

CASE NOS. 21952 and 21953

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

EXHIBITS

(PART I)

- A. Landman's Affidavit
- B. Geologist's Affidavit (from prior hearing)
- C. Affidavit of Notice
- D. Affidavit of Publication
- E. Applications and Proposed Notices

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

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

CASE NOS. 21952 and 21953

AFFIDAVIT OF SAM PRYOR

Sam Pryor, of lawful age and being first duly sworn, declares as follows:

1. My name is Sam Pryor. I work for MRC Energy Company, an affiliate of Matador Production Company ("Matador"), as an Area Land Manager.

2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of record.

3. I am familiar with the applications filed by Matador in this case, and I am familiar with the status of the lands in the subject area.

4. In these consolidated cases, Matador is seeking an Order pooling all uncommitted interests in the following standard horizontal spacing units underlying Sections 14 and 15, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico:

- In **Case No. 21952**, a 320-acre, more or less, horizontal spacing unit in the Wolfcamp formation comprised of the N/2 S/2 of Sections 14 and 15 to be dedicated to the proposed **Ted 1514 Fed Com #203H**, which will be horizontally drilled from a surface location in the NW/4 SW/4 of Section 15, Township 20 South, Range 29 East to bottom hole location in the NE/4 SE/4 of Section 14.

EXHIBIT

A

- In **Case No. 21953**, a 320-acre, more or less, horizontal spacing unit in the Wolfcamp formation comprised of the S/2 S/2 of Sections 14 and 15 to be dedicated to the proposed **Ted 1514 Fed Com #204H**, which will be horizontally drilled from a surface location in the SW/4 SW/4 of Section 15, Township 20 South, Range 29 East to bottom hole location in the SE/4 SE/4 of Section 14.

5. Matador has previously received an Order from the Division force pooling each of these spacing units under Division Orders Nos. R-21275 and R-21276. Matador has filed the current applications to force pool one additional working interest owner, as well as the record title owners in these units.

6. **Matador Exhibit A-1** contains a draft Form C-102 for each of the two proposed wells. The land in the proposed spacing unit is comprised of federal lease lands. Matador understands that these wells will be assigned to the Burton Flat Upper Wolfcamp East (Pool Code 98315).

7. The completed intervals for the proposed wells will remain within the standard offset required by the statewide rules set forth in 19.15.16.15 NMAC.

8. **Matador Exhibit A-2** identifies the tracts of land comprising the proposed horizontal spacing units. The proposed wellbores are marked in blue inside the proposed horizontal spacing units which are outlined in red.

9. **Matador Exhibit A-3** identifies the working interest owner that Matador is seeking to pool along with its ownership interest in each of the proposed horizontal spacing units. Matador Exhibit A-3 also identifies the record title owners that Matador seeks to pool in these cases. The list of pooled parties and their respective interest percentages are the same in each of these two cases.

10. There are no depth severances within the working interest in the Wolfcamp formation for this acreage.

11. **Matador Exhibit A-4** contains a couple of the well proposal letter and AFEs sent to the additional working interest owner, Oxy Y-1 Company, that Matador seeks to pool in each of these cases. The costs reflected in the AFE are consistent with what other operators have incurred for drilling similar horizontal wells in the area.

12. In addition to sending well proposal letters and AFEs, Matador has called and emailed Oxy and attempted to reach an agreement with them. In my opinion, Matador has made a good faith effort to reach an agreement with each of the working interest owners that Matador seeks to pool.

13. Matador has made an estimate of overhead and administrative costs for drilling and producing the proposed wells. It is \$8,000/month while drilling, and \$800/month while producing. These costs are consistent with what other operators are charging in this area for these types of wells. Matador respectfully requests that these administrative and overhead costs be incorporated into any orders entered by the Division in these consolidated cases.

14. In my opinion, Matador has made good faith efforts to reach an agreement with the working interest owner it is seeking to pool. If Matador reaches an agreement with any of the proposed pooled parties before the Division enters an order, I will let the Division know that Matador is no longer seeking to pool those parties.

15. Matador provided Matador's outside counsel, Jim Bruce, a list of names and addresses for the parties that Matador is seeking to pool. In compiling these notice lists, Matador conducted a diligent search of all public records in the county where the proposed wells are located and of phone directories, including computer searches.

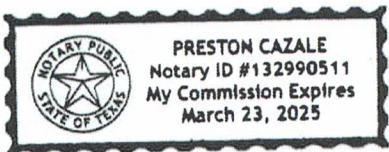
16. Matador Exhibits A-1 through A-4 were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

Sam Pryor
Sam Pryor

STATE OF TEXAS)
COUNTY OF Dallas)

SUBSCRIBED and SWORN to before me this 27 day of May 2021 by Sam Pryor.



Preston Cazale
NOTARY PUBLIC

My Commission Expires:
3/23/2025

EXHIBIT A-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
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S St Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

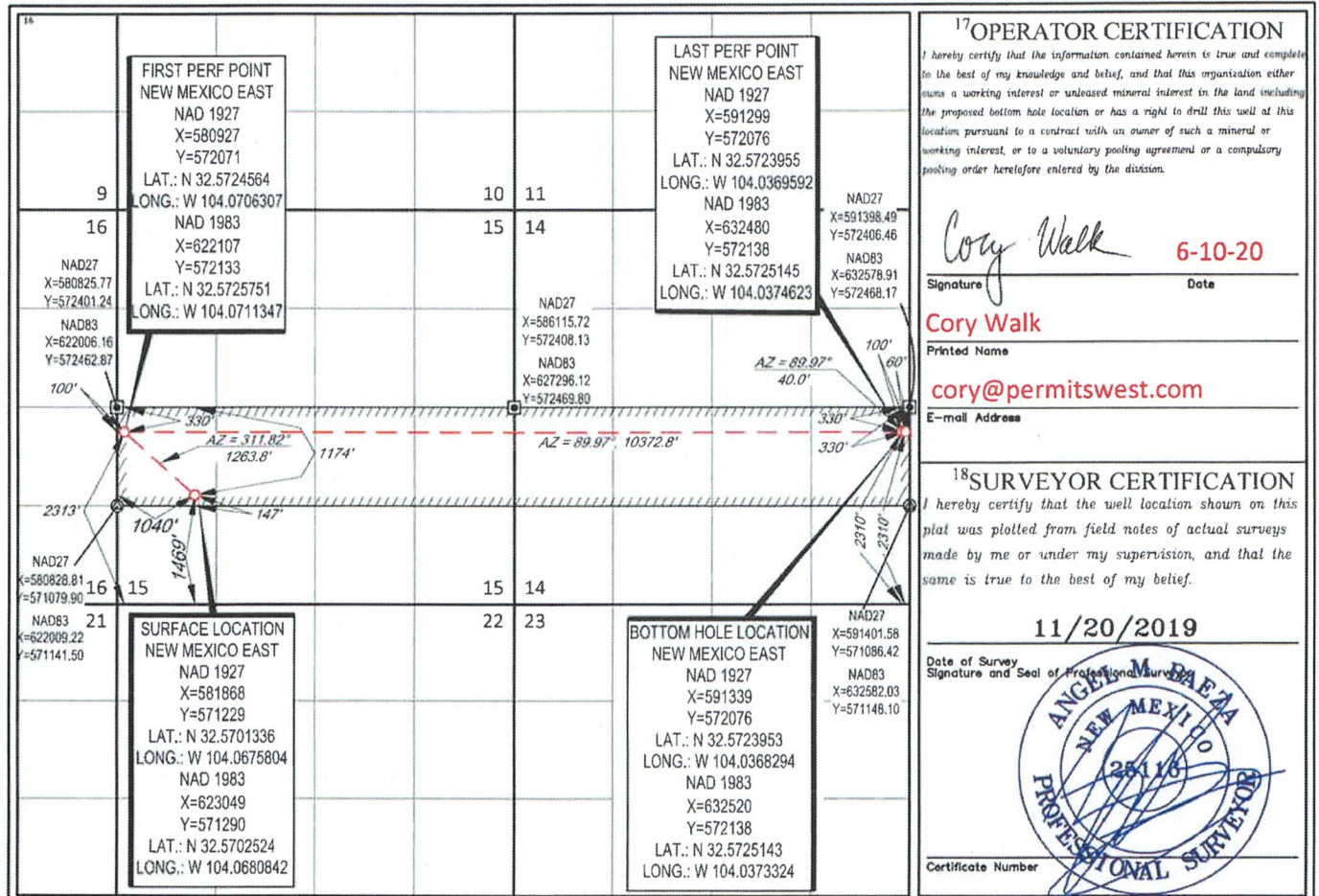
State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-		² Pool Code 98315		³ Pool Name BURTON FLAT UPPER WOLFCAMP EAST OIL					
⁴ Property Code		⁵ Property Name TED 1514 FED COM						⁶ Well Number 203H	
⁷ OGRID No. 228937		⁸ Operator Name MATADOR PRODUCTION COMPANY						⁹ Elevation 3289'	
¹⁰ Surface Location									
UL or lot no. L	Section 15	Township 20-S	Range 29-E	Lot Idn -	Feet from the 1469'	North/South line SOUTH	Feet from the 1040'	East/West line WEST	County EDDY
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. I	Section 14	Township 20-S	Range 29-E	Lot Idn -	Feet from the 2310'	North/South line SOUTH	Feet from the 60'	East/West line EAST	County EDDY
¹² Dedicated Acres 320		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.



District I
1625 N French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-9720
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811 S First St., Artesia, NM 88210
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State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
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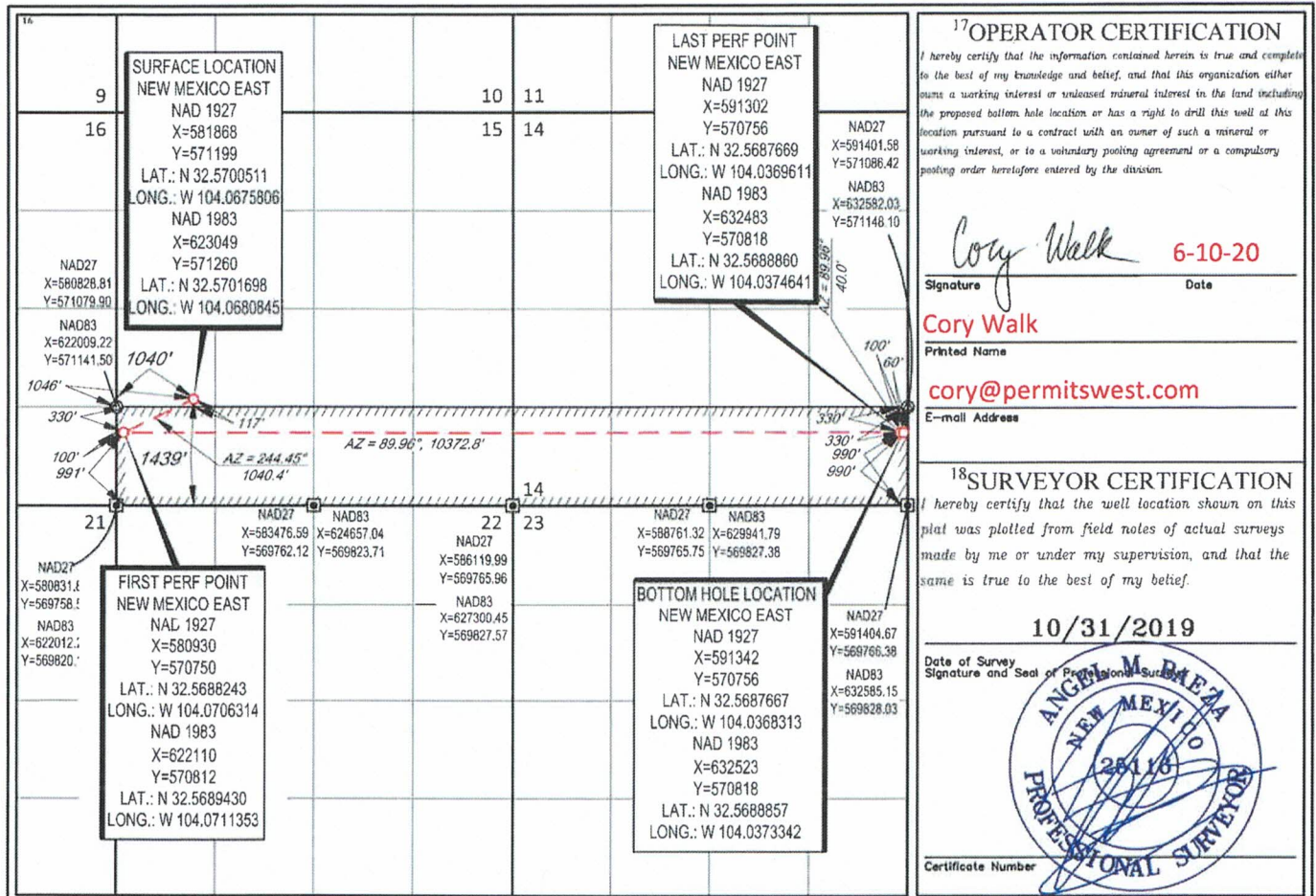
FORM C-102
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Submit one copy to appropriate
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-		² Pool Code 98315		³ Pool Name BURTON FLAT UPPER WOLFCAMP EAST OIL					
⁴ Property Code			⁵ Property Name TED 1514 FED COM				⁶ Well Number 204H		
⁷ OGRID No. 228937		⁸ Operator Name MATADOR PRODUCTION COMPANY				⁹ Elevation 3289'			
¹⁰ Surface Location									
UL or lot no. M	Section 15	Township 20-S	Range 29-E	Lot Idn -	Feet from the 1439'	North/South line SOUTH	Feet from the 1040'	East/West line WEST	County EDDY
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. P	Section 14	Township 20-S	Range 29-E	Lot Idn -	Feet from the 990'	North/South line SOUTH	Feet from the 60'	East/West line EAST	County EDDY
¹² Dedicated Acres 320		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.



¹⁷OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Cory Walk **6-10-20**
Signature Date

Cory Walk
Printed Name

cory@permitswest.com
E-mail Address

¹⁸SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.

10/31/2019
Date of Survey

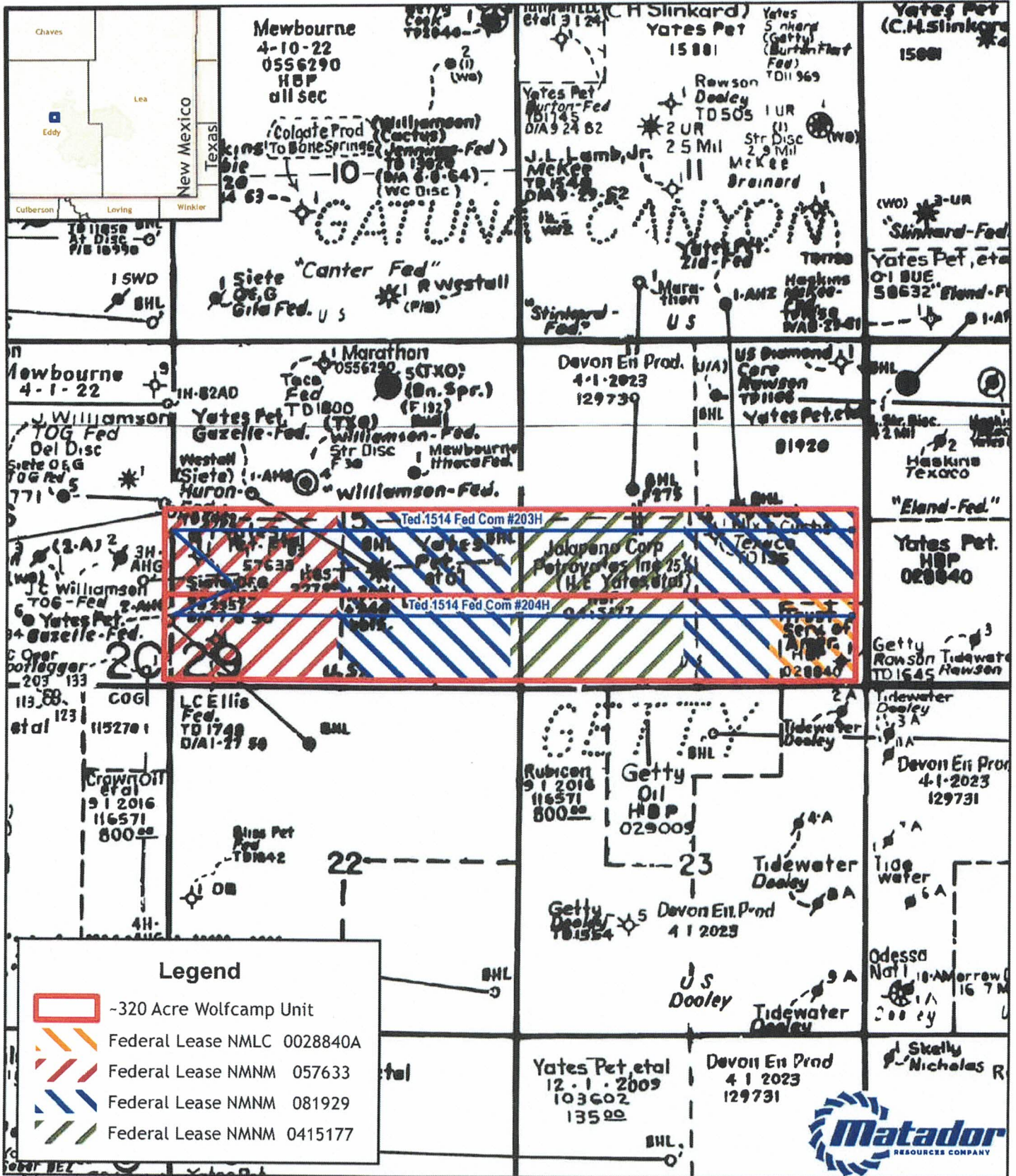
ANGIE M. BAER
Signature and Seal of Professional Surveyor

ANGIE M. BAER
NEW MEXICO
28118
PROFESSIONAL SURVEYOR

Certificate Number

EXHIBIT A-2

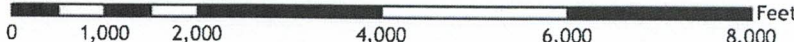
15/14-20S-29E



GIS Standard Map Disclaimer:
 This cartographic product is for informational purposes and may not
 have been intended for, or be suitable for, legal, engineering, or surveying
 purposes. Users of this information should review the primary
 data and information sources to ascertain the suitability of the information.

1:24,000
 1 inch = 2,000 feet

Southeast New Mexico



Date: May 25, 2021
 Coordinate System: NAD 1983 StatePlane New Mexico East FIPS 3001 Feet
 Projection: Transverse Mercator; Datum: North American 1983; Units: Foot US
 Sources: IHS; ESRI;



EXHIBIT A-3

**Matador
Exhibit A-3**

Summary of Interests

MRC Permian Company Working Interest 30.793240%

Previously Pooled 55.3562222%

Compulsory Pool Interest Total: 13.850539%

Interest Owner:	Description:	Interest:
Oxy Y-1 Company	Uncommitted Working Interest Owner	13.850539%
K&C Production Company	Record Title Owner	0.000000%
Permian Expl Corp	Record Title Owner	0.000000%
David Petroleum Corp	Record Title Owner	0.000000%
Colin R McMillan	Record Title Owner	0.000000%
Kay McMillan	Record Title Owner	0.000000%
Ray Westall	Record Title Owner	0.000000%
Jalapeno Corporation	Record Title Owner	0.000000%
Cibola Land Corporation	Record Title Owner	0.000000%
Getty Sarah Estate	Record Title Owner	0.000000%



Ted 1514 Fed Com #203H & 204H

EXHIBIT A-4

Matador Production Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
Voice 972.629.2158 • Fax 214.866.4946
cade.labolt@matadorresources.com

Cade LaBolt
Landman

April 13, 2021

VIA CERTIFIED RETURN RECEIPT MAIL

Oxy Y-1 Company
P.O. Box 27570
Houston, TX 77227-9930

Re: Ted 1514 Fed Com #123H, #124H, #203H & #204H (the "Wells")
Participation Proposal
Section 15 & 14, Township 20 South, Range 29 East
Eddy County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of the following Matador Production Company's Ted 1514 Fed Com #123H, Ted 1514 Fed Com #124H, Ted 1514 Fed Com #203H, and Ted 1514 Fed Com #204H wells, located in Sections 15 and 14, Township 20 South, Range 29 East, Eddy County, New Mexico.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping of each Well is itemized on the two (4) enclosed Authority for Expenditures ("AFE") dated August 19, 2019.
- **Ted 1514 Fed Com #123H:** to be drilled from a legal location with a proposed surface hole location in the SW/4 of Section 15-20S-29E and a proposed bottom hole location in the SE/4 of Section 14-20S-29E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~8,075' TVD) to a Measured Depth of approximately 18,375'.
- **Ted 1514 Fed Com #124H:** to be drilled from a legal location with a proposed surface hole location in the SW/4 of Section 15-20S-29E and a proposed bottom hole location in the SE/4 of Section 14-20S-29E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~8,075' TVD) to a Measured Depth of approximately 18,375'.

- **Ted 1514 Fed Com #203H:** to be drilled from a legal location with a proposed surface hole location in the SW/4 Section 15-20S-29E and a proposed bottom hole location in the SE/4 of Section 14-20S-29E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~9,400' TVD) to a Measured Depth of approximately 19,700'.
- **Ted 1514 Fed Com #204H:** to be drilled from a legal location with a proposed surface hole location in the SW/4 of Section 15-20S-29E and a proposed bottom hole location in the SE/4 of Section 14-20S-29E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~9,400' TVD) to a Measured Depth of approximately 19,700'.

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

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

MRC is proposing to drill the Wells under the terms of the modified 1989 AAPL form of Operating Agreement dated August 16, 2019, by and between Matador Production Company, as Operator and MRC Permian Company et al as Non-Operators covering the S/2 of Section 15 and the S/2 of Section 14, Township 20 South, Range 29 East, Eddy County, New Mexico, and has the following general provisions:

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

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

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

Sincerely,

MRC PERMIAN COMPANY



Cade LaBolt

Oxy Y-1 Company hereby elects to:

_____ Not to participate in the **Ted 1514 Fed Com #123H**
_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with
_____ Matador Production Company's **Ted 1514 Fed Com #123H** well.

_____ Not to participate in the **Ted 1514 Fed Com #124H**
_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with
_____ Matador Production Company's **Ted 1514 Fed Com #124H** well.

_____ Not to participate in the **Ted 1514 Fed Com #203H**
_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with
_____ Matador Production Company's **Ted 1514 Fed Com #203H** well.

_____ Not to participate in the **Ted 1514 Fed Com #204H**
_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with
_____ Matador Production Company's **Ted 1514 Fed Com #204H** well.

Oxy Y-1 Company

By: _____

Title: _____

Date: _____

Contact Number: _____

MATADOR PRODUCTION COMPANY
 ONE LINCOLN CENTRE • 5480 LBJ FREEWAY • SUITE 1600 • DALLAS, TEXAS 75240
 Phone (972) 371-8300 • Fax (972) 371-8381

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	August 19, 2019	AFE NO.:	
WELL NAME:	Ted 1614 Fed Com #203H	FIELD:	
LOCATION:	Sections 15 & 14, T20S-R29E	MD/TVD:	18700/8400'
COUNTY/STATE:	Eddy County, New Mexico	LATERAL LENGTH:	9,800
MRC W#:			
GEOLOGIC TARGET:	Upper Wolfcamp		
REMARKS:	Drill, complete and equip a horizontal Upper Wolfcamp well		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
INTANGIBLE COSTS					
Lease / Legal / Regulatory	\$ 101,500				\$ 101,500
Location, Surveys & Damages	296,000	13,000	45,000	50,000	384,000
Drilling	1,098,750				1,098,750
Cementing & Float Equip	235,000				235,000
Logging / Formation Evaluation		6,500			6,500
Flowback - Labor			4,500		
Flowback - Surface Rentals			93,000		
Flowback - Rental Living Quarters					
Flowback Chemicals					
Mud Logging	34,550				34,550
Mud Circulation System	51,450				51,450
Mud & Chemicals	260,000	85,000			325,000
Mud / Wastewater Disposal	150,000				150,000
Freight / Transportation	10,000	39,000			49,000
Rig Supervision / Engineering	158,700	115,800	7,000	15,000	296,500
Drill Bits	86,500				86,500
Fuel & Power	129,375				129,375
Water	42,500	833,000			875,500
Drig & Completion Overhead	17,250	25,000			42,250
Plugging & Abandonment					
Directional Drilling, Surveys	305,000				305,000
Completion Unit, Swab, CTU		228,000	12,600		232,600
Perforating, Wireline, Slickline		282,000			282,000
High Pressure Pump Truck		92,400	3,000		95,400
Stimulation		2,652,000			2,652,000
Simulation Flowback & Disp		12,400	240,000		252,400
Insurance	32,328				32,328
Labor	135,000	35,750			171,750
Rental - Surface Equipment	81,865	293,250			375,115
Rental - Downhole Equipment	78,600	70,000		3,000	151,600
Rental - Living Quarters	44,480	45,383		1,000	90,863
Contingency	187,702	214,849	7,000	4,900	394,451
MaxCom	28,488				28,488
TOTAL INTANGIBLES >	3,550,238	5,015,334	414,100	53,900	8,934,671
TANGIBLE COSTS					
Surface Casing	\$ 51,442				\$ 51,442
Intermediate Casing	64,304				64,304
Drilling Liner	89,900				89,900
Production Casing	479,888				479,888
Production Liner					
Tubing			52,000		52,000
Wellhead	106,000		18,000		122,000
Packers, Liner Hangers	18,000	112,800			130,800
Tanks				85,000	85,000
Production Vessels			100,000	28,750	128,750
Flow Lines			75,000		75,000
Rod string					
Artificial Lift Equipment			172,200		172,200
Compressor				15,000	15,000
Installation Costs			35,000	85,000	100,000
Surface Pumps				2,500	2,500
Non-controllable Surface					
Non-controllable Downhole					
Downhole Pumps					
Measurement & Meter Installation			17,000	42,000	59,000
Gas Conditioning / Dehydration					
Interconnecting Facility Piping				70,000	70,000
Gathering / Bulk Lines				20,000	20,000
Valves, Dumps, Controllers				8,000	8,000
Tank / Facility Containment				7,500	7,500
Flare Stack				7,500	7,500
Electrical / Grounding			40,000		40,000
Communications / SCADA			10,000		10,000
Instrumentation / Safety			10,000		10,000
TOTAL TANGIBLES >	809,334	112,600	527,200	386,250	1,835,584
TOTAL COSTS >	4,359,572	5,127,934	941,300	440,150	10,769,655

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Tyler Brookings	Team Lead - WTXNM	
Completion Engineer:	Matt Bell		
Production Engineer:	Rakosh Patel		

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, COO/CFO	DBL	VP - Res Engineering	BAR	VP - Drilling	BEG
Executive VP, Legal	CA	Chief Geologist	MLP	VP - Production	TWO
President	MFM				

NON OPERATING PARTNER APPROVAL:

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

This form and the AFE are submitted only and they will be returned to the originator of the well cost or the operator. Funding obligations incurred under the AFE are limited to a cost after the well has been completed in accordance with the AFE. The Permittee agrees to pay its proportionate share of all costs incurred including legal, accounting, engineering and well costs, under the terms of the applicable joint operating agreement, regardless of whether the operator is the Permittee or the Operator. The Permittee shall be liable for the well cost and the Operator shall be liable for the well cost. The Operator shall be liable for the well cost and the Permittee shall be liable for the well cost.

MATADOR PRODUCTION COMPANY


ONE LINCOLN CENTRE • 5400 LBJ FREEWAY • SUITE 1500 • DALLAS, TEXAS 75240
Phone (972) 371-5200 • Fax (972) 371-6201

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	August 19, 2019	AFE NO.:	
WELL NAME:	Ted 1514 Fed Com #204H	FIELD:	
LOCATION:	Sections 15 & 14, T20S-R29E	MD/TVD:	19700/9400'
COUNTY/STATE:	Eddy County, New Mexico	LATERAL LENGTH:	9,800
MRC WI:			
GEOLOGIC TARGET:	Upper Wolfcamp		
REMARKS:	Drill, complete and equip a horizontal Upper Wolfcamp well		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Land / Legal / Regulatory	\$ 101,500				\$ 101,500
Location, Surveys & Damages	299,000	15,000	45,000	30,000	384,000
Drilling	1,098,750				1,098,750
Cementing & Float Equip	239,000				239,000
Logging / Formation Evaluation		6,500			6,500
Flowback - Labor			4,800		
Flowback - Surface Rentals			95,000		
Flowback - Rental Living Quarters					
Flowback Chemicals					
Mud Logging	34,550				34,550
Mud Circulation System	51,450				51,450
Mud & Chemicals	260,000	65,000			325,000
Mud / Wastewater Disposal	150,000				150,000
Freight / Transportation	10,000	39,000			49,000
Rig Supervision / Engineering	158,700	115,800	7,600	15,000	296,500
Drill Bits	86,500				86,500
Fuel & Power	126,375				126,375
Water	42,500	833,000			875,500
Drfg & Completion Overhead	17,250	25,000			42,250
Plugging & Abandonment					
Directional Drilling, Surveys	305,000				305,000
Completion Unit, Swab, CTU		220,000	12,600		232,600
Perforating, Wireline, Slickline		282,000			282,000
High Pressure Pump Truck		92,400	3,000		95,400
Stimulation		2,632,000			2,632,000
Stimulation Flowback & Disp		12,400	240,000		252,400
Insurance	32,500				32,500
Labor	178,000	35,750			171,750
Rental - Surface Equipment	81,865	293,250			375,115
Rental - Downhole Equipment	76,800	70,000		3,000	151,800
Rental - Living Quarters	44,480	45,385		1,000	90,865
Contingency	167,002	214,849	7,000	4,900	394,451
MaxCom	28,488				28,488
TOTAL INTANGIBLES >	3,550,236	5,015,334	414,100	53,900	8,934,071
TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	\$ 51,442				\$ 51,442
Intermediate Casing	64,304				64,304
Drilling Liner	89,560				89,560
Production Casing	479,658				479,658
Production Liner					
Tubing			52,000		52,000
Wellhead	166,000		16,000		182,000
Packers, Liner Hangers	18,000	112,800			130,800
Tanks				85,000	85,000
Production Vessels			160,000	28,750	188,750
Flow Lines			75,000		75,000
Rod string					
Artificial Lift Equipment			172,200		172,200
Compressor				15,000	15,000
Installation Costs			35,000	65,000	100,000
Surface Pumps				2,500	2,500
Non-controllable Surface					
Non-controllable Downhole					
Downhole Pumps					
Measurement & Meter Installation			17,000	42,000	59,000
Gas Conditioning / Dehydration					
Interconnecting Facility Piping				70,000	70,000
Gathering / Bulk Lines				20,000	20,000
Valves, Dumps, Controllers				6,000	6,000
Tank / Facility Containment				7,500	7,500
Flare Stack				7,500	7,500
Electrical / Grounding			40,000	10,000	50,000
Communications / SCADA			10,000		10,000
Instrumentation / Safety			10,000	27,000	37,000
TOTAL TANGIBLES >	809,334	112,800	627,200	258,250	1,807,584
TOTAL COSTS >	4,359,572	5,128,134	941,300	440,150	10,769,855

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Tyler Brackley	Team Lead - WTX/UM	
Completions Engineer:	MJE But		
Production Engineer:	Rakish Patel		

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, COO/CFD	DEL	VP - Res Engineering	BRN	VP - Drilling	BEQ
Executive VP, Legal	CA	Chief Geologist	NLP	VP - Production	TWG
President	MVT				

NON OPERATING PARTNER APPROVAL:

Company Name:	Working interest (Y%):	Tax ID:
Signed by:	Date:	
Title:	Approval: Yes <input type="checkbox"/> No <input type="checkbox"/> (mark one)	

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

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

CASE NOS. 21108, 21109, 21110, and 21111

AFFIDAVIT OF JAMES ANDREW JUETT

James Andrew Juett, of lawful age and being first duly sworn, declares as follows:

1. My name is James Andrew Juett. I work for MRC Energy Company, an affiliate of Matador Production Company ("Matador"), as an Area Geology Manager.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.
3. I am familiar with the applications filed by Matador in these cases, and I have conducted a geologic study of the lands in the subject area.

Case Nos. 21108 and 21110

4. The target interval for these two wells, the Ted 1514 Fed. Com. #123H and Ted 1514 Fed. Com. #124H, is the Bone Spring formation.
5. **Matador Exhibit B-1** is a locator map. The horizontal spacing units for the proposed wells are identified by the red boxes with green shading.
6. **Matador Exhibit B-2** is a subsea structure map that I prepared for the top of the Second Bone Spring formation. The contour interval is 50 feet. The structure map shows the Bone Spring formation gently dipping to the Southeast. The structure appears consistent across the

EXHIBIT

B

proposed wellbore paths. I do not observe any faulting, pinchouts, or other geologic impediments to horizontal drilling.

7. **Matador Exhibit B-3** shows a line of cross section from A to A' on the same structure map reflected in **Exhibit B-2**.

8. **Matador Exhibit B4** is a Stratigraphic cross-section I prepared using the Third Bone Spring Carbonate as the datum. This cross-section displays open-hole logs run over the Second 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 interval for both of the proposed wells is labeled and marked with a green wellbore diagram. The logs in the cross-section demonstrate that the target interval, within the Bone Spring formation, is consistent in thickness and character, across the entirety of each of the proposed spacing units.

9. Both of the proposed wells will comply with the Division's standard offset requirements.

10. Based on my geologic study of the area, I have not identified any geologic impediments to drilling horizontal wells in the area.

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

Case Nos. 21109 and 21111

13. The target interval for these two wells, the Ted 1514 Fed. Com. #203H and Ted 1514 Fed. Com. #204H, is the Wolfcamp formation.

14. **Matador Exhibit B-5** is a locator map. The horizontal spacing units for the proposed wells are identified by the red boxes with green shading.

15. **Matador Exhibit B-6** is a subsea structure map that I prepared for the top of the Wolfcamp formation. The contour interval is 50 feet. The structure map shows the Wolfcamp formation gently dipping to the Southeast. The structure appears consistent across the proposed wellbore paths. I do not observe any faulting, pinchouts, or other geologic impediments to horizontal drilling.

16. **Matador Exhibit B-7** shows a line of cross section from A to A' on the same structure map reflected in **Exhibit B-6**.

17. **Matador Exhibit B-8** is a Stratigraphic cross-section I prepared using the top of the Wolfcamp as the datum. This cross-section displays 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 interval for both of the proposed wells is labeled and marked with a green wellbore diagram. The logs in the cross-section demonstrate that the target interval, within the Wolfcamp formation, is consistent in thickness and character, across the entirety of each of the proposed spacing units.

18. Both of the proposed wells will comply with the Division's standard offset requirements.

19. Based on my geologic study of the area, I have not identified any geologic impediments to drilling horizontal wells in the area.

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

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

22. **Matador Exhibits B-1 through B-8** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

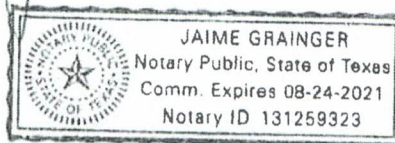
James Andrew Juett
JAMES ANDREW JUETT

STATE OF TEXAS)
COUNTY OF Dallas)

SUBSCRIBED and SWORN to before me this 25th ^{February 2020} day of ~~July 2019~~ by James Andrew Juett.

Jaime Grainger
NOTARY PUBLIC

My Commission Expires:
8 24 2021



**Matador
Exhibit B-1**

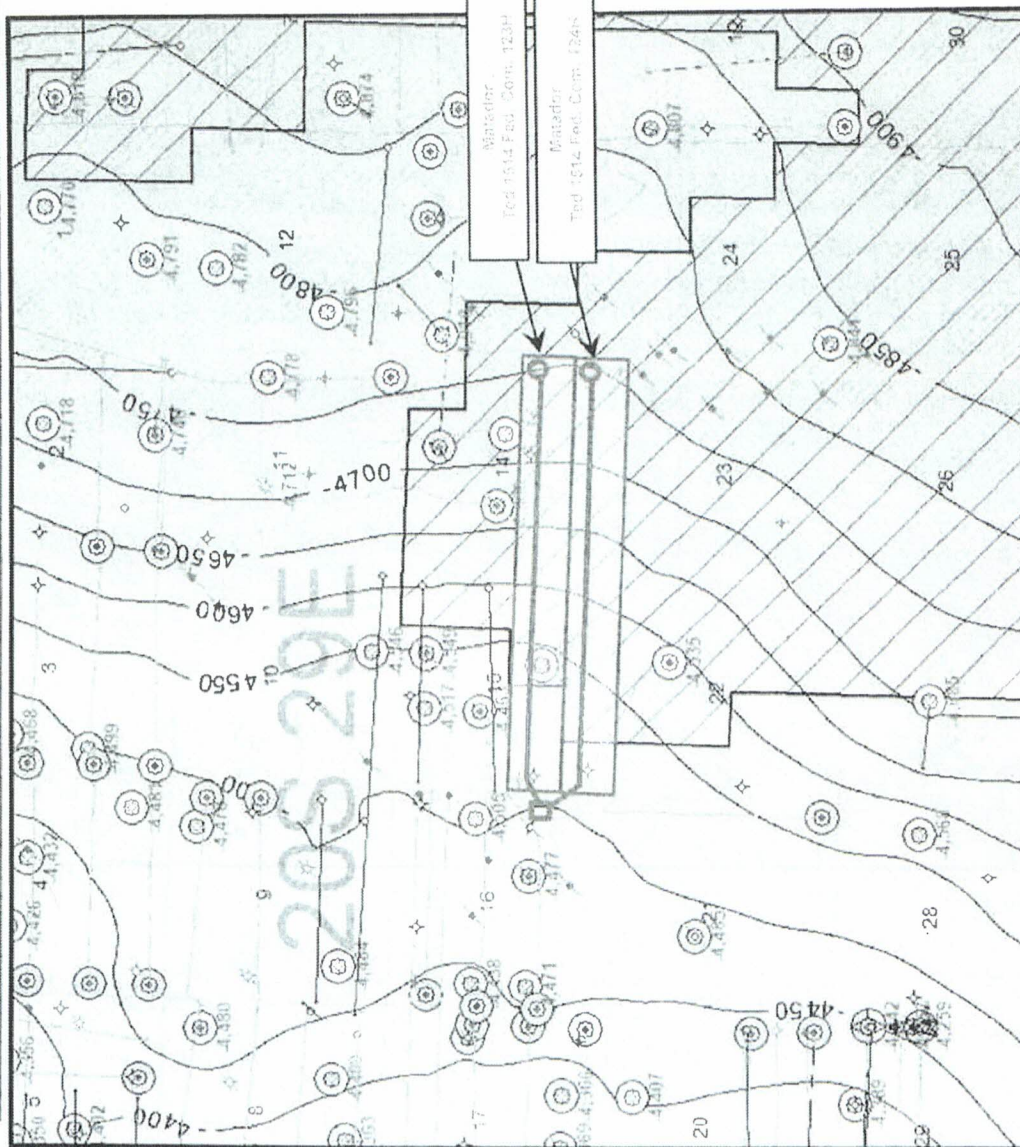
**Getty; Bone Spring (Pool Code: 27470)
Locator Map**



Ted 1514 Fed. Com. 123H & 124H

**Matador
Exhibit B-2**

**Getty; Bone Spring (Pool Code: 27470)
Structure Map (Top 2nd Bone Spring Subsea)**



Map Legend

- Matador - Horizontal Location: SHL (square symbol), BHL (circle symbol)
- Project Area: (shaded rectangle symbol)
- 2nd Bone Spring HZ Producer: (circle with dot symbol)
- 2nd Bone Spring Structure Data Point: (circle with cross symbol)
- High/Low: (color gradient bar from light to dark)

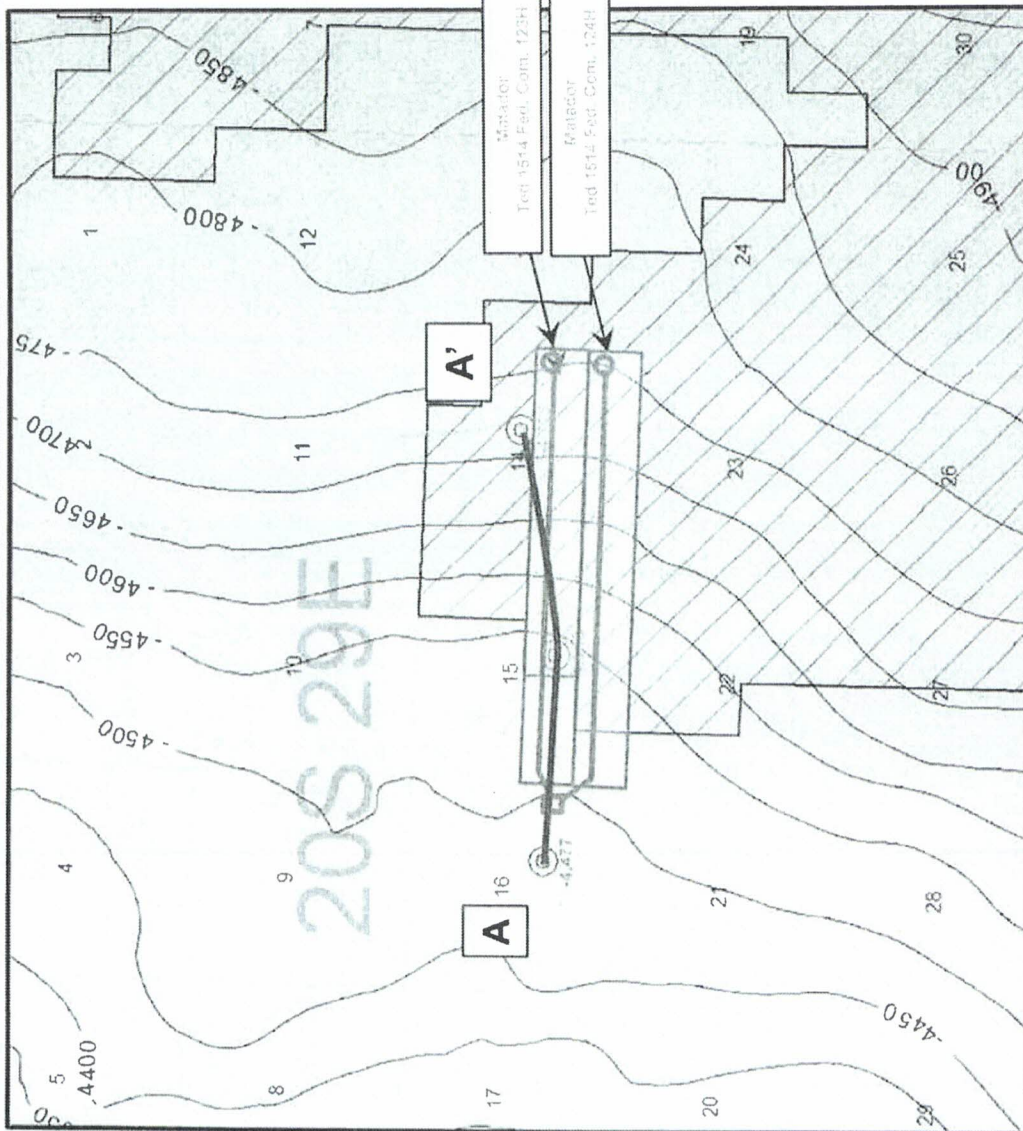
C.I. = 50'



Ted 1514 Fed. Com. 123H & 124H

Matador
Exhibit B-3

Getty; Bone Spring (Pool Code: 27470)
Structure Map (Top 2nd Bone Spring Subsea) Cross Section Locator Map



Map Legend

Matador - Horizontal Location



Project Area



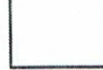
Cross Section Well



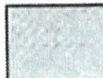
Line of Section (A-A')



High



Low



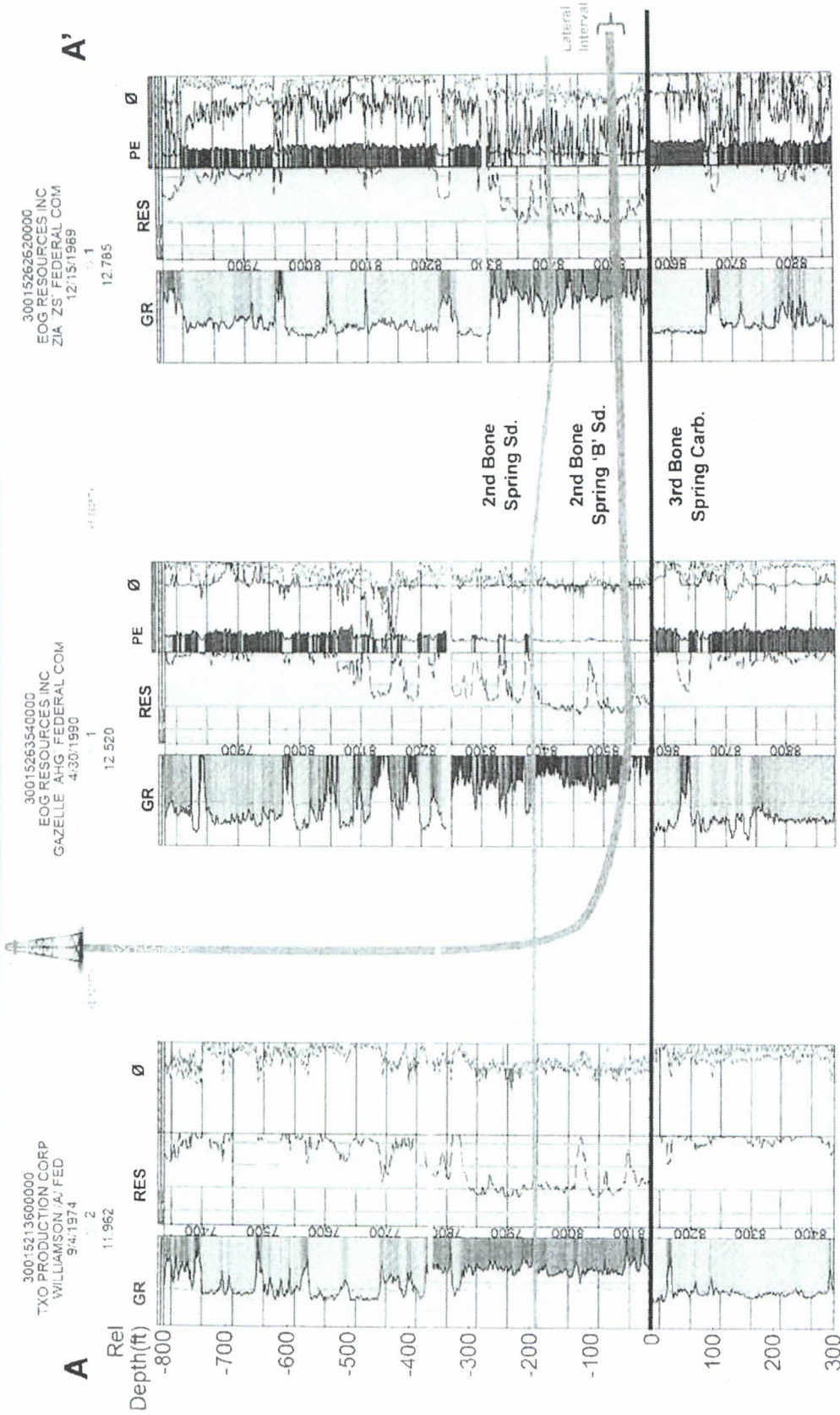
C.I. = 50'



Ted 1514 Fed. Com. 123H & 124H

Matador
Exhibit B-4

Getty; Bone Spring (Pool Code: 27470)
Stratigraphic Cross Section A - A'



30015262520000
EOG RESOURCES INC
ZIA ZS FEDERAL COM
12/15/1989

30015263540000
EOG RESOURCES INC
GAZELLE AHG FEDERAL COM
4/30/1990

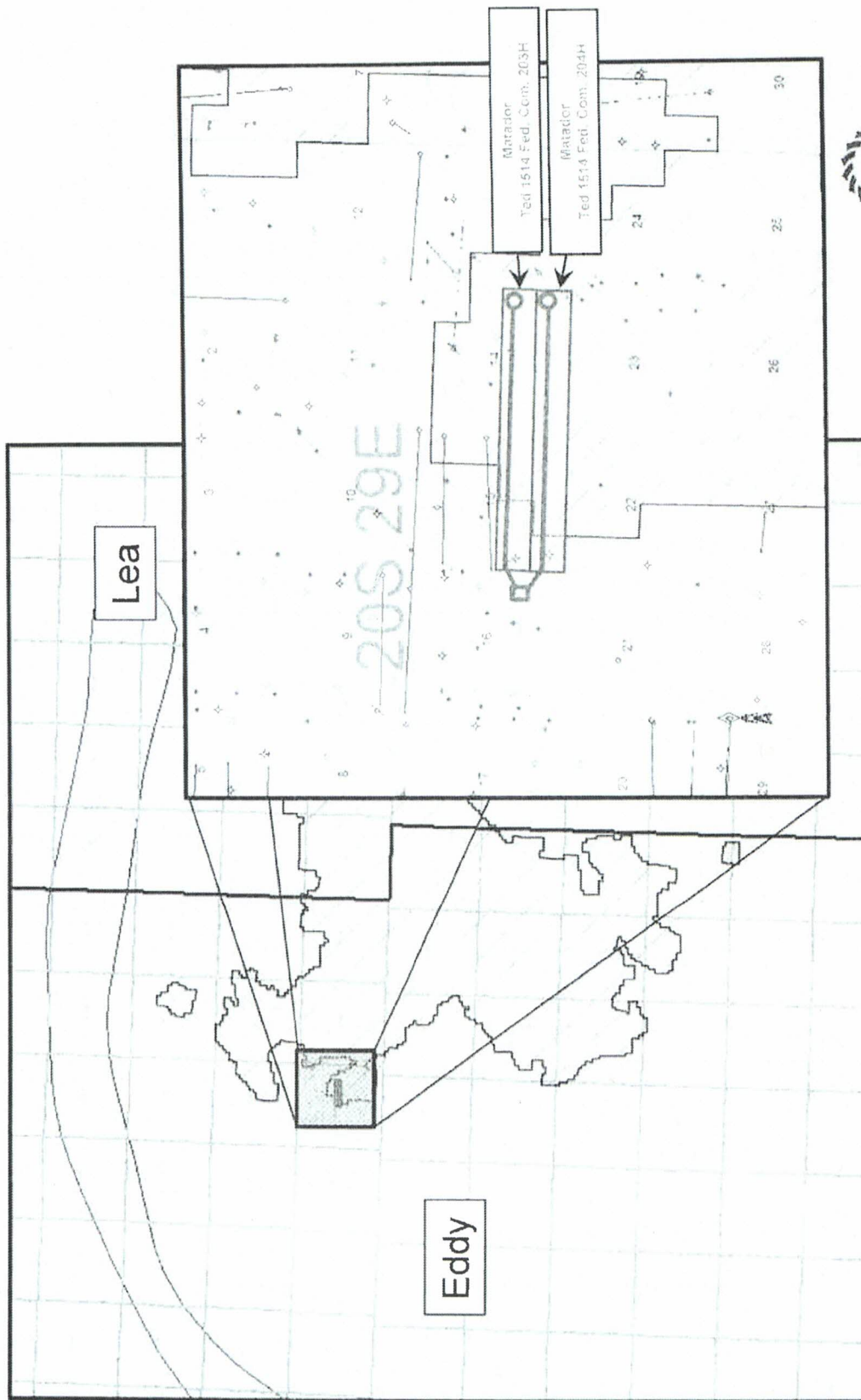
30015213600000
TXO PRODUCTION CORP
WILLIAMSON JAL FED
9/4/1974



Ted 1514 Fed. Com. 123H & 124H

**Matador
Exhibit B-5**

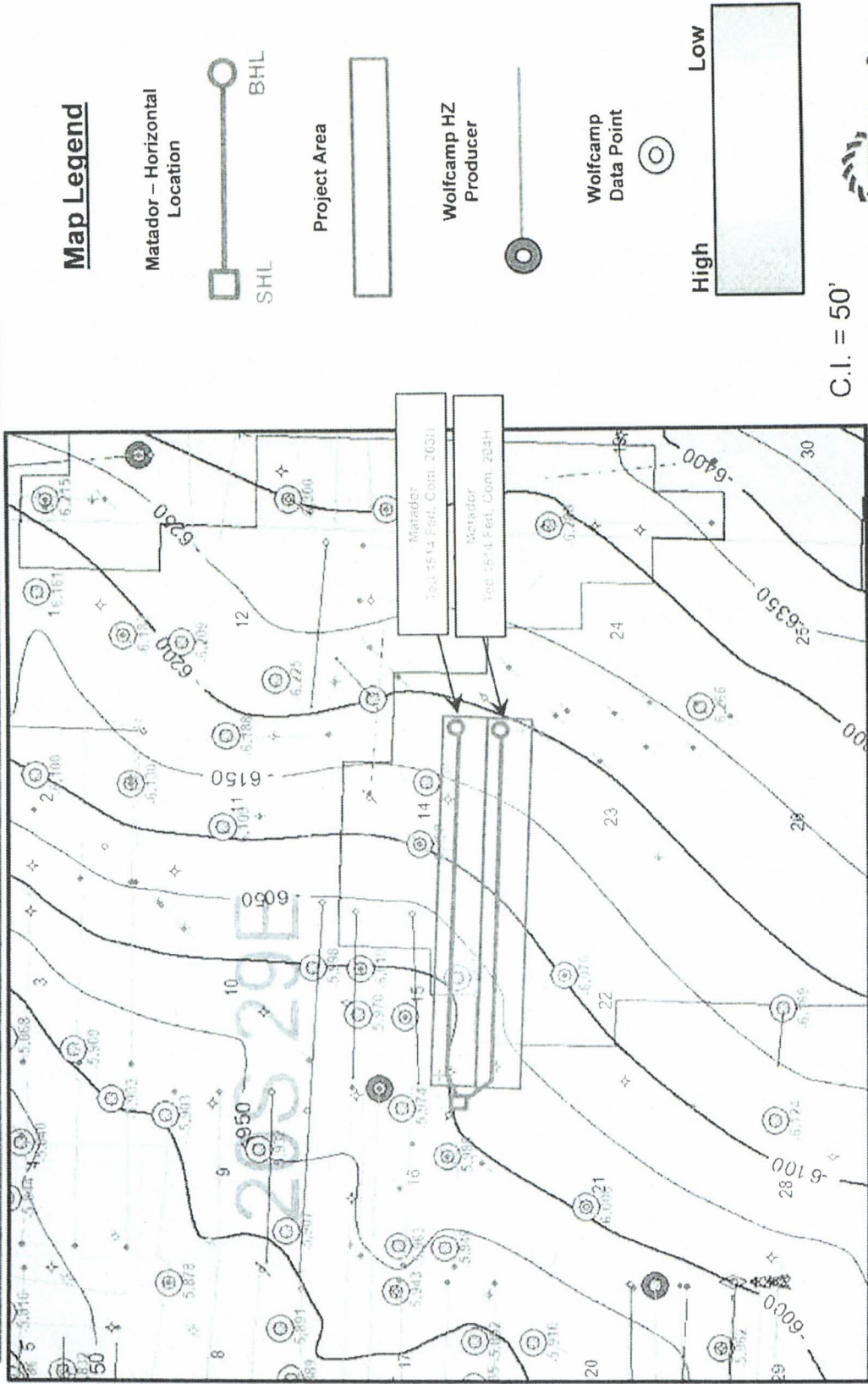
**Burton Flat Upper Wolfcamp East (Pool Code: 98315)
Locator Map**



Ted 1514 Fed. Com. 203H & 204H

**Matador
Exhibit B-6**

**Burton Flat Upper Wolfcamp East (Pool Code: 98315)
Structure Map (Wolfcamp Subsea)**

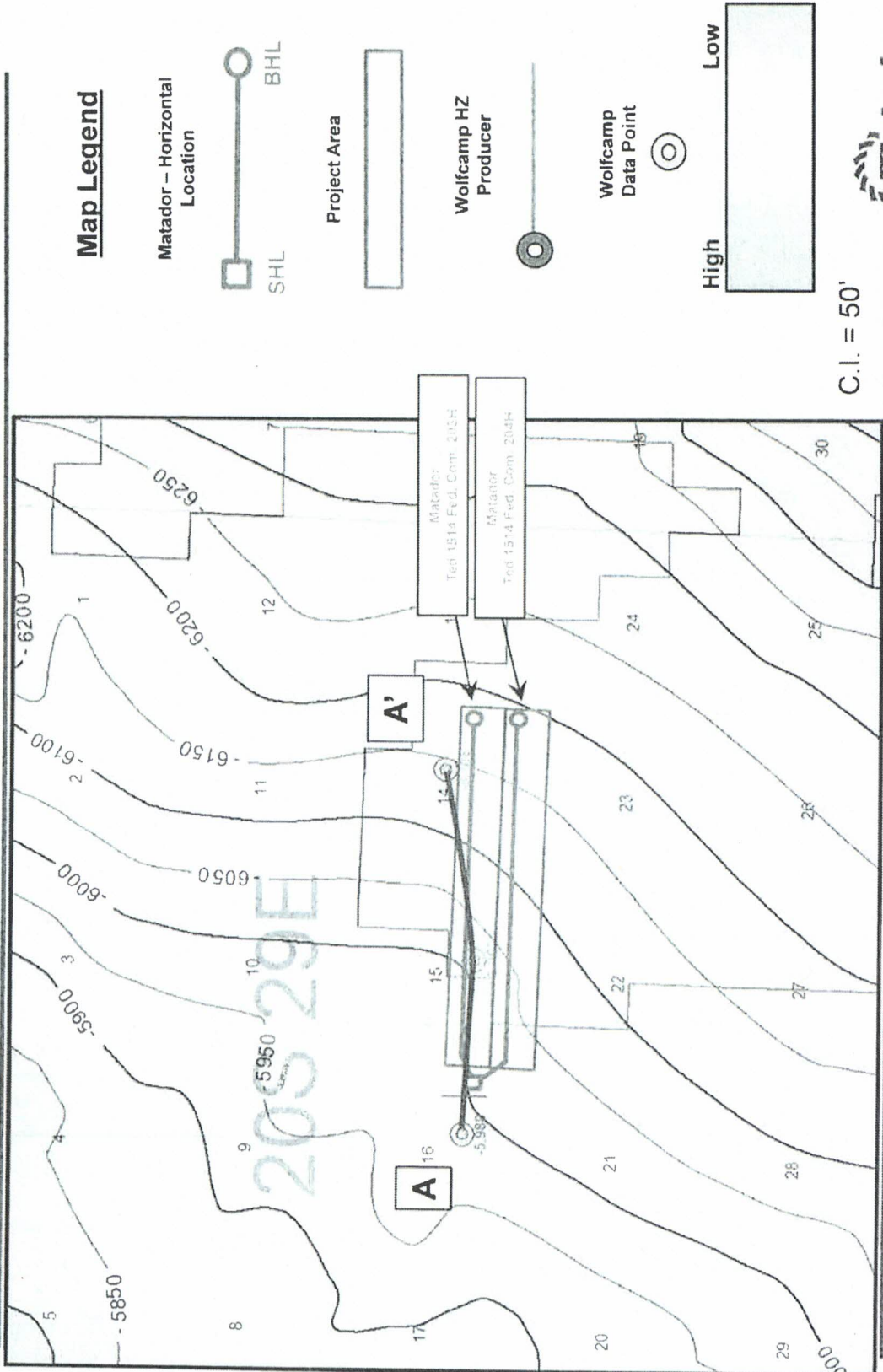


Ted 1514 Fed. Com. 203H & 204H



**Matador
Exhibit B-7**

**Burton Flat Upper Wolfcamp East (Pool Code: 98315)
Structure Map (Wolfcamp Subsea)**

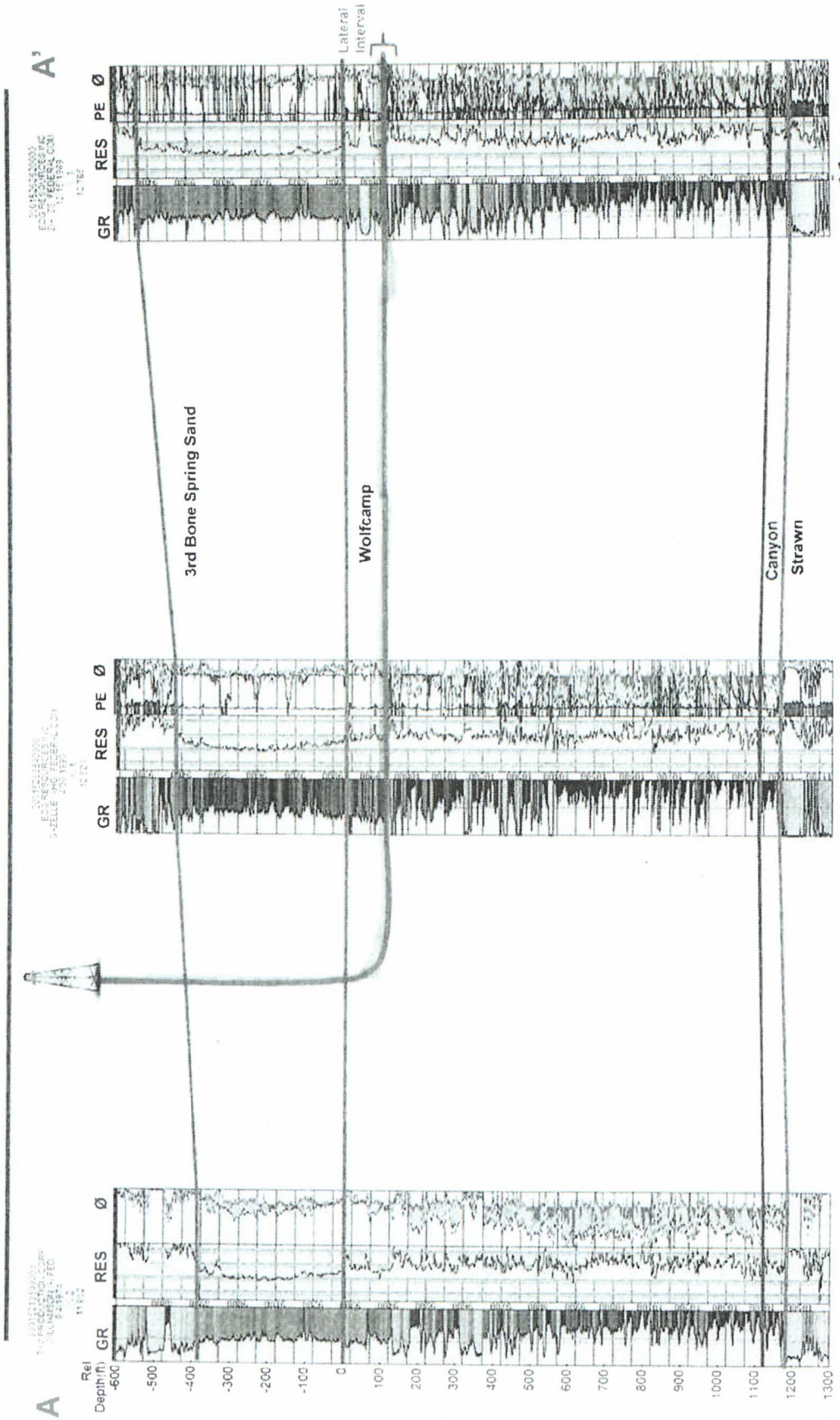


Ted 1514 Fed. Com. 203H & 204H



Matador
Exhibit B-8

Burton Flat Upper Wolfcamp East (Pool Code: 98315)
Stratigraphic Cross Section A - A'



Ted 1514 Fed. Com. 203H & 204H