# **BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING JUNE 03, 2021**

# CASE NOS. 21914-21916

COLONEL R. HOWARD FED COM #121H WELL COLONEL R. HOWARD FED COM #122H WELL NORRIS THORNTON FED COM #123H WELL

# EDDY COUNTY, NEW MEXICO



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

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

#### CASE NOS. 21914, 21915, 21916

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# COMPULSORY POOLING APPLICATION CHECKLIST (pdf)

### ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 21914	APPLICANT'S RESPONSE				
Date: June 3, 2021					
Applicant	Matador Production Company				
Designated Operator & OGRID (affiliation if applicable)	228937				
Applicant's Counsel:	Holland & Hart, LLP				
Case Title	Application of Matador Production Company for Compulsory Pooling, Eddy County, New Mexico				
Entries of Appearance/Intervenors:	None				
Well Family	Colonel R. Howard Fed Com #121H well				
Formation/Pool					
Formation Name(s) or Vertical Extent:	Bone Spring				
Primary Product (Oil or Gas):	Oil				
Pooling this vertical extent:	Bone Spring formation				
Pool Names and Pool Codes:	Cass Draw; Bone Spring Pool (10380)				
Well Location Setback Rules:	Statewide rules				
Spacing Unit Size:	320-acres, more or less				
Spacing Unit					
Type (Horizontal/Vertical)	Horizontal				
Size (Acres)	320-acres, more or less				
Building Blocks:	quarter-quarter sections				
Orientation:	west-east				
Description: TRS/County	N/2 N/2 of Sections 23 and 24, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico				
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes				
Other Situations					
Depth Severance: Y/N. If yes, description	No				
Proximity Tracts: If yes, description	No				
Proximity Defining Well: if yes, description	No				
Applicant's Ownership in Each Tract	Exhibit C-3				
Well(s)					
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non- standard)	BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. A Case Nos. 21914-21916 Submitted by: MATADOR PRODUCTION COMI Hearing Date: June 03, 2021				

Well #1	Colonel R. Howard Fed Com #121H well (API No. 30-015-pending): SHL: 390' FNL and 360' FWL (Unit D) of Section 23, 23S, 27E
	BHL: 993' FNL and 60' FEL (Unit A) of Section 24, 23S, 27E
	Completion Target: Bone Spring formation
	Well Orientation: west to east Completion Location expected to be: standard
Horizontal Well First and Last Take Points	Exhibit C-1
Completion Target (Formation, TVD and MD)	Exhibits C-5, D-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibits C, C-5
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-2
Tract List (including lease numbers and owners)	Exhibit C-2
Pooled Parties (including ownership type)	Exhibits C-3, C-4
Unlocatable Parties to be Pooled	Exhibit C, E
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit C-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-3, C-4
Chronology of Contact with Non-Joined Working Interests	Exhibit C-6
Overhead Rates In Proposal Letter	Exhibit C-5
Cost Estimate to Drill and Complete	Exhibit C-5
Cost Estimate to Equip Well	Exhibit C-5
Cost Estimate for Production Facilities	Exhibit C-5
Geology	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit D-2
Well Orientation (with rationale)	Exhibit D-2
Target Formation	Exhibit D-2, D-4
HSU Cross Section	Exhibit D-4
Depth Severance Discussion	N/A
Forms, Figures and Tables	

C-102	Exhibit C-1
Tracts	Exhibit C-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-3, C-4
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit D-1
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D-3
Cross Section (including Landing Zone)	Exhibit D-4
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information pro	ovided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Kaitlyn A. Luck
Signed Name (Attorney or Party Representative):	Brooklul!
Date:	1-Jun-21

# **COMPULSORY POOLING APPLICATION CHECKLIST (pdf)**

### ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 21915	APPLICANT'S RESPONSE					
Date: June 3, 2021						
Applicant	Matador Production Company					
Designated Operator & OGRID (affiliation if applicable)	228937					
Applicant's Counsel:	Holland & Hart, LLP					
Case Title	Application of Matador Production Company for Compulsory Pooling, Eddy County, New Mexico					
Entries of Appearance/Intervenors:	None					
Well Family	Colonel R. Howard Fed Com #122H well					
Formation/Pool						
Formation Name(s) or Vertical Extent:	Bone Spring					
Primary Product (Oil or Gas):	Oil					
Pooling this vertical extent:	Bone Spring formation					
Pool Names and Pool Codes:	Cass Draw; Bone Spring Pool (10380)					
Well Location Setback Rules:	Statewide rules					
Spacing Unit Size:	320-acres, more or less					
Spacing Unit						
Type (Horizontal/Vertical)	Horizontal					
Size (Acres)	320-acres, more or less					
Building Blocks:	quarter-quarter sections					
Orientation:	west-east					
Description: TRS/County	S/2 N/2 of Sections 23 and 24, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico					
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes					
Other Situations						
Depth Severance: Y/N. If yes, description	No					
Proximity Tracts: If yes, description	No					
Proximity Defining Well: if yes, description	No					
Applicant's Ownership in Each Tract	Exhibit C-3					
Well(s)						

Name & API (if assigned), surface and bottom hole location,	
footages, completion target, orientation, completion status	
(standard or non-standard)	
Well #1	Colonel R. Howard Fed Com #122H well (API No. 30-015-pending): SHL: 1820' FNL and 220' FWL (Unit E) of Section 23, 23S, 27E
	BHL: 2320' FNL and 60' FEL (Unit H) of Section 24, 23S, 27E
	Completion Target: Bone Spring formation Well Orientation: west to east
	Completion Location expected to be: standard
Horizontal Well First and Last Take Points	Exhibit C-1
Completion Target (Formation, TVD and MD)	Exhibits C-5, D-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibits C, C-5
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-2
Tract List (including lease numbers and owners)	Exhibit C-2
Pooled Parties (including ownership type)	Exhibits C-3, C-4
Unlocatable Parties to be Pooled	Exhibit C, E
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit C-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-3, C-4
Chronology of Contact with Non-Joined Working Interests	Exhibit C-6
Overhead Rates In Proposal Letter	Exhibit C-5
Cost Estimate to Drill and Complete	Exhibit C-5
Cost Estimate to Equip Well	Exhibit C-5
Cost Estimate for Production Facilities	Exhibit C-5
Geology	

Summary (including special considerations)	Exhibit D		
Spacing Unit Schematic	Exhibit D-1		
Gunbarrel/Lateral Trajectory Schematic	Exhibit D-2		
Well Orientation (with rationale)	Exhibit D-2		
Target Formation	Exhibit D-2, D-4		
HSU Cross Section	Exhibit D-4		
Depth Severance Discussion	N/A		
Forms, Figures and Tables			
C-102	Exhibit C-1		
Tracts	Exhibit C-2		
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-3, C-4		
General Location Map (including basin)	Exhibit D-1		
Well Bore Location Map	Exhibit D-1		
Structure Contour Map - Subsea Depth	Exhibit D-2		
Cross Section Location Map (including wells)	Exhibit D-3		
Cross Section (including Landing Zone)	Exhibit D-4		
Additional Information			
Special Provisions/Stipulations	N/A		
CERTIFICATION: I hereby certify that the information pro	ovided in this checklist is complete and accurate.		
Printed Name (Attorney or Party Representative):	Kaitlyn A. Luck		
Signed Name (Attorney or Party Representative):	Brochell		
Date:	1-Jun-21		

# **COMPULSORY POOLING APPLICATION CHECKLIST (pdf)**

### ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 21916	APPLICANT'S RESPONSE					
Date: June 3, 2021						
Applicant	Matador Production Company					
Designated Operator & OGRID (affiliation if applicable)	228937					
Applicant's Counsel:	Holland & Hart, LLP					
Case Title	Application of Matador Production Company for Compulsory Pooling, Eddy County, New Mexico					
Entries of Appearance/Intervenors:	None					
Well Family	Norris Thornton Fed Com #123H well					
Formation/Pool						
Formation Name(s) or Vertical Extent:	Bone Spring					
Primary Product (Oil or Gas):	Oil					
Pooling this vertical extent:	Bone Spring formation					
Pool Names and Pool Codes:	Cass Draw; Bone Spring Pool (10380)					
Well Location Setback Rules:	Statewide rules					
Spacing Unit Size:	320-acres, more or less					
Spacing Unit						
Type (Horizontal/Vertical)	Horizontal					
Size (Acres)	320-acres, more or less					
Building Blocks:	quarter-quarter sections					
Orientation:	west-east					
Description: TRS/County	N/2 S/2 of Sections 23 and 24, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico					
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes					
Other Situations						
Depth Severance: Y/N. If yes, description	No					
Proximity Tracts: If yes, description	No					
Proximity Defining Well: if yes, description	No					
Applicant's Ownership in Each Tract	Exhibit C-3					
Well(s)						

Name & API (if assigned), surface and bottom hole location,	]
footages, completion target, orientation, completion status (standard or non-standard)	
(Standard or non-standard)	
Well #1	Norris Thornton Fed Com #123H well (API No. 30-015-pending): SHL: 2067' FNL and 153' FWL (Unit L) of Section 23, 23S, 27E BHL: 2321' FNL and 60' FEL (Unit I) of Section 24, 23S, 27E
	Completion Target: Bone Spring formation
	Well Orientation: west to east Completion Location expected to be: standard
Horizontal Well First and Last Take Points	Exhibit C-1
Completion Target (Formation, TVD and MD)	Exhibits C-5, D-4
AFE Capex and Operating Costs	
	\$8,000
Drilling Supervision/Month \$	
Production Supervision/Month \$	\$800 Exhibite C. C. E
Justification for Supervision Costs	Exhibits C, C-5
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E
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Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-2
Tract List (including lease numbers and owners)	Exhibit C-2
Pooled Parties (including ownership type)	Exhibits C-3, C-4
Unlocatable Parties to be Pooled	Exhibit C, E
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit C-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-3, C-4
Chronology of Contact with Non-Joined Working Interests	Exhibit C-6
Overhead Rates In Proposal Letter	Exhibit C-5
Cost Estimate to Drill and Complete	Exhibit C-5
Cost Estimate to Equip Well	Exhibit C-5
Cost Estimate for Production Facilities	Exhibit C-5
Geology	

Summary (including special considerations)	Exhibit D		
Spacing Unit Schematic	Exhibit D-1		
Gunbarrel/Lateral Trajectory Schematic	Exhibit D-2		
Well Orientation (with rationale)	Exhibit D-2		
Target Formation	Exhibit D-2, D-4		
HSU Cross Section	Exhibit D-4		
Depth Severance Discussion	N/A		
Forms, Figures and Tables			
C-102	Exhibit C-1		
Tracts	Exhibit C-2		
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-3, C-4		
General Location Map (including basin)	Exhibit D-1		
Well Bore Location Map	Exhibit D-1		
Structure Contour Map - Subsea Depth	Exhibit D-2		
Cross Section Location Map (including wells)	Exhibit D-3		
Cross Section (including Landing Zone)	Exhibit D-4		
Additional Information			
Special Provisions/Stipulations	N/A		
CERTIFICATION: I hereby certify that the information pro	ovided in this checklist is complete and accurate.		
Printed Name (Attorney or Party Representative):	Kaitlyn A. Luck		
Signed Name (Attorney or Party Representative):	- Booklel		
Date:	1-Jun-21		

#### 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. 21914

Hearing Date: June 03, 2021

#### **APPLICATION**

Matador Production Company ("Matador" or "Applicant") (OGRID No. 228937), through its undersigned attorneys, hereby files this application with the Oil Conservation Division, pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the N/2 N/2 of Sections 23 and 24, Township 23 South, Range 27 East, Eddy County, New Mexico. In support of its application, Matador states:

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

2. Applicant seeks to dedicate the above-referenced spacing unit to the proposed initial **Colonel R. Howard Fed Com #121H well**, to be drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 23 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 24.

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

4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all working interest owners in the subject acreage.
 BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. B
 Case Nos. 21914-21916
 Submitted by: MATADOR PRODUCTION COMPANY

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

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

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 3, 2021, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit in the Bone
   Spring formation and approving the initial wells thereon;
- B. Designating Applicant as operator of this spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the 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 completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

By:

#### HOLLAND & HART LLP

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

ATTORNEYS FOR MATADOR PRODUCTION COMPANY

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

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

#### CASE NO. 21915

#### **APPLICATION**

Matador Production Company ("Matador" or "Applicant") (OGRID No. 228937), through its undersigned attorneys, hereby files this application with the Oil Conservation Division, pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the S/2 N/2 of Sections 23 and 24, Township 23 South, Range 27 East, Eddy County, New Mexico. In support of its application, Matador states:

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

2. Applicant seeks to dedicate the above-referenced spacing unit to the proposed initial **Colonel R. Howard Fed Com #122H well**, to be drilled from a surface location in the SW/4 NW/4 (Unit E) of Section 23 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 24.

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

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

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

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

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 3, 2021, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit in the Bone
   Spring formation and approving the initial wells thereon;
- B. Designating Applicant as operator of this spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the 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 completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

#### HOLLAND & HART LLP

hill

By:\_\_

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

ATTORNEYS FOR MATADOR PRODUCTION COMPANY

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

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

#### CASE NO. 21916

#### **APPLICATION**

Matador Production Company ("Matador" or "Applicant") (OGRID No. 228937), through its undersigned attorneys, hereby files this application with the Oil Conservation Division, pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the N/2 S/2 of Sections 23 and 24, Township 23 South, Range 27 East, Eddy County, New Mexico. In support of its application, Matador states:

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

2. Applicant seeks to dedicate the above-referenced spacing unit to the proposed initial **Norris Thornton Fed Com #123H well**, to be drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 23 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 24.

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

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

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

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

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 3, 2021, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit in the Bone
   Spring formation and approving the initial wells thereon;
- B. Designating Applicant as operator of this spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the 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 completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

By:

#### HOLLAND & HART LLP

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

ATTORNEYS FOR MATADOR PRODUCTION COMPANY

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

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

#### CASE NOS. 21914, 21915, 21916

#### **AFFIDAVIT OF TREY GOODWIN**

Trey Goodwin, of lawful age and being first duly sworn, declares as follows:

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

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

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

4. In these consolidated cases, Matador is seeking orders pooling all uncommitted interests in the following standard horizontal spacing units in the Bone Spring formation underlying Sections 23 and 24, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico:

In Case No. 21914, a standard 320-acre, more or less, horizontal spacing unit comprised of the N/2 N/2 of Sections 23 and 24 to be dedicated to the proposed initial Colonel R. Howard Fed Com #121H well, to be drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 23 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 24.
 BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico

Exhibit No. C Case Nos. 21914-21916 Submitted by: MATADOR PRODUCTION COMPANY Hearing Date: June 03, 2021

- In Case No. 21915, a standard 320-acre, more or less, horizontal spacing unit comprised of the S/2 N/2 of Sections 23 and 24 to be dedicated to the proposed initial Colonel R. Howard Fed Com #122H well, to be drilled from a surface location in the SW/4 NW/4 (Unit E) of Section 23 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 24.
- In Case No. 21916, a standard 320-acre, more or less, horizontal spacing unit comprised of the N/2 S/2 of Sections 23 and 24 to be dedicated to the proposed initial Norris Thornton Fed Com #123H well, to be drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 23 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 24.

4. **Matador Exhibit C-1** contains the Form C-102 for each of the proposed wells, and reflect that these wells are assigned to the Cass Draw; Bone Spring Pool (10380). The land in the proposed spacing unit is comprised of fee and federal lands.

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

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

7. **Matador Exhibit C-3** identifies for each well the working interest owners that Matador is seeking to pool along with their respective ownership interest in each of the proposed horizontal spacing units.

8. In each case, Matador is also seeking to pool the overriding royalty interest owners identified on Matador Exhibit C-4.

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9. There are no depth severances within the Bone Spring formation for this acreage.

10. **Matador Exhibit C-5** contains sample well proposal letters and AFE sent to working interest owners for each well. The costs reflected in the AFE are consistent with what other operators have incurred for drilling similar horizontal wells in the area.

11. In addition to sending well proposal letters and AFEs, Matador has spoken on the phone with of the working interest owner Matador seeks to pool and attempted to reach an agreement with them. In my opinion, Matador has undertaken good faith efforts to reach an agreement with the uncommitted mineral owners that Matador seeks to pool in these cases.

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

13. If Matador reaches an agreement with any of the proposed pooled parties before the Division enters an order, I will let the Division know that Matador is no longer seeking to pool those parties.

14. I provided the law firm of Holland & Hart LLP a list of names and addresses for the parties that Matador is seeking to pool. In compiling these notice lists, Matador conducted a diligent search of all public records in the county where the proposed wells are located and of phone directories, including computer searches.

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

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#### FURTHER AFFIANT SAYETH NOT.

5-6-C Trey Goodwin

STATE OF TEXAS

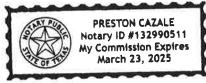
#### COUNTY OF DALLAS

SUBSCRIBED and SWORN to before me this \_\_\_\_\_ day of June 2021 by Trey

))

)

Goodwin.



NOTARY PUBLIC

My Commission Expires:

3/23/2025

 District I

 1625 N. French Dr., Hobbs, NM 88240

 Phone: (575) 393-6161 Fax: (575) 393-0720

 District II.

 811 S. First St., Artesia, NM 88210

 Phone: (575) 748-1283 Fax: (575) 748-9720

 District III.

 1000 Rio Brazos Road, Aztec, NM 87410

 Phone: (505) 334-6178 Fax: (505) 334-6170

 District IV

 1220 S. St. Francis Dr., Santa Fe, NM 87505

 Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505 FORM C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT <sup>1</sup>API Number <sup>2</sup>Pool Code <sup>3</sup>Pool Name Property Code **Property Name** Well Number COLONEL R. HOWARD FED COM 121H OGRID No. <sup>8</sup>Operator Name <sup>9</sup>Elevation MATADOR PRODUCTION COMPANY XXXX' <sup>10</sup>Surface Location UL or lot no. Range Lot Idr Feet from the North/South lin Feet from the East/West line Sectio Township County 390' D 23 23-S 27-E NORTH **360**<sup>°</sup> WEST EDDY <sup>11</sup>Bottom Hole Location If Different From Surface UL or lot no. Township Lot Idn Feet from the North/South lin Feet from the East/West lin County Sectio Rang 24 23-S 27-E 993' **60'** Α NORTH EAST EDDY <sup>12</sup>Dedicated Acres <sup>3</sup>Joint or Infill Consolidation Code <sup>5</sup>Order No. 320 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, **BLM PERFORATION POINT BLM PERFORATION POINT** NEW MEXICO EAST NEW MEXICO EAST NAD 1927 NAD 1927 <sup>17</sup>OPERATOR CERTIFICATION X=554745 X=553425 Y=471136 Y=471134 hereby certify that the information contained herein is true and compl LAT: N 32 2951442 the best of my knowledge and belief, and that this organization either LAT.: N 32.2951442 LONG .: W 104.1561650 working interest or unleased mineral interest in the land includi LONG.: W 104.1604351 proposed bottom hale location or has a right to drill this well at this NAD 1983 NAD 1983 ation pursuant to a contract with an owner of such a mineral or X=595927 X=594608 rking interest, or to a valuntary pooling agreement or a compulsory Y=471195 Y=471192 der heretofore entered by the division LAT.: N 32.2952639 LAT.: N 32.2952639 993 LONG .: W 104.1566629 LONG .: W 104,1609331 \*\*\*\* AZ = 203.32\* \*\*\*\*\*\* AZ = 89.91 658.0 40.0 Signature 390 Date 331 100 90 01 360 AZ : 10374.6 100 64 1111111111111111111 174 333 Printed Name SURFACE LOCATION 333' IRST PERFORATION POINT NEW MEXICO EAST NEW MEXICO EAST NAD 1927 NAD 1927 E-mall Address X=551146 LAST PERFORATION POIN BOTTOM HOLE LOCATION X=550886 Y=471734 NEW MEXICO EAST NEW MEXICO EAST Y=471129 LAT.: N 32.2968036 NAD 1927 NAD 1927 <sup>18</sup>SURVEYOR CERTIFICATION LAT.: N 32.2951438 LONG .: W 104.1678071 X=561260 X=561300 LONG.: W 104.1686530 hereby certify that the well location shown on this NAD 1983 Y=471146 Y=471146 NAD 1983 plat was plotted from field notes of actual surveys LAT.: N 32.2951421 X=592329 LAT.: N 32.2951421 X=592068 made by me or under my supervision, and that the Y=471792 LONG .: W 104.1350786 LONG .: W 104.1349492 Y=471188 LAT.: N 32.2969231 NAD 1983 same is true to the best of my belief. NAD 1983 LAT.: N 32.2952633 LONG .: W 104.1683054 X=602443 X=602483 LONG .: W 104.1691514 Y=471205 Y=471205 XX/XX/20XX LAT.: N 32.2952621 LAT.: N 32.2952621 Date of Survey Signature and Seal of Professional Sur LONG .: W 104.1355757 ONG .: W 104,1354462

	<b>BEFORE THE OIL CONSERVATION DIVISION</b>
	Santa Fe, New Mexico
	Exhibit No. C-1
	Gase Nos. 21914-21916
S:ISURVEY/MATADOR_RESOURCESICOLONEL_R_HOW	ARD_23-235-27EVFINAL_PRODUCTSILO_COLONEL_R_HOWARD_FED_COM_121H_C-102.DWG 6/1/2021 1:05:02 PM bgregory

COMPANY Hearing Date: June 03, 2021

 District J

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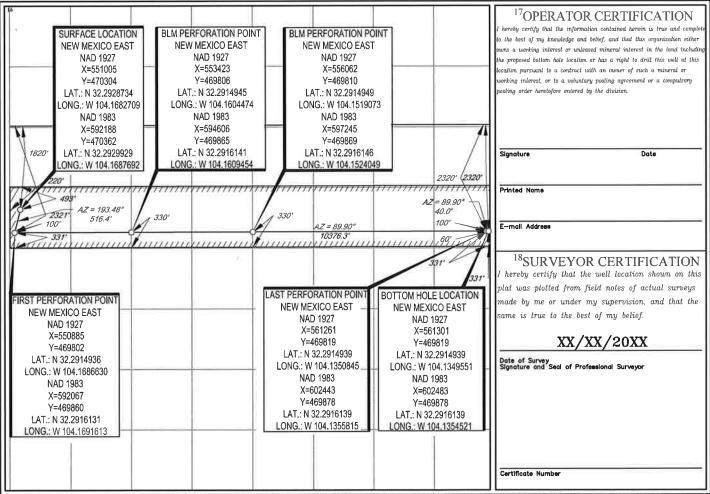
WELL LOCATION AND ACREAGE DEDICATION PLAT

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

AMENDED REPORT

1	API Number		<sup>2</sup> Pool Code <sup>3</sup> Pool Name			<sup>3</sup> Pool Name				
<sup>4</sup> Property C	ode	<sup>3</sup> Property Name COLONEL R. HOWARD FED COM 122H								
OGRID N	ło.	*Operator Name *Elevation MATADOR PRODUCTION COMPANY XXXX'								
	1474				<sup>10</sup> Surface Lo	ocation				
UL or lot no. E	Section 23	Township 23–S	Range 27–E	Lot Idn —	Feet from the 1820'					
	· · · ·		11	Bottom Ho	le Location If D	ifferent From Su	rface			
UL or lot no. H	Section 24	In TownshipRangeLot IdnFeet from theNorth/South lineFeet from theEast/West line23-S27-E-2320'NORTH60'EAST						ne County EDDY		
<sup>12</sup> Dedicated Acres <b>320</b>	<sup>13</sup> Joint or 1	nfill <sup>14</sup> Co	nsolidation Co	de <sup>[5</sup> Ord	er 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.



SISURVEYIMATADOR\_RESOURCESICOLONEL\_R\_HOWARD\_23-235-275/FINAL\_PRODUCTS/LO\_COLONEL\_R\_HOWARD\_FED\_COM\_122H\_C-102.DWG 6/1/2021 1:10:48 PM bgregory

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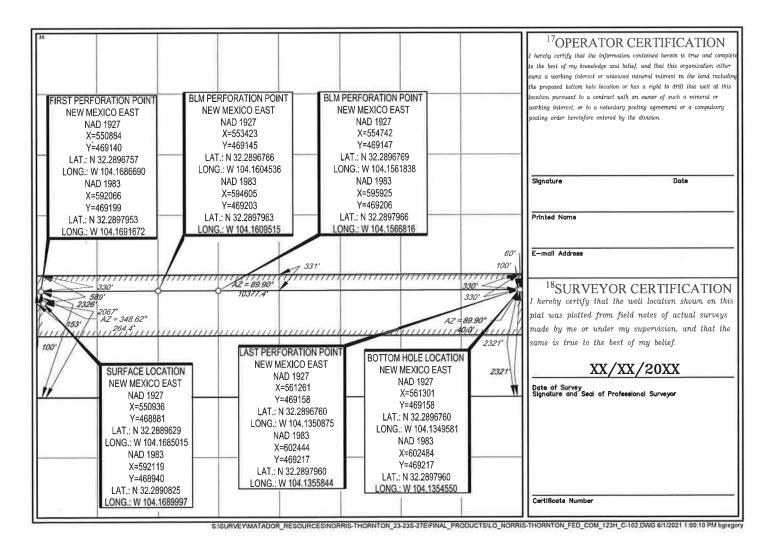
WELL LOCATION AND ACREAGE DEDICATION PLAT

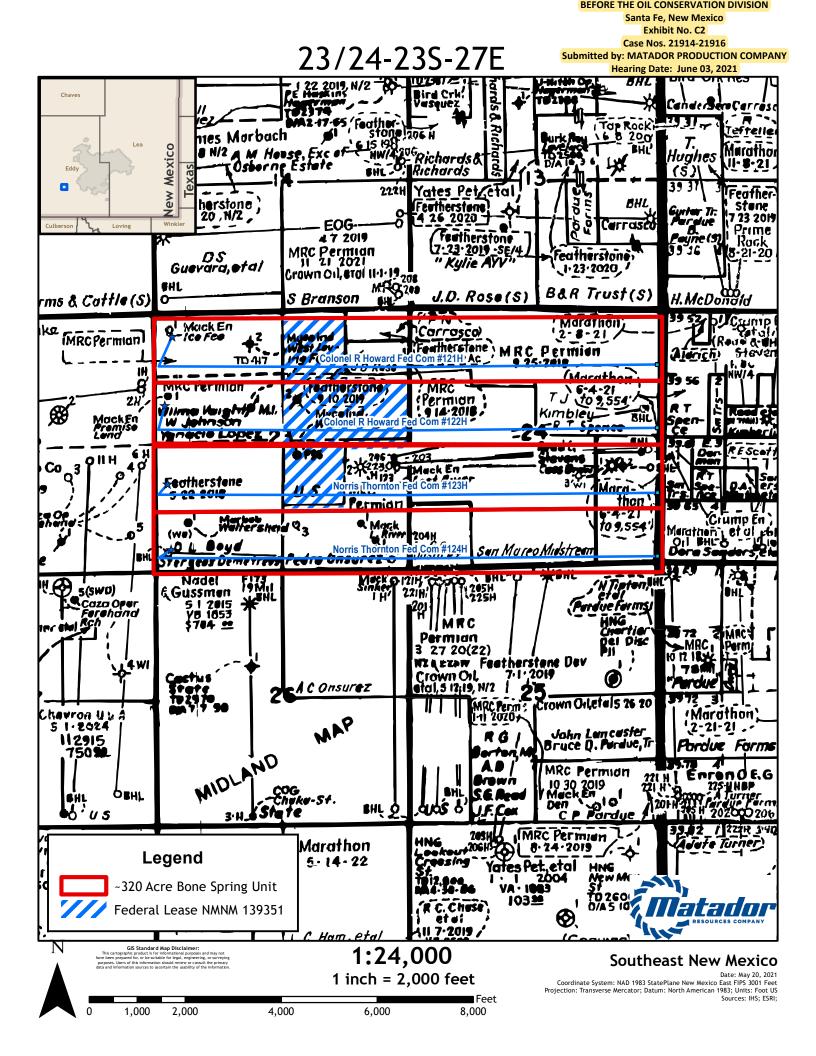
FORM C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

	API Number	er <sup>2</sup> Pool Code			<sup>2</sup> Pool Code <sup>3</sup> Pool Name				
<sup>4</sup> Property C	<sup>4</sup> Property Code <sup>5</sup> Property Name				<sup>5</sup> Property Name <sup>6</sup> Well Number				
				NORR	IS-THORNT	ON FED COM	1		123H
<sup>7</sup> OGRID N	lo.		*Operator Name *Elevation MATADOR PRODUCTION COMPANY XXXX*					The second se	
					<sup>10</sup> Surface L	ocation			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West li	ne County
L	23	23-S 27-E - 2067' SOUTH 153' WEST EDDY					EDDY		
			11]	Bottom Ho	le Location If <b>E</b>	Different From Su	rface		
UL or lot no.	Section	n Township Range Lot Idn Feet from the North/South line Feet from the East/West line					ne County		
I	24	$\begin{vmatrix} 23-S & 27-E & - \\ 2321' & SOUTH & 60' & EAST & EDDY \end{vmatrix}$						EDDY	
<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or 1	nfill <sup>(4</sup> Cor	solidation Co	de <sup>15</sup> Ord	er 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.





# **Summary of Interests**

MRC Permian Company: Compulsory Pool:	87.5000% 12.5000%	
Interest Owner:	Description:	Interest:
State Line Operating, LLC	Uncommitted Working Interest	12.5000%

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. C3 Case Nos. 21914-21916 Submitted by: MATADOR PRODUCTION COMPANY Hearing Date: June 03, 2021



Colonel R. Howard Fed Com #121H

# **Summary of Interests**

MRC Permian Company:	75.0000%	
Compulsory Pool:	25.0000%	
Interest Owner:	Description:	Interest:
State Line Operating, LLC	Uncommitted Working Interest	25.0000%



# **Summary of Interests**

MRC Permian Company: Compulsory Pool:		87.5000% 12.5000%
		12.0000 /0
Interest Owner:	Description:	Interest:
State Line Operating, LLC	Uncommitted Working Interest	12.5000%



### **Overriding Royalty Owner to be Pooled In Case Nos. 21914, 21915 and 21916**

1. Stateline Royalties, LP

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. C4 Case Nos. 21914-21916 Submitted by: MATADOR PRODUCTION COMPANY Hearing Date: June 03, 2021

## MRC Permian Company

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

Sara Hartsfield Senior Landman

January 20, 2021

#### VIA CERTIFIED RETURN RECEIPT MAIL

Flat Creek Resources 777 Main Street, Suite 3600 Fort Worth, Texas 76102

Re: Colonel R Howard Fed Com #121H, #122H, Norris Thornton Fed Com #123H & Norris Thornton #124H (the "Wells")
 Participation Proposal Sections 23&24, Township 23 South, Range 27 East Eddy County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Colonel R Howard Fed Com #121H, Colonel R Howard Fed Com #122H, Norris Thornton Fed Com #123H & Norris Thornton #124H wells, located in Sections 23&24, Township 23 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") dated January 14, 2021.
- Colonel R Howard Fed Com #121H: to be drilled from a legal location with a proposed surface hole location in the NW/4NW/4 of Section 23-23S-27E and a proposed bottom hole location in the NE/4NE/4 of Section 24-23S-27E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~7,350' TVD) to a Measured Depth of approximately 17,600'.
- Colonel R Howard Fed Com#122H: to be drilled from a legal location with a proposed surface hole location in the SW/4NW/4 of Section 23-23S-27E and a proposed bottom hole location in the SE/4NE/4 of Section 24-23S-27E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~7,350' TVD) to a Measured Depth of approximately 17,600'.
- Norris Thornton Fed Com #123H: to be drilled from a legal location with a proposed surface hole location in the NW/4SW/4 of Section 23-23S-27E and a proposed bottom hole location in the NE/4SE/4 of Section 24-23S-27E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~7,350' TVD) to a Measured Depth of approximately 17,600'.

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. C5 Case Nos. 21914-21916 Submitted by: MATADOR PRODUCTION COMPANY Hearing Date: June 03, 2021

Norris Thornton #124H: to be drilled from a legal location with a proposed surface hole location in the . SW/4SW/4 of Section 23-23S-27E and a proposed bottom hole location in the SE/4SE/4 of Section 24-23S-27E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~7,350' TVD) to a Measured Depth of approximately 17,600'.

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.

Flat Creek Resources will own an approximate 0.125 working interest in each Well, subject to title verification.

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

MRC is proposing to drill the Wells under the terms of the modified 1989 AAPL form of Operating Agreement dated January 15, 2021, by and between Matador Production Company, as Operator and MRC Permian Company et al as Non-Operators covering all of Sections 23&24, Township 23 South, Range 27 East, Eddy County, New Mexico, and has the following general provisions:

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

If your election is to participate in the drilling and completion of the Wells, please sign and return a copy of the enclosed AFE(s) 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 to Matador Production Company on or before thirty (30) days after receipt of this estimate and invoice. Please be aware that the enclosed AFE(s) are only an estimate of costs to be incurred and by electing to participate in the Wells, each working interest owner shall be responsible for its proportionate share of all costs incurred.

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

Sincerely,

**MRC PERMIAN COMPANY** 

Sava Hartsfield

Sara Hartsfield

#### Flat Creek Resources hereby elects to:

Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Colonel R Howard Fed Com #121H well, in the estimated amount of \$902,153.25.
 Not to participate in the Colonel R Howard Fed Com #121H.
 Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Colonel R Howard Fed Com #122H well, in the estimated amount of \$902,153.25.
 Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Colonel R Howard Fed Com #122H well, in the estimated amount of \$902,153.25.
 Not to participate in the Colonel R Howard Fed Com #122H.
 Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Norris Thornton Fed Com #123H.
 Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Norris Thornton Fed Com #123H.
 Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Norris Thornton Fed Com #123H.
 Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Norris Thornton Fed Com #123H.
 Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Norris Thornton #124H well, in the estimated amount of \$902,153.25.
 Not to participate in the Norris Thornton #124H.

#### Flat Creek Resources

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

anuary 14, 2021	AFE NO.:	
olonel R Howard Fed Com 121H	FIELD:	
ections 23&24-23S-27E	MD/TVD:	17600'/7350
ddy, NM	LATERAL LENGTH:	10,000
econd Bone Spring Sand		
	ections 23&24-23S-27E Idy, NM	ections 23&24-23S-27E     MD/TVD:       idy, NM     LATERAL LENGTH:

		DRILLING	COMPLETION	PRODUCTION		TOTAL
INTANGIBLE COSTS		COSTS	COSTS	COSTS	FACILITY COSTS	COSTS
Land / Legal / Regulatory	\$	58,000	\$	\$ 50,000	\$ 10,000	\$ 118,000
Location, Surveys & Damages		123,333	13,000	25,000	25,000	186,333 634,750
Drilling Cementing & Float Equip	-	634,750 180,000			3	180,000
Logging / Formation Evaluation	( <del></del>	180,000	4,000	3,000		7,000
Flowback - Labor	-		4,000	20,000	2	20,000
Flowback - Labor Flowback - Surface Rentals				141,525	3	141,525
Flowback - Rental Living Quarters	s –					
Mud Logging	-	11,250		<u> </u>		11,250
Mud Circulation System	35	45,975	-		3	45,975
Mud & Chemicals	). <del>.</del>	65,000	49,000	3,000		117,000
Mud / Wastewater Disposal	-	105,000			2 SES	105,000
Freight / Transportation	-	12,750	19,500			32,250
Rig Supervision / Engineering		104,000	96,000	10,000	12,600	222,600
Drill Bits	-	73,700				73,700
Fuel & Power		66,150	7,500			73,650
Water	-	35,000	570,500	2,000		607,500
Drlg & Completion Overhead	2	10,000	13,500			23,500
Plugging & Abandonment	3 <del>.</del>					
Directional Drilling, Surveys		138,700			())	138,700
Completion Unit, Swab, CTU			116,000	9,000	N	125,000
Perforating, Wireline, Slickline	2		155,500			155,500
High Pressure Pump Truck	3		38,250	8,000		46,250
Stimulation			1,590,360			1,590,360
Stimulation Flowback & Disp			15,500	50,400		65,900
Insurance		31,680				31,680
Labor		125,500	60,000	10,000		195,500
Rental - Surface Equipment		85,385	260,665	10,000	2.63	356,050
Rental - Downhole Equipment		175,125	68,000	2,000		245,125
Rental - Living Quarters	_	43,680	40,125	<u> </u>	· · · ·	83,805
Contingency	· · · · · · · · · · · · · · · · · · ·	63,749	152,704	34,393	•	250,846
TO	TAL INTANGIBLES >	2,188,728	3,270,104	378,318	47,600	
		DRILLING	COMPLETION	PRODUCTION	47,600 FACILITY COSTS	5,884,749 TOTAL COSTS
TANGIBLE COSTS		DRILLING COSTS				TOTAL COSTS
TANGIBLE COSTS Surface Casing		DRILLING COSTS 13,739	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
TANGIBLE COSTS Surface Casing Intermediate Casing		DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS \$ 13,739
TANGIBLE COSTS Surface Casing Intermediate Casing Drilling Liner		DRILLING COSTS 13,739 76,490	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS \$ 13,739 76,490
TANGIBLE COSTS Surface Casing Intermediate Casing		DRILLING COSTS 13,739 76,490	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS \$ 13,739 76,490
TANGIBLE COSTS Surface Casing Intermediate Casing Drilling Liner Production Casing		DRILLING COSTS 13,739 76,490 - 313,848	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS \$ 13,739 76,490 - - 313,848 - 74,250
TANGIBLE COSTS Surface Casing Intermediate Casing Drilling Liner Production Casing Production Liner		DRILLING COSTS 13,739 76,490 - - 313,848	COMPLETION COSTS \$	PRODUCTION COSTS \$	FACILITY COSTS	TOTAL COSTS \$ 13,739 76,490 - - - - - - 74,250 79,250
TANGIBLE COSTS Surface Casing Intermediate Casing Drilling Liner Production Casing Production Liner Tubing		DRILLING COSTS 13,739 76,490 	COMPLETION COSTS	PRODUCTION COSTS \$	FACILITY COSTS	TOTAL COSTS \$ 13,739 76,490 - - - - - - - - - 74,250 - 79,250 - 64,500
TANGIBLE COSTS Surface Casing Intermediate Casing Drilling Liner Production Casing Production Liner Tubing Wellhead		DRILLING COSTS 13,739 76,490 - - 313,848 - - - 58,000	COMPLETION COSTS	PRODUCTION COSTS \$	FACILITY COSTS	TOTAL COSTS \$ 13,739 76,490 - - - - 74,250 79,250 64,500 31,400
TANGIBLE COSTS Surface Casing Intermediate Casing Drilling Liner Production Casing Production Liner Tubing Wellhead Packers, Liner Hangers		DRILLING COSTS 13,739 76,490 - - 313,848 - - - 58,000	COMPLETION COSTS	PRODUCTION COSTS \$	FACILITY COSTS	TOTAL COSTS \$ 13,739 76,490 - - - - - - - - - - - - - - - - - - -
TANGIBLE COSTS Surface Casing Intermediate Casing Drilling Liner Production Casing Production Liner Tubing Wellhead Packers, Liner Hangers Tanks		DRILLING COSTS 13,739 76,490 - 313,848 - - 58,000 - -	COMPLETION COSTS	PRODUCTION COSTS \$	FACILITY COSTS	TOTAL COSTS \$ 13,739 76,490 - - - - - - - - - - - - - - - - - - -
TANGIBLE COSTS Surface Casing Intermediate Casing Drilling Liner Production Casing Production Liner Tubing Wellhead Packers, Liner Hangers Tanks Production Vessels		DRILLING COSTS 13,739 76,490 - - 313,848 - - 58,000 - - -	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS \$ 13,739 76,490 
TANGIBLE COSTS Surface Casing Intermediate Casing Drilling Liner Production Casing Production Liner Tubing Wellhead Packers, Liner Hangers Tanks Production Vessels Flow Lines		DRILLING COSTS 13,739 76,490 - - - - 58,000 - - - - - - - -	COMPLETION COSTS	PRODUCTION COSTS \$	FACILITY COSTS	TOTAL COSTS \$ 13,739 76,490 - - - - - - - - - - - - - - - - - - -
TANGIBLE COSTS Surface Casing Intermediate Casing Drilling Liner Production Casing Production Liner Tubing Wellhead Packers, Liner Hangers Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor		DRILLING COSTS 13,739 76,490 - - - - 58,000 - - - - - - - - - - - -	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS \$ 13,739 76,490 - - 313,848 - 74,250 79,250 64,500 31,400 115,000 250,000 - - 26,000 10,000
TANGIBLE COSTS Surface Casing Intermediate Casing Drilling Liner Production Casing Production Liner Tubing Wellhead Packers, Liner Hangers Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment		DRILLING COSTS 13,739 76,490 - - 313,848 - - - 58,000 - - - - - - - - - -	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS \$ 13,739 76,490 - - - - - - - - - - - - -
TANGIBLE COSTS Surface Casing Intermediate Casing Drilling Liner Production Casing Production Casing Production Liner Tubing Wellhead Packers, Liner Hangers Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps		DRILLING COSTS 13,739 76,490 - - 313,848 - - - 58,000 - - - - - - - - - - - - - - - - - -	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS \$ 13,739 76,490 - - - - - - - - - - - - -
TANGIBLE COSTS Surface Casing Intermediate Casing Drilling Liner Production Casing Production Liner Tubing Wellhead Packers, Liner Hangers Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface		DRILLING COSTS 13,739 76,490 - - - - 58,000 - - - - - - - - - - - - - - - - - -	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS \$ 13,739 76,490 - - 313,848 - - 74,250 79,250 64,500 31,400 115,000 250,000 - - - - - - - - - - - - -
TANGIBLE COSTS Surface Casing Intermediate Casing Drilling Liner Production Casing Production Liner Tubing Wellhead Packers, Liner Hangers Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole		DRILLING COSTS 13,739 76,490 - - - - - - - - - - - - - - - - - - -	COMPLETION COSTS	PRODUCTION COSTS \$	FACILITY COSTS	TOTAL COSTS \$ 13,739 76,490 - - - - - - - - - - - - -
TANGIBLE COSTS Surface Casing Intermediate Casing Drilling Liner Production Casing Production Liner Tubing Wellhead Packers, Liner Hangers Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps	\$   	DRILLING COSTS 13,739 76,490 - - - - - - - - - - - - - - - - - - -	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS \$ 13,739 76,490 - - - - - - - - - - - - - - - - - - -
TANGIBLE COSTS Surface Casing Intermediate Casing Drilling Liner Production Casing Production Liner Tubing Wellhead Packers, Liner Hangers Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installation	\$   	DRILLING COSTS 13,739 76,490 - - - - - - - - - - - - - - - - - - -	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS \$ 13,739 76,490 - - - - - - - - - - - - - - - - - - -
TANGIBLE COSTS Surface Casing Intermediate Casing Drilling Liner Production Casing Production Casing Production Liner Tubing Wellhead Packers, Liner Hangers Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installation Gas Conditioning / Dehydration	\$   	DRILLING COSTS 13,739 76,490 - - - - - - - - - - - - - - - - - - -	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS \$ 13,739 76,490 - - - - - - - - - - - - - - - - - - -
TANGIBLE COSTS Surface Casing Intermediate Casing Drilling Liner Production Casing Production Casing Production Liner Tubing Wellhead Packers, Liner Hangers Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installation Gas Conditioning / Dehydration Interconnecting Facility Piping	\$   	DRILLING COSTS 13,739 76,490 - - - - - - - - - - - - - - - - - - -	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS \$ 13,739 76,490 - - - - - - - - - - - - -
TANGIBLE COSTS Surface Casing Intermediate Casing Drilling Liner Production Casing Production Casing Production Liner Tubing Wellhead Packers, Liner Hangers Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installation Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines	\$   	DRILLING COSTS 13,739 76,490 - - - - - - - - - - - - - - - - - - -	COMPLETION COSTS \$	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS \$ 13,739 76,490 
TANGIBLE COSTS Surface Casing Intermediate Casing Drilling Liner Production Casing Production Liner Tubing Wellhead Packers, Liner Hangers Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installation Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers	\$   	DRILLING COSTS 13,739 76,490 - - - - - - - - - - - - - - - - - - -	COMPLETION COSTS \$	PRODUCTION COSTS \$	FACILITY COSTS	TOTAL COSTS \$ 13,739 76,490 
TANGIBLE COSTS Surface Casing Intermediate Casing Drilling Liner Production Casing Production Liner Tubing Wellhead Packers, Liner Hangers Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installation Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment	\$   	DRILLING COSTS 13,739 76,490 - - - - - - - - - - - - - - - - - - -	COMPLETION COSTS \$	PRODUCTION COSTS \$	FACILITY COSTS	TOTAL COSTS \$ 13,739 76,490 
TANGIBLE COSTS Surface Casing Intermediate Casing Drilling Liner Production Casing Production Liner Tubing Wellhead Packers, Liner Hangers Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installation Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment Flare Stack	\$   	DRILLING COSTS 13,739 76,490 - - - - - - - - - - - - - - - - - - -	COMPLETION COSTS \$	PRODUCTION COSTS \$  74,250 21,250 6,000  26,000  26,000       	FACILITY COSTS	TOTAL COSTS \$ 13,739 76,490 - - - - - - - - - - - - - - - - - - -
TANGIBLE COSTS Surface Casing Intermediate Casing Drilling Liner Production Casing Production Liner Tubing Wellhead Packers, Liner Hangers Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Surface Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installation Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment Flare Stack Electrical / Grounding	\$   	DRILLING COSTS 13,739 76,490 - - - - - - - - - - - - - - - - - - -	COMPLETION COSTS \$	PRODUCTION COSTS \$ 74,250 21,250 6,000 26,000 26,000 	FACILITY COSTS	TOTAL COSTS \$ 13,739 76,490 
TANGIBLE COSTS Surface Casing Intermediate Casing Drilling Liner Production Casing Production Liner Tubing Wellhead Packers, Liner Hangers Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installation Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment Flare Stack Electrical / Grounding Communications / SCADA	\$   	DRILLING COSTS 13,739 76,490 - - - - - - - - - - - - - - - - - - -	COMPLETION COSTS \$	PRODUCTION COSTS \$  74,250 21,250 6,000  26,000  26,000       	FACILITY COSTS	TOTAL COSTS \$ 13,739 76,490 - 313,848 - 74,250 79,250 64,500 31,400 250,000 - 26,000 10,000 64,000 21,250 - - - - - - - - - - - - -
TANGIBLE COSTS Surface Casing Intermediate Casing Drilling Liner Production Casing Production Liner Tubing Wellhead Packers, Liner Hangers Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Surface Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installation Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment Flare Stack Electrical / Grounding Communications / SCADA Instrumentation / Safety	n	DRILLING COSTS 13,739 76,490 - - - - 58,000 - - - - - - - - - - - - - - - - - -	COMPLETION COSTS     S             58,500	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS \$ 13,739 76,490 - - - - - - - - - - - - -
TANGIBLE COSTS Surface Casing Intermediate Casing Drilling Liner Production Casing Production Liner Tubing Wellhead Packers, Liner Hangers Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Surface Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installation Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment Flare Stack Electrical / Grounding Communications / SCADA Instrumentation / Safety	\$   	DRILLING COSTS 13,739 76,490 - - - - - - - - - - - - - - - - - - -	COMPLETION COSTS \$	PRODUCTION COSTS \$ 74,250 21,250 6,000 26,000 26,000 	FACILITY COSTS	COSTS

#### PREPARED BY MATADOR PRODUCTION COMPANY:

Team Lead - WTX/NM WTE

Completions Engineer: G Production Engineer: K

eer:	Garrelt Hunt
eer:	Kyle Christy

Drilling Engineer: Blake Hermes

MATADOR RESOURCES COMPAN	IY APPROVAL:			
Executive VP, COO/CFO	EVP CTO - Res Engine	BMR	EVP COO- Drilling, C	ompletion and ProductionBG
Executive VP, Legal	CA SVP Geosc	NLF		
President	MVH			
NON OPERATING PARTNER APPR	ROVAL:			
Company Name:		Working Interest (%):		Tax ID:
Signed by:		Date:		
Title:		Approval:	Yes	No (mark one)

The dest on this AFE are estimates only and may not be construed as colores on any specific item or the total cost of the project. Tubing institution approved under the AFE may be disign to a year after the well has been completed. In executing this AFE, the Period and a prevent apreves to pay its proportionate share of actual costs incurred, reduling, legal, costal well costs and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well. Participants shall be covered by and billed preportionately for Operator's well control and general labelity insurance unless participant prevides Operator a control and general labelity insurance unless participant prevides Operator a control and general labelity insurance unless participant prevides Operator a control and general labelity insurance unless participant prevides Operator by the date of spud.

#### MATADOR PRODUCTION COMPANY

ONE LINCOLN CENTRE • 5400 LBJ FREEWAY • SUITE 1500 • DALLAS, TEXAS 75240 (972) 374 6200 (070) 274 500

		Phone (97	72) 371-5200 • Fax (972) 371	1-5201			
		ESTIMATE OF COSTS	AND AUTHORIZATION FO				
DATE:	January 14, 2021			AFE NO.:		,	
WELL NAME:	Colonel R Howard Fed	Com 122H		FIELD:			
LOCATION:	Sections 23&24-23S-2	7E		MD/TVD:		1	7600'/7350'
COUNTY/STATE:	Eddy, NM			LATERAL LENGTH:			10,000
MRC WI:							10,000
GEOLOGIC TARGET:	Second Bone Spring S	and					
REMARKS:			econd Bone Spring sand	taraet with about 47	froe stores		
		incention of the long o	coond bene opining same	a tanget with about 47	nuo stages		
		DRILLING	COMPLETION	PRODUCTION			TOTAL
INTANGIBL	E COSTS	COSTS	COSTS	COSTS	FACILITY COSTS		COSTS
Land / Legal / Regulatory	\$	58,000	\$	\$ 50,000	\$ 10,000	\$	118,00
Location, Surveys & Dan	nages	123,333	13,000	25,000	25,000	2 3	186,3
Drilling		634,750				5. 0. <del></del> 5. 0	634,7
Cementing & Float Equip		180,000					180,0
Logging / Formation Eva	luation		4,000	3,000		š š <u>–</u>	7,0
Flowback - Labor				20,000		8 8 <del>-</del>	20,0
Flowback - Surface Rent				141,525			141,5
Flowback - Rental Living	Quarters					2 2	
Mud Logging		11,250					11,2
Mud Circulation System		45,975				8 3 <del>.</del>	45,9
Mud & Chemicals		65,000	49,000	3,000			117,00
Mud / Wastewater Dispos	sal	105,000			28		105,00
Freight / Transportation		12,750	19,500			2 5	32,25
Die Cusesdales ( Esslas		101000	00.000				

96,000

7,500 570,500 13,500

116,000

155,500 38,250 1,590,360

15,500

60,000

104,000

73,700 66,150 35,000

10,000

138,700

-\_

31,680

125,500 85,385

Labor	125,500	60,000	10,000	( <b>*</b> )	195,500
Rental - Surface Equipment	85,385	260,665	10,000	1.00	356,050
Rental - Downhole Equipment	175,125	68,000	2,000	(iii)	245,125
Rental - Living Quarters	43,680	40,125	· · · · · · · · · · · · · · · · · · ·	÷	83,805
Contingency	63,749	152,704	34,393		250,846
TOTAL INTANGIBLES >	2,188,728	3,270,104	378,318	47,600	5,884,749
	DRILLING	COMPLETION	PRODUCTION		TOTAL
TANGIBLE COSTS	COSTS	COSTS	COSTS	FACILITY COSTS	COSTS
Surface Casing \$	13,739	\$	\$	\$	\$ 13,739
Intermediate Casing	76,490	A		N	76,490
Drilling Liner					
Production Casing	313,848				313,848
Production Liner	-				
Tubing			74,250	S	74,250
Wellhead	58,000	-	21,250	3	79,250
Packers, Liner Hangers		58,500	6,000		64,500
Tanks				31,400	31,400
Production Vessels				115,000	115,000
Flow Lines	-			250,000	250,000
Rod string				.00.	
Artificial Lift Equipment	-		26,000	· · · · · · · · · · · · · · · · · · ·	26,000
Compressor	÷			10,000	10,000
Installation Costs		· · · · · ·		64,000	64,000
Surface Pumps			5,000	16,250	21,250
Non-controllable Surface		·	2 m	3	
Non-controllable Downhole			725		
Downhole Pumps					
Measurement & Meter Installation			11,000	25,000	36,000
Gas Conditioning / Dehydration		-			
Interconnecting Facility Piping			121	95,000	95,000
Gathering / Bulk Lines					
Valves, Dumps, Controllers		· · · · · ·	2,000	2 <b></b>	2,000
Tank / Facility Containment					
Flare Stack —				8,750	8,750
Electrical / Grounding			2,000	15,000	17,000
Communications / SCADA			12,000		12,000
Instrumentation / Safety				22,000	22,000
TOTAL TANGIBLES >	462,077	58,500	159,500	652,400	1,332,477
TOTAL COSTS >	2,650,805	3,328,604	537,818	700,000	7,217,226

# PREPARED BY MATADOR PRODUCTION COMPANY:

Rig Supervision / Engineering

Drlg & Completion Overhead

Plugging & Abandonment Directional Drilling, Surveys Completion Unit, Swab, CTU

Perforating, Wireline, Slickline High Pressure Pump Truck

Stimulation Stimulation Flowback & Disp

Drill Bits

Insurance

Labor

Fuel & Power Water

Drilling Engineer:	Blake Hermes	Team Lead - WTX/NM			
Completions Engineer:	Garrett Hunt	WTE			
Production Engineer:	Kyle Christy				
MATADOR RESOURCES COM	PANY APPROV	AL:			
Executive VP, COO/CFO	DEL	EVP CTO - Res Engineering	EVP COO- Drill	ing, Completion and Production	BG
Executive VP, Legal	CA	SVP Geoscience			20
President_	MVH				5
NON OPERATING PARTNER A	PPROVAL:				
Company Name:		Working Interest (%):		Tax ID:	
Signed by:		Date:			
Title:		Approval:	Yes	No	(mark one)
The costs on this AFE are estimates only and may not be construed surstive, regulatory, brokenige and well costs under the terms of the n an amount acceptable to the Operator by the date of spud.	d as ceilings on any specific item e applicable joint operating agree	or the total sost of the project. Tubing installation approved under the AFE may be delayed up to a yes ment, regulatory order or other agreement covering this well. Participants shall be covered by and bile	ar after the well has been completed. In executing b of proportionately for Operator's well control and ge	his AFE, the Participant agrees to pay its proportionals share of a neural liability insurance unless porticipant provides Operator a co	chail costs incurred, including, legal Inficate evidencing its (wm insurand

12,600

10,000

2,000

9,000

8,000

50,400

10,000

32,250 222,600 73,700 73,650 607,500

23,500

138,700 125,000 155,500 46,250

1,590,360

65,900

31,680

195,500

#### 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

	ESTIMAT
DATE:	January 14, 2021
WELL NAME:	Norris-Thornton Fed Com 123H
LOCATION:	Sections 23&24-23S-27E
COUNTY/STATE:	Eddy, NM
MRC WI:	
GEOLOGIC TARGET:	Second Bone Spring Sand

REMARKS:

AFE NO .: FIELD: MD/TVD: LATERAL LENGTH:

17600'/7350'

10,000

e Spring Sand Drill and complete a horizontal 2 mile long Second Bone Spring sand target with about 47 frac stages

INTANGIBLE COSTS		DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
			\$	\$ 50,000	\$ 10,000	\$ 118,000
Land / Legal / Regulatory Location, Surveys & Damages	\$	58,000 123,333	* 13,000	\$ 50,000	25,000	186,333
Drilling	9	634,750	13,000	25,000	25,000	634,750
	3	180,000	÷		2 <del></del>	
Cementing & Float Equip			4.000	3,000		180,000
ogging / Formation Evaluation		•	4,000			7,000
lowback - Labor				20,000		20,000
lowback - Surface Rentals	-			141,525		141,525
Flowback - Rental Living Quarters						
Mud Logging		11,250	·			11,250
Mud Circulation System		45,975				45,975
Mud & Chemicals	2	65,000	49,000	3,000		117,000
Mud / Wastewater Disposal		105,000				105,000
Freight / Transportation	-	12,750	19,500			32,250
Rig Supervision / Engineering		104,000	96,000	10,000	12,600	222,600
Drill Bits	-	73,700		· · · · · · · · · · · · · · · · · · ·		73,700
Fuel & Power		66,150	7,500	5		73,650
Water		35,000	570,500	2,000		607,500
Drig & Completion Overhead		10,000	13,500			23,500
Plugging & Abandonment	-	*		9. 9. – – – – – – – – – – – – – – – – – – –		
Directional Drilling, Surveys	3 <b>-</b>	138,700		а Д		138,700
Completion Unit, Swab, CTU			116,000	9,000	· · · · · · · · · · · · · · · · · · ·	125,000
Perforating, Wireline, Slickline	5		155,500	3.47	-	155,500
High Pressure Pump Truck	1		38,250	8,000		46,250
Stimulation			1,590,360			1,590,360
Stimulation Flowback & Disp			15,500	50,400		65,900
Insurance	5	31,680				31,680
Labor	3	125,500	60,000	10,000	······································	195,500
Rental - Surface Equipment	9	85,385	260,665	10,000		356,050
Rental - Downhole Equipment	-	175,125	68,000	2,000		245,125
Rental - Living Quarters		43,680	40,125			83,805
Contingency		63,749	152,704	34,393		250,846
	8			) — — — — — — — — — — — — — — — — — — —	· · · · · · · · · · · · · · · · · · ·	-
TOT#	AL INTANGIBLES >	2,188,728	3,270,104	378,318	47,600	5,884,749
TANGIBLE COSTS		DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	ŝ	13,739	S	\$	s	\$ 13,739
Intermediate Casing		76,490			·	76,490
Drilling Liner	9	10,400		3		10,400
Production Casing	) i	313,848		S		313,848
Production Liner		010,040				010,040
Tubing			·······	71.050		
Wellhead						7/ 250
			) <del></del>	74,250		74,250
Haavore Liner Handore	2	58,000		21,250	) (	79,250
Packers, Liner Hangers		58,000	58,500		21.400	79,250 64,500
Tanks	2 2 2	58,000	58,500	21,250	31,400	79,250 64,500 31,400
Tanks Production Vessels		58,000 - - -	58,500	21,250	115,000	79,250 64,500 31,400 115,000
Tanks Production Vessels Flow Lines		58,000 - - - -	58,500	21,250		79,250 64,500 31,400 115,000 250,000
Tanks Production Vessels Flow Lines Rod string		58,000 - - - - - - -	58,500	21,250 6,000	115,000	79,250 64,500 31,400 115,000 250,000
Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment		58,000 - - - - - - - - - -	58,500	21,250	<u>115,000</u> 250,000	79,250 64,500 31,400 115,000 250,000 26,000
Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor		58,000 - - - - - - -	58,500	21,250 6,000	115,000 250,000 10,000	79,250 64,500 31,400 115,000 250,000 26,000 10,000
Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs		58,000 - - - - - - - - - -	58,500	21,250 6,000 26,000	115,000 250,000 10,000 64,000	79,250 64,500 31,400 250,000 26,000 10,000 64,000
Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs		58,000 - - - - - - - - - -	58,500	21,250 6,000	115,000 250,000 10,000	79,250 64,500 31,400 250,000 26,000 10,000 64,000
Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps		58,000 - - - - - - - - - - - - - - - - - -	58,500	21,250 6,000 26,000	115,000 250,000 10,000 64,000	79,250 64,500 31,400 250,000 26,000 10,000 64,000
Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface		58,000 - - - - - - - - - - - - - - - - - -		21,250 6,000 26,000	115,000 250,000 10,000 64,000 16,250	79,250 64,500 31,400 115,000 250,000 26,000 10,000 64,000 21,250
Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole		58,000 - - - - - - - - - - - - - - - - - -	58,500	21,250 6,000 26,000 - 5,000	115,000 250,000 10,000 64,000 16,250	79,250 64,500 31,400 115,000 250,000 
Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps		58,000 - - - - - - - - - - - - - - - - - -		21,250 6,000 26,000 - - 5,000	115,000 250,000 10,000 64,000 16,250	79,250 64,500 31,400 115,000 250,000 26,000 10,000 64,000 21,250
Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installation		58,000 - - - - - - - - - - - - - - - - - -		21,250 6,000 26,000 	115,000 250,000 10,000 64,000 16,250	79,250 64,500 31,400 115,000 250,000 
Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installation Gas Conditioning / Dehydration		58,000 - - - - - - - - - - - - - - - - - -		21,250 6,000 26,000 	115,000 250,000 10,000 64,000 16,250	79,250 64,500 31,400 115,000 250,000 10,000 64,000 21,250 - - - - - - - - - - - - - - - - - - -
Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installation Gas Conditioning / Dehydration Interconnecting Facility Piping		58,000 - - - - - - - - - - - - - - - - - -		21,250 6,000 26,000 - - - - - - - - - - - - - - - - - -	115,000 250,000 10,000 64,000 16,250 - - 25,000	79,250 64,500 31,400 115,000 250,000 26,000 10,000 64,000 21,250 - - - - - - -
Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installation Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines		58,000 - - - - - - - - - - - - - - - - - -		21,250 6,000 26,000 	115,000 250,000 10,000 64,000 16,250 - - 25,000 - - 95,000	79,250 64,500 31,400 115,000 250,000 10,000 64,000 21,250 - - - - - - - - - - - - - - - - - - -
Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installation Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers		58,000 - - - - - - - - - - - - - - - - - -		21,250 6,000 26,000 	115,000 250,000 10,000 64,000 16,250 - - 25,000 - - 95,000 - -	79,250 64,500 31,400 250,000 
Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installation Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment		58,000 - - - - - - - - - - - - - - - - - -		21,250 6,000 26,000 	115,000 250,000 10,000 64,000 16,250 - - 25,000 - - - - - - - -	79,250 64,500 31,400 115,000 250,000 10,000 64,000 21,250 
Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installation Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment Flare Stack		58,000 - - - - - - - - - - - - - - - - - -		21,250 6,000 26,000 	115,000 250,000 10,000 64,000 16,250 - - 25,000 - - - - - - - - - - - - - - - - - -	79,250 64,500 31,400 250,000 
Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installation Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment Flare Stack Electrical / Grounding		58,000 - - - - - - - - - - - - - - - - - -		21,250 6,000 26,000 - - - - - - - - - - - - - - - - - -	115,000 250,000 10,000 64,000 16,250 - - - 25,000 - - - - - - - - - - - - - - - - - -	79,250 64,500 31,400 115,000 250,000 
Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installation Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment Flare Stack Electrical / Grounding Communications / SCADA		58,000 - - - - - - - - - - - - - - - - - -		21,250 6,000 26,000 	115,000 250,000 10,000 64,000 16,250 - - - - - - - - - - - - -	79,250 64,500 31,400 115,000 250,000 10,000 64,000 21,250 - - - - - - - - - - - - - - - - - - -
Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installation Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment Flare Stack Electrical / Grounding Communications / SCADA Instrumentation / Safety				21,250 6,000 26,000 - - - - - - - - - - - - - - - - - -	115,000 250,000 10,000 64,000 16,250 - - 25,000 - - - - - - - - - - - - -	79,250 64,500 31,400 250,000 
Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installation Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment Flare Stack Electrical / Grounding Communications / SCADA Instrumentation / Safety	TAL TANGIBLES > TOTAL COSTS >	58,000 - - - - - - - - - - - - - - - - - -	58,500 58,500 58,500 58,500 3,328,604	21,250 6,000 26,000 - - - - - - - - - - - - - - - - - -	115,000 250,000 10,000 64,000 16,250 - - - - - - - - - - - - -	79,250 64,500 31,400 250,000 250,000 10,000 64,000 21,250 - - - - - - - - - - - - - - - - - - -

## PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer: Completions Engineer:	Blake Hermes Garrett Hunt	Team Lead - WTX/NM <u>Litte</u> WTE			
Production Engineer:	Kyle Christy				
MATADOR RESOURCES COM	PANY APPROV	AL:			
Executive VP, COO/CFO	DEL	EVP CTO - Res Engineering	EVP COO- Drilling, Cor	mpletion and Production	BG
Executive VP, Legal	CA	SVP Geoscience			во
President _	MVH				
NON OPERATING PARTNER A	PPROVAL:				
Company Name:		Working Interest (%):		Tax ID:	
Signed by: _		Date:			
Title:		Approval:	Yes	No	(mark one)

The scelar on this AFE are estimates enly and may not be conditioned as cellings on any specific farm or the total cost of the project. Tubing installation approved under the AFE may be desped up to a year after the well has been completed. In encoding this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including, legal, curative, including, brokenegs and well costs under the times of the applicable joint operating agreement, regulatory order or other agreement covering this well. Participants shall be covered by and billed proportionately for Operator's well control and general lability insurance unless participant provides Operator a certificate evidencing its own insurance in an anound accessible to the Operator by the date of study.

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

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

#### CASE NOS. 21914, 21915, 21916

#### AFFIDAVIT OF ANDREW PARKER

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

1. My name is Andrew Parker. I work for MRC Energy Company, an affiliate of Matador Production Company ("Matador"), as a Vice President of Geology.

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

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

4. In Case Nos. 21914, 21915, and 21916, Matador intends to develop the Bone Spring formation.

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

6. **Matador Exhibit C-2** is a subsea structure map that I prepared off the top of the Bone Spring formation. The contour interval is 50 feet. The structure map shows the Bone Spring formation gently dipping to the Southeast. The structure appears consistent across the proposed wellbore paths. I do not observe any faulting, pinchouts, or other geologic impediments to horizontal drilling.

Santa Fe, New Mexico Exhibit No. D Case Nos. 21914-21916 Submitted by: MATADOR PRODUCTION COMPANY Hearing Date: June 03, 2021 7. **Matador Exhibit D-3** shows a line of cross section from A to A'.

8. **Matador Exhibit D-4** is a structural cross-section that I prepared displaying openhole logs run over the Bone Spring formation from the three representative wells denoted from A to A'. For each well in the cross-section, the following logs are included: gamma ray, resistivity, and porosity. The proposed target interval for all of the proposed wells is labeled and marked with a yellow shaded area. The logs in the cross-section demonstrate that the targeted interval, within the Bone Spring formation, is consistent in thickness, across the entirety of the proposed spacing unit.

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

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

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

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

13. **Matador Exhibits D-1 through D-4** were either prepared by me or compiled under my direction and supervision.

2

FURTHER AFFIANT SAYETH NOT.

ANDREW PARKER

STATE OF TEXAS COUNTY OF DALLAS

SUBSCRIBED and SWORN to before me this \_\_\_\_\_ day of May 2021 by Andrew Parker.

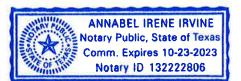
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vive Charles e NOTARY PUBLIC

My Commission Expires:

2023



# **Locator Map**

**Exhibit C-1** 

C-1

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265 23E 265 24E 265 25E 265 25E 265 25E 265 25E 265 27E 265 28E 265 27E 265 28E 265 27E 265 27E 265 27E 265 37E 265 36		255 224	BAIN	255.248	255 258	255.268	255 275	255 285			255 3 1E	255 325	255 33E	255 348	255 35E	255 365	255 375	255 3 ft	
		25.222	265 23E	265 24E	265 25E	265 26E	265 27E	265 28E	New Mexi	co	203 31L	12E				265 365			BLK A56

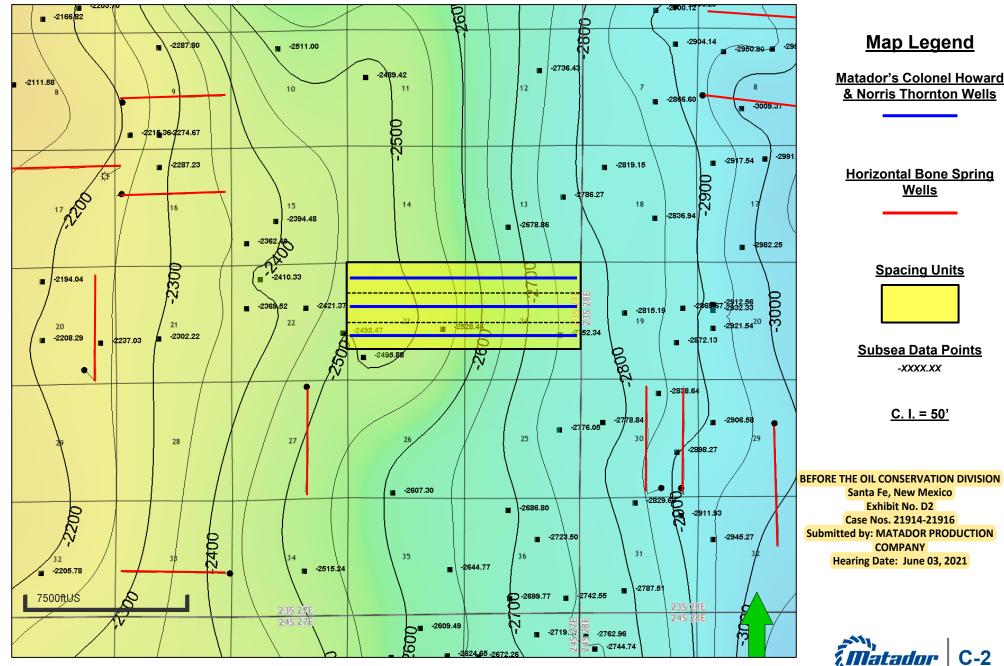
**BEFORE THE OIL CONSERVATION DIVISION** 

Santa Fe, New Mexico Exhibit No. D1 Case Nos. 21914-21916

Matador's Colonel R. Howard Fed Com #121H & #122H and Norris Thornton Fed Com #123H Submitted by: MATADOR PRODUCTION COMPANY Hearing Date: June 03, 2021

# Cass Draw; Bone Spring (Pool Code 10380) Structure Map (Bone Spring Lime Subsea)

# Exhibit C-2



Matador's Colonel R. Howard Fed Com #121H & #122H and Norris Thornton Fed Com #123H

# Cass Draw; Bone Spring (Pool Code 10380) A – A' Reference Line

#### -2000.12 -2166.82 Map Legend -2904.14 -2287.80 -2511.00 -2950.80 🔳 -29 -2736.43 -2489.42 **Matador's Colonel Howard** -2111.58 10 11 12 7 8 & Norris Thornton Wells 8 -2866.60 -3009.37 -2215.36-2274.67 -2991 -2917.54 🔳 -2819.15 -2287.23 **Horizontal Bone Spring** ₫Ý Wells -2786.27 17 14 13 18 15 16 17 -2836.94 Α -2394.48 . -2678.86 -2362.40 -2982.25 Spacing Units -2194.04 0.33 Α' -0 -286:67-2912.56 -2369.52 2421.3 -2815.19 19 22 -2921.54<sup>20</sup> 21 20 52.34 -2302.22 -2208.29 -2872.13 . 2237.03 2495.88 ۲ -2838.64 -2778.84 -2906.58 -2776.05 . 26 25 30 29 BEFORE THE OIL CONSERVATION DIVISION 27 29 28 2898 27 Santa Fe, New Mexico Exhibit No. D3 Case Nos. 21914-21916 -2607.30 Submitted by: MATADOR PRODUCTION -2829.69 . -2686.80 COMPANY -2911.93 Hearing Date: June 03, 2021 -2723.50 -2945.27 -31 32 35 36 33 34 32 -2644.77 -2205.78 -2515.24 --2787.51 2742.55 7500ftUS -2699.77 235 28 23S 27E 245 28 24S 27E -2609.49 -2719.03 22 -2762.96 -2744.74 **C-3** -2624\_65 -2672.26

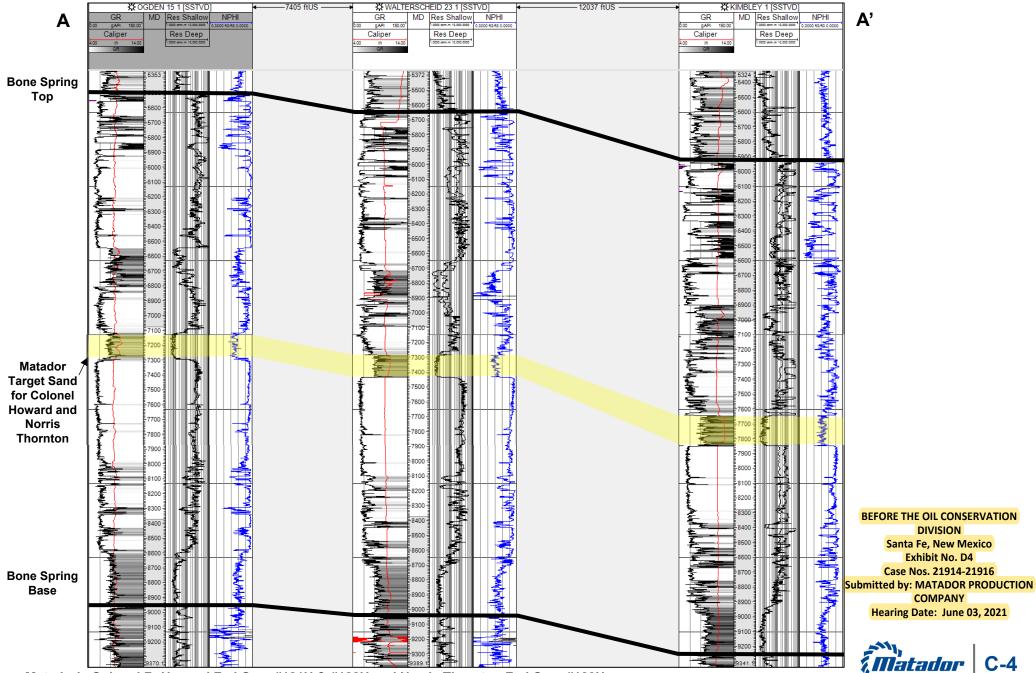
Matador's Colonel R. Howard Fed Com #121H & #122H and Norris Thornton Fed Com #123H

# **Exhibit C-3**

llatador

# Cass Draw; Bone Spring (Pool Code 10380) Structural Cross-Section A – A'

# Exhibit C-4



Matador's Colonel R. Howard Fed Com #121H & #122H and Norris Thornton Fed Com #123H

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

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

#### CASE NOS. 21914, 21915, 21916

#### **AFFIDAVIT**

STATE OF NEW MEXICO ) ) ss. COUNTY OF SANTA FE )

Kaitlyn A. Luck, attorney in fact and authorized representative of Matador Production Company, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Applications have been provided under the notice letters and proof of receipts attached hereto.

Kaitlyn A. Luck

SUBSCRIBED AND SWORN to before me this 24th day of May, 2021 by Kaitlyn A.

Luck.

Notary F

My Commission Expires:

Carray 28, 2023

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. E Case Nos. 21914-21916 Submitted by: MATADOR PRODUCTION COMPANY Hearing Date: June 03, 2021

**OFFICIAL SEAL** STORM OTARY PUBLIC - STATE OF NEW MEXICO My Commission Expires:



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

May 14, 2021

#### <u>VIA CERTIFIED MAIL</u> <u>CERTIFIED RECEIPT REQUESTED</u>

## **TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS**

#### Re: Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico. Colonel R. Howard Fed Com #121H 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 June 3, 2021 beginning at 8:15 a.m., until it is concluded. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: http://www.emnrd.state.nm.us/OCD/announcements.html.

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

If you have any questions about this matter, please contact Sara Hartsfield, at (972) 371-5446 or shartsfield@matadorresources.com.

Sincerely,

ATTORNEY FOR MATADOR PRODUCTION COMPANY

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

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



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

May 14, 2021

#### <u>VIA CERTIFIED MAIL</u> <u>CERTIFIED RECEIPT REQUESTED</u>

### **TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS**

#### Re: Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico. Colonel R. Howard Fed Com #122H 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 June 3, 2021 beginning at 8:15 a.m., until it is concluded. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: http://www.emnrd.state.nm.us/OCD/announcements.html.

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

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Sincerely,

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



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

May 14, 2021

#### <u>VIA CERTIFIED MAIL</u> <u>CERTIFIED RECEIPT REQUESTED</u>

## **TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS**

#### Re: Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico. <u>Norris Thornton Fed Com #123H well</u>

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 June 3, 2021 beginning at 8:15 a.m., until it is concluded. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: http://www.emnrd.state.nm.us/OCD/announcements.html.

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

If you have any questions about this matter, please contact Sara Hartsfield, at (972) 371-5446 or shartsfield@matadorresources.com.

Sincerely,

ATTORNEY FOR MATADOR PRODUCTION COMPANY

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

#### Matador - Colonel Howard 121H-122H, Norris Thornton 123H-124H Cases 21914-21916 Postal Delivery Report

TrackingNo	ToName	DeliveryAddress	City	State	Zip	USPS_Status
						We attempted to deliver your item at 10:29 am on May 20, 2021
						in FORT WORTH, TX 76102 and a notice was left because an
9414811898765893374164	Stateline Royalties, LP	777 Main St Ste 3600	Fort Worth	ΤХ	76102-5341	authorized recipient was not available.
						We attempted to deliver your item at 10:29 am on May 20, 2021
						in FORT WORTH, TX 76102 and a notice was left because an
9414811898765893374126	Stateline Operating, LLC	777 Main St Ste 3600	Fort Worth	ТΧ	76102-5341	authorized recipient was not available.



Affidavit of Publication Ad # 0004738087 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 on the date as follows, to wit:

05/19/2021

Legal Clerk

Subscribed and sworn before me this May 19, 2021

State of WI, County of Brown NOTARY PUBLIC

7-25

My commission expires

KATHLEEN ALLEN Notary Public State of Wisconsin

Ad # 0004738087 PO #: NOP Matador Colonel Howard 121H # of Affidavits1

This is not an invoice

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. F Case Nos. 21914-21916 Submitted by: MATADOR PRODUCTION COMPANY Hearing Date: June 03, 2021

# STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPART-MENT OIL CONSERVATION DIVISION SANTA FE, NEW MEXICO

The State of New Mexico, Ener-gy Minerals and Natural Resour-ces Department, Oil Conserva-tion Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the fol-lowing case. During the COVID-19 Public Health Emergency, state buildings are closed to the public hearing for the following case will be electronic and con-ducted remotely. The hearing will be conducted on Thursday, June 3, 2021, beginning at 8:15 a.m. To participate in the elec-tronic hearing, see the instruc-tions posted below. The docket may be viewed at http://www.e mnrd.state.nm.us/OCD/hearings. The State of New Mexico, Enermay be viewed at http://www.e mmd.state.nm.us/OCD/hearings. html or obtained from Marlene Salvidrez, at Marlene.Salvidrez@ state.nm.us. Documents filed in the case may be viewed at http:// /ocdimage.emnrd.state.nm.us/im aging/CaseFileCriteria.aspx. m you are an individual with a dis-ability who needs a reader, am-plifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, con-tact Marlene Salvidrez at Marlen e.Salvidrez@state.nm.us, or the e.Salvidrez@state.nm.us, or the New Mexico Relay Network at 1-800-659-1779, no later than May 23, 2021.

Persons may view and partici-pate in the hearings through the following link:

https://omemnrd.webex.com/nm emnrd/onstage/g.php?MTID=ec1 d641c6ace40cc7558b1e0da81603 0e

Event number: 187 817 6036 Event password: 9i7hAhEhqh5

Join by video: 1878176036@nme mnrd.webex.com Numeric Password: 235514 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: 187 817 6036

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

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

To: All overriding royalty inter-est owners and pooled parties, including: Stateline Royalties, LP and Stateline Operating, LLC.

and Stateline Operating, LLC. Case No. 21914: Application of Matador Produc-tion Company for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pool-ing all uncommitted interests in the Bone Spring formation un-deilying a standard 320-acre, more or less, horizontal spacing unit comprised of the N/2 N/2 of Sections 23 and 24, Township 23 South, Range 27 East, Eddy County, New Mexico. The above-referenced unit will be dedicated to the following pro-posed initial Colonel R. Howard Fed Com #121H well, to be dril-led from a surface location in the NW/4 NW/4 (Unit D) of Sec-tion 73 to a bottom hole loca-tion in the NE/4 NE/4 (Unit A) of Section 24. The completed inter-val of the well will comply with statewide setbacks for oil wells.

Also to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 8 miles south of Carlsbad, New Mexico. P4738087, Current Argus, May 19, 2021

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# Carlsbad Current Argus.

Affidavit of Publication Ad # 0004738113 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 on the date as follows, to wit:

05/19/2021

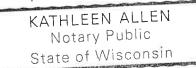
Legal Clerk

Subscribed and sworn before me this May 19, 2021

State of WI, County of Brown NOTARY PUBLIC

1-7-25

My commission expires



Ad # 0004738113 PO #: NOP Matador Colonel Howard 122H # of Affidavits1

This is not an invoice

#### STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPART-MENT

OIL CONSERVATION DIVISION SANTA FE, NEW MEXICO

The State of New Mexico, Ener-gy Minerals and Natural Resour-ces Department, Oil Conserva-tion Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the fol-lowing 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 con-ducted remotely. The hearing will be conducted on Thursday. June 3, 2021, beginning at 8:15 a.m. To participate in the elec-tronic hearing, see the instruc-tions posted below. The docket may be viewed at http://www.e mnrd.state.nm.us/OCD/hearings. html or obtained from Marlene Salvidrez, at Marlene.Salvidrez@ state.nm.us, Documents filed in the case may be viewed at http:/ /ocdimage.emnrd.state.nm.us/m aging/CaseFileCriteria.aspx. If you are an individual with a dis-The State of New Mexico, Ener-/ocdimage.emind.state.nm.us/im aging/CaseFileCriteria.aspx. If you are an individual with a dis-ability who needs a reader, am-plifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, con-tact Marlene Salvidrez at Marlen Schuldrementate namus. or the e.Salvidrez@state.nm.us, or the New Mexico Relay Network at 1-800-659-1779, no later than May 23, 2021.

Persons may view and partici-pate in the hearings through the following link:

https://nmemnrd.webex.com/nm emnrd/onstage/g.php?MTID=ec1 d641c6ace40cc7558b1e0da81603 0e

Event number: 187 817 6036 Event password: 9i7hAhEhqh5

Join by video: 1878176036@nme mnrd.webex.com Numeric Password: 235514 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: 187 817 6036

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

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

To: All overriding royalty inter-est owners and pooled parties, including: Stateline Royalties, LP and Stateline Operating, LLC.

Case No. 21915: Application of Matador Produc-tion Company for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pool-ing all uncommitted interests in styled cause seeks an order pool-ing all uncommitted interests in the Bone Spring formation un-derlying a standard 320-acre, more or less, horizontal spacing unit comprised of the S/2 N/2 of Sections 23 and 24, Township 23 South, Range 27 East, Eddy County, New Mexico. The above-referenced unit will be dedicated to the following pro-posed initial Colonel R. Howard Fed Com #122H well, to be dril-led from a surface location in the SW/4 NW/4 (Unit E) of Sec-tion 23 to a bottom hole loca-tion in the SE/4 NE/4 (Unit H) of Section 24. The completed inter-val of the well will comply with statewide setbacks for oil wells. Also to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located approxi-mately 8 miles south of Carls-bad, New Mexico. M4738113, Current Argus, May 19, 2021



Affidavit of Publication Ad # 0004738125 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 on the date as follows, to wit:

05/19/2021

Legal Clerk

Subscribed and sworn before me this May 19, 2021

State of WI, County of Brown

NOTARY PUBLIC

1-7-21

My commission expires

KATHLEEN ALLEN Notary Public State of Wisconsin

Ad # 0004738125 PO #: NOP Matador Norris Thornton 123H # of Affidavits1

This is not an invoice

## STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPART-MENT OIL CONSERVATION DIVISION

SANTA FE, NEW MEXICO

The State of New Mexico, Ener-gy Minerals and Natural Resour-ces Department, Oil Conserva-tion Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the fol-lowing 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 con-ducted remotely. The hearing will be conducted on Thursday, June 3, 2021, beginning at 8:15 a.m. To participate in the elec-tronic hearing, see the instruc-tions posted below. The docket may be viewed at http://www.e mntd.state.nm.us/OCD/hearings. The State of New Mexico, Ener-Salvidrez, at Marlene.Salvidrez@ state.nm.us. Documents filed in the case may be viewed at http:/ /ocdimage.emnrd.state.nm.us/im /ocdimage.emind.state.nm.us/im aging/CaseFileCriteria.aspx. If you are an individual with a dis-ability who needs a reader, am-plifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, con-tact Marlene Salvidrez at Marlen Salvidrez@state.nm.us.or.the e.Salvidrez@state.nm.us, or the New Mexico Relay Network at 1-800-659-1779, no later than May 23, 2021.

Persons may view and partici-pate in the hearings through the following link:

https://nmemnrd.webex.com/nm emnrd/onstage/g.php7MTID=ec1 d641c6ace40cc7558b1e0da81603 0e

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

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

To: All overriding royalty inter-est owners and pooled parties, including: Stateline Royalties, LP and Stateline Operating, LLC.

Case No. 21916: Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order poolstyled cause seeks an order pool-ing all uncommitted interests in the Bone Spring formation un-derlying a standard 320-acre, more or less, horizontal spacing unit comprised of the NV2 S/2 of Sections 23 and 24, Township 23 South, Range 27 East, Eddy County, New Mexico. The above-referenced unit will be dedicated to the following pro-posed initial Norris Thornton Fed Com #123H well, to be dril-led from a surface location in the NW44 SW/4 (Unit L) of Sec-tion in the NE/4 SE/4 (Unit L) of Section 24. The completed inter-val of the well will comply with statewide setbacks for oil wells. Also to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located approxi-mately 8 miles south of Carls-bad, New Mexico. 14738125, Current Argus, May 19, 2021

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