost of the project. Fulling installation approval under the AFE shall be provided to the project site for well completion. In executing this AFE, the Participants agree to pay the appropriate share of actual costs, including but not limited to, including but not limited to the costs of the operations and completion of the well. Participants shall be bound by the terms and conditions of the AFE and shall be bound by the terms and conditions of the AFE and shall be bound by the terms and conditions of the AFE.

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:	January 25, 2021	AFE NO.:	
WELL NAME:	Dee Osborne 1930 State Com #112H	FIELD:	
LOCATION:	Sections 19 & 30, 21S-35E	MD/TVD:	19,670/9,320'
COUNTY/STATE:	Lea County, New Mexico	LATERAL LENGTH:	9,800'
MRC WI:			
GEOLOGIC TARGET:	1st Bone Spring		
REMARKS:	Drill, complete and equip a horizontal 1st Bone Spring well		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Land / Legal / Regulatory	\$ 36,500	\$ -	\$ -	\$ 10,000	\$ 46,500
Location, Surveys & Damages	94,000	13,000	15,000	25,000	147,000
Drilling	714,225	-	-	-	714,225
Cementing & Float Equip	224,000	-	-	-	224,000
Logging / Formation Evaluation	-	5,000	3,000	-	8,000
Flowback - Labor	-	-	23,400	-	23,400
Flowback - Surface Rentals	-	-	20,304	-	20,304
Flowback - Rental Living Quarters	-	-	-	-	-
Mud Logging	12,000	-	-	-	12,000
Mud Circulation System	37,900	-	-	-	37,900
Mud & Chemicals	150,000	49,000	6,000	-	205,000
Mud / Wastewater Disposal	125,500	-	-	1,000	126,500
Freight / Transportation	7,500	19,500	-	-	27,000
Rig Supervision / Engineering	84,500	112,000	4,350	14,400	210,250
Drill Bits	88,500	-	-	-	88,500
Drill Bit Purchase	-	-	-	-	-
Fuel & Power	58,500	8,000	-	-	66,500
Water	25,000	756,250	3,000	1,000	785,250
Rig & Completion Overhead	13,000	10,000	-	-	23,000
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	187,950	-	-	-	187,950
Completion Unit, Swab, CTU	-	130,000	13,500	-	143,500
Perforating, Wireline, Slickline	-	180,000	-	-	180,000
High Pressure Pump Truck	-	64,000	6,000	-	70,000
Stimulation	-	1,872,750	-	-	1,872,750
Stimulation Flowback & Disp	-	15,500	195,000	-	210,500
Insurance	35,568	-	-	-	35,568
Labor	89,500	62,500	15,000	5,000	172,000
Rental - Surface Equipment	60,770	315,850	10,000	5,000	391,620
Rental - Downhole Equipment	78,800	80,000	6,000	-	164,800
Rental - Living Quarters	23,550	48,050	-	5,000	76,600
Contingency	84,358	186,869	18,028	6,640	273,895
Operations Center	27,550	-	-	-	27,550
TOTAL INTANGIBLES >	2,237,581	3,928,309	336,582	73,040	6,575,512

TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	\$ 69,660	\$ -	\$ -	\$ -	\$ 69,660
Intermediate Casing	144,645	-	-	-	144,645
Drilling Liner	-	-	-	-	-
Production Casing	421,286	-	-	-	421,286
Production Liner	-	-	-	-	-
Tubing	-	-	43,200	-	43,200
Wellhead	46,000	-	23,500	-	69,500
Packers, Liner Hangers	-	67,350	-	-	67,350
Tanks	-	-	-	29,900	29,900
Production Vessels	-	-	-	119,638	119,638
Flow Lines	-	-	-	120,000	120,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	275,000	-	275,000
Compressor	-	-	-	42,500	42,500
Installation Costs	-	-	-	96,000	96,000
Surface Pumps	-	-	2,500	26,250	28,750
Non-controllable Surface	-	-	-	2,000	2,000
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	10,000	49,000	59,000
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	62,500	62,500
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	-	-	-
Tank / Facility Containment	-	-	-	11,250	11,250
Flare Stack	-	-	-	20,000	20,000
Electrical / Grounding	-	-	30,000	16,000	46,000
Communications / SCADA	-	-	4,000	2,500	6,500
Instrumentation / Safety	-	-	-	55,750	55,750
TOTAL TANGIBLES >	681,591	67,350	388,200	653,288	1,790,429
TOTAL COSTS >	2,919,172	3,995,659	724,782	726,328	8,385,941

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer: Tyler Brooking	Team Lead - WTX/NM	<i>AKS</i>
Completions Engineer: Garrett Hunt		<i>JTG</i>
Production Engineer: George Malloy		

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, COO/CFO	VP - Res Engineering	VP - Drilling
DEL	BMR	BG
Executive VP, Legal	Exec Dir - Exploration	
CA	NLF	
President		
MVH		

NON OPERATING PARTNER APPROVAL:

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

This AFE is for informational purposes only and shall not be considered an offer or any specific term or condition of the proposed well. It is subject to the well plan and the well completion plan. The Participant agrees to pay 99 percent of the cost of all well costs, including but not limited to, completion, production, and well costs, to the Operator. If the applicable well completion and well plan are subject to change, the Operator will be advised by email prior to the start of the well completion and well plan. The Operator will be responsible for any increase in the cost of the well completion and well plan.

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:	January 25, 2021	AFE NO.:	
WELL NAME:	Dee Osborne 1930 Slate Com #122H	FIELD:	
LOCATION:	Sections 19 & 30, 21S-35E	MD/TVD:	20,450'/10,100'
COUNTY/STATE:	Lea County, New Mexico	LATERAL LENGTH:	9,800'
MRC WI:			
GEOLOGIC TARGET:	2nd Bone Spring		
REMARKS:	Drill, complete and equip a horizontal 2nd Bone Spring well		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
INTANGIBLE COSTS					
Land / Legal / Regulatory	\$ 36,500	\$ -	\$ -	\$ 10,000	\$ 46,500
Location, Surveys & Damages	94,000	13,000	16,000	25,000	147,000
Drilling	739,475	-	-	-	739,475
Cementing & Float Equip	229,000	-	-	-	229,000
Logging / Formation Evaluation	-	5,000	3,000	-	8,000
Flowback - Labor	-	-	23,400	-	23,400
Flowback - Surface Rentals	-	-	20,304	-	20,304
Flowback - Rental Living Quarters	-	-	-	-	-
Mud Logging	12,000	-	-	-	12,000
Mud Circulation System	38,550	-	-	-	38,550
Mud & Chemicals	150,000	49,000	6,000	-	205,000
Mud / Wastewater Disposal	125,500	-	-	1,000	126,500
Freight / Transportation	7,500	19,500	-	-	27,000
Rig Supervision / Engineering	87,750	112,000	4,350	14,400	218,500
Drill Bits	86,500	-	-	-	86,500
Drill Bit Purchase	-	-	-	-	-
Fuel & Power	60,750	8,000	-	-	68,750
Water	25,000	756,250	3,000	1,000	785,250
Drfg & Completion Overhead	13,500	10,000	-	-	23,500
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	194,675	-	-	-	194,675
Completion Unit, Swab, CTU	-	130,000	13,500	-	143,500
Perforating, Wireline, Slickline	-	180,000	-	-	180,000
High Pressure Pump Truck	-	54,000	6,000	-	60,000
Stimulation	-	1,872,750	-	-	1,872,750
Stimulation Flowback & Disp	-	15,500	195,000	-	210,500
Insurance	36,990	-	-	-	36,990
Labor	89,500	62,500	15,000	5,000	172,000
Rental - Surface Equipment	62,855	315,890	10,000	5,000	393,745
Rental - Downhole Equipment	78,800	80,000	8,000	-	164,800
Rental - Living Quarters	24,125	48,050	-	5,000	77,175
Contingency	109,649	186,889	16,028	6,640	319,185
Operations Center	29,025	-	-	-	29,025
TOTAL INTANGIBLES >	2,331,644	3,928,309	336,582	73,040	6,669,574

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
TANGIBLE COSTS					
Surface Casing	\$ 69,660	\$ -	\$ -	\$ -	\$ 69,660
Intermediate Casing	144,645	-	-	-	144,645
Drilling Liner	-	-	-	-	-
Production Casing	438,204	-	-	-	438,204
Production Liner	-	-	-	-	-
Tubing	-	-	43,200	-	43,200
Wellhead	46,000	-	23,500	-	69,500
Packers, Liner Hangers	-	67,350	-	-	67,350
Tanks	-	-	-	29,900	29,900
Production Vessels	-	-	-	119,638	119,638
Flow Lines	-	-	-	120,000	120,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	275,000	-	275,000
Compressor	-	-	-	42,500	42,500
Installation Costs	-	-	-	96,000	96,000
Surface Pumps	-	-	2,500	26,250	28,750
Non-controllable Surface	-	-	-	2,000	2,000
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	10,000	49,000	59,000
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	62,500	62,500
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	-	-	-
Tank / Facility Containment	-	-	-	11,250	11,250
Flare Stack	-	-	-	20,000	20,000
Electrical / Grounding	-	-	30,000	16,000	46,000
Communications / SCADA	-	-	4,000	2,500	6,500
Instrumentation / Safety	-	-	-	55,750	55,750
TOTAL TANGIBLES >	698,509	67,350	388,200	653,288	1,807,346
TOTAL COSTS >	3,030,152	3,995,659	724,782	726,328	8,476,920

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Tyler Brooking	Team Lead - WTX/NM	
Completions Engineer:	Garrett Hunt		
Production Engineer:	George Malloy		

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, COO/CFO	DEL	VP - Res Engineering	BMR	VP - Drilling	BG
Executive VP, Legal	CA	Exec Dir - Exploration	NLF		
President	MVH				

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 identical to the actual costs of the project. Logging and stimulation operations on this AFE may be completed up to a year after the well has been completed. In executing this AFE, the Participant agrees to use its proportionate share of actual costs incurred, including field overhead, regulatory, knowledge and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering the well. Participants shall be bound by such future proportionate share of actual costs and general liability allocation subject to the provisions of the OGD and shall not be bound by an amount attributable to the Operator if the well is shut in.

MATADOR PRODUCTION COMPANY

ONE LINCOLN CENTRE • 5400 LBJ FREEWAY • SUITE 1600 • DALLAS, TEXAS 75240
Phone (972) 371-5200 • Fax (972) 371-5201

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	January 25, 2021	AFE NO.:	
WELL NAME:	Dee Osborne 1930 State Com #136H	FIELD:	
LOCATION:	Sections 19 & 30, 21S-35E	MD/TVD:	21,100'/10,750'
COUNTY/STATE:	Lea County, New Mexico	LATERAL LENGTH:	9,800'
MRC WI:			
GEOLOGIC TARGET:	3rd Bone Spring		
REMARKS:	Drill, complete and equip a horizontal 3rd Bone Spring well		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Land / Legal / Regulatory	\$ 36,500	\$ -	\$ -	\$ 10,000	\$ 46,500
Location, Surveys & Damages	94,000	13,000	15,000	25,000	147,000
Drilling	764,725				764,725
Cementing & Float Equip	274,000				274,000
Logging / Formation Evaluation	-	5,000	3,000		8,000
Flowback - Labor			23,400		23,400
Flowback - Surface Rentals			20,304		20,304
Flowback - Rental Living Quarters					-
Mud Logging	12,000				12,000
Mud Circulation System	39,200				39,200
Mud & Chemicals	170,000	49,000	6,000		225,000
Mud / Wastewater Disposal	135,000			1,000	136,000
Freight / Transportation	7,500	19,500			27,000
Rig Supervision / Engineering	91,000	112,000	4,350	14,400	221,750
Drill Bits	95,000				95,000
Drill Bit Purchase					-
Fuel & Power	84,000	8,000			92,000
Water	25,000	756,250	3,000	1,000	785,250
Drig & Completion Overhead		10,000			10,000
Plugging & Abandonment					-
Directional Drilling, Surveys	199,775				199,775
Completion Unit, Swab, CTU		130,000	13,500		143,500
Perforating, Wireline, Slickline		180,000			180,000
High Pressure Pump Truck		84,000	6,000		90,000
Stimulation		1,872,750			1,872,750
Stimulation Flowback & Disp		15,500	195,000		210,500
Insurance	38,070				38,070
Labor	89,500	62,500	15,000	5,000	172,000
Rental - Surface Equipment	64,640	315,850	10,000	5,000	395,490
Rental - Downhole Equipment	78,600	80,000	6,000		164,600
Rental - Living Quarters	24,700	48,000		5,000	77,700
Contingency	116,185	188,869	16,028	6,640	325,722
Operations Center	30,100				30,100
TOTAL INTANGIBLES >	2,469,896	3,926,309	336,582	73,040	6,807,926

TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	\$ 69,660	\$ -	\$ -	\$ -	\$ 69,660
Intermediate Casing	144,645				144,645
Drilling Liner					-
Production Casing	456,976				456,976
Production Liner					-
Tubing			43,200		43,200
Wellhead	46,000		23,500		69,500
Packers, Liner Hangers		67,350			67,350
Tanks				29,900	29,900
Production Vessels				119,638	119,638
Flow Lines				120,000	120,000
Rod string					-
Artificial Lift Equipment			275,000		275,000
Compressor				42,500	42,500
Installation Costs				56,000	56,000
Surface Pumps			2,500		2,500
Non-controllable Surface				2,000	2,000
Non-controllable Downhole					-
Downhole Pumps					-
Measurement & Meter Installation			10,000	49,000	59,000
Gas Conditioning / Dehydration					-
Interconnecting Facility Piping				62,500	62,500
Gathering / Bulk Lines					-
Valves, Dumps, Controllers					-
Tank / Facility Containment				11,250	11,250
Flare Stack				20,000	20,000
Electrical / Grounding			30,000	16,000	46,000
Communications / SCADA			4,000	2,500	6,500
Instrumentation / Safety				55,750	55,750
TOTAL TANGIBLES >	717,281	67,350	388,200	653,288	1,826,118
TOTAL COSTS >	3,187,278	3,993,659	724,782	726,328	8,634,044

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Tyler Brookling	Team Lead - WTX/NM	<i>JTG</i>
Completions Engineer:	Garrett Hunt		
Production Engineer:	George Malloy		

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, COO/CFO	DEL	VP - Res Engineering	BMR	VP - Drilling	BG
Executive VP, Legal	CA	Exec Dir - Exploration	NLF		
President	MVH				

NON OPERATING PARTNER APPROVAL:

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

This report is for AFE only and does not constitute an offer or any specific fact or the state of the project. Funding obligations assumed under the AFE shall be limited to a period after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of all or such amount, including legal, surveys, rigging, housing and well costs under the terms of its applicable pre-drilling agreement, regardless of any other agreement governing this well. Participants shall be deemed to have agreed to the Operator's well control and general liability insurance policies for the duration of the well. The Operator shall be deemed to have agreed to the Operator's well control.

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

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	January 25, 2021	AFE NO.:	
WELL NAME:	Dee Osborne 1930 State Com #201H	FIELD:	
LOCATION:	Sections 19 & 30, 21S-35E	MD/TVD:	21,210'/10,860'
COUNTY/STATE:	Lea County, New Mexico	LATERAL LENGTH:	9,800'
MRC WI:			
GEOLOGIC TARGET:	Wolfcamp A		
REMARKS:	Drill, complete and equip a horizontal Wolfcamp A well		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Land / Legal / Regulatory	\$ 36,500	\$ -	\$ -	\$ 10,000	\$ 46,500
Location, Surveys & Damages	94,000	13,000	15,000	25,000	147,000
Drilling	764,725	-	-	-	764,725
Cementing & Float Equip	274,000	-	-	-	274,000
Logging / Formation Evaluation	-	5,000	3,000	-	8,000
Flowback - Labor	-	-	23,400	-	23,400
Flowback - Surface Rentals	-	-	20,304	-	20,304
Flowback - Rental Living Quarters	-	-	-	-	-
Mud Logging	12,000	-	-	-	12,000
Mud Circulation System	39,200	-	-	-	39,200
Mud & Chemicals	170,000	49,000	6,000	-	225,000
Mud / Wastewater Disposal	135,000	-	-	1,000	136,000
Freight / Transportation	7,500	19,500	-	-	27,000
Rig Supervision / Engineering	91,000	112,000	4,350	14,400	221,750
Drill Bits	95,000	-	-	-	95,000
Drill Bit Purchase	-	-	-	-	-
Fuel & Power	64,000	8,000	-	-	92,000
Water	25,000	756,250	3,000	1,000	785,250
Drig & Completion Overhead	-	10,000	-	-	10,000
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	201,985	-	-	-	201,985
Completion Unit, Swab, CTU	-	130,000	13,500	-	143,500
Perforating, Wireline, Slickline	-	160,000	-	-	160,000
High Pressure Pump Truck	-	64,000	6,000	-	70,000
Stimulation	-	1,872,750	-	-	1,872,750
Stimulation Flowback & Disp	-	15,500	195,000	-	210,500
Insurance	38,538	-	-	-	38,538
Labor	88,500	62,500	15,000	5,000	171,000
Rental - Surface Equipment	64,940	315,890	10,000	5,000	395,830
Rental - Downhole Equipment	78,800	80,000	6,000	-	164,800
Rental - Living Quarters	24,700	48,050	-	5,000	77,750
Contingency	116,319	166,869	16,028	6,640	325,856
Operations Center	30,100	-	-	-	30,100
TOTAL INTANGIBLES >	2,472,807	3,928,309	336,582	73,040	6,810,738

TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	\$ 69,660	\$ -	\$ -	\$ -	\$ 69,660
Intermediate Casing	144,645	-	-	-	144,645
Drilling Liner	-	-	-	-	-
Production Casing	460,972	-	-	-	460,972
Production Liner	-	-	-	-	-
Tubing	-	-	43,200	-	43,200
Wellhead	46,000	-	23,500	-	69,500
Packers, Liner Hangers	-	67,350	-	-	67,350
Tanks	-	-	-	29,900	29,900
Production Vessels	-	-	-	119,638	119,638
Flow Lines	-	-	-	120,000	120,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	275,000	-	275,000
Compressor	-	-	-	42,500	42,500
Installation Costs	-	-	-	96,000	96,000
Surface Pumps	-	-	2,500	26,250	28,750
Non-controllable Surface	-	-	-	2,000	2,000
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	10,000	49,000	59,000
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	62,500	62,500
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	-	-	-
Tank / Facility Containment	-	-	-	11,250	11,250
Flare Stack	-	-	-	20,000	20,000
Electrical / Grounding	-	-	30,000	16,000	46,000
Communications / SCADA	-	-	4,000	2,500	6,500
Instrumentation / Safety	-	-	-	55,750	55,750
TOTAL TANGIBLES >	721,277	67,350	388,200	653,288	1,830,114
TOTAL COSTS >	3,194,084	3,995,659	724,782	726,328	8,640,852

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer: Tyler Brooking	Team Lead - WTX/NM	<u> </u>
Completions Engineer: Garrett Hunt		JTG
Production Engineer: George Malloy		

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, COO/CFD <u> </u>	VP - Res Engineering <u> </u>	VP - Drilling <u> </u>
DEL	BMR	BC
Executive VP, Legal <u> </u>	Exec Dir - Exploration <u> </u>	
CA	NLF	
President <u> </u>		
MVH		

NON OPERATING PARTNER APPROVAL:

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

This AFE is for informational purposes only and does not constitute an offer of financing or any other financial product. It is subject to the terms and conditions of the applicable form(s) and any other documents. The AFE is not intended to be a substitute for the actual AFE. The Participant agrees to pay the appropriate share of actual costs incurred including legal, variable, equipment, knowledge and well costs under the terms of the applicable form(s) and any other documents. The Participant shall be responsible for obtaining a well permit and general liability insurance unless otherwise provided. Operator shall be responsible for obtaining a well permit in an amount acceptable to the Operator by the date of AFE.

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:	January 25, 2021	AFE NO.:	
WELL NAME:	Dee Osborne 1930 State Com #202H	FIELD:	
LOCATION:	Sections 19 & 30, 21S-35E	MD/TVD:	21,210'/10,860'
COUNTY/STATE:	Lea County, New Mexico	LATERAL LENGTH:	9,800'
MRC WI:			
GEOLOGIC TARGET:	Wolfcamp A		
REMARKS:	Drill, complete and equip a horizontal Wolfcamp A well		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Land / Legal / Regulatory	\$ 36,500	\$ -	\$ -	\$ 10,000	\$ 46,500
Location, Surveys & Damages	94,000	13,000	15,000	25,000	147,000
Drilling	764,725				764,725
Cementing & Float Equip	274,000				274,000
Logging / Formation Evaluation		5,000	3,000		8,000
Flowback - Labor			23,400		23,400
Flowback - Surface Rentals			20,304		20,304
Flowback - Rental Living Quarters					
Mud Logging	12,000				12,000
Mud Circulation System	39,200				39,200
Mud & Chemicals	170,000	49,000	6,000		225,000
Mud / Wastewater Disposal	135,000			1,000	136,000
Freight / Transportation	7,500	19,500			27,000
Rig Supervision / Engineering	91,000	112,000	4,350	14,400	221,750
Drill Bits	95,000				95,000
Drill Bit Purchase					
Fuel & Power	84,000	8,000			92,000
Water	25,000	756,250	3,000	1,000	785,250
Drfg & Completion Overhead		10,000			10,000
Plugging & Abandonment					
Directional Drilling, Surveys	201,985				201,985
Completion Unit, Swab, CTU		130,000	13,500		143,500
Perforating, Wireline, Slickline		180,000			180,000
High Pressure Pump Truck		64,000	6,000		70,000
Stimulation		1,872,750			1,872,750
Stimulation Flowback & Disp		15,500	195,000		210,500
Insurance	38,538				38,538
Labor	89,500	62,500	15,000	5,000	172,000
Rental - Surface Equipment	64,940	315,890	10,000	5,000	395,830
Rental - Downhole Equipment	78,800	80,000	6,000		164,800
Rental - Living Quarters	24,700	48,050		5,000	77,750
Contingency	116,319	186,869	16,028	6,640	325,856
Operations Center	30,100				30,100
TOTAL INTANGIBLES >	2,472,807	3,928,309	336,582	73,040	6,810,738

TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	\$ 69,660	\$ -	\$ -	\$ -	\$ 69,660
Intermediate Casing	144,645				144,645
Drilling Liner	-				-
Production Casing	460,972				460,972
Production Liner	-				-
Tubing			43,200		43,200
Wellhead	46,000		23,500		69,500
Packers, Liner Hangers		67,350			67,350
Tanks				29,900	29,900
Production Vessels				119,638	119,638
Flow Lines				120,000	120,000
Rod string					
Artificial Lift Equipment			275,000		275,000
Compressor				42,500	42,500
Installation Costs				96,000	96,000
Surface Pumps			2,500	26,750	29,250
Non-controllable Surface				2,000	2,000
Non-controllable Downhole					
Downhole Pumps					
Measurement & Meter Installation			10,000	49,000	59,000
Gas Conditioning / Dehydration					
Interconnecting Facility Piping				62,500	62,500
Gathering / Bulk Lines					
Valves, Dumps, Controllers					
Tank / Facility Containment				11,250	11,250
Flare Stack				20,000	20,000
Electrical / Grounding			30,000	16,000	46,000
Communications / SCADA			4,000	2,500	6,500
Instrumentation / Safety				55,750	55,750
TOTAL TANGIBLES >	721,277	67,350	368,200	653,288	1,810,114
TOTAL COSTS >	3,194,084	3,995,659	724,782	726,328	8,640,852

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Tyler Brooking	Team Lead - WTXNM	
Completions Engineer:	Garrett Hurt		JTG
Production Engineer:	George Mallory		

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, COO/CFO	DEL	VP - Res Engineering	BMR	VP - Drilling	SG
Executive VP, Legal	CA	Exec Dir - Exploration	NLF		
President	MVH				

NON OPERATING PARTNER APPROVAL:

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

The wells on this AFE are estimated only and they will be determined as follows on any well: as the later cost of the project. Tying completion equipment under the AFE may be allowed 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 expenses, regulatory, and other costs in the future if the applicable permit application agreement, regulatory order or other agreement covering the well. Participants will be covered by the third party liability insurance policy provided. Operator is not liable for any insurance or other amount available to the Operator by the state of Texas.

EXHIBIT C-5

Summary of Communication

V-F Petroleum Inc. (Working Interest)

- 2/11/2021: Proposals mailed via certified mail.
- 2/19/2021: Proposals delivered. (Received signed return receipt)
- 3/11/2021 – 3/14/2021: Spoke with V-F Petroleum Inc. by phone and exchanged emails regarding proposals, timing of wells, general development concepts and interests of parties.
- 5/5/2021: Joint Operating Agreement mailed.
- 5/17/2021: Spoke with V-F Petroleum Inc. by phone. V-F requested some information on their interest. Followed up by email with the information requested.
- 7/14/2021 – 7/20/2021: Spoke with V-F Petroleum Inc. by phone and exchanged emails regarding this project.

ConocoPhillips Company (WI)

- 2/11/2021: Proposals mailed via certified mail.
- 2/23/2021: Proposals delivered. (Received signed return receipt)
- 3/10/2021: Spoke with ConocoPhillips Company by phone regarding proposals, timing of wells, general development concepts and interests of parties.
- 5/5/2021: Joint Operating Agreement mailed.
- 7/14/2021 – 7/19/2021: Spoke with ConocoPhillips Company by phone and exchanged emails regarding this project.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C5
Case Nos. 22054, 22055, 22058
Submitted by: MATADOR PRODUCTION COMPANY
Hearing Date: August 05, 2021

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

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

CASE NOS. 22054, 22055 and 22058

AFFIDAVIT OF JACOB HARRINGTON

Jacob Harrington, of lawful age and being first duly sworn, declares as follows:

1. My name is Jacob Harrington and I am employed by MRC Energy Company, an affiliate of Matador Production Company (“Matador”), as a petroleum geologist.

2. I graduated from Ohio State University with a degree in Earth Sciences in 2015. After graduating, I went to Stanford University and pursued a Master of Science Degree in Geological Sciences, which I completed in 2017. After graduating from Ohio State and while studying at Stanford, I interned with Shell Exploration and Production Company as a geologist intern in the Summer of 2015 and the Summer of 2016. After receiving my Masters of Science in 2017, I began working as a geologist at Matador. Since beginning at Matador, I have worked as a geologist with a focus in Eddy and Lea Counties, New Mexico. I am a member of AAPG (the American Association of Petroleum Geologists), as well as the Dallas Geological Society and West Texas Geological Society. In addition, since beginning work at Matador, I have been required to complete at least 40 hours of continuing education studies each year.

3. I am familiar with the applications filed by Matador in these consolidated cases and have conducted a geologic study of the lands in the subject area.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D
Case Nos. 22054, 22055, 22058
Submitted by: MATADOR PRODUCTION COMPANY
Hearing Date: August 05, 2021**

4. The target intervals for the initial wells in the proposed spacing units are the First, Second, and Third Bone Spring intervals of the Bone Spring formation and the Wolfcamp A interval of the Wolfcamp formation.

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

Bone Spring Formation

6. In case nos. **22054 and 22055**, Matador intends to develop the Bone Spring formation.

7. **Matador Exhibit D-2** is a subsea structure map that I prepared on the top of the Bone Spring formation. The proposed spacing units are outlined in black and shaded yellow. The contour interval is 50 feet. The structure map shows the Bone Spring formation gently dipping to the southwest. The structure appears consistent across the proposed spacing unit and I do not observe any faulting, pinch outs, or other geologic impediments to horizontal drilling.

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

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

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

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

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

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

Wolfcamp Formation

14. In case no. **22058**, Matador intends to develop the Wolfcamp formation.

15. **Matador Exhibit D-4** is a subsea structure map that I prepared on the top of the Wolfcamp formation. The proposed spacing unit is outlined in black and shaded yellow. The contour interval is 50 feet. The structure map shows the Wolfcamp formation gently dipping to the southwest. The structure appears consistent across the proposed spacing unit and I do not observe any faulting, pinch outs, or other geologic impediments to horizontal drilling.

16. Also included on Matador Exhibit D-4 is a line of cross section from A to A'.

17. **Matador Exhibit D-5** is a structural cross-section that I prepared displaying open-hole logs run over the Wolfcamp formation from the three representative wells denoted from A to A'. For each well in the cross-section, the following logs are included: gamma ray, resistivity, and porosity. The proposed target intervals of each of the respective proposed wells is labeled and marked with a yellow shaded area. The logs in the cross-section demonstrate that the targeted

intervals, within the Wolfcamp formation, are consistent in thickness across the entirety of the proposed spacing unit.

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

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

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

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

22. The standup orientation of these wells is the preferred orientation in this area because of the stress orientation in the area.

23. **Matador Exhibits D-1 through D-5** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT


JACOB HARRINGTON

STATE OF TEXAS)

COUNTY OF DALLAS)

SUBSCRIBED and SWORN to before me this 26th day of July 2021 by Jacob Harrington.



Sara Marie Hartsfield
NOTARY PUBLIC

My Commission Expires:

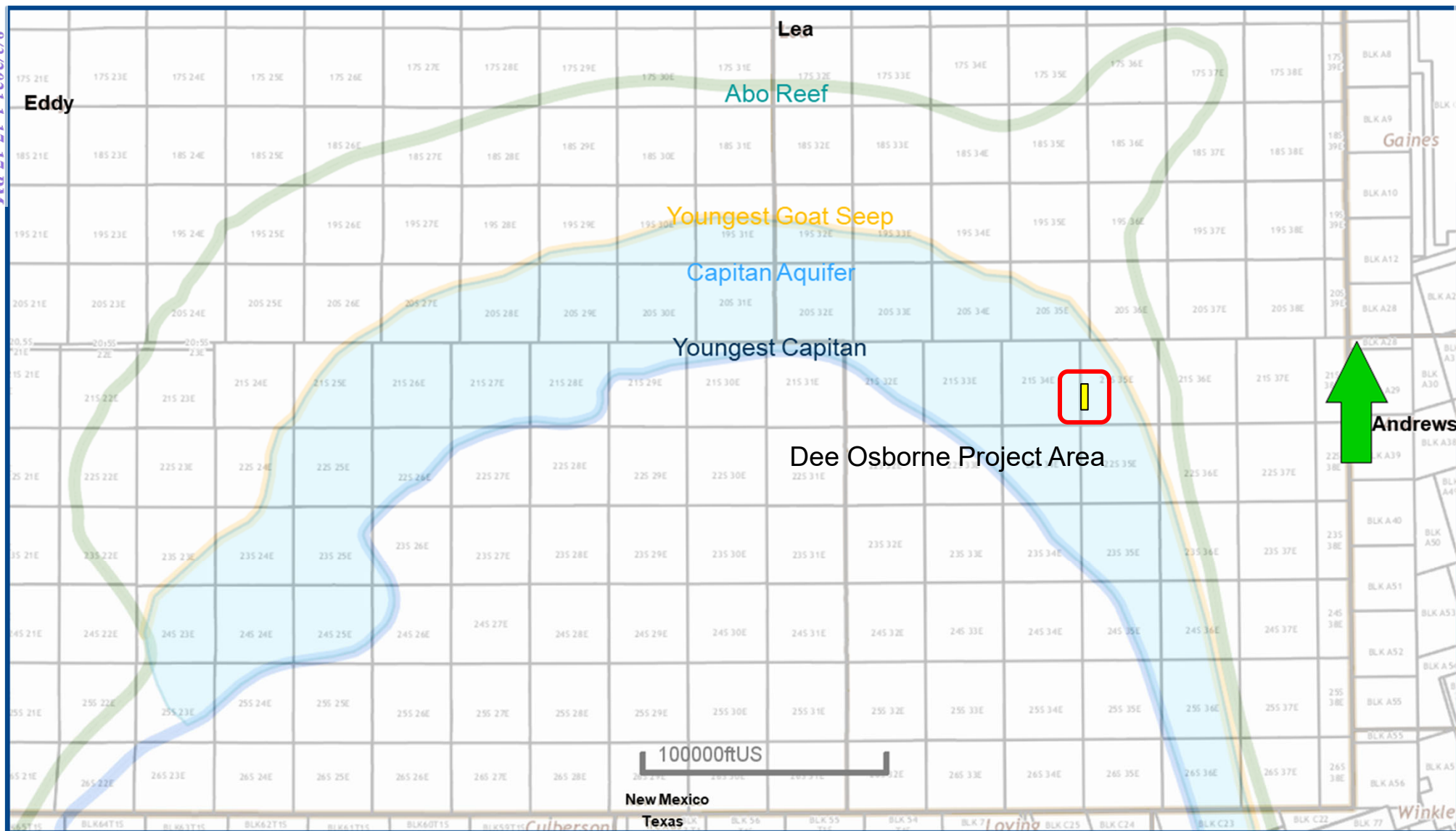
8-21-2023

Locator Map

Exhibit D-1

Released to Imaging: 8/3/2021 1:17:17 PM

Received by OCD: 8/3/2021 1:08:44 PM



Wilson; Bone Spring (Pool Code 64560) Structure Map (Top Bone Spring Subsea) A – A' Reference Line

Exhibit D-2

Received by OCD: 8/3/2021 1:08:44 PM

Released to Imaging: 8/3/2021 1:17:17 PM

Map Legend

Dee Osborne Wells



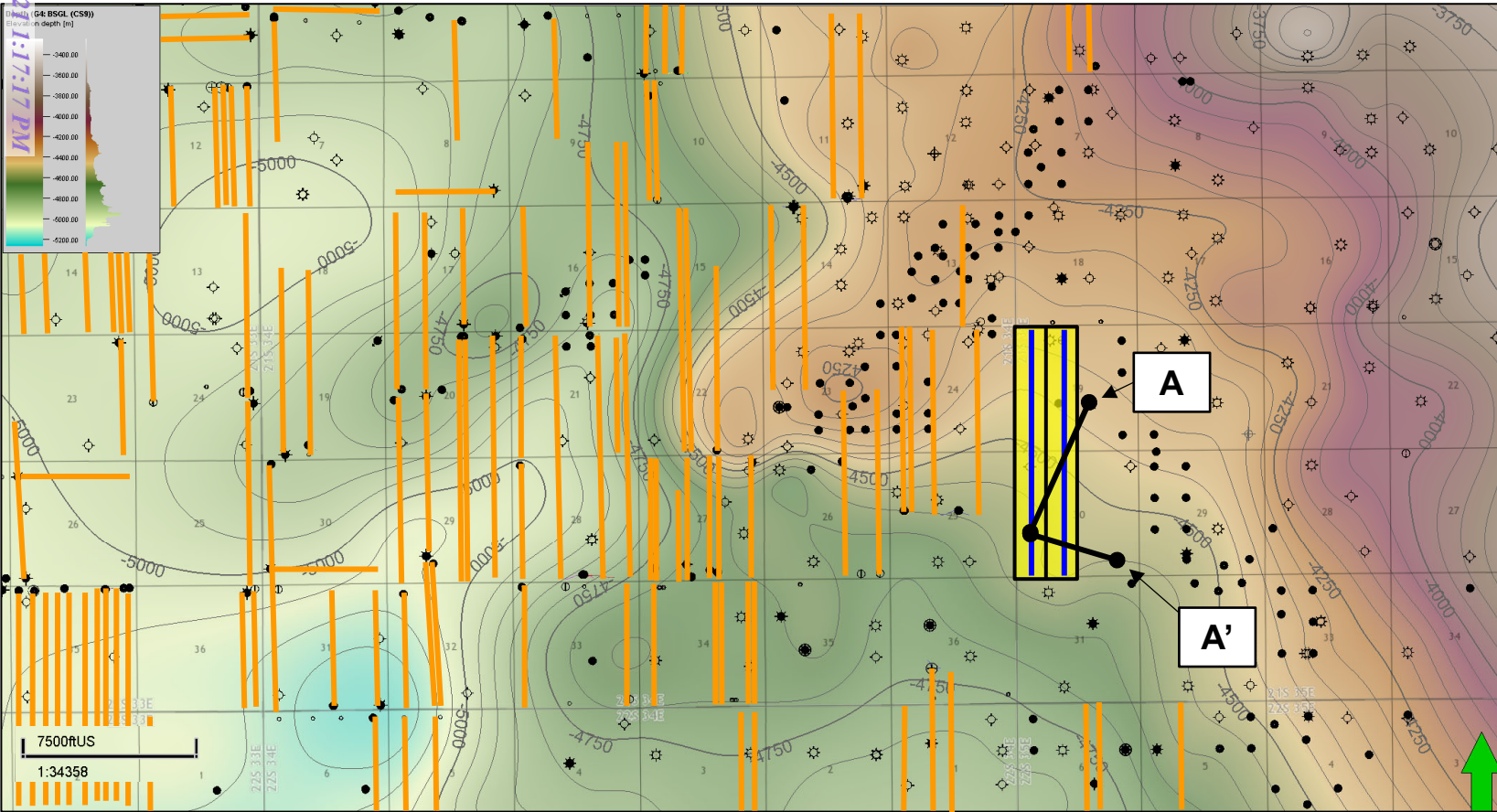
Bone Spring Wells



Project Areas



C. I. = 50'



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D2

Case Nos. 22054, 22055, 22058
Submitted by: MATADOR PRODUCTION COMPANY
Hearing Date: August 05, 2021



D-2

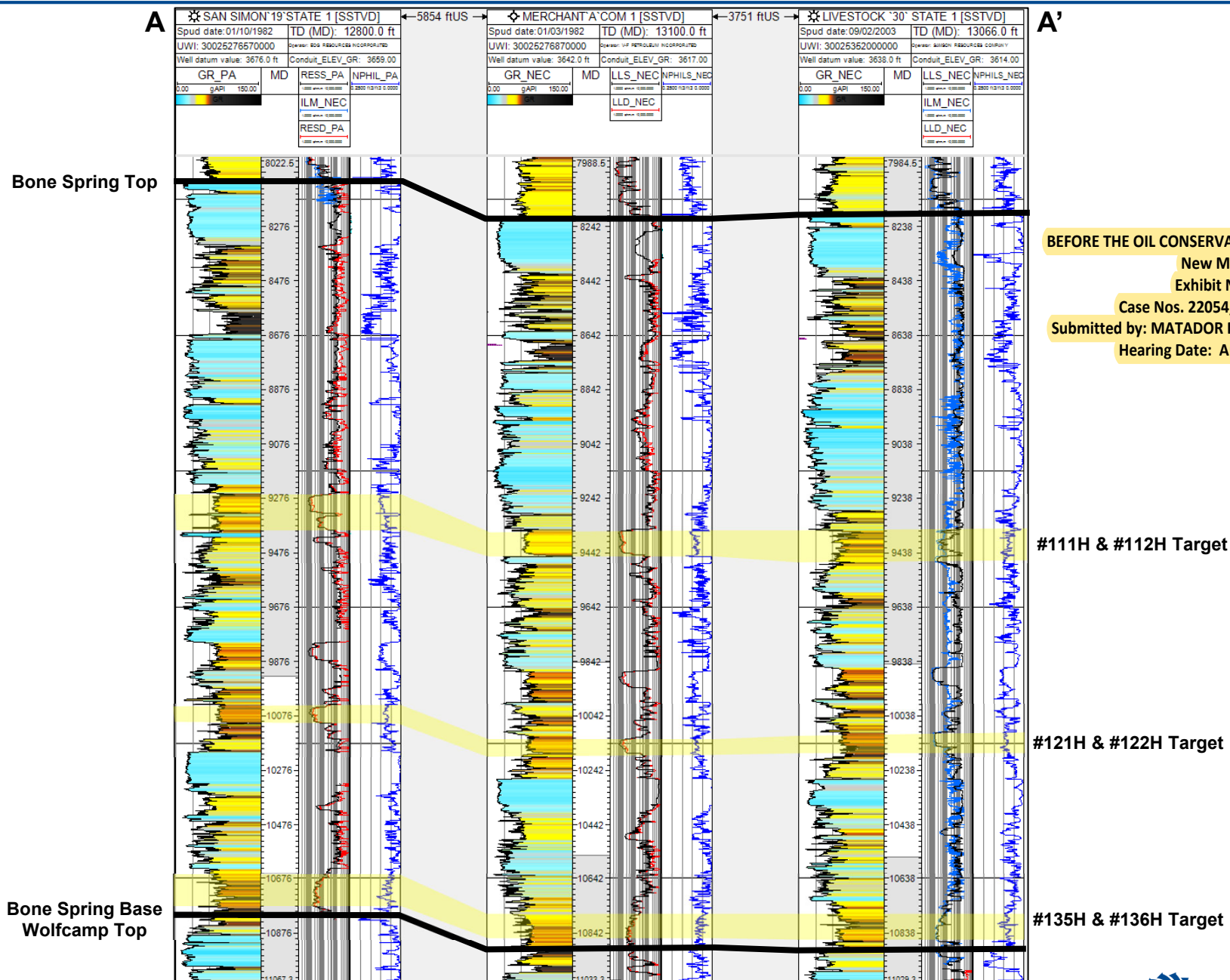
Page 60 of 71

Wilson; Bone Spring (Pool Code 64560) Structural Cross-Section A – A'

Exhibit D-3

Received by OCD: 8/3/2021 1:08:44 PM

Released to Imaging: 8/3/2021 1:17:17 PM



BEFORE THE OIL CONSERVATION DIVISION Santa Fe,
New Mexico
Exhibit No. D3
Case Nos. 22054, 22055, 22058
Submitted by: MATADOR PRODUCTION COMPANY
Hearing Date: August 05, 2021

#111H & #112H Target

#121H & #122H Target

#135H & #136H Target



Grama Ridge; WC (Gas) (Pool Code 77715) Structure Map (Top Wolfcamp Subsea) A – A' Reference Line

Exhibit D-

Released to Imaging: 8/3/2021 1:17:17 PM

Page 62 of 71

Map Legend

Dee Osborne Wells



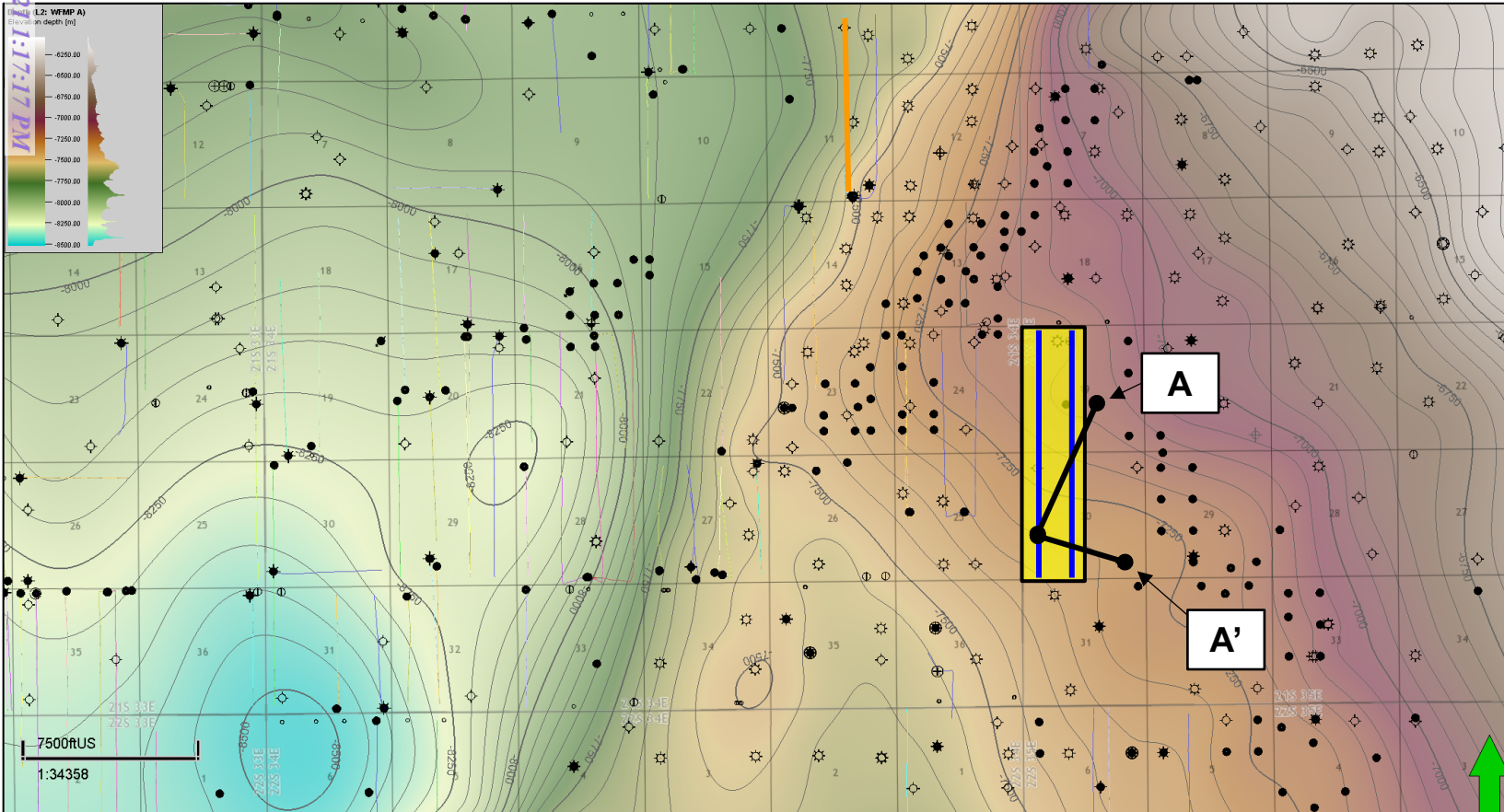
Wolfcamp Wells



Project Area



C. I. = 50'



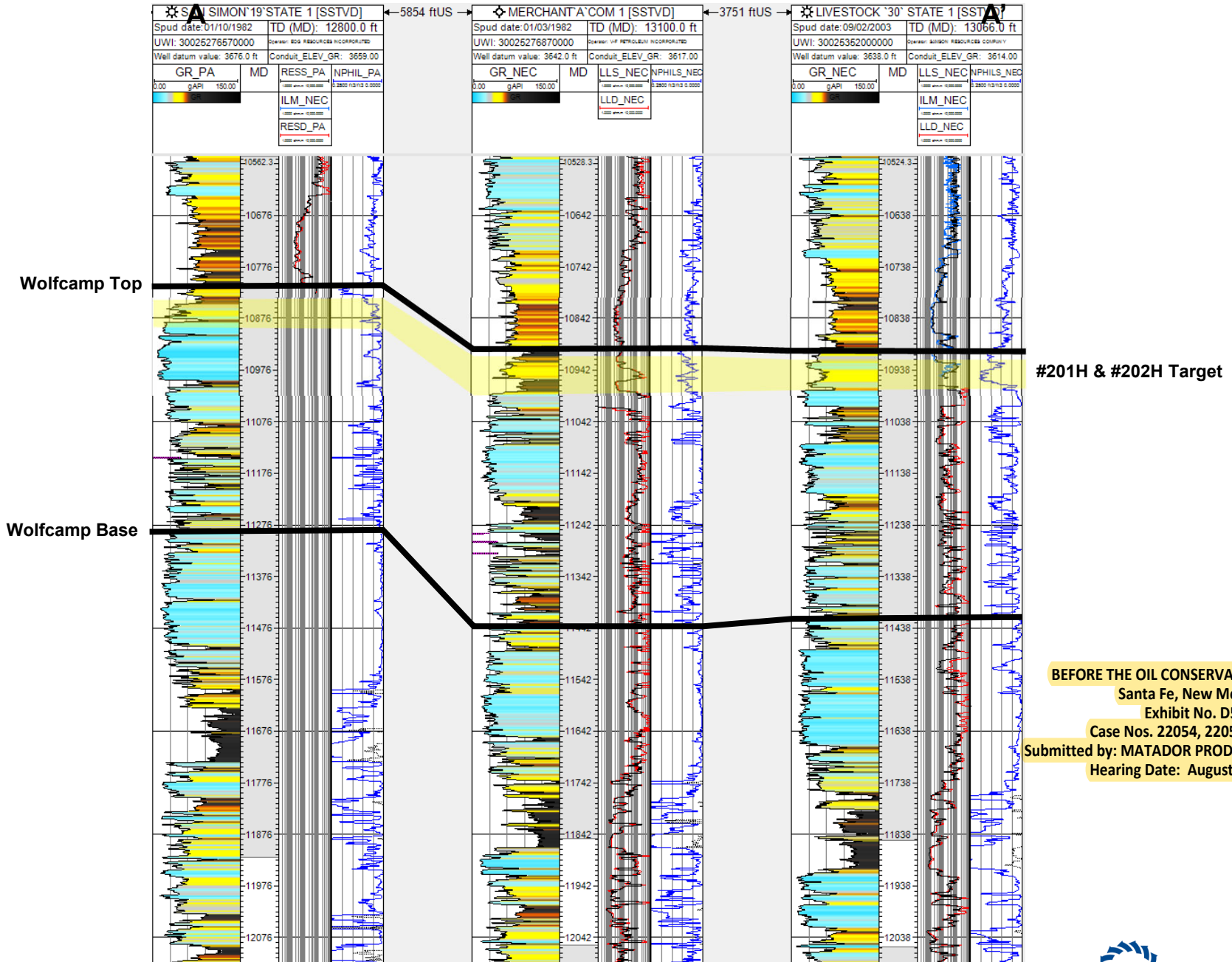
BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D4

Case Nos. 22054, 22055, 22058
Submitted by: MATADOR PRODUCTION COMPANY
Hearing Date: August 05, 2021

Grama Ridge; WC (Gas) (Pool Code 77715) Structural Cross-Section A – A'

Exhibit D-5

Received by OCD: 8/3/2021 1:08:44 PM



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D5
Case Nos. 22054, 22055, 22058
Submitted by: MATADOR PRODUCTION COMPANY
Hearing Date: August 05, 2021



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

July 16, 2021

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

**Re: Application of Matador Production Company for compulsory pooling,
Lea County, New Mexico.
Dee Osborne 1930 State Com #111H, #121H, #135H wells**

Ladies & Gentlemen:

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

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on August 5, 2021 beginning at 8:15 a.m., until it is concluded. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <http://www.emnrd.state.nm.us/OCD/announcements.html>.

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

If you have any questions about this matter, please contact Nick Weeks, at (972) 371-5481 or nweeks@matadorresources.com.

Sincerely,

Kaitlyn A. Luck
ATTORNEY FOR MATADOR PRODUCTION
COMPANY

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

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



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kaluck@hollandhart.com

July 16, 2021

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

**Re: Application of Matador Production Company for compulsory pooling,
Lea County, New Mexico.
Dee Osborne 1930 State Com #201H, #202H wells**

Ladies & Gentlemen:

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

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on August 5, 2021 beginning at 8:15 a.m., until it is concluded. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <http://www.emnrd.state.nm.us/OCD/announcements.html>.

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Idaho	New Mexico	Wyoming

Matador_De Osburne 111H-112H, 121H-122H, 135H-136H, 201H-202H
Case Nos. 22054-22055, 22058 Postal Delivery Report

TrackingNo	ToName	DeliveryAddress	City	State	Zip	USPS_Status
9414811898765804645826	V-F Petroleum Inc.	PO Box 1889	Midland	TX	79702-1889	Your item was delivered at 1:02 pm on July 21, 2021 in MIDLAND, TX 79702.
9414811898765804645802	ConocoPhillips Company	PO Box 2197	Houston	TX	77252-2197	Your item was picked up at a postal facility at 7:28 am on July 23, 2021 in HOUSTON, TX 77002.

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
July 22, 2021
and ending with the issue dated
July 22, 2021.



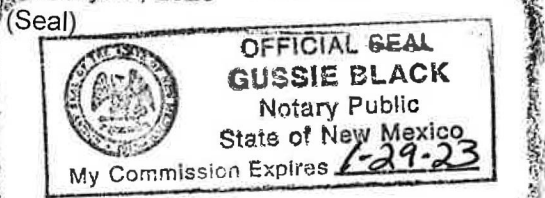
Publisher

Sworn and subscribed to before me this
22nd day of July 2021.



Business Manager

My commission expires
January 29, 2023



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL NOTICE July 22, 2021

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case. During the COVID-19 Public Health Emergency, state buildings are closed to the public and Division hearings will be conducted remotely. The public hearing for the following case will be electronic and conducted remotely. The hearing will be conducted on Thursday, August 5, 2021, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at <http://www.emnrd.state.nm.us/OCD/hearings.html> or obtained from Marlene Salvidrez, at Marlene.Salvidrez@state.nm.us. Documents filed in the case may be viewed at <http://ocdimage.emnrd.state.nm.us/imaging/CaseFileCriteria.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Marlene Salvidrez at Marlene.Salvidrez@state.nm.us, or the New Mexico Relay Network at 1-800-659-1779, no later than July 25, 2021.

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

<https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID=e12d56bf176d7f280e35d2923570bbb1c>
Event number: 146 234 7684
Event password: u47kXsERRb4

Join by video: 1462347684@nmemnrd.webex.com
Numeric Password: 949758
You can also dial 173.243.2.68 and enter your meeting number

Join by audio: 1-844-992-4726 United States Toll Free
Access code: 146 234 7684

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

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

To: All overriding royalty interest owners and pooled parties, including: V-F Petroleum Inc. and ConocoPhillips Company.
Case No. 22054: Application of Matador Production Company for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the W/2 W/2 of Sections 19 and 30, Township 21 South, Range 35 East, Lea County, New Mexico. The above-referenced unit will be dedicated to the following proposed initial wells: (1) the Dee Osborne 1930 State Com #111H well, (2) the Dee Osborne 1930 State Com #121H well, and (3) the Dee Osborne 1930 State Com #135H well, which are to be drilled from surface locations in the NW/4 NW/4 (Lot 1) of Section 19 to bottom hole locations in the SW/4 SW/4 (Lot 4) of Section 30. The completed interval of the well will comply with statewide setbacks for oil wells. Also to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing the wells. Said area is located 14 miles east of Eunice, New Mexico.
#36668

67100754

00256481

HOLLAND & HART LLC
PO BOX 2208
SANTA FE,, NM 87504-2208

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. F
Case Nos. 22054, 22055, 22058
Submitted by: MATADOR PRODUCTION COMPANY
Hearing Date: August 05, 2021

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

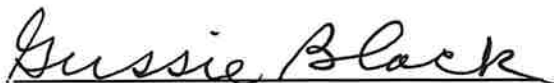
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
July 22, 2021
and ending with the issue dated
July 22, 2021.



Publisher

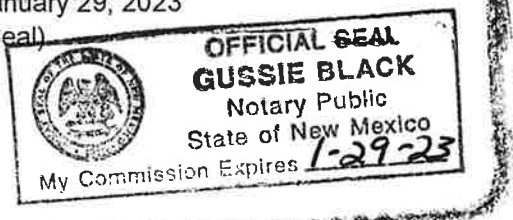
Sworn and subscribed to before me this
22nd day of July 2021.



Business Manager

My commission expires
January 29, 2023

(Seal)



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL NOTICE July 22, 2021

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case. During the COVID-19 Public Health Emergency, state buildings are closed to the public and Division hearings will be conducted remotely. The public hearing for the following case will be electronic and conducted remotely. The hearing will be conducted on **Thursday, August 5, 2021, beginning at 8:15 a.m.** To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at <http://www.emnrd.state.nm.us/OCD/hearings.html> or obtained from Marlene Salvidrez, at Marlene.Salvidrez@state.nm.us. Documents filed in the case may be viewed at <http://ocdimage.emnrd.state.nm.us/imaging/CaseFileCriteria.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Marlene Salvidrez at Marlene.Salvidrez@state.nm.us, or the New Mexico Relay Network at 1-800-659-1779, no later than **July 25, 2021**.

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

<https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID=e12d56bf176d7f280e15d2923570bbb1c>
Event number: 146 234 7684
Event password: u47kXsERRb4

Join by video: 1462347684@nmemnrd.webex.com
Numeric Password: 949758
You can also dial 173.243.2.68 and enter your meeting number

Join by audio: 1-844-992-4726 United States Toll Free
Access code: 146 234 7684

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

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

To: All overriding royalty interest owners and pooled parties, including: V-F Petroleum Inc. and ConocoPhillips Company.
Case No. 22055: Application of Matador Production Company for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the E/2 W/2 of Sections 19 and 30, Township 21 South; Range 35 East, Lea County, New Mexico. The above-referenced unit will be dedicated to the following proposed initial wells: (1) the **Dee Osborne 1930 State Com #112H well**, (2) the **Dee Osborne 1930 State Com #122H well**, and (3) the **Dee Osborne 1930 State Com #136H well**, which are to be drilled from surface locations in the NE/4 NW/4 (Unit C) of Section 19 to bottom hole locations in the SE/4 SW/4 (Unit N) of Section 30. The completed interval of the well will comply with statewide setbacks for oil wells. Also to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing the wells. Said area is located 14 miles east of Eunice, New Mexico.
#36670

67100754

00256482

HOLLAND & HART LLC
PO BOX 2208
SANTA FE,, NM 87504-2208

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

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Sworn and subscribed to before me this
23rd day of July 2021.



Business Manager

My commission expires
January 29, 2023
(Seal)



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LEGAL NOTICE
July 23, 2021

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case. During the COVID-19 Public Health Emergency, state buildings are closed to the public and Division hearings will be conducted remotely. The public hearing for the following case will be electronic and conducted remotely. The hearing will be conducted on **Thursday, August 5, 2021, beginning at 8:15 a.m.** To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at <http://www.emnrd.state.nm.us/OCD/hearings.html> or obtained from Marlene Salvidrez, at Marlene.Salvidrez@state.nm.us. Documents filed in the case may be viewed at <http://ocdimage.emnrd.state.nm.us/imaging/CaseFileCriteria.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Marlene Salvidrez at Marlene.Salvidrez@state.nm.us, or the New Mexico Relay Network at 1-800-659-1779, no later than **July 25, 2021**.

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

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

To: All overriding royalty interest owners and pooled parties, including: V-F Petroleum Inc. and ConocoPhillips Company.
Case No. 22058: Application of Matador Production Company for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the W/2 of Sections 19 and 30, Township 21 South, Range 35 East, Lea County, New Mexico. The above-referenced unit will be dedicated to the following proposed initial wells: (1) the **Dee Osborne 1930 State Com #201H well**, to be drilled from a surface location in the NW/4 NW/4 (Lot 1) of Section 19 to a bottom hole location in the SW/4 SW/4 (Lot 4) of Section 30; and (2) the **Dee Osborne 1930 State Com #202H well**, to be drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 19 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 30. The completed interval of the well will comply with statewide setbacks for oil wells. Also to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing the wells. Said area is located 14 miles east of Eunice, New Mexico.
#36674

67100754

00256488

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PO BOX 2208
SANTA FE,, NM 87504-2208