

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

**APPLICATIONS OF TAP ROCK RESOURCES, LLC
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

Case Nos. 21609 and 21610

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

Case Nos. 21631 and 21632

**MATADOR'S MOTION TO VACATE SECOND AMENDED PRE-HEARING ORDER
OR, IN THE ALTERNATIVE, TO HAVE CASE NOS. 22110 and 22111 ADDED TO THE
PRE-HEARING ORDER AND SET FOR HEARING ON AUGUST 20, 2021**

Matador Production Company ("Matador") files this Motion (i) to allow for the multiple competing cases impacting Matador's acreage to be heard together, and (ii) to allow Matador's new counsel time to prepare for the hearing after Matador's previous counsel had to recently withdraw due to a conflict.

The above cases are set for hearing on August 20, 2021. Matador respectfully requests that the Division vacate the Second Amended Pre-Hearing Order entered on May 24, 2021 and set the above cases, as well as Matador's recently-filed Case Nos. 22110 and 22111, for a scheduling conference on August 19, at which time a date can be set for these cases to be heard together. Alternatively, Matador requests that its recently-filed Case Nos. 22110 and 22111 be added to the Pre-Hearing Order to be heard together with the current cases on August 20, 2021.

Background

Matador owns 100% of the working interest in the SW/4 of Section 33, Township 24 South, Range 35 East, Lea County, New Mexico. Matador's primary focus in these cases is ensuring that its acreage is not stranded. Currently, Tap Rock has proposed 1.5-mile

development directly north of Matador's acreage and COG Operating, LLC ("Concho") has a contract area for 2-mile development directly south of Matador's acreage. This would completely strand Matador's acreage because development using lay-down laterals is not a viable orientation in this area. A map showing the current stranding of Matador's 160 acres is attached as **Exhibit A**.

To prevent waste and protect its correlative rights, Matador has filed two alternative sets of cases that would ensure its acreage is developed so long as one of its development plans is approved. A map showing Matador's two sets of development plans are attached as **Exhibit B**. These cases, along with Tap Rock's cases, should all be heard together to allow for an orderly and efficient determination of the spacing units and operatorship of this acreage.

A Continuance is Appropriate

The history and timing of the dealings between the parties necessitates a continuance. Initially, Matador and Concho had planned to include Matador's acreage in 2-mile development comprising the W/2 of Sections 28 and 33, as reflected in Matador's Case Nos. 21631-21632 and Concho's Case Nos. 21654-21655.

Matador and Concho had coordinated significantly regarding this 2-mile development, as reflected in the attached Letter Agreement, dated February 10, 2021, between those parties. **Exhibit C** (agreeing, among other things, that the Parties "shall not commence drilling a well on the Lands in the event said APDs are approved until a mutually-agreeable joint operating agreement is executed by the Parties or an Order from the NMOCD compulsory pooling such portion of the Lands is issued?"). At that time, Matador and Concho would have owned 75% of the working interest in their proposed 2-mile units. Matador and Concho both filed for pooling

while they determined who would operate both sets of cases competed with Tap Rock's proposed 1.5-mile development in Case Nos. 21609 and 21610.

Subsequently, however, Concho traded its acreage under that planned two-mile development to Tap Rock in a recent assignment filed on July 8, 2021. **Exhibit D.** Concho then dismissed its Case Nos. 21609 and 21610 on July 20, 2021. Matador understands that Tap Rock had a copy of the Letter Agreement between Concho and Matador to include Matador's acreage in two-mile development before closing on the trade. Matador believes Tap Rock should be bound to honor that Letter Agreement after acquiring the acreage that was subject to the Letter Agreement. But Tap Rock has been unwilling to include Matador's acreage in its development plans.

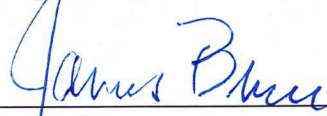
Shortly after Tap Rock closed its transaction with Concho, Matador proposed an alternative 2.5-mile development coming from the south to ensure that its acreage was not stranded if it did not prevail in its competing cases against Tap Rock. When Matador proposed its wells to Concho for this alternative, it created a conflict for Matador's then-counsel, Holland & Hart, which recently withdrew as Matador's counsel in these cases. The undersigned only recently was retained to represent Matador in these cases and will not have adequate time to properly analyze and prepare these cases with a prehearing filing deadline of August 13 and hearing on August 20.

In addition, now that there are three sets of competing development plans impacting Matador's acreage, these cases should be continued so that they can all be heard together. It would be an inefficient use of the Division's and Parties' time to hear only the first set of cases and then hear the third case at a later date. Denying both of Matador's alternative proposals to develop its acreage would leave its acreage stranded, resulting in significant waste and

destroying Matador's correlative rights. It only makes sense that all of these cases be heard together as the issues are intertwined.

For these reasons, Matador respectfully requests that the Division vacate the Second Amended Pre-Hearing Order entered on May 24, 2021 and set the above cases, as well as Matador's recently-filed Case Nos. 22110 and 22111, for a scheduling conference on August 19. Alternatively, Matador requests that its recently-filed Case Nos. 22110 and 22111 be added to the Pre-Hearing Order to be heard together with the current cases on August 20, 2021.

Respectfully submitted,



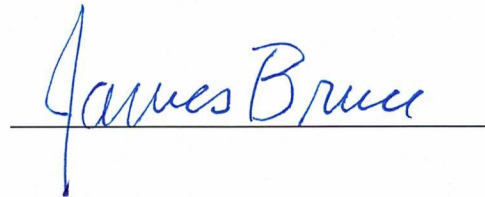
James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Matador Production Company

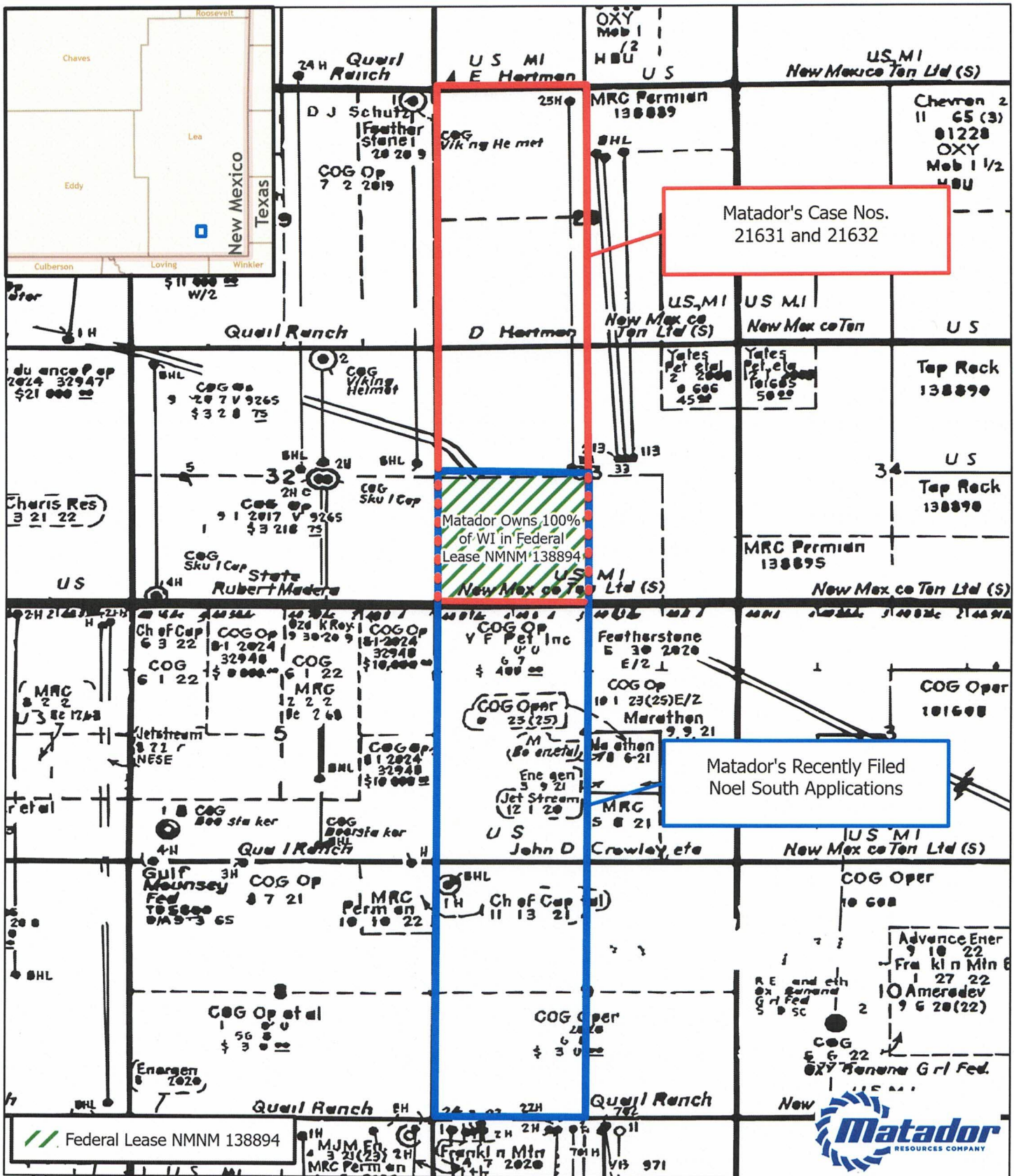
CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 5th day of August, 2021 by e-mail:

Sharon Shaheen
sshaheen@montand.com



Noel Fed Com



Matador's Case Nos.
21631 and 21632

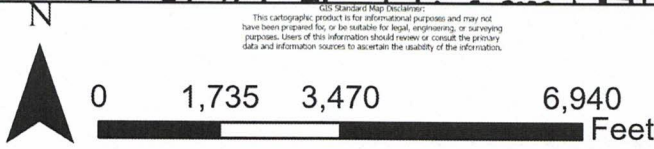
Matador's Recently Filed
Noel South Applications

Matador Owns 100%
of WI in Federal
Lease NMNM 138894

/// Federal Lease NMNM 138894



Southeast New Mexico



Map Prepared by: agreeen
Project: Forced Pooling
Date: 8/2/2021
Coordinate System:



February 10, 2021

MRC Permian Company
Attn: Mr. Trey Goodwin
5400 LBJ Freeway, Suite 1500
Dallas, TX 75240

Re: Letter Agreement
APD Filing Consent Waiver-T24S-R35E, W2 of Section 28 and 33 ("Lands")
Lea County, New Mexico

Dear Mr. Goodwin:

This Letter Agreement (this "Agreement") dated and made effective February 10, 2021, sets forth the terms and conditions for which COG Operating LLC ("COG") and MRC Permian Company ("MRC") are willing to grant reciprocal waivers where COG owns an interest in the Lands and where MRC does not, and where MRC owns an interest in the Lands, and COG does not for the sole purpose of filing APDs subject to the following terms and conditions set forth below. COG and MRC when jointly referred to herein shall be known as the "Parties" to this Agreement, and each individually as a "Party".

In furtherance of this mutual understanding and for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

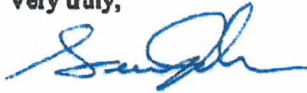
1. The Parties hereby consent to each other filing APDs subject to the conditions and limitations set forth herein.
2. The time frame for APDs to be filed under the reciprocal waivers granted herein by either Party shall be no later than the earlier of (i) the date that the hearing is held before the New Mexico Oil Conservation Division in the competing force pooling applications regarding the Lands in Case Nos. 21609, 21610, 21654, 21655, 21631, and 21632, or such subsequently assigned Case Numbers; or (ii) one year from the date of this Agreement. In the event, said APDs are not filed by said date, the Parties reciprocal consent granted within this Agreement will be hereby rescinded and terminate.
3. APDs shall be located only to the W2 of Sections 28 and 33, T24S-R35E, Lea County New Mexico, and only for depths in the First and Second Bone Spring benches within the Bone Spring Formation ("the Lands").
4. Neither Party is waiving herein any arguments, rights, claims, or positions with respect to any pending compulsory pooling applications at the New Mexico Oil Conservation Division regarding the Lands, and nothing herein shall obligate either Party to file any APDs.
5. This Agreement shall not prevent either Party from all or in part trading, selling, assigning, or any other disposition method of its interest in the Lands.
6. The Parties agree they shall not commence drilling a well on the Lands in the event said APDs are approved until a mutually-agreeable joint operating agreement is executed by the Parties or an Order from the NMOCD compulsory pooling such portion of the Lands is issued.

This Agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties; however, this Agreement shall not be binding until signed by all parties.

If the above correctly reflects your understanding of our Agreement, then please so indicate by signing in the space below, returning one (1) executed copy of this letter to the attention of the undersigned. If this Agreement is not signed and returned by February 12, 2021 by 5 P.M. CST, this Agreement shall ipso facto terminate.

If you have any questions, contact Sean Johnson at SJohnson@concho.com.

Very truly,

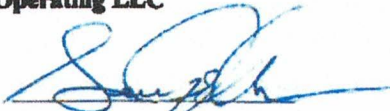


Sean Johnson
Land Manager-Delaware Basin East
COG Operating LLC

AGREED AND ACCEPTED this 10th day of February but effective as of the Effective Date.

COG Operating LLC

By:



Name:

Sean Johnson

Title: Attorney-In-Fact

AGREED AND ACCEPTED this 12th day of FEBRUARY but effective as of the Effective Date.

MRC Permian Company

By:

Jon Filbert ^{JF}

Name:

JON FILBERT ^{TG}
_{KAP}

Title: SENIOR VICE PRESIDENT - LAND

SAVE AND EXCEPT, and there is hereby excluded from the Concho Assets, and COG shall retain and own all of COG's right, title, and interest in and to the following (collectively, the "Concho Excluded Assets"):

- (1) the wellbores specifically described in Exhibit "A-2" (and all associated equipment, materials, pipelines, flowlines, and facilities whether or not described on Exhibit "A-2") and all Hydrocarbons produced from or attributable thereto, whether before or after the Effective Time (the "Concho Excluded Wells");
- (2) sufficient rights in the Concho Leases to produce the Concho Excluded Wells under the applicable rules of the Railroad Commission of Texas, and to operate, maintain, and plug and abandon the Concho Excluded Wells;
- (3) all contracts, agreements, or instruments by which the Concho Excluded Wells are bound or subject, or that directly relate to or are otherwise directly applicable to the Concho Excluded Wells, whether of record or listed on Exhibit "A-1", to the extent primarily applicable to the Concho Excluded Wells, including those listed on Exhibit "A-2";
- (4) equal and concurrent access to the surface of the lands covered by the Concho Leases, in accordance with the terms of those leases and applicable Law, for ingress and egress to operate, maintain, and plug and abandon the Concho Excluded Wells, and to perform other functions reasonably necessary in connection therewith;
- (5) any other assets described on Exhibit "A-2"; and
- (6) Concho's Excluded Records.

TO HAVE AND TO HOLD all and singular the Concho Assets, together with all rights, titles, interests, estates, remedies, powers and privileges thereunto appertaining unto Assignee and its respective successors and assigns forever.

Assignor does hereby agree to warrant and forever defend title to the Concho Assets to the Agreement, unto Assignee and its respective successors and assigns against each and every person claiming the same or any part thereof by, through or under Assignor, but not otherwise.

This Assignment is made subject to that Exchange Agreement, effective February 1, 2021, by and between Assignor, Assignee, and COG Production LLC (the "EA"). Capitalized terms used in this Assignment that are not otherwise defined herein shall have the respective meanings given to them in the EA. To the extent the terms of the EA are inconsistent with the terms of this Assignment; the terms of the EA shall prevail; *provided, however*, this Assignment may be relied upon for all purposes without further recourse or reference to the EA with respect to the conveyance and transfer of title to the Concho Assets. Assignor and Assignee agree (a) to furnish upon request to each other such further information, (b) to execute, acknowledge, and deliver to each other such other documents, and (c) to do such other acts and things, all as the other may reasonably request for the purpose of carrying out the intent of this Assignment, the EA, or both.

Exhibits "A-1" and "A-2" to this Assignment are hereby incorporated by reference and constitutes a part of this Assignment.

Assignee assumes and agrees to timely pay, perform, and discharge all duties, obligations, and liabilities relating to the Concho Assets attributable to periods after the Effective Time, subject to certain exceptions as provided in the EA, and to indemnify Assignor with respect thereto, as more fully provided in the EA.

This Assignment is made with full substitution and subrogation of Assignee in and to all covenants and warranties by others heretofore given or made in respect of the Concho Assets or any part thereof.

This Assignment may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed an original, and all such counterparts shall together constitute the same Assignment.

The relationship of the Parties with respect to the contemplated transactions shall be governed by the laws of the State of Texas without regard to conflicts of laws principles. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY THAT MAY ARISE UNDER THIS ASSIGNMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS ASSIGNMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS ASSIGNMENT.

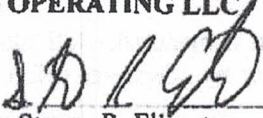
ANY PROCEEDING A) SEEKING A TEMPORARY OR PRELIMINARY INJUNCTION TO ENFORCE ANY PROVISION OF, OR B) BASED ON ANY RIGHT ARISING OUT OF OR IN ANY WAY RELATING TO, THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, MUST BE BROUGHT IN THE COURTS OF THE STATE OF TEXAS, COUNTY OF MIDLAND, OR, IF IT HAS OR CAN ACQUIRE JURISDICTION, IN THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF TEXAS (MIDLAND DIVISION), AND EACH PARTY CONSENTS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS (AND OF THE APPROPRIATE APPELLATE COURTS) FOR SUCH LIMITED PURPOSE IN ANY SUCH PROCEEDING AND WAIVES ANY OBJECTION TO VENUE LAID THEREIN FOR SUCH LIMITED PURPOSE.

[Signature and Acknowledgment Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be duly executed on the dates set forth in their respective acknowledgments, to be effective as of the Effective Time.

ASSIGNOR:

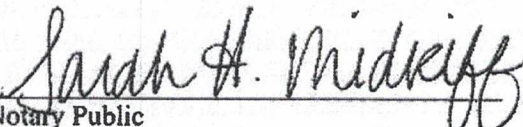
COG OPERATING LLC

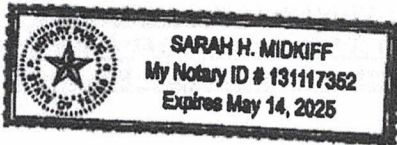
By: 
Name: Steven R. Ellington
Its: Attorney-in-fact

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

The foregoing instrument was acknowledged before me this 1st day of July, 2021, by Steven R. Ellington, Attorney-in-fact of COG OPERATING LLC, a Delaware limited liability company, on behalf of said company.

My Commission Expires:
5.14.2021


Notary Public



ASSIGNEE:

TAP ROCK RESOURCES, LLC

By:  ^W
Name: Clayton Sporich
Title: Executive Vice President, Land & Legal

STATE OF COLORADO §
 §
COUNTY OF JEFFERSON §

The foregoing instrument was acknowledged before me this 1st day of July, 2021, by Clayton Sporich, as Executive Vice President, Land & Legal of Tap Rock Resources, LLC, a Delaware limited liability company, on behalf of said company.

My Commission Expires:
10-24-2021


Notary Public

ERICA ROCHELLE HIXSON
Notary Public
State of Colorado
Notary ID # 20174044145
My Commission Expires 10-24-2021

EXHIBIT "A-1"
CONCHO ASSETS
 Attached to first Assignment of Oil and Gas Lease, effective February 1, 2021, by and among COG Operating LLC and Tap Rock Resources, LLC.

Lessee: INSDAFAR AND ONLY INSDAFAR as the Lessee covers the lands and interests described below

COG Lease Number	Lesser	Lessee	Legal Description	County	State	Lease Date	Exp. Date	Book Number	Page Number	Depths
NLEA0094000001	DONALD E HARTMAN	ROBERT E LANDRETH	SEC 28 1/2 T24S, R35E	LEA	NM	3/22/2010	3/22/2020	1873	781	LIMITED TO THE 1ST AND 2ND BONE SPRING SAND FORMATION

Marketing Contracts:

1. That certain Gas Purchase Agreement dated effective April 1, 2016, by and between COG Operating LLC ("Supplier") and Versado Gas Processors, L.L.C. ("Company") acting by and through Targa Midstream Services LLC, as its operator as amended from time to time
2. That certain Amended and Restated Water Gathering and Disposal Agreement dated effective June 11, 2020, by and between Sobies Midstream DB-NM, LLC ("Gatherer"), COG Operating LLC, COG Production LLC, Concho Oil & Gas LLC, and COG Storage LP herein collectively as "Producer"

LEA COUNTY, NM
 KEITH MANES, COUNTY CLERK
 8348
 Book 2182 Page 869
 6 of 7
 07/08/2021 02:54 PM
 BY ANGIE BEAUCHAMP

EXHIBIT "A-2"
CONCHO EXCLUDED ASSETS
 Attached to that Assignment of Oil and Gas Lease, effective February 1, 2021, by and among COG Operating LLC and Tap Rock Resources, LLC.

FULLY EXCLUDED:

Infrastructure & Facilities:	
Name	Description
Lea County, New Mexico	
COONSKIN FEE 28C CTB	103.374522° W, 32.193781° N
COONSKIN FEE 28D CTB	103.377887° W, 32.19556° N
FASCINATOR CTB & COONSKIN FEE CTB 10' POLY LINE	
All right, title and interest in and to any property, real and personal, related to the ownership and operation of the water line	
All additionally associated electrical equipment relating to any of the Concho Excluded Assets	

Wells:

Well	API	Operator	County	State
COONSKIN FEE 25H	30025436830000	COG OPERATING, LLC	LEA	NM
COONSKIN FEE 60TH	30025450490000	COG OPERATING, LLC	LEA	NM
COONSKIN FEE 70TH	30025450520000	COG OPERATING, LLC	LEA	NM
COONSKIN FEE 60ZH	30025450500000	COG OPERATING, LLC	LEA	NM
COONSKIN FEE 70ZH	30025450530000	COG OPERATING, LLC	LEA	NM
COONSKIN FEE 603H	30025450510000	COG OPERATING, LLC	LEA	NM
COONSKIN FEE 28H	30025450480000	COG OPERATING, LLC	LEA	NM

Surface Agreements:

COG Number	Grantor	Grantee	Document Type	Effective Date	County, State	Book Number	Page Number
NLEAR0225000	DION E HARTMAN	COG OPERATING LLC	Easement	2/9/2015	LEA, NM	N/A	N/A
NLEAR0228000	DION E HARTMAN	COG OPERATING LLC	Easement	8/28/2015	LEA, NM	1980	922
NLEAR0402000	DION E HARTMAN	COG OPERATING LLC	Easement	8/31/2017	LEA, NM	2123	546
NLEAR0507000	DION E HARTMAN	COG OPERATING LLC	Easement	8/21/2018	LEA, NM	2144	666
NLEAR0682000	DION E HARTMAN	COG OPERATING LLC	Pipeline ROW	7/30/2020	LEA, NM	N/A	N/A

Contracts:

COG Contract Number	Contract Description	Legal	County	State	Agreement Date	Book Number	Page Number
NMLEA71006C	OPERATING AGREEMENT DATED MAY 1 2017, BY AND BETWEEN COG OPERATING LLC AND TAP ROCK RESOURCES, LLC	SEC 28, W2, T24S, R35E	LEA	NM	5/1/2017	N/A	N/A

PARTIALLY EXCLUDED:

Each of the following is being partially retained to the extent (and only to the extent) that it relates to lands and depths not described in the "Legal Description" and "Depths" columns in Exhibit A-1:

Leases:

COG Lease Number	Lessor	Lessee	County	State	Lease Date	Book Number	Page Number
NLEA0264000/001	DONALD E. HARTMAN	ROBERT E. LANDRETH	LEA	NM	3/22/2010	1673	781