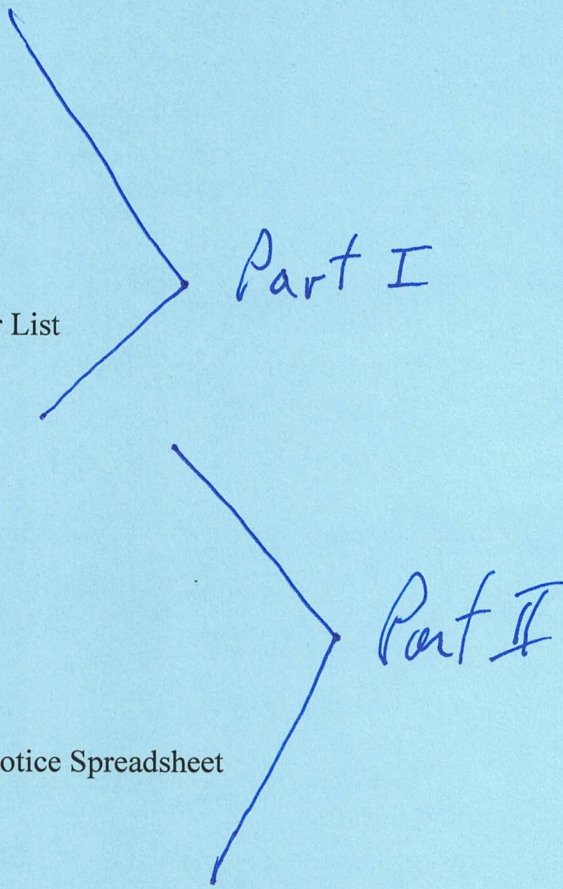



CASE NO. 22988

**APPLICATION OF MATADOR PRODUCTION COMPANY
FOR COMPLUSORY POOLING, EDDY COUNTY, NEW MEXICO**

EXHIBITS

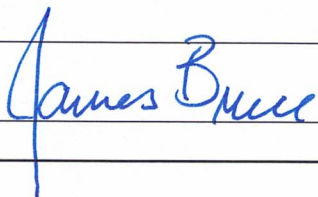
- A. Pooling Checklist
- B. Application and Proposed Notice
- C. Landman's Affidavit
 - C-1: C-102s
 - C-2: Land Plat
 - C-3: Land Plat and Interest Owner List
 - C-4: Proposal Letter and AFEs
 - C-5: Summary of Contacts
- D. Geologist's Affidavit
 - D-1: Locator Map
 - D-2: Structure Map
 - D-3: Cross-Section
- E. Horizontal Drilling Plans
- F. Affidavit of Notice
 - F-1: Notice Letter and Certified Notice Spreadsheet
- G. Affidavit of Publication



COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 22988	APPLICANT'S RESPONSE
Date: November 16, 2023	
Applicant	Matador Production Company
Designated Operator & OGRID (affiliation if applicable)	Matador Production Company/OGRID 228937
Applicant's Counsel:	James Bruce
Case Title:	Application of Matador Production Company for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	
Well Family	David Edelstein Bone Spring wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Entire Bone Spring formation
Pool Name and Pool Code:	Willow Lake; Bone Spring Pool/Pool Code 96415
Well Location Setback Rules:	Statewide Rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	40 acres
Orientation:	East-West
Description: TRS/County	S/2S/2 §12, and S/2S/2 §11, Township 24 South, Range 27 East, NMPM, Eddy County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is approval of non-standard unit requested in this application?</u>	Yes 
Other Situations	
Depth Severance: Y/N. If yes, description	N
Proximity Tracts: If yes, description	N

Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	Exhibit C-3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	David Edelstein State Com. Well No. 114H API No. 30-015-54236 SHL: 1966 FSL & 300 FEL §12 BHL: 330 FSL & 110 FWL §11 FTP: 330 FSL & 100 FEL §12 LTP: 330 FSL & 110 FWL §11 Upper Bone Spring/TVD 7975 feet/MD 18862 feet
Well #2	David Edelstein State Com. Well No. 124H API No. 30-015-54238 SHL: 1966 FSL & 303 FEL §12 BHL: 660 FSL & 110 FWL §11 FTP: 660 FSL & 100 FEL §12 LTP: 660 FSL & 110 FWL §11 Upper Bone Spring/TVD 7800 feet/MD 18687 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 C
Requested Risk Charge	Cost plus 200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit F
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit H

Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-3
Tract List (including lease numbers and owners)	Exhibit C-3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	
Pooled Parties (including ownership type)	Exhibits C and C-3 ; Working Interest Owners
Unlocatable Parties to be Pooled	Yes
Ownership Depth Severance (including percentage above & below)	
Joinder	
Sample Copy of Proposal Letter	Exhibit C-4
List of Interest Owners (i.e. Exhibit A of JOA)	Exhibit C-3
Chronology of Contact with Non-Joined Working Interests	Exhibit C-5
Overhead Rates In Proposal Letter	
Cost Estimate to Drill and Complete	Exhibit C-4
Cost Estimate to Equip Well	Exhibit C-4
Cost Estimate for Production Facilities	Exhibit C-4
Geology	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibits C-1 and D-2
Gunbarrel/Lateral Trajectory Schematic	Exhibit D-3
Well Orientation (with rationale)	East-West; Exhibits C-1, D, and D-2
Target Formation	Bone Spring
HSU Cross Section	Exhibit D-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit C-1

Tracts	Exhibit C-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-3
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibits C-1 and D-2
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D-2
Cross Section (including Landing Zone)	Exhibit D-3
Additional Information	
Special Provisions/Stipulations	
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 14, 2023

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

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

CASE NO. 22988

APPLICATION

Matador Production Company (“Matador” or “Applicant”), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal well spacing unit comprised of the S/2 S/2 of Sections 11 and 12, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico. In support of its application, Matador states:

1. An affiliate entity of Matador (OGRID No. 228937) is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **David Edelstein State Com #114H well** and **David Edelstein State Com #124H well**, to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 12 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 11.
3. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject spacing unit.
4. The pooling of interests will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

EXHIBIT **B**

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on September 1, 2022, and, after notice and hearing as required by law, the Division enter an order:

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

Respectfully submitted,

HOLLAND & HART LLP

By: _____


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

ATTORNEYS FOR MATADOR PRODUCTION COMPANY

Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal well spacing unit comprised of the S/2 S/2 of Sections 11 and 12, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico. Said unit will be initially dedicated to the proposed David Edelstein State Com #114H well and David Edelstein State Com #124H well, to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 12 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 11. Also, to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the wells, and a 200% charge for risk involved in drilling the wells. Said area is located approximately 8 miles southeast of Carlsbad, New Mexico.

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

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

CASE NO. 22988

AFFIDAVIT OF HANNA BOLLENBACH

Hanna Bollenbach, of lawful age and being first duly sworn, states the following:

1. My name is Hanna Bollenbach and I am employed by MRC Energy Company, an affiliate of Matador Production Company ("Matador"), as a Senior 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. In this case, Matador seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal well spacing unit comprised of the S/2 S/2 of Sections 11 and 12, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico. Matador proposes to dedicate the above-referenced spacing unit to the proposed initial **David Edelstein State Com #114H and David Edelstein State Com #124H** wells, both to be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 12 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 11.

EXHIBIT

C

5. **Matador Exhibit C-1** contains Form C-102's for the initial wells in the proposed spacing unit. These forms demonstrate that the completed interval for each well will meet the standard setback requirements for horizontal oil wells.

6. As indicated in Exhibit C-1, these Bone Spring wells have been placed in the Willow Lake; Bone Spring, West (96415) pool.

7. **Matador Exhibit C-2** identifies the tracts of land comprising each of the proposed horizontal spacing units. The subject acreage is comprised of state and fee acreage.

8. There are no depth severances within the Bone Spring formation underlying this acreage.

9. **Matador Exhibit C-3** identifies the working interest owner that Matador is seeking to pool in the proposed horizontal spacing unit.

10. Matador does not seek to pool any overriding royalty owners at this time.

11. **Matador Exhibit C-4** contains a sample of the well proposal letters and AFEs sent to the working interest owner that Matador is seeking to pool. The costs reflected in these AFEs are consistent with what other operators have incurred for drilling similar horizontal wells in the area in this formation.

12. **Matador Exhibit C-5** contains a general summary of the contacts with the uncommitted working interest owner that Matador seeks to pool. As indicated in Matador Exhibit C-3, Matador's title indicates there are outstanding title requirements needed to be taken by the possible interest owners to determine the ownership of the interests of (i) the possible claimants to the mineral interest owned by Thomas B. Stribling and Martha Stribling, and (ii) the possible claimants to the mineral interest owned by Joe H. Beeman. With respect to those interests, Matador Exhibit C-5 shows Matador's efforts to mail proposals to each of the possible claimants,

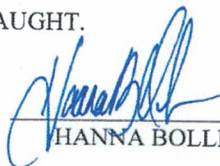
but we have not made further attempts to contact each of the possible claimants until the title issues are resolved and ownership known. With respect to those interests on Matador Exhibit C-3 without pending title matters (Patricia Gae Stamps, Sue Osborn Powell, and Mary Camille Hall), Matador Exhibit C-5 shows that our proposals to these owners were delivered, and we have also attempted to call each of these owners for which we were able to locate contact information.

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

14. Matador has provided our outside counsel with the names and addresses of the parties that Matador seeks to pool and instructed that they be notified of this hearing.

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

FURTHER AFFIANT SAYETH NAUGHT.


HANNA BOLLENBACH

STATE OF TEXAS)
)
COUNTY OF DALLAS)

SUBSCRIBED and SWORN to before me this 8th day of November 2023 by Hanna Bollenbach.



NOTARY PUBLIC

My Commission Expires:

3/23/2025

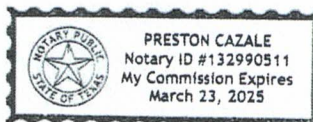


Exhibit C-1

1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-54236		² Pool Code 96415		³ Pool Name Willow Lake; Bone Spring, West	
⁴ Property Code 320766		⁵ Property Name DAVID EDELSTEIN STATE COM			⁶ Well Number 114H
⁷ OGRID No. 228937		⁸ Operator Name MATADOR PRODUCTION COMPANY			⁹ Elevation 3089'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	12	24-S	27-E	-	1966'	SOUTH	300'	EAST	EDDY

¹¹Bottom 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
M	11	24-S	27-E	-	330'	SOUTH	110'	WEST	EDDY

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

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

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

Signature: *Hanna Bollenbach*
Date: 7/17/2023
Printed Name: Hanna Bollenbach
E-mail Address: hanna.bollenbach@matadorresources.com

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

09/23/2022
Date of Survey
Signature and Seal of Registered Surveyor
MICHAEL D. BROWN
NEW MEXICO
18329
PROFESSIONAL SURVEYOR

**LAST PERFORATION POINT/
BOTTOM HOLE LOCATION**
NEW MEXICO EAST
NAD 1927
X=550776
Y=445668
LAT.: N 32.2251526
LONG.: W 104.1691340
NAD 1983
X=591959
Y=445727
LAT.: N 32.2252727
LONG.: W 104.1696303

SURFACE LOCATION
NEW MEXICO EAST
NAD 1927
X=561025
Y=447550
LAT.: N 32.2302791
LONG.: W 104.1359805
NAD 1983
X=602208
Y=447609
LAT.: N 32.2303997
LONG.: W 104.1364755

FIRST PERFORATION POINT
NEW MEXICO EAST
NAD 1927
X=561228
Y=445916
LAT.: N 32.2257848
LONG.: W 104.1353326
NAD 1983
X=602411
Y=445974
LAT.: N 32.2259054
LONG.: W 104.1358275

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-54238	² Pool Code 96415	³ Pool Name willow Lake; Bone Springs, West
⁴ Property Code 320766	⁵ Property Name DAVID EDELSTEIN STATE COM	
⁶ OGRID No. 228937	⁸ Operator Name MATADOR PRODUCTION COMPANY	⁷ Well Number 124H
		⁹ Elevation 3089'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	12	24-S	27-E	-	1966'	SOUTH	330'	EAST	EDDY

¹¹Bottom 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
M	11	24-S	27-E	-	660'	SOUTH	110'	WEST	EDDY

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

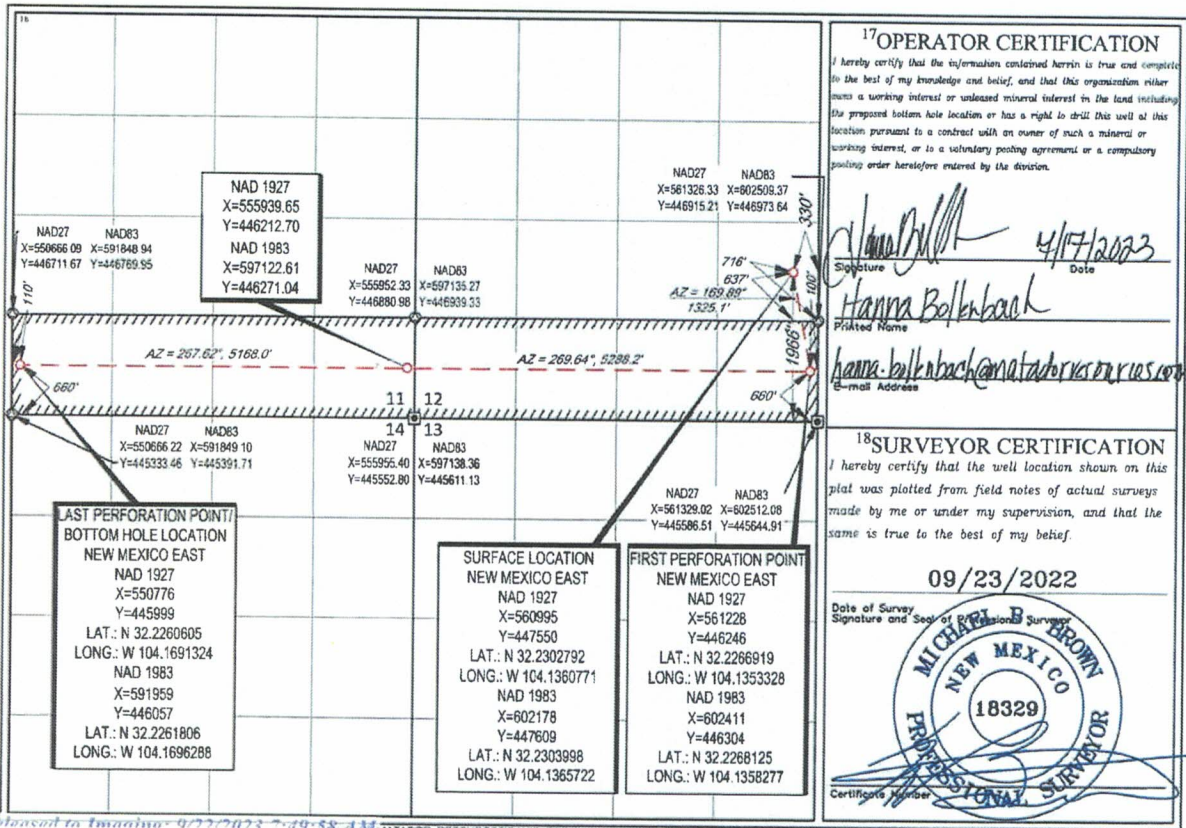


Exhibit C-2

Township 24 South, Range 27 East, Eddy County, NM

Section 11	Section 12
Tract 1 (State)	Tract 2 (Fee)

Exhibit C-3

Township 24 South, Range 27 East, Eddy County, NM

Section 11	Section 12
Tract 1 (State)	Tract 2 (Fee)



Summary of Interests

MRC Permian Company:		99.097844%	
Compulsory Pool:		00.902156%	
Interest Owner:	Description:	Tract:	Interest:
Patricia Gae Stamps*	Unleased Mineral Interest	2	00.002598%
Sue Osborn Powell*	Unleased Mineral Interest	2	00.002598%
Mary Camille Hall*	Unleased Mineral Interest	2	00.005196%
Possible Claimants to the Mineral Interest Owned by Thomas B. Stribling and Martha Stribling, husband and wife:			
Martha Joy Stribling*	Unleased Mineral Interest	2	00.729116%
Margaret M. Stribling*			
John D. Stribling*			
Possible Claimants to the Mineral Interest Owned by Joe H. Beeman			
<i>(Please see page 2 for list of possible claimants)</i>			
	Unleased Mineral Interest	2	00.162648%

*Interest owners subject to compulsory pool.



Summary of Interests

Possible Claimants to the Mineral Interest Owned by Joe H. Beeman:
Estate of Virginia Lee Davis*
JoAnn McNeill*
Patricia Ann Long*
Marilyn Gaye Bitsis*
John E. Hall, III*
Louis M. Ratliff Jr.*
Nolan Creek*
Nevill Manning*
Law Firm of Klipstine & Hanratty*
Childs & Bishop Law Offices, Inc.*
Irma J. Gregory*
Mary White*
Daniel Taschner & Arin Bratcher, husband and wife*
William E. Gregory*

DAVID EDELSTEIN STATE COM #114H and #124H



Summary of Interests

Possible Claimants to the Mineral Interest Owned by Joe H. Beeman:
Kathy Gregory*
Brian L. McGonagill & Shirley C. McGonagill, husband and wife*
Chasity Garza*
Clarence W. Ervin*
Peter A. Panagopoulos*
Peter A. Panagopoulos, Andreas P. Panagopoulos, Pavlos P. Panagopoulos, Panagiota P. Panagopoulos, Magdalene P. Panagopoulos d/b/a Panagopoulos Enterprises*
Panagopoulos Enterprises, LLC*

Exhibit C-4

MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
Voice 972.371.5446 • Fax 214.866.4946
shartsfield@matadorresources.com

Sara Hartsfield
Senior Landman

June 16, 2022

VIA CERTIFIED RETURN RECEIPT MAIL

Brian L. McGonagill & Shirley C. McGonagill, husband and wife
1612 WESTRIDGE
Carlsbad, NM 88220

Re: David Edelstein State Com #113H, #123H, #114H & #124H (the "Wells")
Participation Proposal
Sections 12 & 11, Township 24 South, Range 27 East
Eddy County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's David Edelstein State Com #113H, David Edelstein State Com #123H, David Edelstein State Com #114H and David Edelstein State Com #124H wells, located in Sections 12 & 11, Township 24 South, Range 27 East, Eddy County, New Mexico, to the Bone Spring formation.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping of each Well is itemized on the four (4) enclosed Authority for Expenditures ("AFE") both dated April 26, 2022.
- **David Edelstein State Com #113H:** to be drilled from a legal location with a proposed surface hole location in the NE/4SE/4 of Section 12-24S-27E and a proposed bottom hole location in the NW/4SW/4 of Section 11-24S-27E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~7,975' TVD) to a Measured Depth of approximately 18,862'.
- **David Edelstein State Com #123H:** to be drilled from a legal location with a proposed surface hole location in the NE/4SE/4 of Section 12-24S-27E and a proposed bottom hole location in the NW/4SW/4 of Section 11-24S-27E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~7,800' TVD) to a Measured Depth of approximately 18,687'.
- **David Edelstein State Com #114H:** to be drilled from a legal location with a proposed surface hole location in the SE/4SE/4 of Section 12-24S-27E and a proposed bottom hole location in the SW/4SW/4 of Section 11-24S-27E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~7,975' TVD) to a Measured Depth of approximately 18,862'.

- **David Edelstein State Com #124H:** to be drilled from a legal location with a proposed surface hole location in the SE/4SE/4 of Section 12-24S-27E and a proposed bottom hole location in the SW/4SW/4 of Section 11-24S-27E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~7,800' TVD) to a Measured Depth of approximately 18,687'.

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

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

As an alternative to participation in the well Matador is interested in leasing your mineral interest, subject to title verification, for \$1,500/acre, 1/5 royalty, and a 3 year term on the lease form enclosed. Should you elect to lease your minerals, please sign the enclosed lease, in the presence of a notary public, and return it to my attention, at the address listed above.

If your election is to participate in the drilling and completion of the Wells, please sign and return a copy of the enclosed AFE(s) within thirty (30) days of receipt of this notice.

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

Sincerely,

MRC PERMIAN COMPANY



Sara Hartsfield

Brian L. McGonagill & Shirley C. McGonagill, husband and wife hereby elects to:

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **David Edelstein State Com #113H** well.
_____ Not to participate in the **David Edelstein State Com #113H**

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

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **David Edelstein State Com #114H** well.
_____ Not to participate in the **David Edelstein State Com #114H**

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

_____ Brian L. McGonagill & Shirley C. McGonagill, husband and wife hereby elects to lease our minerals for \$1,500/acre, 1/5 royalty, and a 3-year term.

_____ Brian L. McGonagill & Shirley C. McGonagill, husband and wife is interested in selling its interest in this unit, please contact to discuss.

Brian L. McGonagill & Shirley C. McGonagill, husband and wife

By: _____

Title: _____

Date: _____


Contact Number: _____

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	April 26, 2022	AFE NO.:	
WELL NAME:	David Edelstein State Com #114H	FIELD:	Bone Spring
LOCATION:	Section 12&11 24S 27E	MD/TVD:	18862/7975'
COUNTY/STATE:	Eddy, NM	LATERAL LENGTH:	9,800
MRC WI:			
GEOLOGIC TARGET:	First Bone Spring Sand		
REMARKS:	Drill and complete a horizontal 2 mile long First Bone Spring sand target with about 46 frac stages		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
INTANGIBLE COSTS					
Land / Legal / Regulatory	\$ 78,000	\$ -	\$ 50,000	\$ 10,000	\$ 138,000
Location, Surveys & Damages	128,333	-	25,000	15,000	168,333
Drilling	628,875	13,000	-	-	641,875
Cementing & Float Equip	184,000	-	-	-	184,000
Logging / Formation Evaluation	-	3,000	3,000	-	6,000
Flowback - Labor	-	-	24,700	-	24,700
Flowback - Rental Living Quarters	-	-	135,750	-	135,750
Mud Logging	16,875	-	-	-	16,875
Mud Circulation System	45,700	-	-	-	45,700
Mud & Chemicals	211,200	49,000	10,000	-	270,200
Mud / Wastewater Disposal	130,000	-	-	-	130,000
Freight / Transportation	12,750	26,700	7,500	-	47,000
Rig Supervision / Engineering	96,000	91,500	8,400	12,600	208,500
Drill Bits	63,300	-	-	-	63,300
Fuel & Power	133,000	352,098	-	-	485,098
Water	75,500	682,500	3,000	-	1,361,000
Drig & Completion Overhead	12,000	-	-	-	12,000
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	247,482	-	-	-	247,482
Completion Unit, Swab, CTU	-	118,000	10,200	-	128,200
Perforating, Wireline, Slickline	-	178,609	-	-	178,609
High Pressure Pump Truck	-	61,875	8,000	-	69,875
Stimulation	-	2,329,859	-	-	2,329,859
Stimulation Flowback & Disp	-	15,500	50,400	-	65,900
Insurance	33,952	-	-	-	33,952
Labor	141,500	59,750	10,000	-	211,250
Rental - Surface Equipment	14,910	329,588	10,000	-	354,500
Rental - Downhole Equipment	150,875	86,000	2,000	-	238,875
Rental - Living Quarters	41,820	39,333	-	-	81,153
Contingency	76,304	210,685	35,045	-	322,034
MaxCom	17,388	-	-	-	17,388
TOTAL INTANGIBLES >	2,619,764	4,647,395	392,995	37,600	7,697,754
TANGIBLE COSTS					
Surface Casing	\$ 29,230	\$ -	\$ -	\$ -	\$ 29,230
Intermediate Casing	155,350	-	-	-	155,350
Drilling Liner	-	-	-	-	-
Production Casing	519,324	-	-	-	519,324
Production Liner	-	-	-	-	-
Tubing	-	-	103,180	-	103,180
Wellhead	68,000	-	30,000	-	98,000
Packers, Liner Hangers	-	58,989	6,000	-	64,989
Tanks	-	-	-	25,000	25,000
Production Vessels	-	-	-	160,000	160,000
Flow Lines	-	-	-	125,000	125,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	45,000	-	45,000
Compressor	-	-	-	25,000	25,000
Installation Costs	-	-	-	50,000	50,000
Surface Pumps	-	-	5,000	25,000	30,000
Non-controllable Surface	-	-	-	-	-
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	11,000	50,000	61,000
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	80,000	80,000
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	2,000	-	2,000
Tank / Facility Containment	-	-	-	-	-
Flare Stack	-	-	-	10,000	10,000
Electrical / Grounding	-	-	-	20,000	20,000
Communications / SCADA	-	-	12,000	50,000	62,000
Instrumentation / Safety	-	-	-	42,000	42,000
TOTAL TANGIBLES >	771,904	58,989	214,180	682,000	1,707,074
TOTAL COSTS >	3,391,668	4,706,385	607,175	699,600	9,404,828

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Tyler Kinison	Team Lead - WTXNM	
Completions Engineer:	Colin Loshick		
Production Engineer:	Kyle Chisley		

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, COO/CFO	DEL	SVP Geoscience	NLF	EVP COO- Drilling, Completion and Production	BG
Executive VP, Legal	CA				
President	MVH				

NON OPERATING PARTNER APPROVAL:

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


This work on the AFE was prepared only and should be complete or change in any significant way on the date of the report. "Using materials or equipment to alter the AFE may be initiated up to a year after the well has been completed. If, during the AFE, the Participant agrees to pay its proportional share of actual costs incurred, including legal, auditing, regulatory, logistics and well site related for items of the approved cost schedule, regulatory, safety or other agreement covering the well. Participants shall be deemed to have agreed to pay their proportional share of the total liability incurred while participating in the operation of a well under the AFE. Participants shall be deemed to have agreed to pay their proportional share of the total liability incurred while participating in the operation of a well under the AFE.

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	April 26, 2022	AFE NO.:	
WELL NAME:	David Edelstein State Com #124H	FIELD:	Bone Spring
LOCATION:	Section 12&11 24S 27E	MD/TVD:	18687/7800'
COUNTY/STATE:	Eddy, NM	LATERAL LENGTH:	9,600
MRC WI:			
GEOLOGIC TARGET:	Second Bone Spring Sand		
REMARKS:	Drill and complete a horizontal 2 mile long Second Bone Spring sand target with about 46 frac stages		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Land / Legal / Regulatory	\$ 78,000	\$ -	\$ 50,000	\$ 10,000	\$ 138,000
Location, Surveys & Damages	128,333	13,000	25,000	15,000	181,333
Drilling	588,000	-	-	-	588,000
Cementing & Float Equip	184,000	-	-	-	184,000
Logging / Formation Evaluation	-	3,000	3,000	-	6,000
Flowback - Labor	-	-	24,700	-	24,700
Flowback - Surface Rentals	-	-	135,750	-	135,750
Flowback - Rental Living Quarters	-	-	-	-	-
Mud Logging	15,000	-	-	-	15,000
Mud Circulation System	43,413	-	-	-	43,413
Mud & Chemicals	210,750	48,000	10,000	-	268,750
Mud / Wastewater Disposal	130,000	-	7,500	-	137,500
Freight / Transportation	12,750	26,700	-	-	39,450
Rig Supervision / Engineering	90,000	91,500	8,400	12,600	202,500
Drill Bits	83,300	-	-	-	83,300
Fuel & Power	122,500	352,098	-	-	474,598
Water	65,500	682,500	3,000	-	1,351,000
Drig & Completion Overhead	11,250	-	-	-	11,250
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	225,557	-	-	-	225,557
Completion Unit, Swab, CTU	-	118,000	10,200	-	128,200
Perforating, Wireline, Slickline	-	178,609	-	-	178,609
High Pressure Pump Truck	-	61,875	8,000	-	69,875
Stimulation	-	2,329,859	-	-	2,329,859
Stimulation Flowback & Disp	-	15,500	50,400	-	65,900
Insurance	33,637	-	-	-	33,637
Labor	141,500	58,750	10,000	-	210,250
Rental - Surface Equipment	69,135	329,988	10,000	-	409,123
Rental - Downhole Equipment	164,300	66,000	2,000	-	232,300
Rental - Living Quarters	40,425	39,333	-	-	79,758
Contingency	73,628	210,685	35,045	-	319,358
MaxCom	15,505	-	-	-	15,505
TOTAL INTANGIBLES >	2,527,882	4,647,395	392,995	37,600	7,605,872
TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	\$ 29,230	\$ -	\$ -	\$ -	\$ 29,230
Intermediate Casing	155,350	-	-	-	155,350
Drilling Liner	-	-	-	-	-
Production Casing	517,842	-	-	-	517,842
Production Liner	-	-	-	-	-
Tubing	-	-	117,920	-	117,920
Wellhead	68,000	-	30,000	-	98,000
Packers, Liner Hangers	-	58,989	8,000	-	66,989
Tanks	-	-	-	25,000	25,000
Production Vessels	-	-	-	160,000	160,000
Flow Lines	-	-	-	125,000	125,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	45,000	-	45,000
Compressor	-	-	-	25,000	25,000
Installation Costs	-	-	-	50,000	50,000
Surface Pumps	-	-	5,000	25,000	30,000
Non-controllable Surface	-	-	-	-	-
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	11,000	50,000	61,000
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	80,000	80,000
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	2,000	-	2,000
Tank / Facility Containment	-	-	-	10,000	10,000
Flare Stack	-	-	-	20,000	20,000
Electrical / Grounding	-	-	-	50,000	50,000
Communications / SCADA	-	-	12,000	-	12,000
Instrumentation / Safety	-	-	-	42,000	42,000
TOTAL TANGIBLES >	770,422	58,989	228,920	662,000	1,720,331
TOTAL COSTS >	3,298,304	4,706,385	621,915	699,600	9,326,203

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Tyler Kinnon	Team Lead - WTX/NM	
Completions Engineer:	Colin Lesnick		
Production Engineer:	Kyle Christy		

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, COO/CFO	DEL	SVP Geoscience	NLF	EVP COO- Drilling, Completion and Production	BS
Executive VP, Legal	CA				
President	MVH				

NON OPERATING PARTNER APPROVAL:

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

This AFE and associated costs are for informational purposes only and may not be intended as a contract or a binding agreement. All drilling and completion operations shall be conducted in accordance with the AFE. The Operator shall be responsible for obtaining all necessary permits and approvals from the appropriate regulatory agencies. The Operator shall be responsible for obtaining all necessary permits and approvals from the appropriate regulatory agencies. The Operator shall be responsible for obtaining all necessary permits and approvals from the appropriate regulatory agencies.

Exhibit C-5

Owner Name	Address Attempt #1	Delivered?	Address Attempt #2	Delivered?	Address Attempt #3	Delivered?
PATRICIA GEE STAMPS	P.O. Box 209 600 Professional Drive Georgetown, TX 79620	Yes				
Mary Camille Hall	8172 Tanager Drive Round Rock, Texas 78684	Yes				
Martha Joy Strubling	548 Parkland Cir. SE Albuquerque, NM 87108	Yes				
Margaret M. Strubling	1333 San Marcos, B.E. Albuquerque, NM 87110	Yes				
John D. Strubling	520 Hanchitos N.W. Albuquerque, NM 87114	Yes	489 Royal Elk Pl Pagosa Springs, CO 81447	Yes	9132 Fourth Street, #10104 Albuquerque, NM 87114	Start on 10/17/2022
Estate of Virginia Lee Davis	1500 Woodgate Drive Unit 408 P.O. Box 21116 Montano 51104	Yes				
John Mitchell	7010 Ironton Ave., Apt. 511 Houston, Texas 77042	Yes	418 W. Gal Hobbs, New Mexico 88240	Yes		
Patricia Ann Long	1102 Buarbrook P.O. Box 210045	Yes				
Shirley Gage Betts	8 Fenwood Court New York, New York 10023	Yes				
Lois M. Ruffell Jr.	7012 Ironton Ave., Apt. 511 Houston, Texas 77042	Yes				
Nolan Cook	7012 Ironton Ave., Apt. 511 Houston, Texas 77042	Yes				
Neill Manning	7012 Ironton Ave., Apt. 511 Houston, Texas 77042	Yes				
Law Firm of Kristine & Harriety	2106 Green Acres Dr Lubbock, TX 79424-5808	No	500 Houston St. Lubbock, Texas 79410	Start on 10/17/2022		
Chiefs & Bishop Law Offices, Inc.	2106 Green Acres Dr Lubbock, TX 79424-5808	No	2112 Indiana Lubbock, Texas 79410	Yes		
Irma J. Gregory	2106 Green Acres Dr Lubbock, TX 79424-5808	Yes	1601 N. Turner, Suite 400 Hobbs, NM 88240	No		
Mary White	PO Box 1525 Artesia, NM 88211	Yes				
Daniel Eschner & Arin Brather, husband and wife	7 Mesadonk Ct. Artesia, NM 88211	Yes				
William E. Gregory	7010 Ironton Ave., Apt. 511 Houston, Texas 77042	Yes				
Chandy Gera	608 Lakeside Carlsbad, New Mexico 88220	Yes	11919 Central Ave., Suite B Albuquerque, New Mexico 87123	No	305 S Herndick Ave Roswell, NM 87123	Yes
Shirley C. McGonigal, husband and wife	1612 WESTBRIDGE Carlsbad, NM 88220	Yes				
Cheryl A. Crain	P.O. Box 71 Brownsville, Texas 78136	No	403 Doobie St. Carlsbad, NM 88220-2700	Yes		
Peter A. Rasmussen	209 W. Dickey Carlsbad, New Mexico 88220	No	511 W. Benken Ave. Belen, New Mexico 87002	Yes		
Peter A. Rasmussen, Andrea P. Panagopoulos, Pokas P. Panagopoulos, Pascoira P. Panagopoulos, Magdalene F. Panagopoulos d/b/a Panagopoulos Enterprises, LLC	511 W. Benken Ave. Belen, New Mexico 87002	Yes				