

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING MARCH 3, 2022**

**CASE No. 22500**

*MONIKA 14-17-S-37E #1 WELL*

**LEA COUNTY, NEW MEXICO**



**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 NOS. 22500**

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

<b>Case: 22500</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b>	<b>March 3, 2022</b>
Applicant	<b>Matador Production Company</b>
Designated Operator & OGRID (affiliation if applicable)	<b>OGRID No. 228937</b>
Applicant's Counsel:	<b>Holland &amp; Hart LLP</b>
Case Title:	<b>APPLICATION OF MATADOR PRODUCTION COMPANY FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.</b>
Entries of Appearance/Intervenors:	<b>David Petroleum, Kay R. McMillan Survivors Trust, James Coe Schilcher, Christine Schlicher Johnson.</b>
Well Family	<b>Monika</b>
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	<b>Strawn Formation</b>
Primary Product (Oil or Gas):	<b>Oil</b>
Pooling this vertical extent:	<b>N/A</b>
Pool Name and Pool Code:	<b>Humble City; Strawn, South Pool (33500)</b>
Well Location Setback Rules:	<b>Special Pool Rules, Order No. R6913: within 150 feet of center of quarter-quarter section</b>
Spacing Unit Size:	<b>80 acres</b>
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	<b>Vertical</b>
Size (Acres)	<b>80 acres</b>
Building Blocks:	<b>N/A</b>
Orientation:	<b>N/A</b>
Description: TRS/County	<b>S/2 NE/4 Section 14, T17S, R37E, NMPM, Lea County, New Mexico.</b>
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	<b>N/A</b>
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	<b>No</b>
Proximity Tracts: If yes, description	<b>No</b>
Proximity Defining Well: if yes, description	<b>N/A</b>
Applicant's Ownership in Each Tract	<b>Exhibit C-2</b>
<b>Well(s)</b>	<b>BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico</b>
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status	<b>Exhibit No. A Submitted by: Matador Production Company Hearing Date: March 3, 2022 Case No. 22500</b>

Well #1	<b>Monika 14-17-S-37E #1 Well</b> <b>SHL: (Unit G) of Section 14, Township 17 South, Range 37 East</b> <b>BHL: (Unit G) of Section 14, Township 17 South, Range 37 East</b> <b>Target: Strawn</b> <b>Orientation: Vertical</b> <b>Completion: Non-Standard Location</b>
Well #2	
Horizontal Well First and Last Take Points	<b>Exhibit C-1</b>
Completion Target (Formation, TVD and MD)	<b>Exhibit C-1</b>
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	<b>\$8,000</b>
Production Supervision/Month \$	<b>\$800</b>
Justification for Supervision Costs	<b>Exhibit C</b>
Requested Risk Charge	<b>200%</b>
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	<b>Exhibit A</b>
Proof of Mailed Notice of Hearing (20 days before hearing)	<b>Exhibit D</b>
Proof of Published Notice of Hearing (10 days before hearing)	<b>Exhibit E</b>
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	<b>Exhibit C-2</b>
Tract List (including lease numbers and owners)	<b>Exhibit C-2</b>
Pooled Parties (including ownership type)	<b>Exhibit C-2</b>
Unlocatable Parties to be Pooled	<b>N/A</b>
Ownership Depth Severance (including percentage above & below)	<b>N/A</b>
<b>Joinder</b>	
Sample Copy of Proposal Letter	<b>Exhibit C-3</b>
List of Interest Owners (ie Exhibit A of JOA)	<b>Exhibit C-2</b>
Chronology of Contact with Non-Joined Working Interests	<b>Exhibit C-4</b>
Overhead Rates In Proposal Letter	<b>Exhibit C-3</b>
Cost Estimate to Drill and Complete	<b>Exhibit C-3</b>
Cost Estimate to Equip Well	<b>Exhibit C-3</b>
Cost Estimate for Production Facilities	<b>Exhibit C-3</b>

Summary (including special considerations)	N/A
Spacing Unit Schematic	N/A
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	N/A
Target Formation	Strawn Formation
HSU Cross Section	N/A
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit C-1
Tracts	Exhibit C-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-2
General Location Map (including basin)	Exhibit C-1
Well Bore Location Map	N/A
Structure Contour Map - Subsea Depth	N/A
Cross Section Location Map (including wells)	N/A
Cross Section (including Landing Zone)	N/A
<b>Additional Information</b>	
Special Provisions/Stipulations	N/A
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Adam G. Rankin
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	3-Mar-22

**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 NO. 22500**

**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 a standard 80-acre vertical well spacing unit within the Strawn formation underlying the S/2 NE/4 of Section 14, Township 17 South, Range 37 East, NMPM, Lea County, New Mexico. In support of this application, Applicant states:

1. Applicant is an interest owner in the subject acreage and has a right to drill thereon.
2. Applicant proposes to dedicate the above-referenced spacing unit to its proposed **Monika 14-17-S-37E #1 well** (API No. PENDING), a vertical well to be completed at a non-standard location in the SW/4 NE/4 (Unit G) of said Section 14 to a depth sufficient to test the Strawn formation.
3. Special pool rules issued under Order No. R-6913, *et. seq.*, govern this acreage, which is dedicated to the Humble City; Strawn, South Pool (Pool Code 33500). The special pool rules provide for 80-acre vertical well spacing and for wells to be located within 150 feet of the center of a governmental quarter-quarter section.

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. B  
Submitted by: Matador Production Company  
Hearing Date: March 3, 2022  
Case No. 22500**

4. Applicant will separately seek administrative approval for the proposed non-standard location.

5. 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.

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

7. 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 spacing unit should be pooled and Applicant should be designated the operator the proposed well and spacing unit.

WHEREFORE, Matador requests that this application be set for hearing before an Examiner of the Oil Conservation Division on February 3, 2022, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests within the Strawn formation;
- B. Designating Applicant as the operator of said spacing unit and well;
- C. Authorizing Applicant to recover its costs of drilling, equipping, completing, and recompleting the well;
- 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 recompleting the well against any working interest owner who does not voluntarily participate in the drilling and recompleting of the well.

Respectfully submitted,

HOLLAND & HART LLP

By: \_\_\_\_\_



Michael H. Feldewert  
Adam G. Rankin  
Julia Broggi  
Post Office Box 2208  
Santa Fe, NM 87504  
505-998-4421  
505-983-6043 Facsimile  
mfeldewert@hollandhart.com  
agrarkin@hollandhart.com  
jbroggi@hollandhart.com

**ATTORNEYS FOR MATADOR PRODUCTION  
COMPANY**

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

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

**CASE NO. 22500**

**AFFIDAVIT OF NICHOLAS WEEKS**

Nicholas Weeks, of lawful age and being first duly sworn, states the following:

1. My name is Nicholas Weeks and I am employed by MRC Energy Company, an affiliate of Matador Production Company (“Matador”), as a Landman.
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 application filed by Matador in this case and the status of the lands in the subject area.
4. Matador seeks an order pooling all uncommitted interests in the Strawn formation [Humble City; Strawn, South Pool (Pool Code 33500)] underlying a standard 80-acre vertical well spacing unit comprised of the S/2 NE/4 of Section 14, Township 17 South, Range 37 East, NMPM, Lea County, New Mexico. Matador further seeks to dedicate the spacing unit to its proposed **Monika 14-17-S-37E #1 well** (API No. 30-025-49719), to be completed at a non-standard location in the SW/4 NE/4 (Unit G) of said Section 14 to a depth sufficient to test the Strawn formation. Matador also requests that it be designated as operator of the well and spacing unit.

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C  
Submitted by: Matador Production Company  
Hearing Date: March 3, 2022  
Case No. 22500**

5. Matador owns a working interest in the S/2 NE/4 of Section 14 on which it proposes to drill the **Monika 14-17-S-37E #1 well**, with a surface location 2,128 feet from the north line and 2,321 feet from the east line, and bottom-hole location at 1,376 feet from the north line and 1,761 feet from the east line of Section 14.

6. **Matador Exhibit C-1** is a form C-102 plat showing the well and the location within the proposed spacing unit. The spacing unit is comprised of the S/2 NE/4 of Section 14. All acreage is fee.

7. Special pool rules issued under Order No. R-6913, as amended, govern the Humble City; Strawn, South Pool and require wells to be located within 150 feet of the center of a governmental quarter-quarter section. The proposed well location is unorthodox under the special pool rules. Matador has separately filed an application to seek administrative approval for the proposed non-standard location.

8. **Matador Exhibit C-2** identifies the working ownership interests in the proposed spacing unit. Matador seeks to pool all owners identified on the exhibit, which includes some unleased mineral interest owners.

9. **Matador Exhibit C-3** contains a sample well proposal letter and AFE for the proposed well sent to each working interest owner. In addition to sending well proposals and AFEs, Matador also made offers to lease to all unleased mineral interest owners. The costs reflected in the AFE are consistent with what other operators have incurred for similar recompletions in this formation.

10. In addition to sending well proposal letters and AFEs, Matador has attempted to reach agreement with each party Matador is seeking to pool. In my opinion, Matador has made a good faith effort to reach agreement with each party.

11. No ownership depth severances exist within the Strawn formation in the proposed spacing unit.

12. Matador has estimated the overhead and administrative costs at \$8000/month while drilling and \$800/month while operating the well. These costs are consistent with what other operators are charging in this area for similar wells. Matador respectfully requests that these administrative and overhead costs be incorporated into any order entered by the Division.

13. Matador has conducted a diligent search of the public records in the county where the property is located, reviewed telephone directories, and conducted computer searches to locate contact information for each of these mineral owners. As indicated in **Matador Exhibit C-4**, Matador has been able to locate and has had discussions with each party that it seeks to pool in this case in an effort to reach voluntary joinder.

14. **Matador Exhibit C-4** contains a general summary of the contacts with the uncommitted owners that Matador seeks to pool. In my opinion, Matador has undertaken good faith efforts to reach an agreement with the uncommitted owners.

15. I provided the law firm of Holland & Hart LLP a list of names and addresses for the uncommitted interest owners that Matador seeks to pool and instructed that they be notified of this hearing.

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

FURTHER AFFIANT SAYETH NOT.

Nicholas Weeks  
NICHOLAS WEEKS

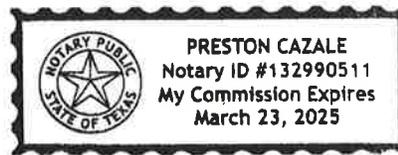
STATE OF TEXAS            )  
  )  
COUNTY OF DALLAS        )

SUBSCRIBED and SWORN to before me this 26<sup>th</sup> day of January 2022 by  
Nicholas Weeks.

Preston Cazale  
NOTARY PUBLIC

My Commission Expires:

3/23/2025



# Exhibit C-1

**DISTRICT I**  
 1825 N. FRENCH DR., HOBBS, NM 88240  
 Phone: (575) 393-8161 Fax: (575) 393-0720

**DISTRICT II**  
 811 S. FIRST ST., ARTESIA, NM 88210  
 Phone: (575) 748-1883 Fax: (575) 748-8720

**DISTRICT III**  
 1000 RIO BRAZOS RD., AZTEC, NM 87410  
 Phone: (505) 334-8178 Fax: (505) 334-8170

**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, New Mexico 87505

Form C-102  
 Revised August 1, 2011  
 Submit one copy to appropriate  
 District Office

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number <b>30-025-49719</b>	Pool Code 33500	Pool Name HUMBLE CITY; STRAWN, SOUTH
Property Code <b>332090</b>	Property Name MONIKA 14-17S-37E	Well Number 1
OGRID No. 228937	Operator Name MATADOR PRODUCTION COMPANY	Elevation 3738.5'

**Surface Location**

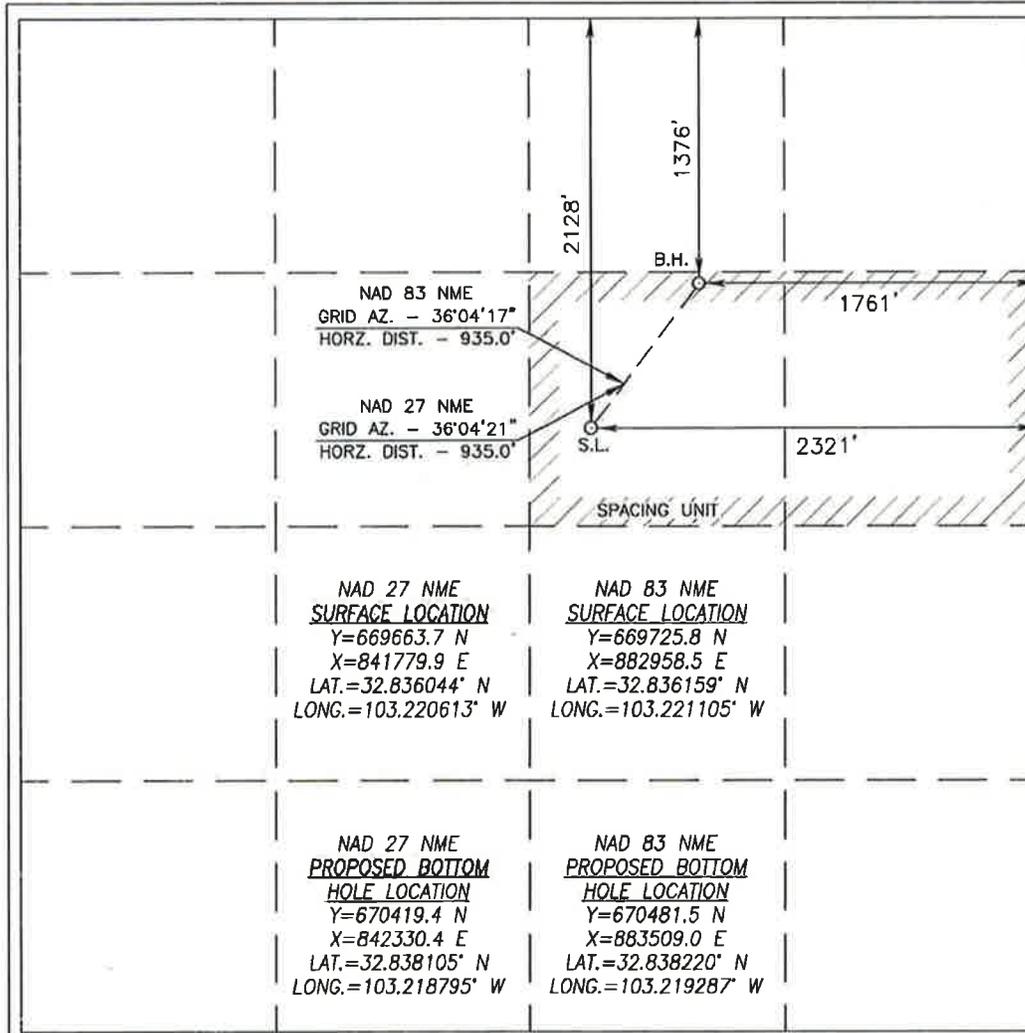
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	14	17-S	37-E		2128	NORTH	2321	EAST	LEA

**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
G	14	17-S	37-E		1376	NORTH	1761	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
80			

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



**OPERATOR CERTIFICATION**

I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Nicholas Weeks* 01/12/2022  
 Signature Date

**Nicholas A. Weeks**  
 Printed Name

nweeks@matadorresources.com  
 E-mail Address

**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.

DECEMBER 14, 2021  
 Date of Survey

Signature & Seal of Professional Surveyor

*Chad Harcrow* 12/20/21  
 Certificate No. CHAD HARCROW 17777  
 W.O. # 21-1044 DRAWN BY: SP

# Exhibit C-2

## Summary of Interests

<b>Matador Entities</b>		<b>42.294272%</b>
<b>Anticipated Voluntary Joinder:</b>		<b>16.509114%</b>
<b>Compulsory Pool:</b>		<b>41.196614%</b>
<b>Interest Owner:</b>	<b>Description:</b>	<b>Interest:</b>
David Petroleum Corp.	Mineral Owner	6.412729%
Kay R. McMillan Survivors Trust	Mineral Owner	5.344063%
James Coe Schlicher	Mineral Owner	0.684104%
Christine Schlicher	Mineral Owner	0.684104%
Anna F. Kastman Jenkin	Mineral Owner	1.250000%
Melonie F. Kastman	Mineral Owner	1.250000%
Benton A. Kastman	Mineral Owner	1.250000%
Brandon H. Kastman	Mineral Owner	1.250000%
Angela E. Kastman Corr	Mineral Owner	1.250000%
Norma J. Chanley	Mineral Owner	8.333333%
Powhatan Carter III	Mineral Owner	2.500000%
South Fifth Energy LLC	Mineral Owner	5.000000%
Rodney Carter	Mineral Owner	2.500000%
Charles & Beverly Rev. Trust 12/15/1993	Mineral Owner	2.500000%
Tierra Media Resources, LP	Mineral Owner	0.988281%

BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit No. C2  
 Submitted by: Matador Production Company  
 Hearing Date: March 3, 2022  
 Case No. 22500



# Exhibit C-3

# 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](mailto:nweeks@matadorresources.com)

**Nicholas Weeks**  
**Senior Staff Landman**

December 11, 2021

VIA CERTIFIED RETURN RECEIPT MAIL

XTO Holdings LLC  
22777 Springwoods Village Parkway  
Spring, TX 77389

Re: Matador Production Company – Monika 14-17S-37E #1 (the “Well”)  
Participation Proposal  
Section 14, Township 17 South, Range 37 East  
Lea County, New Mexico

Dear Sir/Madam:

MRC Permian Company (“MRC”) proposes the drilling of Matador Production Company’s Monika 14-17S-37E #1, located in the S/2NE/4 of Section 14, Township 17 South, Range 37 East, Lea County, New Mexico to the Strawn formation.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping the Well is \$4,433,792 as found on the enclosed AFE dated December 2, 2021.
- The proposed surface location of the Well is approximately 2,125’ FNL and 2,339’ FEL of Section 14, Township 17 South, Range 37 East, Lea County, New Mexico.
- The Well will have a targeted interval within the Strawn formation. We plan to drill the Well vertically in the Strawn (~11,450’ TVD).

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

XTO Holdings LLC will own an approximate 0.5208% working interest in the Well, subject to title verification.

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

MRC is proposing to drill the Well under the terms of the modified 1989 AAPL form of Operating Agreement which is enclosed for your review and approval. The enclosed Operating Agreement dated

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico

Exhibit No. C3

Submitted by: Matador Production Company

Hearing Date: March 3, 2022

Case No. 22500

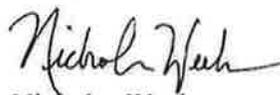
December 1, 2021, by and between Matador Production Company, as operator and MRC Permian Company et al as Non-Operators, covering the N/2 of Section 14, Township 17 South, Range 37 East, Lea County, New Mexico and has the following general provisions:

- 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. Additionally, if your election is to participate, please accept this letter as an invoice notice and request for payment. Please remit payment for your proportionate share of costs in the amount of \$23,092.67 to Matador Production Company on or before thirty (30) days after receipt of this estimate and invoice. 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 their proportionate share of all costs incurred.

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

Sincerely,



Nicholas Weeks

Enclosure(s)

Please elect one of the following and return to sender.

\_\_\_\_\_ XTO Holdings LLC hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Monika 14-17S-37E #1 well, located in Lea County, New Mexico.

\_\_\_\_\_ XTO Holdings LLC hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Monika 14-17S-37E #1 well, located in Lea County, New Mexico.

\_\_\_\_\_ XTO Holdings LLC is interested in selling its interest in this unit, please contact to discuss.

**XTO Holdings LLC**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Contact Number: \_\_\_\_\_

**MATADOR PRODUCTION COMPANY**

ONE LINCOLN CENTRE • 5400 LBJ FREEWAY • SUITE 1500 • DALLAS, TEXAS 75240  
 Phone (972) 371-5200 • Fax (972) 371-5201

**ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE**

DATE:	12/2/2021	AFE NO.:	500002 635 01
WELL NAME:	Monika 14-17S-37E 001	FIELD:	
LOCATION:	Section 14-17S-37E	MD/TVD:	12000/11450
COUNTY/STATE:	Lea	LATERAL LENGTH:	
MRC W#:			
GEOLOGIC TARGET:	Strawn		
REMARKS:	Drill and complete a Vertical Strawn Well - Perforate and Acid Job		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Land / Legal / Regulatory	\$ 32,500		\$ -	\$ -	\$ 32,500
Location, Surveys & Damages	150,500	11,880	5,000	-	167,380
Drilling	589,635				589,635
Cementing & Float Equip	152,400				152,400
Logging / Formation Evaluation	285,906	6,534	3,000		295,440
Mud Logging	22,875				22,875
Mud Circulation System	31,514				31,514
Mud & Chemicals	151,025	2,376	1,800		155,601
Mud / Wastewater Disposal	78,825		1,000		79,825
Freight / Transportation	9,300	2,916	5,000		17,216
Rig Supervision / Engineering	70,200	16,524	9,500	12,600	109,824
Drill Bits	62,500				62,500
Fuel & Power	144,495	5,850	500		150,845
Water	38,750	4,752	1,000	1,000	45,502
Drig & Completion Overhead	9,750				9,750
Plugging & Abandonment					
Directional Drilling, Surveys	131,250				131,250
Completion Unl, Swab, CTU		24,482	15,000		39,482
Perforating, Wireline, Slickline		22,140			22,140
High Pressure Pump Truck			2,500		2,500
Stimulation		40,500			40,500
Stimulation Flowback & Disp		2,281			2,281
Insurance	5,064				5,064
Labor	45,700	6,940	15,000	5,000	72,640
Rental - Surface Equipment	61,283	31,173	12,500	5,000	109,956
Rental - Downhole Equipment	16,500	6,156			22,656
Rental - Living Quarters	15,308	900			16,208
Contingency	105,428	11,591		2,360	119,379
Operations Center	4,875				4,875
<b>TOTAL INTANGIBLES &gt;</b>	<b>2,213,881</b>	<b>198,974</b>	<b>71,800</b>	<b>26,960</b>	<b>2,508,515</b>

TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	\$ 97,222		\$ -	\$ -	\$ 97,222
Intermediate Casing					
Drilling Liner					
Production Casing	283,538				283,538
Production Liner					
Tubing			84,200		84,200
Wellhead	50,550		30,000		80,550
Packers, Liner Hangers		6,480			6,480
Tanks				63,400	63,400
Production Vessels				38,500	38,500
Flow Lines			8,000	20,000	28,000
Rod string			104,000		104,000
Artificial Lift Equipment			179,687		179,687
Compressor					
Installation Costs				63,000	63,000
Surface Pumps				5,000	5,000
Non-controllable Surface	450			2,000	2,450
Non-controllable Downhole			2,000		2,000
Downhole Pumps			8,000		8,000
Measurement & Meter Installation			8,000	115,000	123,000
Gas Conditioning / Dehydration					
Interconnecting Facility Piping				85,000	85,000
Gathering / Bulk Lines				496,250	496,250
Valves, Dumps, Controllers					
Tank / Facility Containment				10,000	10,000
Flare Stack				35,000	35,000
Electrical / Grounding			18,000	14,000	32,000
Communications / SCADA			5,000	10,000	15,000
Instrumentation / Safety			23,000	52,000	75,000
<b>TOTAL TANGIBLES &gt;</b>	<b>441,760</b>	<b>8,480</b>	<b>467,887</b>	<b>1,008,100</b>	<b>1,926,227</b>
<b>TOTAL COSTS &gt;</b>	<b>2,655,741</b>	<b>203,454</b>	<b>539,487</b>	<b>1,036,110</b>	<b>4,435,792</b>

**PREPARED BY MATADOR PRODUCTION COMPANY:**

Drilling Engineer: Patrick Watah & Tyler Brooking	Team Lead - WTX/NM	
Completions Engineer: Ryan Knebel & Jackson Driggs		APW
Production Engineer: Ryan Hernandez & Garrett Littlell		

**MATADOR RESOURCES COMPANY APPROVAL:**

Executive VP, COO/CFO	VP - Res Engineering	VP - Drilling
DEL	WTE	JR/PW/JE
Executive VP, Legal	Exec Dir - Exploration	VP - Production
CA	NLF	GS
President	VP & General Manager	
MVI	BG	

**NON OPERATING PARTNER APPROVAL:**

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

This report on the AFE was prepared by and for the use of the operator. It is not to be used for any other purpose. The operator is not responsible for the accuracy of the information provided in this report. The operator is not responsible for the accuracy of the information provided in this report. The operator is not responsible for the accuracy of the information provided in this report.

# Exhibit C-4

### Summary of Communication

#### Norma J. Chanley (Unleased Mineral Owner)

- 12/1/2021: Contacted Mrs. Canley with a lease offer.
- 12/13/2021: Proposals mailed via certified mail.
- 12/13/2021 – 1/20/2022: called and left messages several times.
- 1/24/2022: Broker spoke with Mrs. Chanley; not yet able to come to lease terms.

#### David Petroleum Corp. (Mineral Owner)

- 12/13/2021: Proposals mailed via certified mail.
- 12/13/2021 – 1/24/2022: exchanged emails and phone calls. Met with DPC and discussed lease terms and interest in participating. Not yet able to come to terms.

#### Kay R. McMillan Survivors Trust (Mineral Owner)

- 12/13/2021: Proposals mailed via certified mail.
- 12/13/2021 – 1/24/2022: exchanged emails and phone calls with representative for KRMST. Met with KRMST and discussed lease terms and interest in participating. Not yet able to come to terms.

#### South Fifth Energy LLC (Mineral Owner)

- 11/2021 – 12/13/2021: Made lease offer through broker. Negotiated lease terms.
- 12/13/2021: Proposals mailed via certified mail.
- 12/13/2021 – 1/24/2022: Continued negotiating lease and offer. Not yet able to come to terms.

#### Powhatan Carter III (Mineral Owner)

- 11/2021 – 12/13/2021: Made lease offer through broker. Negotiated lease terms.
- 12/13/2021: Proposals mailed via certified mail.
- 12/13/2021 – 1/24/2022: Continued negotiating lease and offer. Not yet able to come to terms.

#### Rodney Carter (Mineral Owner)

- 11/2021 – 12/13/2021: Made lease offer through broker. Negotiated lease terms.
- 12/13/2021: Proposals mailed via certified mail.
- 12/13/2021 – 1/24/2022: Continued negotiating lease and offer. Not yet able to come to terms.

#### Charles & Beverly Overton Revocable Trust 12/15/1993 (Mineral Owner)

- 11/2021 – 12/13/2021: Made lease offer through broker. Negotiated lease terms.
- 12/13/2021: Proposals mailed via certified mail.
- 12/13/2021 – 1/24/2022: Continued negotiating lease and offer. Not yet able to come to terms.

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C4  
Submitted by: Matador Production Company  
Hearing Date: March 3, 2022  
Case No. 22500

Anna F. Kastman Jenkin (Mineral Owner)

- 11/2021 – 12/13/2021: Made lease offer through broker.
- 12/13/2021: Proposals mailed via certified mail.
- 12/13/2021 – 1/24/2022: Continuing to negotiate lease and offer with representative. Not yet able to come to terms.

Melonie F. Kastman (Mineral Owner)

- 11/2021 – 12/13/2021: Made lease offer through broker.
- 12/13/2021: Proposals mailed via certified mail.
- 12/13/2021 – 1/24/2022: Continuing to negotiate lease and offer with representative. Not yet able to come to terms.

Benton A. Kastman (Mineral Owner)

- 11/2021 – 12/13/2021: Made lease offer through broker.
- 12/13/2021: Proposals mailed via certified mail.
- 12/13/2021 – 1/24/2022: Continuing to negotiate lease and offer with representative. Not yet able to come to terms.

Brandon H. Kastman (Mineral Owner)

- 11/2021 – 12/13/2021: Made lease offer through broker.
- 12/13/2021: Proposals mailed via certified mail.
- 12/13/2021 – 1/24/2022: Continuing to negotiate lease and offer with representative. Not yet able to come to terms.

Angela E. Kastman Corr (Mineral Owner)

- 11/2021 – 12/13/2021: Made lease offer through broker and negotiate lease terms.
- 12/13/2021: Proposals mailed via certified mail.
- 12/13/2021 – 1/24/2022: Continuing to negotiate lease and offer with representative. Not yet able to come to terms.

James Coe Schlicher (Mineral Owner)

- 11/2021 – 12/13/2021: Made lease offer through broker and negotiate lease terms.
- 12/13/2021: Proposals mailed via certified mail.
- 1/24/2022: S/W representative of JCS and discussed lease terms and interest in participating. Not yet able to come to terms.

Christine Schlicher Johnson (Mineral Owner)

- 11/2021 – 12/13/2021: Made lease offer through broker and negotiate lease terms.
- 12/13/2021: Proposals mailed via certified mail.
- 1/24/2022: S/W representative of CSJ and discussed lease terms and interest in participating. Not yet able to come to terms.

Tierra Media Resources, LP (Mineral Owner)

- 11/2021 – 12/13/2021: Made lease offer through broker and attempted to negotiate lease.
- 12/13/2021: Proposals mailed via certified mail.
- 12/13/2021 - 1/24/2022: continued to try to negotiation lease through broker. Not yet able to come to terms.





**Adam G. Rankin**  
Phone (505) 988-4421  
Fax (505) 983-6043  
agrarkin@hollandhart.com

January 14, 2022

**VIA CERTIFIED MAIL**  
**CERTIFIED RECEIPT REQUESTED**

**TO: POOLED PARTIES**

**Re: Application of Matador Production Company for Compulsory Pooling,  
Lea County, New Mexico.  
Monika 14-17-S-37E #1 well**

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 February 3, 2022 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: <https://www.emnrd.nm.gov/ocd/hearing-info/>.**

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required 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 Nicholas Weeks, at (972) 371-5481 or [nweeks@matadorresources.com](mailto:nweeks@matadorresources.com).

Sincerely,

A handwritten signature in blue ink, appearing to be "A.G. Rankin", written over a horizontal line.

Adam G. Rankin  
ATTORNEYS FOR MATADOR PRODUCTION  
COMPANY

MRC - Monika Vertical Strawn  
Case No. 22500 Postal Delivery Report

TrackingNo	ToName	DeliveryAddress	City	State	Zip	USPS_Status
9414811898765849838627	Norma J. Chanley	PO Box 728	Hobbs	NM	88241-0728	Your item was picked up at the post office at 1:49 pm on January 19, 2022 in HOBBS, NM 88240.
9414811898765849838603	David Petroleum Corp.	116 W 1st St	Roswell	NM	88203-4702	Your item was delivered to the front desk, reception area, or mail room at 12:52 pm on January 18, 2022 in ROSWELL, NM 88203.
9414811898765849838696	Kay R. McMillan Survivors Trust	118 W 1st St	Roswell	NM	88203-4702	Your item was delivered to the front desk, reception area, or mail room at 12:52 pm on January 18, 2022 in ROSWELL, NM 88203.
9414811898765849838641	South Fifth Energy LLC	PO Box 130	Ruidoso	NM	88355-0130	Your item was picked up at the post office at 10:42 am on January 19, 2022 in RUIDOSO, NM 88345.
9414811898765849838689	Powhatan Carter III	1382 Caprock Rd	Fort Sumner	NM	88119	Your item was delivered to an individual at the address at 11:33 am on January 18, 2022 in FORT SUMNER, NM 88119.
9414811898765849838634	Rodney Carter	736 Trailside Bnd	Round Rock	TX	78665-2115	Your item has been delivered to an agent for final delivery in ROUND ROCK, TX 78665 on January 18, 2022 at 12:15 pm.
9414811898765849838672	Charles & Beverly Revocable Trust 12/15/1993	9977 Yeso Creek Rd	Yeso	NM	88136-9002	Your item was delivered at 8:12 am on January 18, 2022 in YESO, NM 88136.
9414811898765849838115	DEBCO LLC	PO Box 1090	Roswell	NM	88202-1090	Your item was picked up at the post office at 11:54 am on January 20, 2022 in ROSWELL, NM 88201.
9414811898765849838153	Anna F. Kastman Jenkin	5668 Country View Ln	Frisco	TX	75036-4634	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765849838160	Melonie F. Kastman	4347 W Northwest Hwy Ste 120	Dallas	TX	75220-3866	Your item was delivered to the front desk, reception area, or mail room at 11:29 am on January 19, 2022 in DALLAS, TX 75220.
9414811898765849838122	Benton A. Kastman	PO Box 997	Lubbock	TX	79408-0997	Your item was picked up at the post office at 11:27 am on January 18, 2022 in LUBBOCK, TX 79408.
9414811898765849838108	Branden H. Kastman	1950 W Bell St	Houston	TX	77019-4814	Your item was returned to the sender at 9:50 am on February 24, 2022 in SANTA FE, NM 87501 because the forwarding order for this address is no longer valid.
9414811898765849838191	Angela E. Kastman Corr	PO Box 5930	Lubbock	TX	79408-5930	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765849838146	James Coe Schlicher	2309 Bridle Path	Austin	TX	78703-3207	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765849838184	Christine Schlicher Johnson	6541 Park Ln	Dallas	TX	75225-2308	Your item was delivered to an individual at the address at 5:28 pm on January 18, 2022 in DALLAS, TX 75225.
9414811898765849838139	Donna L. Strong	1004 Jackson St SE	Albuquerque	NM	87108-3526	Your item was delivered to an individual at the address at 1:07 pm on January 18, 2022 in ALBUQUERQUE, NM 87108.
9414811898765849838177	Lynn Blackburn	3816 Cheraz Rd NE	Albuquerque	NM	87111-3307	Your item was returned to the sender on January 27, 2022 at 9:16 am in SANTA FE, NM 87501 because of an incomplete address.
9414811898765849838313	MJK Mineral Partners, Ltd.	PO Box 750	Marble Falls	TX	78654-0750	Your item was picked up at the post office at 1:23 pm on January 18, 2022 in MARBLE FALLS, TX 78654.

MRC - Monika Vertical Strawn  
Case No. 22500 Postal Delivery Report

9414811898765849838351	Tierra Media Resources, LP	550 W Texas Ave Ste 1000	Midland	TX	79701-4263	Your item was delivered to an individual at the address at 3:13 pm on January 18, 2022 in MIDLAND, TX 79701.
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# Carlsbad Current Argus

PART OF THE USA TODAY NETWORK

## Affidavit of Publication

Ad # 0005094590

This is not an invoice

**HOLLAND AND HART**  
POBOX 2208

**SANTA FE, NM 87504**

I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

01/21/2022

  
\_\_\_\_\_  
Legal Clerk

Subscribed and sworn before me this January 21, 2022:

  
\_\_\_\_\_  
State of WI, County of Brown  
NOTARY PUBLIC

  
\_\_\_\_\_  
My commission expires

KATHLEEN ALLEN  
Notary Public  
State of Wisconsin

Ad # 0005094590  
PO #: 5094590  
# of Affidavits 1

This is not an invoice

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. E  
Submitted by: Matador Production Company  
Hearing Date: March 3, 2022  
Case No. 22500

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, February 3, 2022, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at <https://www.emnrd.nm.gov/ocd/hearing-info/> or obtained from Marlene Salvidrez, at Marlene.Salvidrez@state.nm.us. Documents filed in the case may be viewed at <https://ocdimage.emnrd.nm.gov/Imaging/Default.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 January 23, 2022.

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

<https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID=e503cd7de1eed3f2bf5dd44359973b8dc>  
Event number: 2482 221 6975  
Event password: wgHNBWFBF44

Join by video: 24822216975@nmemnrd.webex.com  
Numeric Password: 331156  
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: 2482 221 6975

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 pooled parties, including: Norma J. Chanley, her heirs and devisees; David Petroleum Corp.; Kay R. McMillan Survivors Trust; South Fifth Energy LLC; Powhatan Carter III, his heirs and devisees; Rodney Carter, his heirs and devisees; Charles & Beverly Revocable Trust 12/15/1993; DEBCO LLC; Anna F. Kastman Jenkin, her heirs and devisees; Melonie F. Kastman, her heirs and devisees; Benton A. Kastman, his heirs and devisees; Branden H. Kastman, his heirs and devisees; Angela E. Kastman Corr, her heirs and devisees; James Coe Schlicher, his heirs and devisees; Christine Schlicher Johnson, her heirs and devisees; Donna L. Strong, her heirs and devisees; Lynn Blackburn, her heirs and devisees; MJK Mineral Partners, Ltd.; and Tierra Media Resources, LP.

Case No. 22500:  
Application of Mator Production Company for

Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in a standard 80-acre vertical well spacing unit within the Strawn formation underlying the S/2 NE/4 of Section 14, Township 17 South, Range 37 East, NMPM, Lea County, New Mexico. Applicant proposes to dedicate the above-referenced spacing unit to its Monika 14-17-S-37E #1 well (API No. PENDING), a vertical well to be completed at a non-standard location in the SW/4 NE/4 (Unit G) of said Section 14 to a depth sufficient to test the Strawn formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for risk involved in drilling and recompleting said well. Said area is located approximately 10 miles Northwest of Hobbs, New Mexico.  
#5094580, Current Argus, Jan. 21, 2022