

CASE NOS. 22513 - 22516

**APPLICATIONS OF
MATADOR PRODUCTION COMPANY TO AMEND POOLING ORDERS,
LEA COUNTY, NEW MEXICO**

EXHIBITS

(PART I)

1. Pooling Order No. R-21546
2. Application and Proposed Notice in Case No. 22513
3. Landman's Affidavit in Case 22513
4. Pooling Order No. R-21547
5. Application and Proposed Notice in Case No. 22514
6. Landman's Affidavit in Case 22514
7. Pooling Order No. R-21591
8. Application and Proposed Notice in Case No. 22515
9. Landman's Affidavit in Case 22515
10. Pooling Order No. R-21592
11. Application and Proposed Notice in Case No. 22516
12. Landman's Affidavit in Case 22516
13. Affidavit of Notice for Case Nos. 22513 and 22514
14. Affidavit of Notice for Case Nos. 22515 and 22516

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

IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
ASCENT ENERGY, LLC

CASE NO. 21505
ORDER NO. R-21546

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on November 5, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Ascent Energy, LLC (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.

EXHIBIT |

9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the

CASE NO. 21505
ORDER NO. R-21546

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

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


ADRIENNE SANDOVAL
DIRECTOR
AES/tgw

Date: 11/13/2020

CASE NO. 21505
ORDER NO. R-21546

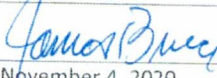
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Exhibit A

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case:	21505
Date	November 5, 2020
Applicant	Ascent Energy, LLC
Designated Operator & OGRID (affiliation if applicable)	Ascent Energy, LLC/OGRID No. 325830
Applicant's Counsel:	James Bruce
Case Title:	Application of Ascent Energy, LLC for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	
Well Family	Silver Bone Spring wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Entire Bone Spring formation
Pool Name and Pool Code:	Teas; Bone Spring/Pool Code 58960
Well Location Setback Rules:	Statewide rules and current horizontal well rules
Spacing Unit Size:	Quarter-quarter Section/40 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	40 acres
Orientation:	South-North
Description: TRS/County	W/2W/2 §4 and W/2W/2 §9-205-33E, NMPM, Lea County
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	EXHIBIT 5
Applicant's Ownership in Each Tract	Exhibit 2-B
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Silver Fed. Com. Well No. 501H API No. 30-025-Pending SHL: 155 FSL & 656 FWL §9 BHL: 50 FNL & 330 FWL §4 FTP: 100 FSL & 330 FWL §9 LTP: 100 FNL & 330 FWL §4 Second Bone Spring Sand/TVD 9915 feet/MD 20147 feet

CASE NO. 21505
ORDER NO. R-21546

	Silver Fed. Com. Well No. 502H API No. 30-025-Pending SHL: 155 FSL & 1443 FWL \$9 BHL: 50 FNL & 1254 FWL \$4 FTP: 100 FSL & 1254 FWL \$9 LTP: 100 FNL & 1254 FWL \$4 Second Bone Spring Sand/TVD 10072 feet/MD 20347 feet Silver Fed. Com. Well No. 601H API No. 30-025-Pending SHL: 155 FSL & 656 FWL \$9 BHL: 50 FNL & 330 FWL \$4 FTP: 100 FSL & 330 FWL \$9 LTP: 100 FNL & 330 FWL \$4 Third Bone Spring Sand/TVD 10912 feet/MD 21200 feet
Horizontal Well First and Last Take Points	See above
Completion Target (Formation, TVD and MD)	See above
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit 2, page 2
Requested Risk Charge	Cost + 200%/Exhibit 2, page 2
Notice of Hearing	
Proposed Notice of Hearing	Exhibit 1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 4
Proof of Published Notice of Hearing (10 days before hearing)	Not Needed
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit 2-B
Tract List (including lease numbers and owners)	
Pooled Parties (including ownership type)	Exhibit 2-B
Unlocatable Parties to be Pooled	None
Ownership Depth Severance (including percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit 2-C
List of Interest Owners (i.e. Exhibit A of JOA)	Exhibit 2A-B
Chronology of Contact with Non-Joined Working Interests	Exhibit 2
Overhead Rates In Proposal Letter	\$8000/\$800
Cost Estimate to Drill and Complete	Exhibit 2-D
Cost Estimate to Equip Well	Exhibit 2-D

Cost Estimate for Production Facilities	Exhibit 2-D
Geology	
Summary (including special considerations)	Exhibit 3A
Spacing Unit Schematic	Exhibit 3A
Gunbarrel/Lateral Trajectory Schematic	Exhibit A
Well Orientation (with rationale)	Standup/Exhibit 3A
Target Formation	Bone Spring
HSU Cross Section	Exhibit 3A
Depth Severance Discussion	Not Applicable
Forms, Figures and Tables	
C-102	Exhibit 3A-C
Tracts	Exhibit 2-B
Summary of Interests, Unit	
Recapitulation (Tracts)	Exhibit 2-B
General Location Map (including basin)	Exhibit 2-A
Well Bore Location Map	Exhibit 2-B
Structure Contour Map - Subsea Depth	Exhibit 3-A
Cross Section Location Map (including wells)	Exhibit 3A
Cross Section (including Landing Zone)	Exhibit 3A
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	James Bruce
Signed Name (Attorney or Party Representative):	
Date:	November 4, 2020

CASE NO. 21505
 ORDER NO. R-21546

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BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

**APPLICATION OF MATADOR PRODUCTION
COMPANY TO AMEND ORDER NO. R-21546,
LEA COUNTY, NEW MEXICO.**

Case No. 22513

APPLICATION

Matador Production Company (“Matador”) applies for an order amending Order No. R-21546, and in support thereof states:

1. Ascent Energy, LLC (“Ascent”) was granted Order No. R-21546, pooling mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2W/2 of Section 4 and the W/2W/2 of Section 9, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

2. Ascent proposed to drill the Silver Fed. Com. Well Nos. 501H, 502H, and 601H to depths sufficient to test the Bone Spring formation. The order designated Ascent as operator of the wells.

3. The case was heard on November 5, 2020, and Order No. R-21546 was entered on November 13, 2020.

4. Paragraph 19 of Order No. R-21546 requires the operator to commence the wells within one year of the date of issuance. Paragraph 20 of the order provides that the order will terminate if the wells are not timely commenced, unless the operator “obtains an extension by an amendment of this Order for good cause shown.”

5. Ascent recently conveyed its working interest in the well unit to MRC Permian Company (“MRC”). Matador is the operator for MRC.

EXHIBIT 2

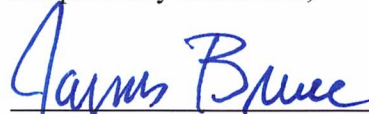
6. Matador requests an extension of the drilling deadline due to market conditions which have altered drilling schedules, and the coronavirus situation. In addition, the federal APDs for the wells took a substantial amount of time to be approved, not leaving enough time to timely commence the wells. Also, the change in operators has slowed the drilling timeline. Matador intends to drill the subject wells. Thus good cause exists for Matador's request for an extension.

7. Matador requests an extension of the well commencement deadline to November 13, 2022.

8. Ascent filed an application to extend the drilling commencement deadline on November 12, 2021, which was designated Case No. 22363. This case is still pending. Matador requests that the filing of this application relate back to the date Ascent's application was filed.

WHEREFORE, Matador requests that, after notice and hearing, the Division enter its order amending Order No. R-21546 to extend the well commencement deadline to November 13, 2022, and relating back the filing date of this case to November 12, 2021.

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Matador Production Company

Application of Matador Production Company to Amend Order No. R-21546, Lea County, New Mexico. Matador Production Company seeks an order amending Order No. R-21546, issued to Ascent Energy, LLC on November 13, 2020, to extend the well commencement deadline one year, to November 13, 2022. Order No. R-21546 pooled mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2W/2 of Section 4 and the W/2W/2 of Section 9, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico, for purposes of drilling the Silver Fed. Com. Well Nos. 501H, 502H, and 601H. It requires the commencement of drilling within one year of the date of the order unless the operator obtains an extension by amendment of the order for good cause shown. Matador Production Company, the new operator of the well unit, also requests that the filing date of this application relate back to the filing date (November 12, 2021) of a similar case filed by Ascent Energy, LLC (Case No. 22363). The unit is located approximately 5 miles northeast of Halfway, New Mexico.

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

APPLICATION OF MATADOR PRODUCTION
COMPANY TO AMEND ORDER NO. R-21546 AND
EXTEND THE WELL COMMENCEMENT
DEADLINE, LEA COUNTY, NEW MEXICO.

CASE NO. 22513
(Order No. R-21546)

SELF-AFFIRMED STATEMENT OF ISAAC EVANS

Isaac Evans declares and states as follows:

1. My name is Isaac Evans. I work for MRC Energy Company, an affiliate of Matador Production Company ("Matador"), as a Landman.

2. I graduated from the Texas Tech University in 2012 with a Bachelor's degree in Business Administration (Energy Commerce). Since graduating, I have worked for multiple oil and gas operators as a landman working in various U.S. onshore basins, including the Uinta Basin and Permian Basin. I began working for Matador as a Landman in August 2021, with specific responsibilities currently focused in Lea County, New Mexico and Loving County, Texas. I am a member of the American Association of Professional Landmen, the Dallas Association of Petroleum Landmen, and Permian Basin Landmen's Association. In addition, as part of my employment with Matador, I am also required to complete at least 40 hours of continuing education about the oil and gas industry each year.

3. Under Case No. 21505, the Division entered Order R-21546 on November 13, 2020. This Order created a standard 320-acre horizontal well spacing unit in the Bone Spring formation (Teas; Bone Spring [58960]) underlying the W/2W/2 of Sections 4 and 9, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico. The Order named Ascent Energy, LLC ("Ascent") as operator and further dedicated the **Silver Fed. Com. Well No. 501H, Silver Fed.**

Com. Well No. 502H, and Silver Fed. Com. Well No. 601H to the unit and required drilling to commence within a year.

4. On November 12, 2021, in NMOCD Case No. 22363, Ascent filed a request to extend the deadline to commence drilling under Order R-21546 until November 13, 2022. In its application, Ascent explained that it was requesting the extension “due to market conditions which have altered drilling schedule, and the coronavirus situation. In addition, the federal APD for the well took a substantial amount of time to be approved....”

5. In December 2021, Matador, including its affiliate MRC Permian Company, acquired Ascent Energy, LLC’s acreage in the subject spacing unit along with the subject NMOCD Order R-21546.

6. As successor operator to Ascent, Matador reiterates the previous, timely request of Ascent to extend the deadline to commence drilling under Order R-21546 until November 13, 2022. As set forth above, Matador and its affiliate recently acquired this acreage, and we are excited to begin development. We believe an extension until November 13, 2022 would provide sufficient time for us to finalize plans and commence drilling under the order.

7. I am familiar with the application filed by Matador in this newly filed case and the status of the development efforts for the pooled spacing unit.

8. None of the working interest owners that remain subject to the pooling order have been asked at this time to make an election on the applicable well, or to pay their estimated share of the costs to drill, complete and equip the applicable well.

9. The granting of this application will prevent waste and protect correlative rights.

10. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 9 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date: 1-27-22


Isaac Evans

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

IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
ASCENT ENERGY, LLC

CASE NO. 21506
ORDER NO. R-21547

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on November 5, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Ascent Energy, LLC (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.

EXHIBIT 4

9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the

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

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



ADRIENNE SANDOVAL
DIRECTOR
AES/tgw

Date: 11/13/2020

CASE NO. 21506
ORDER NO. R-21547


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Exhibit A

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case:	21506
Date	November 5, 2020
Applicant	Ascent Energy, LLC
Designated Operator & OGRID (affiliation if applicable)	Ascent Energy, LLC/OGRID No. 325830
Applicant's Counsel:	James Bruce
Case Title:	Application of Ascent Energy, LLC for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	
Well Family	Silver Wolfcamp wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Entire Wolfcamp formation
Pool Name and Pool Code:	Hat Mesa; Wolfcamp/Pool Code 58960
Well Location Setback Rules:	Statewide rules and current horizontal well rules
Spacing Unit Size:	Quarter-quarter Section/40 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	40 acres
Orientation:	South-North
Description: TRS/County	W/2W/2 §4 and W/2W/2 §9-20S-33E, NMPM, Lea County
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	EXHIBIT 6
Applicant's Ownership in Each Tract	Exhibit 2-B
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Silver Fed. Com. Well No. 701H API No. 30-025-Pending SHL: 155 FSL & 706 FWL §9 BHL: 50 FNL & 990 FWL §4 FTP: 100 FSL & 990 FWL §9 LTP: 100 FNL & 990 FWL §4 Wolfcamp/TVD 11165 feet/MD 213469feet

CASE NO. 21506
ORDER NO. R-21547

Horizontal Well First and Last Take Points	See above
Completion Target (Formation, TVD and MD)	See above
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit 2, page 2
Requested Risk Charge	Cost + 200%/Exhibit 2, page 2
Notice of Hearing	
Proposed Notice of Hearing	Exhibit 1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 4
Proof of Published Notice of Hearing (10 days before hearing)	Not Needed
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit 2-B
Tract List (including lease numbers and owners)	
Pooled Parties (including ownership type)	Exhibit 2-B
Unlocatable Parties to be Pooled	None
Ownership Depth Severance (including percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit 2-C
List of Interest Owners (i.e. Exhibit A of JOA)	Exhibit 2A-B
Chronology of Contact with Non-Joined Working Interests	Exhibit 2
Overhead Rates in Proposal Letter	\$8000/\$800
Cost Estimate to Drill and Complete	Exhibit 2-D
Cost Estimate to Equip Well	Exhibit 2-D
Cost Estimate for Production Facilities	Exhibit 2-D
Geology	
Summary (including special considerations)	Exhibit 3B
Spacing Unit Schematic	Exhibit 3B
Gunbarrel/Lateral Trajectory Schematic	Exhibit A
Well Orientation (with rationale)	Standup/Exhibit 3B
Target Formation	Wolfcamp
HSU Cross Section	Exhibit 3B
Depth Severance Discussion	Not Applicable
Forms, Figures and Tables	
C-102	Exhibit 3A-C

Tracts	Exhibit 2-B
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 2-B
General Location Map (including basin)	Exhibit 2-A
Well Bore Location Map	Exhibit 2-B
Structure Contour Map - Subsea Depth	Exhibit 3B
Cross Section Location Map (including wells)	Exhibit 3B
Cross Section (including Landing Zone)	Exhibit 3B
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	James Bruce
Signed Name (Attorney or Party Representative):	
Date:	November 4, 2020

CASE NO. 21506
 ORDER NO. R-21547

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

**APPLICATION OF MATADOR PRODUCTION
COMPANY TO AMEND ORDER NO. R-21547,
LEA COUNTY, NEW MEXICO.**

Case No. 22514

APPLICATION

Matador Production Company (“Matador”) applies for an order amending Order No. R-21547, and in support thereof states:

1. Ascent Energy, LLC (“Ascent”) was granted Order No. R-21547, pooling mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the W/2W/2 of Section 4 and the W/2W/2 of Section 9, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

2. Ascent proposed to drill the Silver Fed. Com. Well No. 701H to a depth sufficient to test the Wolfcamp formation. The order designated Ascent as operator of the well.

3. The case was heard on November 5, 2020, and Order No. R-21547 was entered on November 13, 2020.

4. Paragraph 19 of Order No. R-21547 requires the operator to commence the well within one year of the date of issuance. Paragraph 20 of the order provides that the order will terminate if the well is not timely commenced, unless the operator “obtains an extension by an amendment of this Order for good cause shown.”

5. Ascent recently conveyed its working interest in the well unit to MRC Permian Company (“MRC”). Matador is the operator for MRC.

6. Matador requests an extension of the drilling deadline due to market conditions which have altered drilling schedules, and the coronavirus situation. In addition, the federal APD

EXHIBIT 5

for the well took a substantial amount of time to be approved, not leaving enough time to timely commence the well. Also, the change in operators has slowed the drilling timeline. Matador intends to drill the subject well. Thus good cause exists for Matador's request for an extension.

7. Matador requests an extension of the well commencement deadline to November 13, 2022.

8. Ascent filed an application to extend the drilling commencement deadline on November 12, 2021, which was designated Case No. 22364. This case is still pending. Matador requests that the filing of this application relate back to the date Ascent's application was filed.

WHEREFORE, Matador requests that, after notice and hearing, the Division enter its order amending Order No. R-21547 to extend the well commencement deadline to November 13, 2022, and relating back the filing date of this case to November 12, 2021.

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Matador Production Company

Application of Matador Production Company to Amend Order No. R-21547, Lea County, New Mexico. Matador Production Company seeks an order amending Order No. R-21547, issued to Ascent Energy, LLC on November 13, 2020, to extend the well commencement deadline one year, to November 13, 2022. Order No. R-21547 pooled mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the W/2W/2 of Section 4 and the W/2W/2 of Section 9, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico, for purposes of drilling the Silver Fed. Com. Well No. 701H. It requires the commencement of drilling within one year of the date of the order unless the operator obtains an extension by amendment of the order for good cause shown. Matador Production Company, the new operator of the well unit, also requests that the filing date of this application relate back to the filing date (November 12, 2021) of a similar case filed by Ascent Energy, LLC (Case No. 22364). The unit is located approximately 5 miles northeast of Halfway, New Mexico.

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

IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
ASCENT ENERGY, LLC

CASE NO. 21507
ORDER NO. R-21591

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on January 21, 2021, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Ascent Energy, LLC (“Operator”), submitted an application (“Application”) to compulsorily pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.

EXHIBIT 7

9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").

23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



ADRIENNE SANDOVAL
DIRECTOR
AES/kms

Date: 2/02/2021

CASE NO. 21507
ORDER NO. R-21591

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Exhibit "A"

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case:	21507
Date	January 21, 2021
Applicant	Ascent Energy, LLC
Designated Operator & OGRID (affiliation if applicable)	Ascent Energy, LLC/OGRID No. 325830
Applicant's Counsel:	James Bruce
Case Title:	Application of Ascent Energy, LLC for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	
Well Family	Silver Fed. Bone Spring wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Entire Bone Spring formation
Pool Name and Pool Code:	Teas; Bone Spring/Pool Code 58960
Well Location Setback Rules:	Statewide rules and current horizontal well rules
Spacing Unit Size:	Quarter-quarter Section/40 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	40 acres
Orientation:	South-North
Description: TRS/County	E/2W/2 §4 and E/2W/2 §9-20S-33E, NMPM, Lea County
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	
Applicant's Ownership in Each Tract	Exhibit 2-B
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Silver Fed. Com. Well No. 503H API No. 30-025-Pending SHL: 155 FSL & 1518 FWL §9 BHL: 100 FNL & 2178 FWL §4 FTP: 100 FSL & FWL §9 LTP: 100 FNL & FWL §4 Second Bone Spring Sand/TVD 9937 feet/MD 20259 feet

CASE NO. 21507
ORDER NO. R-21591

	Silver Fed. Com. Well No. 602H API No. 30-025-Pending SHL: 155 FSL & 1468 FWL \$9 BHL: 100 FNL & 1650 FWL \$4 FTP: 100 FSL & 330 FWL \$9 LTP: 100 FNL & 1650 FWL \$4 Third Bone Spring Sand/TVD 10912 feet/MD 21187 feet
Horizontal Well First and Last Take Points	See above
Completion Target (Formation, TVD and MD)	See above
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit 2, page 2
Requested Risk Charge	Cost + 200%/Exhibit 2, page 2
Notice of Hearing	
Proposed Notice of Hearing	Exhibit 1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 4
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit 4, but Not Needed
Ownership Determination	
Land Ownership Schematic of the Working Unit	Exhibit 2-B
Tract List (including lease numbers and owners)	
Pooled Parties (including ownership type)	Exhibit 2-B
Unlocatable Parties to be Pooled	None
Ownership Depth Severance (including percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit 2-C
List of Interest Owners (i.e. Exhibit A of JOA)	Exhibit 2-B
Chronology of Contact with Non-Joined Working Interests	Exhibit 2
Overhead Rates In Proposal Letter	\$8000/\$800
Cost Estimate to Drill and Complete	Exhibit 2-E
Cost Estimate to Equip Well	Exhibit 2-E
Cost Estimate for Production Facilities	Exhibit 2-E
Geology	
Summary (including special considerations)	Exhibits 3-A and 3-B
Spacing Unit Schematic	Exhibits 3A and 3-B
Gunbarrel/Lateral Trajectory Schematic	Exhibits 3-A and 3-B
Well Orientation (with rationale)	Standup/Exhibits 3-A and 3-B

CASE NO. 21507
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Target Formation	Bone Spring
HSU Cross Section	Exhibits 3-A and 3-B
Depth Severance Discussion	Not Applicable
Forms, Figures and Tables	
12	Exhibits 3-B and 3-C
Tracts	Exhibit 2-B
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 2-B
General Location Map (including basin)	Exhibit 2-A
Well Bore Location Map	Exhibit 2-B
Structure Contour Map - Subsea Depth	Exhibit 3s-A and 3-B
Cross Section Location Map (including wells)	Exhibits 3-A and 3-B
Cross Section (including Landing Zone)	Exhibits 3-A and 3-B
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	James Bruce
Signed Name (Attorney or Party Representative):	
Date:	January 14, 2021

CASE NO. 21507
 ORDER NO. R-21591