

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: _____ **OGRID Number:** _____
Well Name: _____ **API:** _____
Pool: _____ **Pool Code:** _____

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
 A. Location - Spacing Unit - Simultaneous Dedication
 NSL NSP (PROJECT AREA) NSP (PRORATION UNIT) SD
- B. Check one only for [I] or [II]
 [I] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
 [II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
 A. Offset operators or lease holders
 B. Royalty, overriding royalty owners, revenue owners
 C. Application requires published notice
 D. Notification and/or concurrent approval by SLO
 E. Notification and/or concurrent approval by BLM
 F. Surface owner
 G. For all of the above, proof of notification or publication is attached, and/or,
 H. No notice required

<u>FOR OCD ONLY</u>	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

 Print or Type Name



 Signature

Date

Phone Number

e-mail Address



Adam G. Rankin
Phone (505) 954-7294
Fax (505) 819-5579
AGRRankin@hollandhart.com

March 2, 2022

VIA ONLINE FILING

Adrienne Sandoval
Director, Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of Matador Production Company for administrative approval to surface commingle (pool and lease commingle) oil and gas production at the Jack Sleeper Tank Battery located in the SE/4SE/4 of Section 5 and SW/4SW/4 of Section 4, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico.

Dear Ms. Sandoval:

Matador Production Company (OGRID No. 228937), pursuant to 19.15.12.10 NMAC, seeks administrative approval to surface commingle (pool and lease commingle) diversely owned oil and gas production at the **Jack Sleeper Tank Battery** *insofar as all existing and future infill wells drilled in the following spacing units:*

(a) The 640-acre spacing unit comprised of the W/2 of Sections 9 and 16 in the Purple Sage; Wolfcamp (Gas) [98220] – includes the **Jack Sleeper State Com 9 & 16-23S-28E #201H well** (API. No. 30-015-46131), **Jack Sleeper State Com 9 & 16-23S-28E #215H well** (API. No. 30-015-46133), **Jack Sleeper State Com 9 & 16-23S-28E #221H well** (API. No. 30-015-46132), **Jack Sleeper Fed Com #202H well** (API. No. TBD), **Jack Sleeper Fed Com #222H well** (API. No. TBD);

(b) The 320-acre spacing unit comprised of the E/2W/2 of Sections 9 and 16 in the Culebra Bluff; Bone Spring, South [15011] – includes the **Jack Sleeper Fed Com #122H well** (API. No. TBD), **Jack Sleeper Fed Com #112H well** (API. No. TBD);

(c) The 320-acre spacing unit comprised of the W/2W/2 of Sections 9 and 16 in the Culebra Bluff; Bone Spring, South [15011] – includes the **Jack Sleeper Com 9 & 16-23S-28E #121H well** (API. No. 30-015-49247), **Jack Sleeper Com 9 & 16-23S-28E #111H well** (API. No. 30-015-46379); and

(d) pursuant to 19.15.12.10.C(4)(g), *future Purple Sage; Wolfcamp (Gas) [98220] and Culebra Bluff; Bone Spring, South [15011] spacing units within the W/2 of Sections 9 and 16 connected to the Jack Sleeper Tank Battery* with notice provided only to the owners of interests to be added.

Oil and gas production from these spacing units will be commingled and sold at the Jack Sleeper Tank Battery located in the SE/4SE/4 of Section 5 and SW/4SW/4 of Section 4. Gas production from each separator will be separately metered with calibrated orifice meters that are manufactured to AGA specifications. Oil production from each separator will be separately metered using turbine meters.

Exhibit 1 is a land plat showing Matador's current development plan, flow lines, well pads, and central tank battery ("Facility Pad") in the subject area. The plat also identifies the wellbores (including surface/bottomhole locations) and lease/spacing unit boundaries.

Exhibit 2 is a C-102 for each of the wells currently drilled within the existing spacing units, as well as available production data.

Exhibit 3 is a completed Application for Surface Commingling (Diverse Ownership) Form C-107-B, that includes a statement from Omar Enriquez, Senior Production Engineer with Matador, identifying the facilities and the measurement devices to be utilized, a detailed schematic of the surface facilities (attachment A to the statement) and an example gas analysis (attachment B to the statement).

Exhibit 4 includes relevant federal and state communitization agreements and related documents.

Ownership is diverse between the above-described spacing units. **Exhibit 5** is a list of the interest owners (including any owners of royalty or overriding royalty interests) affected by this application, an example of the letters sent by certified mail advising the interest owners that any objections must be filed in writing with the Division within 20 days from the date the Division receives this application, and proof of mailing.

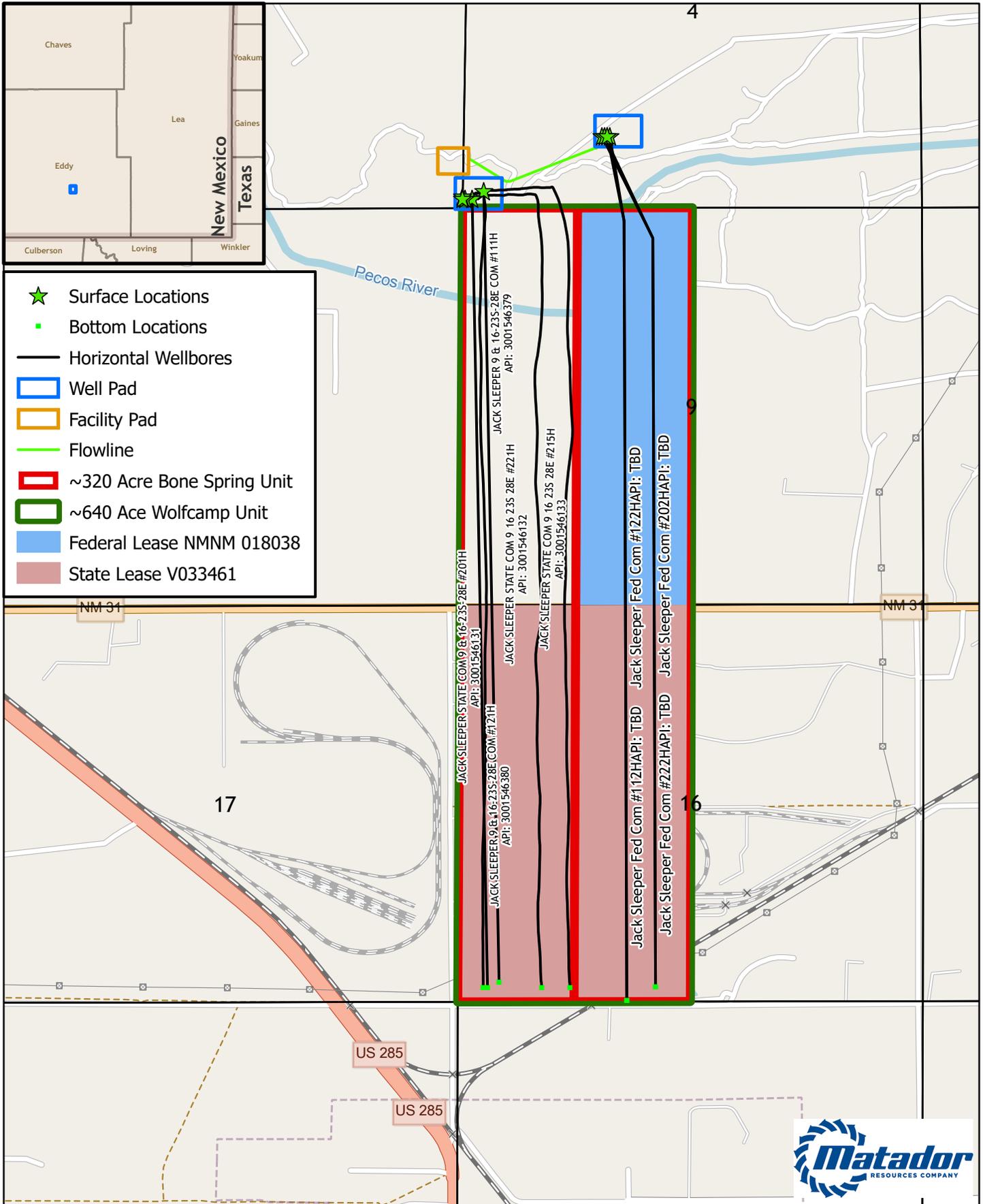
Thank you for your attention to this matter, and please feel free to call if you have any questions or require additional information.

Sincerely,



Adam G. Rankin
ATTORNEY FOR
MATADOR PRODUCTION COMPANY

Jack Sleeper Commingling Plat



GIS Standard Map Disclaimer:
 This cartographic product is for informational purposes and may not have been prepared for, or be suitable for legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information.



Southeast New Mexico

Released to Imaging: 7/11/2022 4:31:25 PM

EXHIBIT 1

Map Prepared by: agreeen
 Project: ComminglingPlat
 Date: 1/27/2022
 Coordinate System: GCS WGS 1984

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

FORM C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-46131		² Pool Code 98220		³ Pool Name PURPLE SAGE;WOLFCAMP (GAS)	
⁴ Property Code 325764		⁵ Property Name JACK SLEEPER STATE COM 9 & 16-23S-28E			⁶ Well Number 201H
⁷ OGRID No. 228937		⁸ Operator Name MATADOR PRODUCTION COMPANY			⁹ Elevation 3014'

¹⁰Surface Location

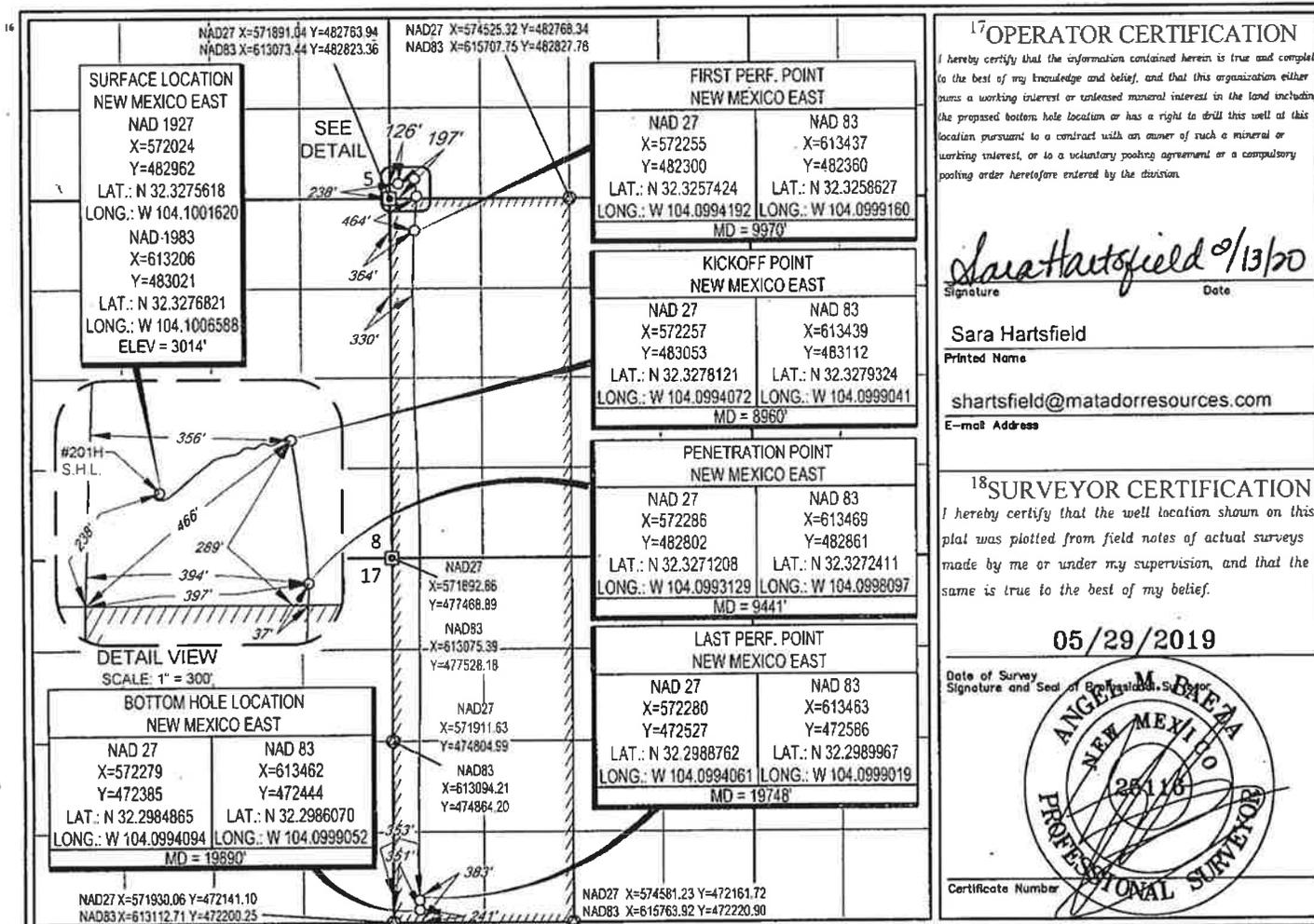
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	4	23-S	28-E	-	197	SOUTH	126'	WEST	EDDY

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	16	23-S	28-E	-	241'	SOUTH	351'	WEST	EDDY

¹² Dedicated Acres 640	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

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



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MAR 20 2020

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

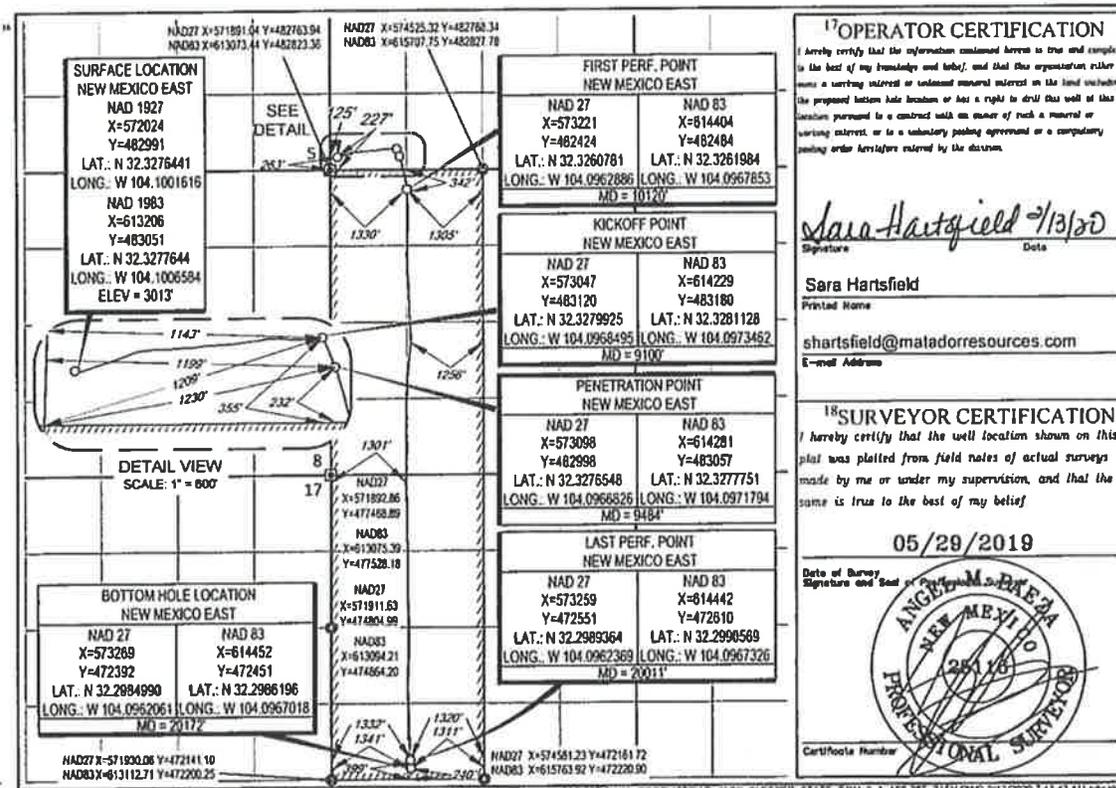
¹ API Number 30-015-46133	² Pool Code 98220	³ Pool Name PURPLE SAGE; WOLFCAMP (GAS)
⁴ Property Code 325764	⁵ Property Name JACK SLEEPER STATE COM 9 & 16-23S-28E	
⁶ OCRID No. 228937	⁷ Operator Name MATADOR PRODUCTION COMPANY	⁸ Well Number 215H
		⁹ Elevation 3013'

¹⁰ Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	4	23-S	28-E	-	227'	SOUTH	125'	WEST	EDDY

¹¹ Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	16	23-S	28-E	-	240'	SOUTH	1341'	WEST	EDDY

¹² Dedicated Acres 640	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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EMNRD-OCD ARTESIA

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-46132		⁴ Pool Code 98220		³ Pool Name PURPLE SAGE; WOLFCAMP (GAS)	
⁴ Property Code 325764		⁵ Property Name JACK SLEEPER STATE COM 9 & 16-23S-28E			⁶ Well Number 221H
⁷ OGRID No. 228937		⁸ Operator Name MATADOR PRODUCTION COMPANY			⁹ Elevation 3014'

¹⁰Surface Location

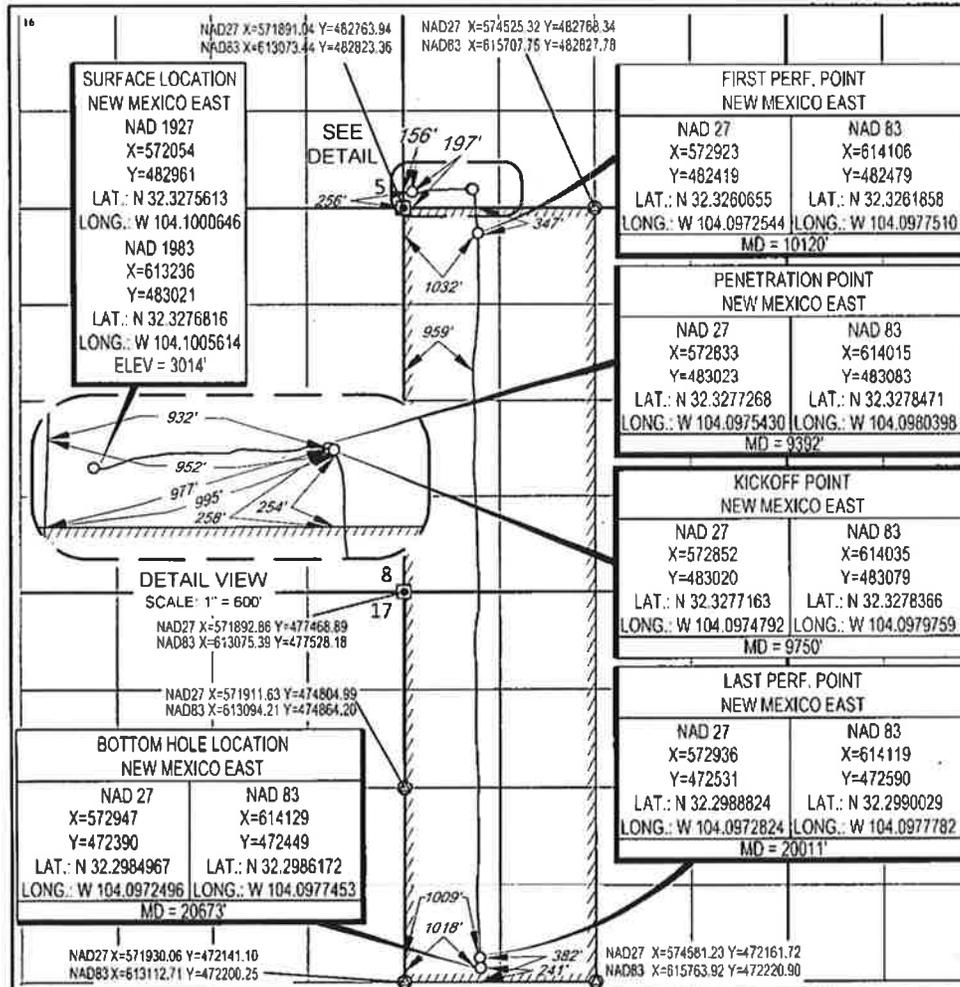
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	4	23-S	28-E	-	197'	SOUTH	156'	WEST	EDDY

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	16	23-S	28-E	-	241'	SOUTH	1018'	WEST	EDDY

¹² Dedicated Acres 640	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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¹⁷OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Sara Hartsfield 2/13/20
Signature Date

Sara Hartsfield
Printed Name

shartsfield@matadorresources.com
E-mail Address

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

05/29/2019
Date of Survey

ANGEL M. BAERZ
NEW MEXICO
PROFESSIONAL SURVEYOR
28118
Signature and Seal of Professional Surveyor

Certificate Number

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Santa Fe, NM 87505

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name	
⁴ Property Code		⁵ Property Name JACK SLEEPER FED COM			⁶ Well Number 202H
⁷ OGRID No.		⁸ Operator Name MATADOR PRODUCTION COMPANY			⁹ Elevation 3013'

¹⁰Surface Location

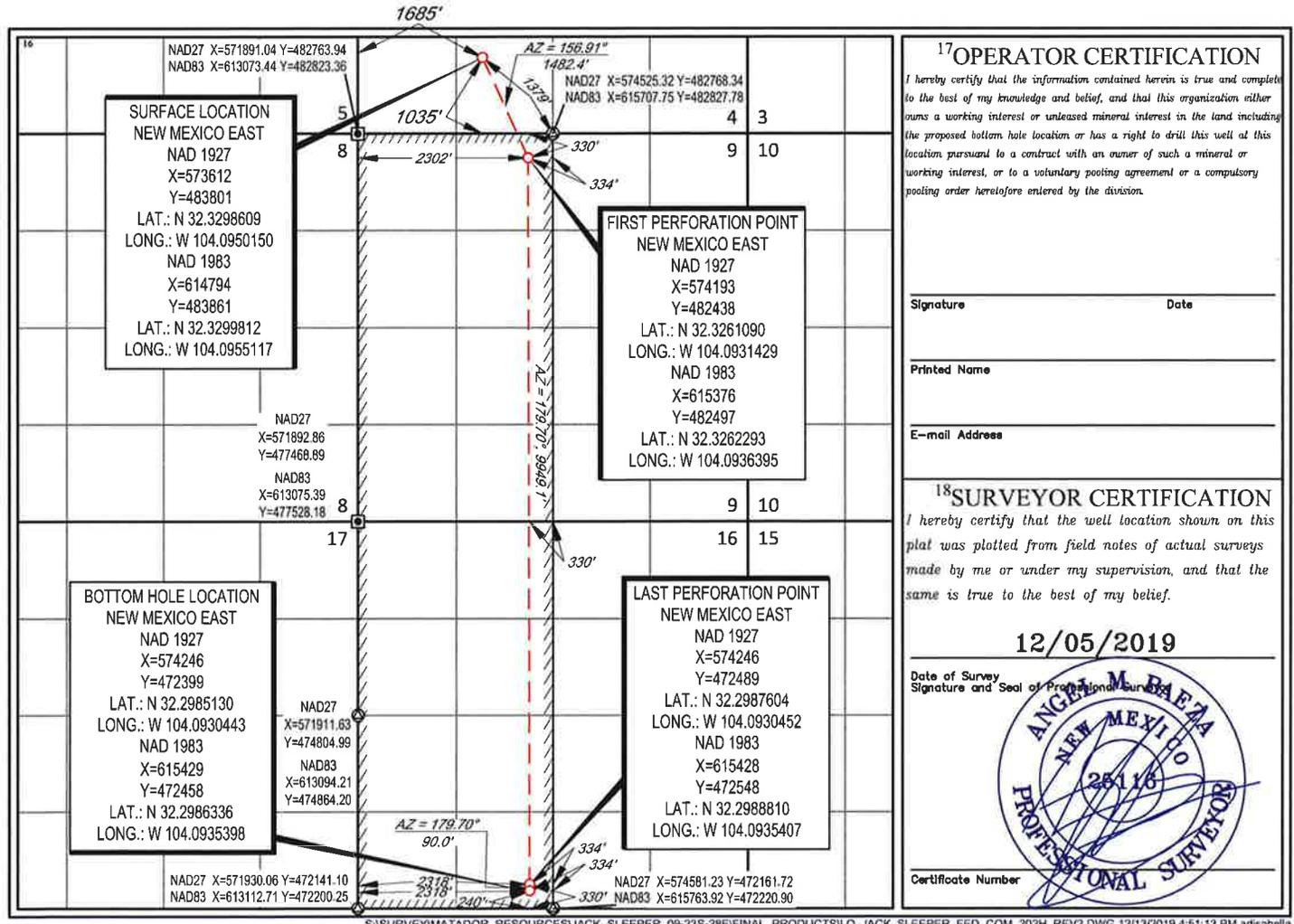
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	4	23-S	28-E	-	1035'	SOUTH	1685'	WEST	EDDY

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	16	23-S	28-E	-	240'	SOUTH	2318'	WEST	EDDY

¹² Dedicated Acres 640	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



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

Signature _____ Date _____

Printed Name _____

E-mail Address _____

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

12/05/2019

Date of Survey
Signature and Seal of Professional Surveyor

ANGELA M. BAERZ
NEW MEXICO
25176
PROFESSIONAL SURVEYOR

Certificate Number _____

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name JACK SLEEPER FED COM	
⁶ Well Number 122H	⁹ Elevation 3015'	
⁷ OGRID No.	⁸ Operator Name MATADOR PRODUCTION COMPANY	

¹⁰Surface Location

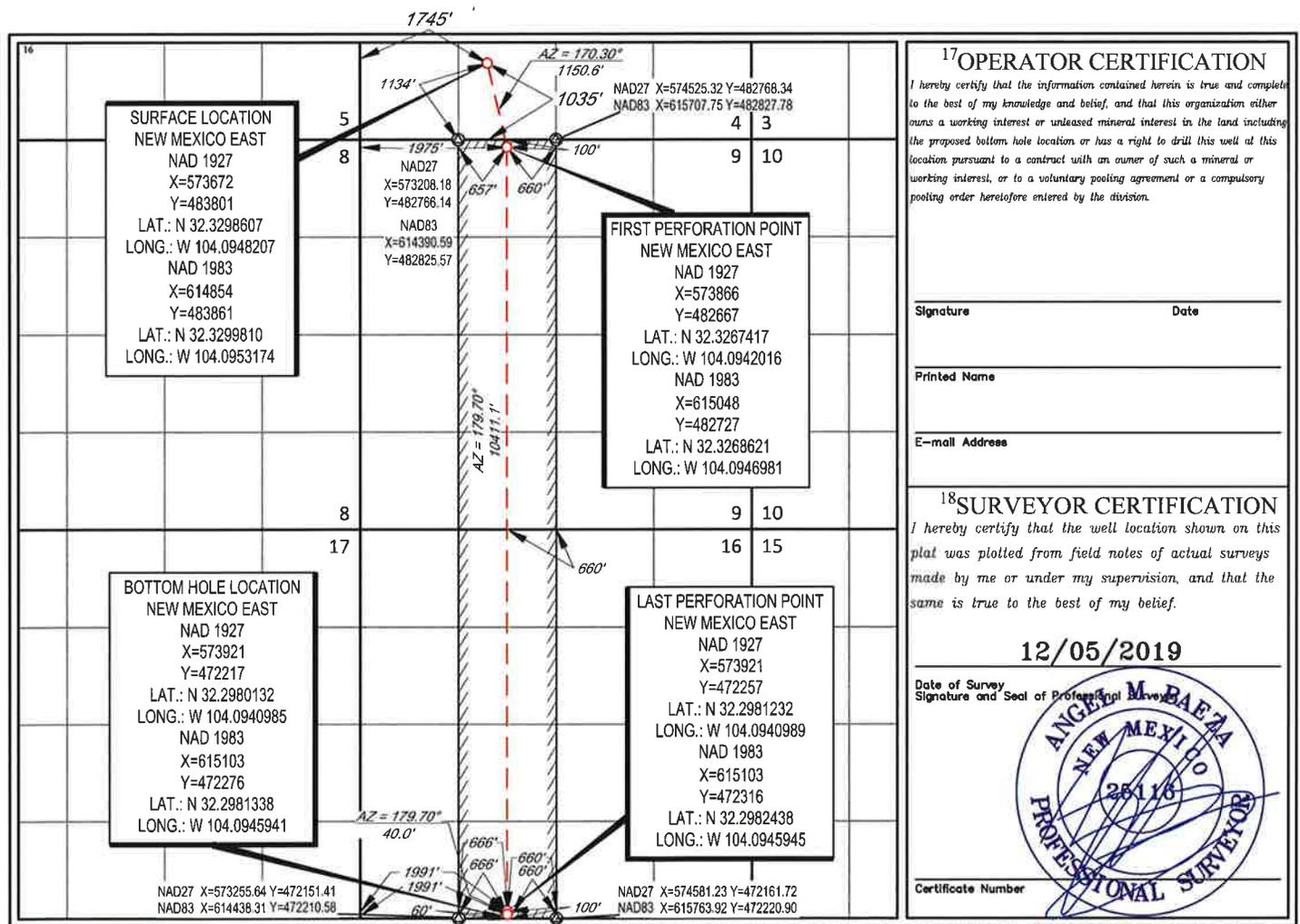
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	4	23-S	28-E	-	1035'	SOUTH	1745'	WEST	EDDY

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	16	23-S	28-E	-	60'	SOUTH	1991'	WEST	EDDY

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

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



¹⁷OPERATOR CERTIFICATION

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

Signature _____ Date _____
Printed Name _____
E-mail Address _____

¹⁸SURVEYOR CERTIFICATION

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

12/05/2019

Date of Survey
Signature and Seal of Professional Surveyor

Certificate Number _____

S:\SURVEY\MATADOR_RESOURCES\JACK_SLEEPER_09-23S-28E\FINAL_PRODUCTS\SILO_JACK_SLEEPER_FED_COM_122H_REV1.DWG 12/13/2019 4:49:47 PM adisabell

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OIL CONSERVATION DIVISION
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Santa Fe, NM 87505

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name	
		15011		Culebra Bluff; Bone Spring, South	
⁴ Property Code		⁵ Property Name			⁶ Well Number
		JACK SLEEPER FED COM			112H
⁷ OGRID No.		⁸ Operator Name			⁹ Elevation
228937		MATADOR PRODUCTION COMPANY			3013'

¹⁰Surface Location

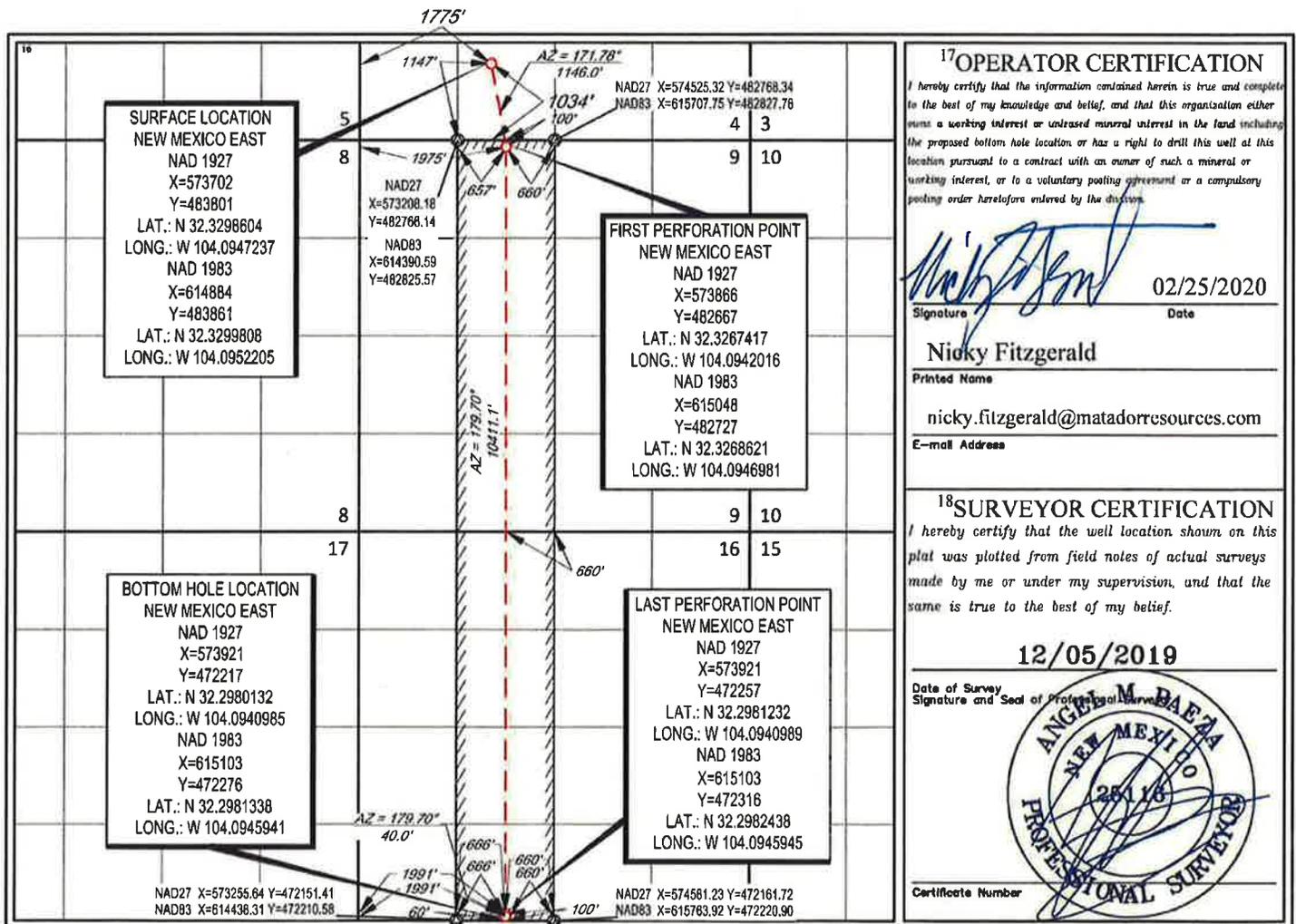
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	4	23-S	28-E	-	1034'	SOUTH	1775'	WEST	EDDY

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	16	23-S	28-E	-	60'	SOUTH	1991'	WEST	EDDY

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.



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

Nicky Fitzgerald 02/25/2020
Signature Date

Nicky Fitzgerald
Printed Name

nicky.fitzgerald@matadorresources.com
E-mail Address

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

12/05/2019
Date of Survey

Angel M. Baeta
Signature and Seal of Professional Surveyor

ANGEL M. BAETA
NEW MEXICO
PROFESSIONAL SURVEYOR

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 15011	³ Pool Name Culebra Bluff; Bone Spring, South
⁴ Property Code	⁵ Property Name JACK SLEEPER COM 9 & 16-23S-28E	
⁶ Well Number 121H	⁷ Operator Name MATADOR PRODUCTION COMPANY	⁸ Elevation 3013'

¹⁰Surface Location

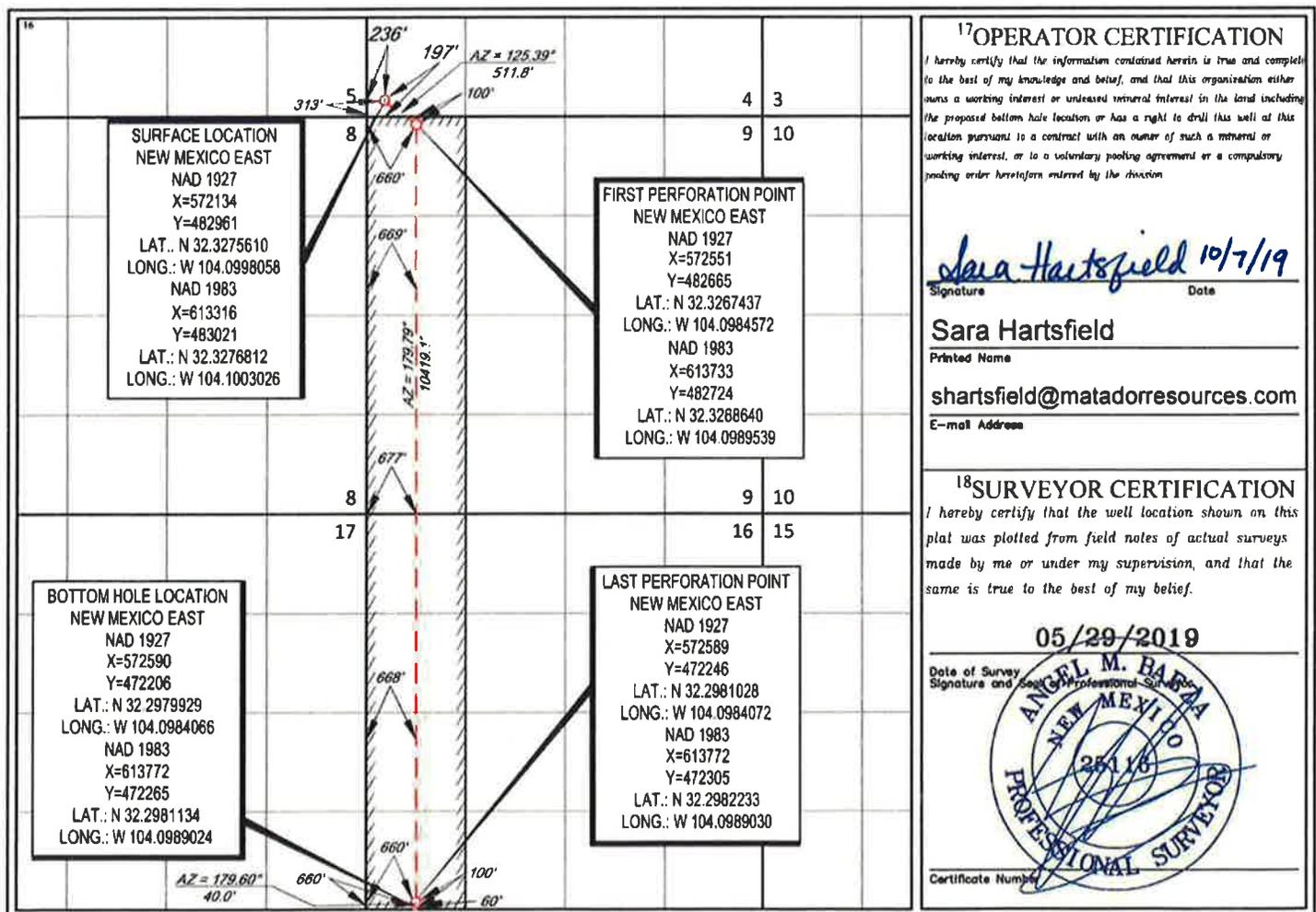
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	4	23-S	28-E	-	197'	SOUTH	236'	WEST	EDDY

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	16	23-S	28-E	-	60'	SOUTH	660'	WEST	EDDY

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

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S:\SURVEY\MATADOR_RESOURCES\JACK_SLEEPER_09-23S-28E\FINAL_PRODUCTS\LO_JACK_SLEEPER_COM_9_&_16_23S-28E_121H_REV2.DWG 9/13/2019 10:54:42 AM ethorbeck

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¹ API Number	² Pool Code 15011	³ Pool Name Culebra Bluff; Bone Spring, South
⁴ Property Code	⁵ Property Name JACK SLEEPER COM 9 & 16-23S-28E	
⁷ OGRID No. 228937	⁸ Operator Name MATADOR PRODUCTION COMPANY	⁶ Well Number 111H ⁹ Elevation 3014'

¹⁰Surface Location

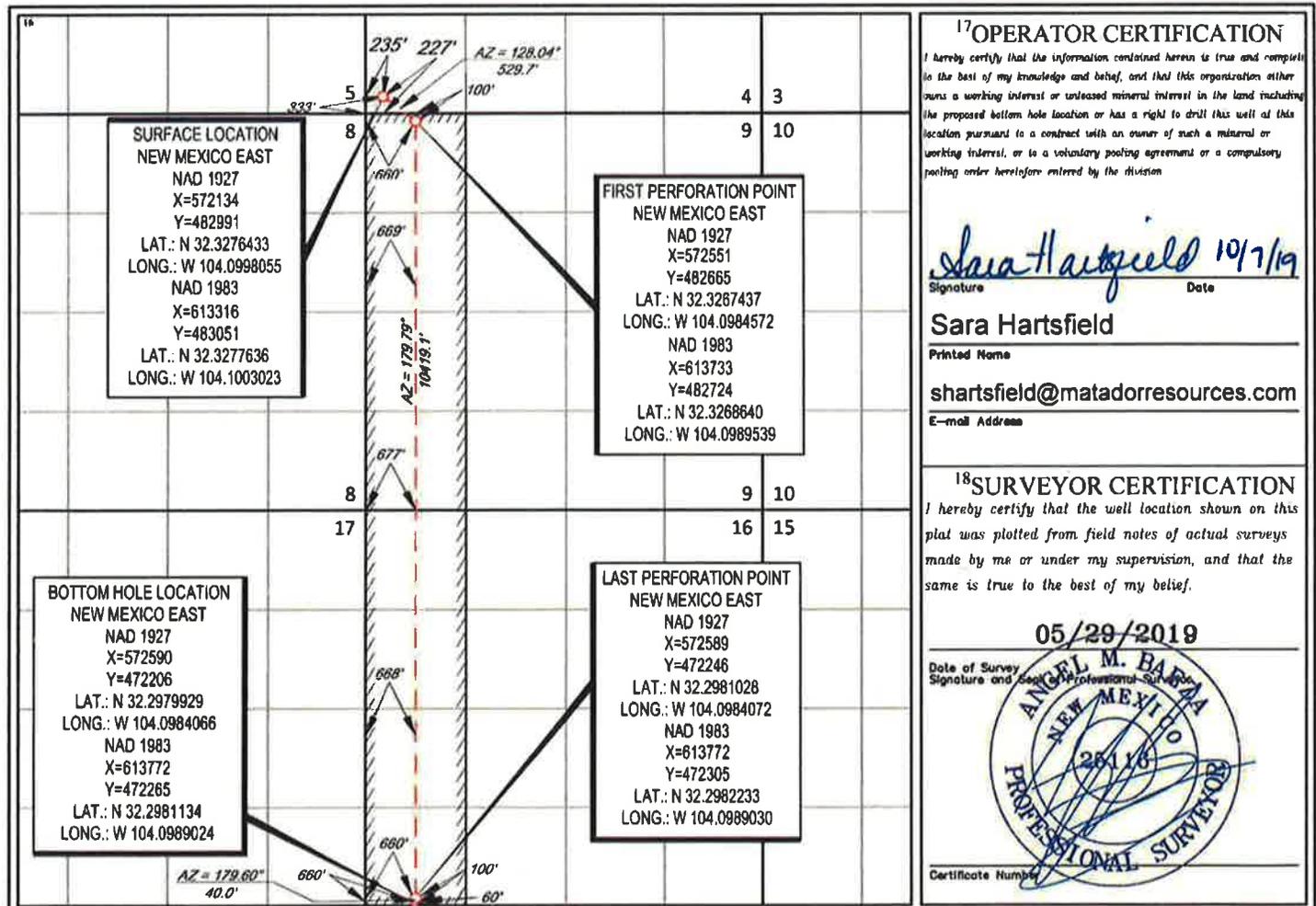
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	4	23-S	28-E	-	227'	SOUTH	235'	WEST	EDDY

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	16	23-S	28-E	-	60'	SOUTH	660'	WEST	EDDY

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



Production Summary Report											
API: 30-015-46132											
JACK SLEEPER STATE COM 9 16 23S 28E #221H											
Printed On: Tuesday, January 18 2022											
Year	Pool	Month	Production				Injection				
			Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Jan	4068	50203	74106	31	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Feb	13537	172240	115325	29	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Mar	15123	238842	134502	31	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Apr	11854	211808	107109	30	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	May	7866	149337	71322	31	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Jun	6851	140490	65033	30	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Jul	5960	136239	62722	31	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Aug	5619	120047	54295	31	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Sep	4553	114380	48947	30	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Oct	3539	63799	33852	24	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Nov	5566	93970	47931	30	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Dec	6821	99598	42327	31	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Jan	5400	86477	35697	31	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Feb	4295	74391	33233	28	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Mar	4127	83035	37314	31	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Apr	4330	79936	33610	30	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	May	3241	68563	28874	28	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Jun	3379	72460	30335	30	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Jul	3588	79056	33434	31	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Aug	3194	74500	30876	31	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Sep	2519	54004	24627	27	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Oct	0	0	0	0	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Nov	241	2545	26681	28	0	0	0	0	0

Production Summary Report											
API: 30-015-46133											
JACK SLEEPER STATE COM 9 16 23S 28E #215H											
Printed On: Tuesday, January 18 2022											
Year	Pool	Month	Production				Injection				
			Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Jan	8348	20000	81857	31	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Feb	28728	69151	123934	29	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Mar	34910	82893	132711	31	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Apr	29169	70101	99794	30	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	May	22562	55210	74899	31	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Jun	20257	50606	68278	30	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Jul	18582	49436	64097	31	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Aug	16314	45412	56896	31	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Sep	14282	32907	40899	23	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Oct	15062	47598	54328	31	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Nov	16212	56053	47990	30	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Dec	14234	56082	43182	31	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Jan	12290	40181	39355	31	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Feb	10796	37481	38687	28	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Mar	10800	37290	41843	31	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Apr	10440	40300	39040	30	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	May	9428	32069	35194	31	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Jun	8436	24572	27966	30	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Jul	8707	26679	31037	31	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Aug	8096	27427	31020	31	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Sep	1760	5156	6239	8	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Oct	0	0	0	0	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Nov	3660	10331	78688	28	0	0	0	0	0

Production Summary Report											
API: 30-015-46131											
JACK SLEEPER STATE COM 9 16 23S 28E #201H											
Printed On: Tuesday, January 18 2022											
Year	Pool	Month	Production				Injection				
			Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Jan	7261	20917	79432	31	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Feb	25404	73304	115560	29	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Mar	34468	90190	119494	31	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Apr	28378	71941	94503	30	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	May	20529	53935	67215	31	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Jun	18032	53843	63538	30	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Jul	16412	50543	60776	31	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Aug	14639	47922	55716	31	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Sep	13037	45064	49149	30	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Oct	4481	20582	32729	19	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Nov	6253	15985	54291	30	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Dec	4482	11753	33602	31	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Jan	9082	38451	50650	31	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Feb	10151	36829	41066	28	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Mar	9842	36901	44220	31	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Apr	5910	23751	30790	29	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	May	9101	41149	39643	31	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Jun	9506	53047	38383	30	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Jul	10494	62149	40559	31	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Aug	9562	58115	38434	31	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Sep	4778	26456	20435	18	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Oct	0	0	0	0	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Nov	4240	13007	69864	28	0	0	0	0	0

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised August 1, 2011

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Matador Production Company
OPERATOR ADDRESS: 5400 LBJ Freeway, Suite 1500, Dallas, TX 75240
APPLICATION TYPE:

Pool Commingling Lease Commingling Pool and Lease Commingling Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: Fee State Federal

Is this an Amendment to existing Order? Yes No If "Yes", please include the appropriate Order No.
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
 Yes No

(A) POOL COMMINGLING
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production	Value of Non-Commingled Production	Calculated Value of Commingled Production	Volumes
CULEBRA BLUFF; BONE SPRING, SOUTH 15011	41°/1275	43°/1263	\$70.21/bbl - \$4.184/Mcf	\$70.21/bbl \$4.145/Mcf	3,500 Bopd/12,000 Mcfd
PURPLE SAGE;WOLFCAMP (GAS) 98220	47°/1250		\$70.21/bbl - \$4.102/Mcf		2,000 bopd/10,000 Mcfd

CFD
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No.
(4) Measurement type: Metering Other (Specify)
(5) Will commingling decrease the value of production? Yes No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING
Please attach sheets with the following information

(1) Pool Name and Code
(2) Is all production from same source of supply? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No
(4) Measurement type: Metering Other (Specify)

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT
Please attached sheets with the following information

(1) Is all production from same source of supply? Yes No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.
SIGNATURE: _____ TITLE: Sr. Production Engineer DATE: 02/08/2022
TYPE OR PRINT NAME Omar Enriquez TELEPHONE NO.: (972) 587-4638
E-MAIL ADDRESS: oenriquez@matadorresources.com

EXHIBIT 3

Matador Production Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240

Voice 972.371.5427 • Fax 972.587.4638

oenriquez@matadorresources.com

Omar Enriquez
Sr. Production Engineer

February 8, 2022

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Application of Matador Production Company for administrative approval to Surface Commingle (Pool and lease commingle) Production from the Horizontal Spacing Units Comprising of the W/2 of Section 9 & 16, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico (the “Lands”).

To Whom This May Concern,

Matador Production Company (“Matador”), OGRID: 228937, requests to commingle current oil and gas production from four (9) distinct wells located on the Lands and future production from the Lands as described herein. All wells will be metered through individual test separators with an oil turbine meter and gas orifice meter. The gas commingling will occur after individual measurement at each well. Gas exiting each well test flows into one gathering line, as depicted on **Exhibit A**, the Longwood Gathering line. Each well on the Lands will have its own test separator with an orifice meter manufactured and assembled in accordance with American Gas Association (AGA) specifications. All primary and secondary Electronic Flow Measurement (EFM) equipment is tested and calibrated by a reputable third party measurement company in accordance with industry specifications.

The orifice meter is the preferred measurement device utilized by midstream and E&P companies in natural gas measurement. The gas samples are obtained at the time of the meter testing/calibration and the composition and heating value are determined by a laboratory in accordance with American Petroleum Institute (API) specifications to ensure accurate volume and Energy (MMBTU) determinations. See example from Laboratory Services attached as **Exhibit B** hereto.

The flow stream from each wellhead is demonstrated in the Process Flow Diagram (PFD) attached as **Exhibit A** hereto. This PFD shows that the water, oil, and gas exit the wellbore and flow into a wellhead three-phase separator which separates the oil, gas, and water. The oil is measured via turbine meter which is calibrated periodically in accordance with industry specifications by a third party measurement company for accuracy. The gas is measured on a volume and MMBTU basis by an orifice meter and supporting EFM equipment in accordance with American Petroleum

Association (API) Chapter 21.1. The gas is then sent into a gathering line where it is commingled with each of the other wells' metered gas, as shown on **Exhibit A**. The gathering line gas is then metered by another orifice meter at the tank battery check to show the total volume of gas leaving the Tank Battery. This meter is tested and calibrated in accordance with industry specifications and volume and energy are determined on an hourly, daily, and monthly basis. Once the gas exits this final tank battery sales check it travels directly into a third party sales connect meter. Longwood Gathering has its own orifice meter that measures the gas for custody transfer. These meters are also calibrated periodically to ensure the measurement accuracy.

In conclusion, all the oil and gas produced on the Lands is and will be metered at each wellhead and allocated correctly using the same measurement equipment as the pipeline sales measurement specifications accepted by API as industry standard.

Very truly yours,

MATADOR PRODUCTION COMPANY

Omar Enriquez
Sr. Production Engineer



www.permianls.com
575.397.3713 2609 W Marland Hobbs NM 88240

C6+ Gas Analysis Report

9465G	40-30088	Jack Sleeper Check	
Sample Point Code	Sample Point Name	Sample Point Location	
Laboratory Services	2021048343	1166	BF - Spot
Source Laboratory	Lab File No	Container Identity	Sampler
USA	USA	USA	New Mexico
District	Area Name	Field Name	Facility Name
Nov 6, 2021 14:30	Nov 6, 2021 14:30	Nov 16, 2021 10:26	Nov 17, 2021
Date Sampled	Date Effective	Date Received	Date Reported
76.00	1,217.00	Torrance	977 @ 114
Ambient Temp (°F)	Flow Rate (Mcf)	Analyst	Press PSI @ Temp °F Source Conditions
Matador Resources		NG	
Operator		Lab Source Description	

Component	Normalized Mol %	Un-Normalized Mol %	GPM
H2S (H2S)	0.0000	0	
Nitrogen (N2)	0.9550	0.95511	
CO2 (CO2)	0.1300	0.12962	
Methane (C1)	79.6630	79.66449	
Ethane (C2)	10.4140	10.4135	2.7840
Propane (C3)	4.8290	4.82946	1.3300
I-Butane (IC4)	0.6910	0.6907	0.2260
N-Butane (NC4)	1.5700	1.56956	0.4950
I-Pentane (IC5)	0.4110	0.41092	0.1500
N-Pentane (NC5)	0.4710	0.47092	0.1710
Hexanes Plus (C6+)	0.8660	0.86572	0.3760
TOTAL	100.0000	100.0000	5.5320

Gross Heating Values (Real, BTU/ft³)			
14.696 PSI @ 60.00 Å°F		14.73 PSI @ 60.00 Å°F	
Dry	Saturated	Dry	Saturated
1,268.2	1,247.6	1,271.1	1,250.5

Calculated Total Sample Properties	
GPA2145-16 *Calculated at Contract Conditions	
Relative Density Real	Relative Density Ideal
0.7317	0.7293
Molecular Weight	
21.1230	

C6+ Group Properties		
Assumed Composition		
C6 - 60.000%	C7 - 30.000%	C8 - 10.000%

Field H2S 4 PPM

PROTREND STATUS: Passed By Validator on Nov 17, 2021
DATA SOURCE: Imported

PASSED BY VALIDATOR REASON:
Close enough to be considered reasonable.

VALIDATOR:
Dustin Armstrong

VALIDATOR COMMENTS:
OK

Method(s): Gas C6+ - GPA 2261, Extended Gas - GPA 2286, Calculations - GPA 2172

Analyzer Information			
Device Type:	Gas Chromatograph	Device Make:	Shimadzu
Device Model:	GC-2014	Last Cal Date:	Nov 14, 2021



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
New Mexico State Office
301 Dinosaur Trail
Santa Fe, New Mexico 87508
www.blm.gov/new-mexico

In Reply Refer To:
NMNM142865
3105.2 (NM920)

MAR 10 2021

Reference:
Communitization Agreement
Jack Sleeper 201H, 215H, 221H
Section 9: W2
Section 16: W2
T. 23 S., R. 28 E., N.M.P.M.
Eddy County, NM

Matador Production Company
Attn: Jaimie Grainger
5400 LBJ Freeway, Ste. 1500
Dallas, TX 75240

Jaimie Grainger:

Enclosed is an approved copy of Communitization Agreement NMNM142865 involving 160 acres of Federal land in lease NMNM 018038, 160 acres of Fee Land, and 320 acres of State land, in Eddy County, New Mexico, which comprise a 640 acre well spacing unit.

The agreement communitizes all rights to the oil and gas producible from the Wolfcamp formation beneath the W2 of Secs. 9 and 12, T. 23 S., R. 28 E., NMPM, Eddy County, NM, and is effective June 19, 2019. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

EXHIBIT 4

Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is accurate.

Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

If you have any questions regarding this approval, please contact Elizabeth Rivera at (505) 954-2162.

Please furnish all interested principals with appropriate evidence of this approval.

Sincerely,



Sheila Mallory
Deputy State Director
Division of Minerals

1 Enclosure:
1 - Communitization Agreement

cc:
ONRR, Denver
NM Taxation & Revenue Dept. (Revenue Processing Div.)
NMOCD
NM (9200)
NM (P0220-CFO, File Room)
NMSO (NM925, File)
NM STATE LAND COMM.

Determination - Approval - Certification

Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.
- B. Approve the attached Communitization Agreement covering the W2W2 of W2 of Secs. 9 and 12, T. 23 S., R. 28 E., NMPM, as to all producible oil and gas from the Wolfcamp formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) are not met.

Approval also requires operator to submit copies of sundries or any other documentation regarding activity with this well to the Bureau of Land Management (BLM), Carlsbad Field Office pursuant to Item 9 of the approved Communitization Agreement.

- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved: **MAR 10 2021**



 Sheila Mallory
 Deputy State Director
 Division of Minerals

Effective: June 19, 2019

Contract No.: Com. Agr. NMNM142865

SEP 11 2020

BLM, NMSO
SANTA FE

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the 12th day of July, 2019, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

W/2 of Section 9 & the W/2 of Section 16, Township 23S, Range 28 E, Eddy County, New Mexico.

Containing 640.00 acres, and this agreement shall include only the Wolfcamp Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formations.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be Matador Production Company, 5400 LBJ Freeway, Suite 1500, Dallas, TX, 75240. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty

W2 Jack Sleeper - Wolfcamp Formation
W/2 of Sections 9&16-23S-28E
Eddy County, New Mexico

due the United States, as specified in the applicable oil and gas operating regulations.

- 5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal lands included within the CA area are to be paid into the appropriate Unleased Lands Account by the designated operator until the land is leased or ownership is established.

- 6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
- 7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
- 8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
- 9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
- 10. The date of this agreement is June 19, 2019, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative,

with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.

- 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
- 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Operator: Matador Production Company

By: Craig N. Adams - Executive Vice President
Name & Title of Authorized Agent


Signature of Authorized Agent

8/27/19
Date

WORKING INTEREST OWNER/RECORD TITLE OWNER:

MRC Permian Company

Date: 8/27/19

By: [Signature]

Name: Craig N. Adams

*smh
pdr*

Title: Executive Vice President

Novo Oil & Gas Northern Delaware, LLC

Date: _____

By: _____

Name: _____

Title: _____

BEXP L LP

Date: _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

STATE OF TEXAS)

COUNTY OF DALLAS)

The foregoing instrument was acknowledged before me this 27th day of August 2019, by Craig N. Adams, Executive Vice President of MRC Permian Company, a Texas corporation, on behalf of said corporation.

My Commission Expires: 4/10/2021

[Signature]
Notary Public, State of Texas



WORKING INTEREST OWNER/RECORD TITLE OWNER:

MRC Permian Company

Date: _____ By: _____

Name: Craig N. Adams

Title: Executive Vice President

Novo Oil & Gas Northern Delaware, LLC

Date: _____ By: _____

Name: _____

Title: _____

BEXP I, LP

Date: 9/4/2019

By: 

Name: Keith P. Gilic

Title: President & CEO

ACKNOWLEDGEMENT

STATE OF TEXAS)
)
COUNTY OF DALLAS)

The foregoing instrument was acknowledged before me this ___ day of _____ 2019, by **Craig N. Adams, Executive Vice President of MRC Permian Company, a Texas corporation**, on behalf of said corporation.

My Commission Expires: _____ Notary Public, State of Texas

WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD

Novo Oil & Gas Northern Delaware, LLC

By: *Tim Fahler*

Tim Fahler, CEO

Date: 9/3/2020

ACKNOWLEDGEMENT

STATE OF Oklahoma)

) ss.

COUNTY OF Oklahoma)

On this 3 day of Sept, 2020 before me, a Notary Public for the State of Oklahoma personally appeared Tim Fahler known to me to be the CEO of the Novo O.I & Gas Northern Delaware, LLC corporation that executed the foregoing instrument and acknowledged to me that he executed the same.

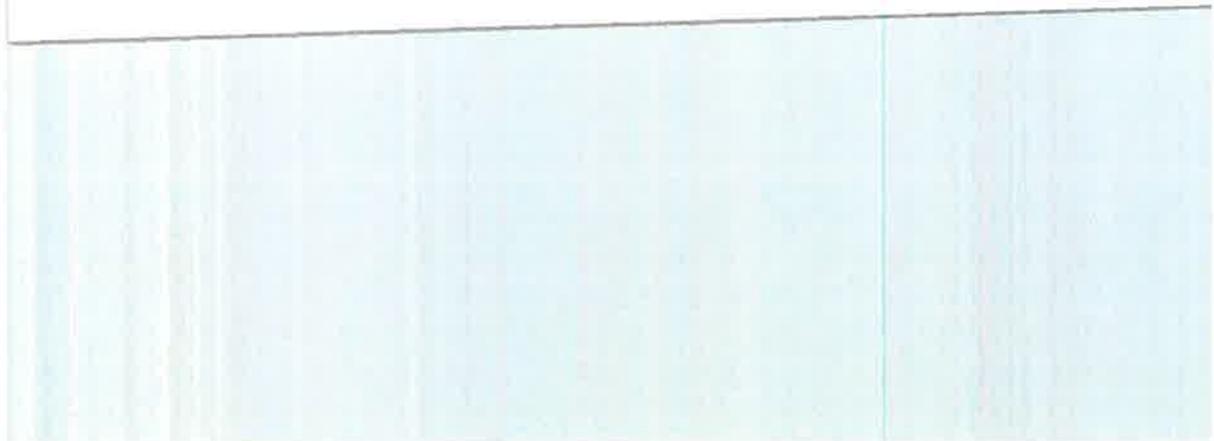
(SEAL)



Justin Carter
My Commission Expires

Justin Carter
Notary Public

W2 Jack Sleeper - Wolfcamp Formation
W/2 of Sections 9&16-23S-28E
Eddy County, New Mexico



WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD

Devon Energy Production Company, L.P.

By: Catherine Lebsack WR

Catherine Lebsack, Vice President

Date: August 11, 2020 

ACKNOWLEDGEMENT

STATE OF OKLAHOMA)
) ss.
COUNTY OF OKLAHOMA)

The foregoing instrument was acknowledged before me on this 11th
day of August, 2020 by Catherine Lebsack, Vice President of
Devon Energy Production Company, L.P., an Oklahoma limited partnership,
on behalf of said limited partnership.

(SEAL)

5/7/23
My Commission Expires



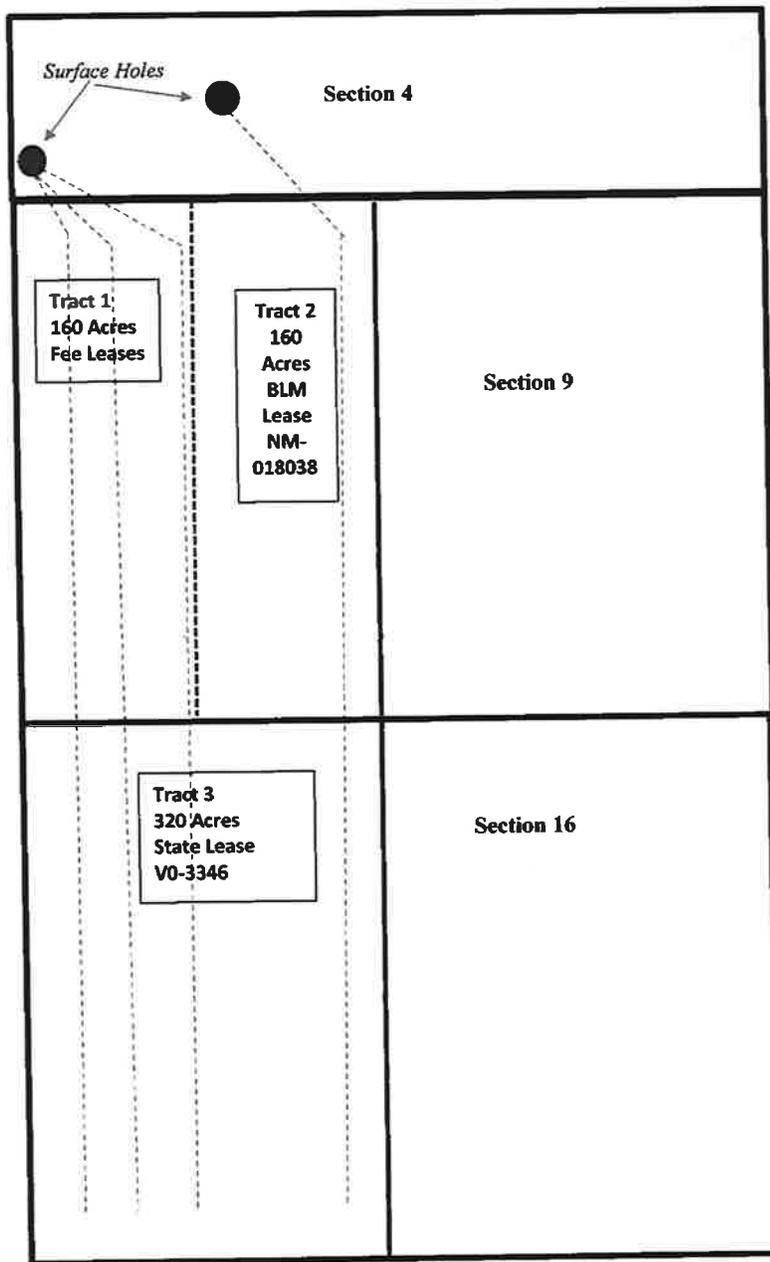
Clint Dake
Notary Public

W2 Jack Steepor - Wolfcamp Formation
W2 of Sections 9&16-23S-28E
Eddy County, New Mexico



EXHIBIT "A"

Plat of communized area covering 640.00 acres in W/2 of Section 9 and the W/2 of Section 16, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.



W2 Jack Sleeper - Wolfcamp Formation
W/2 of Sections 9&16-23S-28E
Eddy County, New Mexico

EXHIBIT "B"

To Communitization Agreement Dated June 19, 2019 embracing the following described land in W/2 of Section 9 and the W/2 of Section 16, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

Operator of Communitized Area: Matador Production Company

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lessor: **Fee Leases**

Description of Land Committed: Township 23 South, Range 28 East, Section 9: W/2 W/2, N.M.P.M., Eddy County, New Mexico

Number of Gross Acres: 160

Authority for Pooling: Leases contain a provision authorizing pooling in accordance with the acreage requirement of the agreement

Current Lessees of Record: MRC Permian Company
Novo Oil & Gas Northern Delaware, LLC
BEXP I, LP
Marathon Oil Company (Compulsory Pooled)
OXY USA Inc.

Name of Working Interest Owners: MRC Permian Company
Novo Oil & Gas Northern Delaware, LLC
BEXP I, LP
Marathon Oil Company (Compulsory Pooled)
OXY USA Inc.

Name of Overriding Royalty Interest Owners: Galber Investments, LLC
Llano Natural Resources, LLC

Tract No. 2

Lease Serial Number: The United States of America -NM-018038

Description of Land Committed: Township 23 South, Range 28 East, Section 9: E/2 W/2, N.M.P.M., Eddy County, New Mexico

Number of Gross Acres: 160.00

Current Lessee of Record: Devon Energy Production

Name of Working Interest Owners: MRC Permian Company

Name of Overriding Royalty Interest Owners: Farris C. Joseph, marital status unknown

W2 Jack Sleeper - Wolfcamp Formation
W/2 of Sections 9&16-23S-28E
Eddy County, New Mexico

Tract No. 3

Lease Serial Number: State of New Mexico – V0-3346

Description of Land Committed: Township 23 South, Range 28 East,
Section 16: W/2, N.M.P.M., Eddy County,
New Mexico

Number of Acres: 320

Current Lessee of Record: MRC Permian Company

Name of Working Interest Owners: MRC Permian Company

Name of Overriding Royalty Interest Owners: Thomas R. Nickoloff
Chalcam Exploration, LLC
David Petroleum Corp

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	160	25.00%
2	160	25.00%
3	320	50.00%
Total	640	100.00%

W2 Jack Sleeper - Wolfcamp Formation
W/2 of Sections 9&16-23S-28E
Eddy County, New Mexico

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

IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION DIVISION TO
CONSIDER:

CASE NO. 20327
ORDER NO. R-20630

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

ORDER OF THE DIVISION

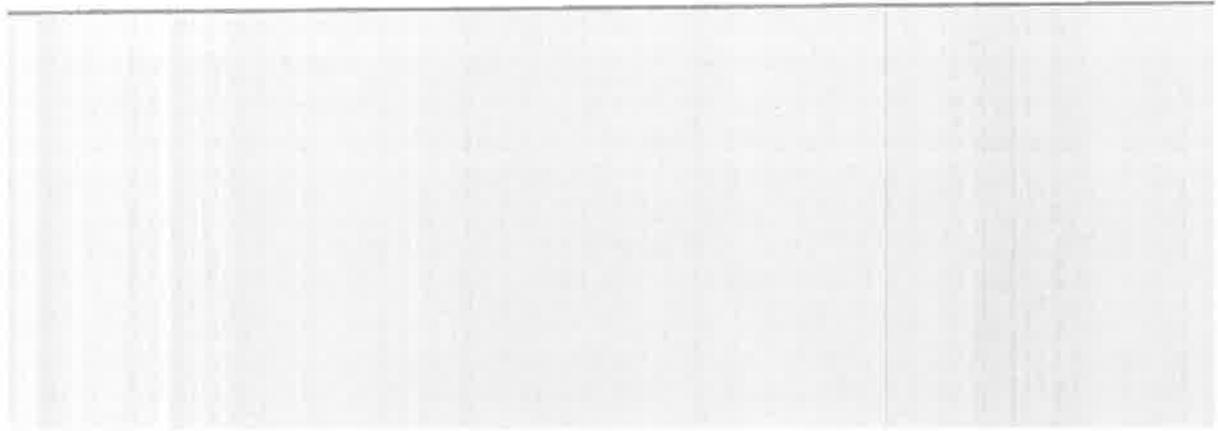
BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on April 4 2019, at Santa Fe, New Mexico,
before Examiner Michael A. McMillan.

NOW, on this 19th day of June 2019, the Division Director, having considered the
testimony, the record and the recommendations of the Examiner,

FINDS THAT

- (1) Due public notice has been given and the Division has jurisdiction of this case and the subject matter.
- (2) Applicant seeks to compulsory pool all uncommitted oil and gas interests within a spacing unit, as that unit is described in the attached Exhibit "A".
- (3) Applicant seeks to dedicate the Proposed Well(s) detailed in Exhibit "A" to the Unit.
- (4) No other party entered an appearance in this case or otherwise opposed this application.
- (5) Applicant appeared at the hearing through counsel and presented evidence to the effect that:
 - (a) All completed well locations are expected to be standard or Applicant will apply administratively for approval of location exceptions.



- (b) Notice by certified mail was provided to all uncommitted interest owners in the proposed Unit whose interests were evidenced by a conveyance instrument, either of record or known to Applicant when the Application was filed, and to heirs known to Applicant of deceased persons who appear as owners in such instrument.
- (c) Notice to certain affected parties was posted in a newspaper of general circulation in the county as provided in Rule 19.15.4.12.B NMAC.

The Division finds and concludes that

(6) If the location of any of the Well(s) is unorthodox when the well is completed under the spacing rules then in effect and applicable to the well, the operator must obtain a non-standard location approval prior to producing the well.

(7) Two or more separately owned tracts are embraced within the Unit, and/or there are royalty interests and/or undivided interests in oil and gas minerals in one or more tracts included in the Unit that are separately owned.

(8) Applicant is owner of an oil and gas working interest within the Unit. Applicant has the right to drill and proposes to drill the Well(s) to a common source of supply within the Unit at the described depths and location(s). Applicant should be allowed a one year period to complete at least one of the Well(s) after commencing drilling of the Well(s).

(9) There are interest owners in the Unit that have not agreed to pool their interests.

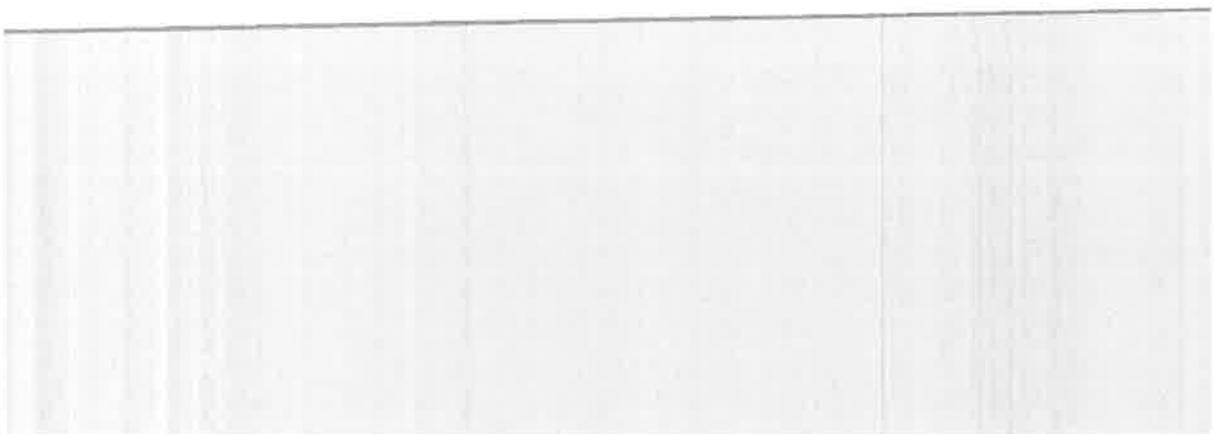
(10) To avoid the drilling of unnecessary wells, protect correlative rights, prevent waste and afford to the owner of each interest in the Unit the opportunity to recover or receive without unnecessary expense a just and fair share of hydrocarbons, this application should be approved by pooling all uncommitted interests, whatever they may be, in the oil and gas in the pooling depths or formation(s) within the Unit.

(11) To ensure protection of correlative rights, any pooled working interest owner whose address is known, and who has elected to participate under the terms of this order should be notified before the Division grants any extension of the time provided herein for commencing drilling. Any such owner may file an application, with notice to the operator, requesting that the extension be denied.

(12) Infill wells within the Unit should be subject to Division Rules 19.15.13.9 NMAC through 19.15.13.10 NMAC, and to the terms and conditions of this order.

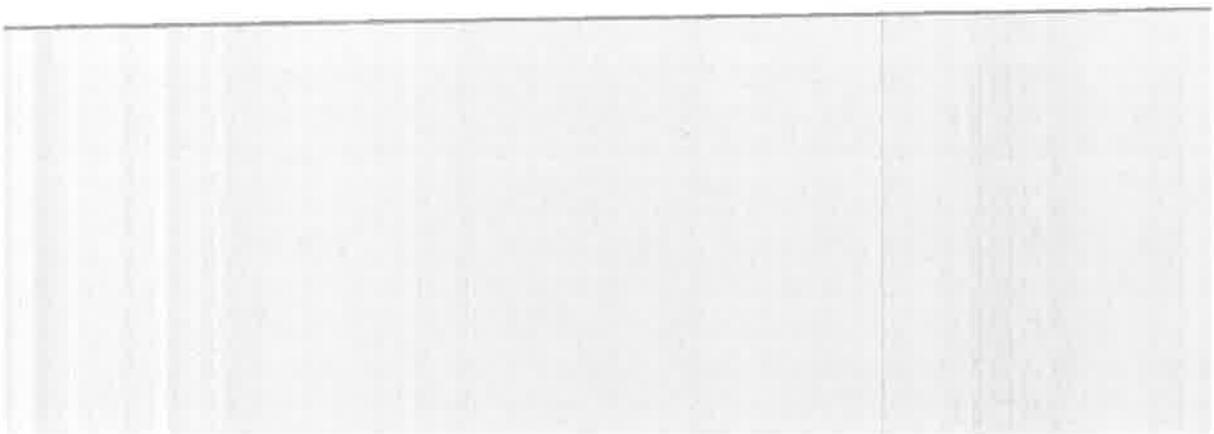
(13) Any pooled working interest owner who does not pay its share of estimated well costs of any well should have withheld from production from such well its share of reasonable well costs plus an additional 200% thereof as a reasonable charge for the risk involved in drilling the Well(s).

(14) Exhibit "A" and its details should be accepted and made a part of this order.



IT IS THEREFORE ORDERED THAT

- (1) All uncommitted interests, whatever they may be, in the oil and gas within the spacing unit (or the portion thereof within the pooled vertical extent) described in Exhibit "A" are hereby pooled. Exhibit "A" is incorporated herein by this reference and made a part of this order for all purposes.
- (2) The Unit shall be dedicated to the proposed "Well(s)".
- (3) If any of the Well(s) is completed at an unorthodox location under applicable rules in effect at the time such well is completed, the operator shall provide notice and apply administratively for a location exception prior to producing the well.
- (4) The operator of the Unit shall commence drilling the Well(s) on or before the end of the month in the year following the date of this order and shall thereafter continue drilling the Well(s) with due diligence to test the pooled formation or pooled vertical depths. The Well(s) shall be drilled approximately to the proposed true vertical and measured depths.
- (5) In the event the operator does not commence drilling the Well(s) on or before the date provided in the foregoing paragraph, the compulsory pooling provision of this order shall be of no effect, unless the operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.
- (6) In the event the operator does not commence completion operations within one year after commencement of drilling operations pursuant to this order, then the compulsory pooling provisions of this order shall be of no effect unless operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.
- (7) The operator shall provide a copy of any request for extension of time to drill or complete any well filed with the Director pursuant to this order to each pooled working interest owner who has elected to participate in the drilling of any well that is the subject of the request. Such copy shall be sent at the same time the request is sent to the Director.
- (8) Upon final plugging and abandonment of the Well(s) and any other well drilled on the Unit pursuant to Division Rule 19.15.13.9 NMAC, the pooled unit created by this order shall terminate unless this order has been amended to authorize further operations.
- (9) Infill wells within the Unit shall be subject to Division Rule 19.15.13.9 NMAC and to the terms and conditions of this order.
- (10) After pooling, uncommitted working interest owners are referred to as pooled working interest owners. ("Pooled working interest owners" are owners of working interests in the Unit, including unleased mineral interests, who are not parties to an operating agreement governing the Unit.) After the effective date of this order, the operator shall furnish the Division and each



known pooled working interest owner in the Unit separate itemized schedules of estimated costs of drilling, completing and equipping each of the Well(s) ("well costs").

(11) Within 30 days from the date the schedule of estimated well costs for any well is furnished, any pooled working interest owner shall have the right to elect to pay its share of estimated well costs to the operator in lieu of paying its share of reasonable well costs out of production as hereinafter provided. Payment shall be rendered within 90 days after expiration of the 30-day election period and any such owner who pays its share of estimated well costs as provided above for any well shall remain liable for operating costs but shall not be liable for risk charges to the extent computed based on costs of such well. Pooled working interest owners who do not elect to pay their share of estimated well costs, or who do not render timely payment to the operator, as provided in this paragraph shall thereafter be referred to as "non-consenting working interest owners."

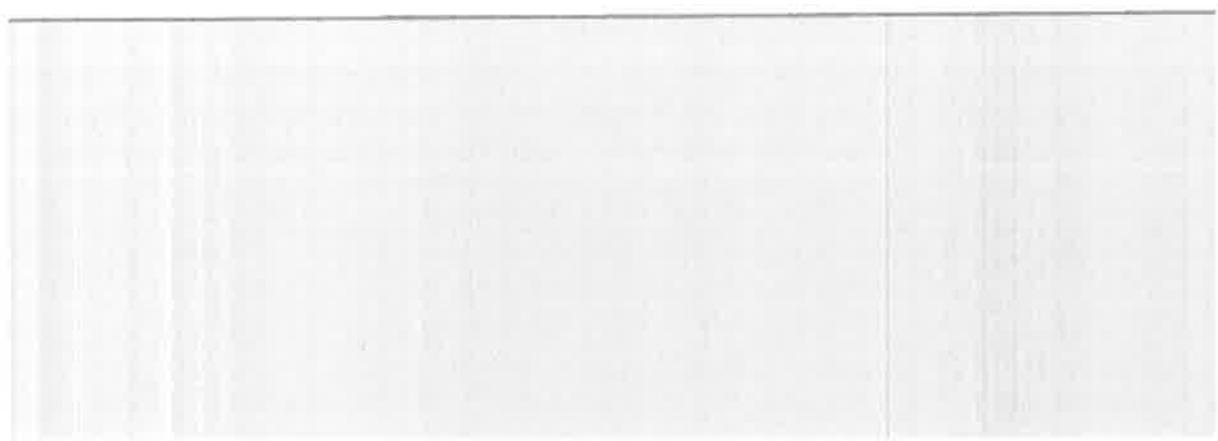
(12) The operator shall furnish the Division and each known pooled working interest owner (including non-consenting working interest owners) an itemized schedule of actual well costs of each well within 180 days following completion of the proposed well. If no objection to the actual well costs for any well is received by the Division, and the Division has not objected, within 45 days following receipt of the schedule for such well, the actual well costs shall be deemed to be the reasonable well costs. If there is an objection to actual well costs within the 45-day period, the Division will determine reasonable well costs for such well after public notice and hearing.

(13) Within 60 days following determination of reasonable well costs for any well, any pooled working interest owner who has paid its share of estimated costs of such well in advance as provided above shall pay to the operator its share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator the amount, if any, that the estimated well costs it has paid for such well exceed its share of reasonable well costs.

(14) The operator is hereby authorized to withhold the following costs and charges from each non-consenting working interest owner's share of production from each well:

- (a) the proportionate share of reasonable well costs attributable to the non-consenting working interest owner; and
- (b) as a charge for the risk involved in drilling the well, the percent (shown in Exhibit A) of the above costs.

(15) During the cost recovery period, the operator shall furnish to the Division and to each known non-consenting pooled working interest owner, annually, and within 90 days after payout occurs, a schedule of all revenues attributable to each proposed well, and all charges for supervision and operating costs charged against such revenues. Operating costs shall include all reasonable costs incurred for the maintenance and operation of the well, except for "well costs" reported pursuant to prior ordering paragraphs, that are properly chargeable to the joint account pursuant to COPAS procedures. If no objection to the operating costs is received by the Division, and the Division has not objected, within 45 days following receipt of any schedule, the costs shall



be deemed to be the reasonable operating costs. If there is an objection to the accuracy or reasonableness of operating costs reported within the 45-day period, the Division will determine reasonable operating costs after public notice and hearing.

(16) The operator shall distribute the costs and charges withheld from production, proportionately, to the parties who advanced the well costs for such well.

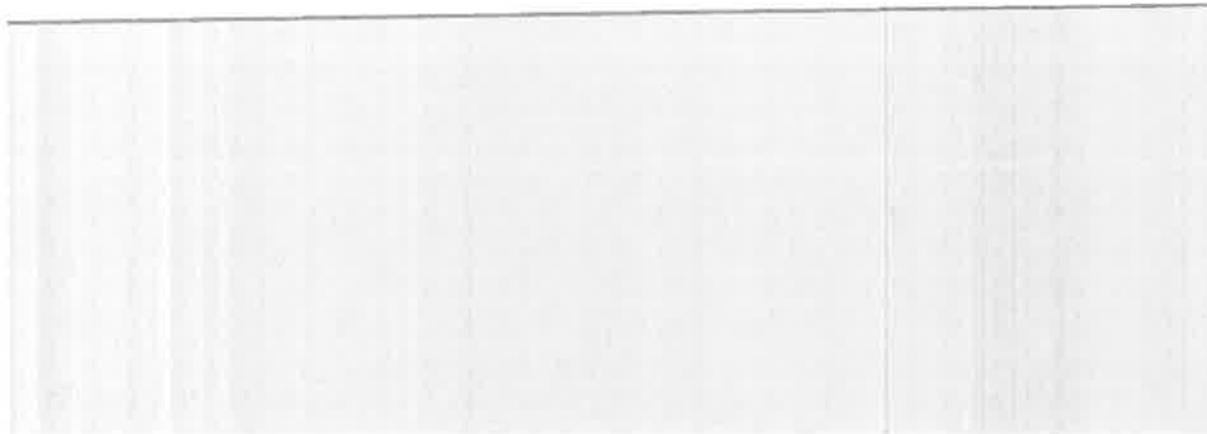
(17) Reasonable charges for supervision (combined fixed rates) are hereby fixed at the rates shown in Exhibit "A" per month, per well, while drilling and while producing, provided that these rates shall be adjusted annually pursuant to the COPAS form titled "Accounting Procedure-Joint Operations." The operator is authorized to withhold from production from each well the proportionate share of both the supervision charges and the actual expenditures required for operating of such well, not more than what are reasonable, attributable to pooled working interest owners.

(18) Except as provided in the foregoing paragraphs, all proceeds from production from the Well(s) that are not disbursed for any reason shall be held for the account of the person or persons entitled thereto pursuant to the Oil and Gas Proceeds Payment Act (NMSA 1978 Sections 70-10-1 through 70-10-6, as amended). If not sooner disbursed, such proceeds shall be turned over to the appropriate authority as and when required by the Uniform Unclaimed Property Act (NMSA 1978 Sections 7-8A-1 through 70-8A-31, as amended).

(19) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for allocating costs and charges under this order. Any costs that are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

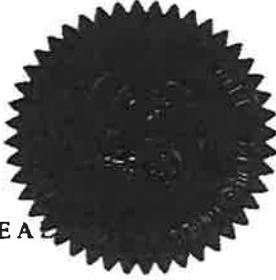
(20) Should all the parties to this compulsory pooling order reach voluntary agreement after entry of this order, this order shall thereafter be of no further effect.

(21) The operator of the wells and Unit shall notify the Division in writing of the subsequent voluntary agreement of any party subject to the compulsory pooling provisions of this order.



(22) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEA

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Handwritten signature of Adrienne Sandoval.

ADRIENNE SANDOVAL
Director

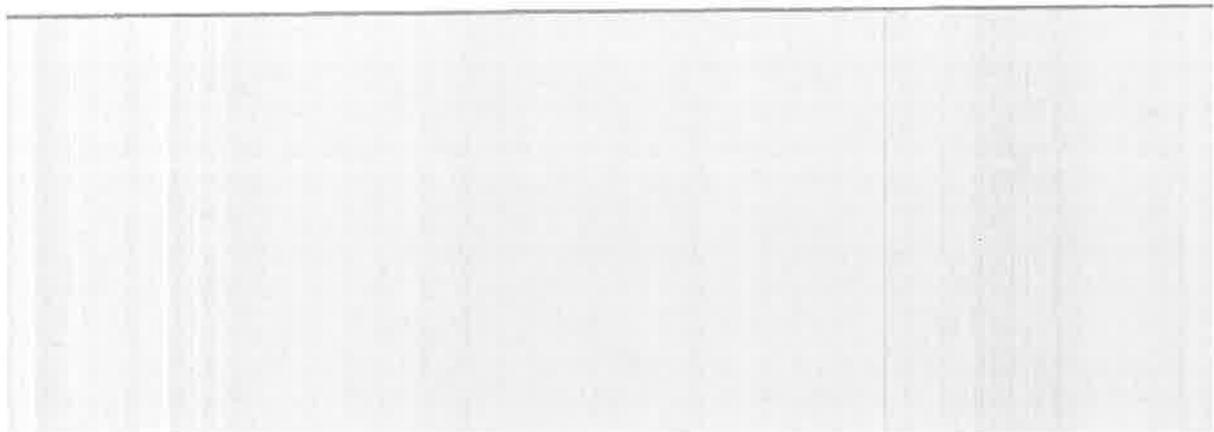


Exhibit A

Applicant: Matador Production Company
Operator: Matador Production Company (OGRID 228937)

Cases Consolidated for Hearing: N/A

Spacing Unit: Horizontal Gas
Building Blocks: 320 acres (more or less)
Size (more or less): 640 acres (more or less)
Orientation of Unit: North/South
Unit Description: W/2 of Section 9 and W/2 of Section 16, all in Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico

Pooling this Vertical Extent: Wolfcamp Formation
Depth Severance? (Yes/No): No
Pool: Purple Sage; Wolfcamp (Gas) (Pool code 98220)
Pool Spacing Unit Size: Half Section or quarter-section
Governing Well Setbacks: Special pool rules for the Purple Sage; Wolfcamp (Gas)
Pool, promulgated in Order No. R-14262 issued in Case No. 15535 which has 330 foot offsets from any Unit boundary within a standard 320-acre, deep gas spacing unit.
Pool Rules: Purple Sage; Wolfcamp (Gas) Special pool rules

Proximity Tracts: None Included

Monthly charge for supervision: While drilling: \$8000 While producing: \$800

As the charge for risk, 200 percent of reasonable well costs.

There are five Proposed Wells:

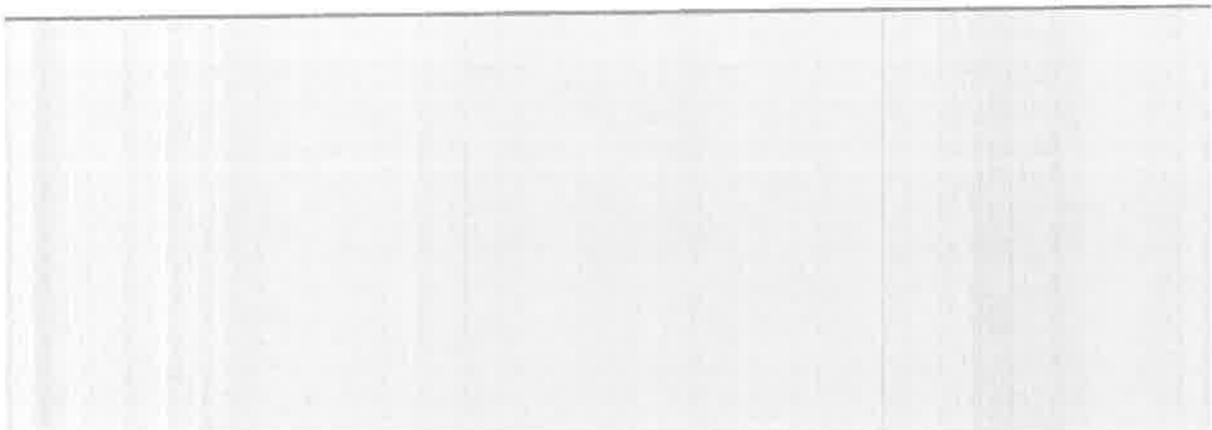
Jack Sleeper Com Well No. 201H, API No. 30-015-Pending

SHL: 240 feet from the North line and 330 feet from the West line, (Unit D) of Section 21, Township 23 South, Range 28 East, NMPM.
BHL: 761 feet from the North line and 1156 feet from the East line, (Unit D) of Section 9, Township 23 South, Range 28 East, NMPM.

Jack Sleeper Com Well No. 215H, API No. 30-015-Pending

SHL: 736 feet from the North line and 1140 feet from the West line, (Unit D) of Section 21, Township 23 South, Range 28 East, NMPM.
BHL: 240 feet from the North line and 1320 feet from the West line, (Unit D) of Section 9, Township 23 South, Range 28 East, NMPM.

Jack Sleeper Com Well No. 221H, API No. 30-015-Pending



SHL: 744 feet from the North line and 1181 feet from the West line,
(Unit D) of Section 21, Township 23 South, Range 28 East, NMPM.
BHL: 240 feet from the North line and 330 feet from the West line,
(Unit D) of Section 9, Township 23 South, Range 28 East, NMPM.

Jack Sleeper Com Well No. 202H, API No. 30-015-Pending

SHL: 744 feet from the North line and 1248 feet from the West line,
(Unit D) of Section 21, Township 23 South, Range 28 East, NMPM.
BHL: 240 feet from the North line and 2310 feet from the West line,
(Unit C) of Section 9, Township 23 South, Range 28 East, NMPM

Jack Sleeper Com Well No. 222H, API No. 30-015-Pending

SHL: 675 feet from the North line and 1231 feet from the West line,
(Unit D) of Section 21, Township 23 South, Range 28 East, NMPM.
BHL: 240 feet from the North line and 2310 feet from the West line,
(Unit C) of Section 9, Township 23 South, Range 28 East, NMPM

For Proposed Wells:

Completion Target:
Wolfcamp at approximately 9500 feet and 10350 TVD
Well Orientation: South to North
Completion Location expected to be: Standard



Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the **1st** day of **February, 2022**, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

E2W2 of Sections 9 & 16, Township 23S, Range 28E, Eddy County, New Mexico.

Containing **320.00** acres, and this agreement shall include only the Bone Spring Formation underlying said lands and the **oil and gas** hereafter referred to as "communitized substances," producible from such formation(s).

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and

ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

3. The Operator of the communitized area shall be **Matador Production Company 5400 Lyndon B Johnson Fwy, Suite 1500, Dallas, Texas, 75240**. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8th or 12 ½ percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 7/8th should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the

communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes.

This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.

10. The date of this agreement is **February 1, 2022**, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all

parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

- 15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Operator: Matador Production Company

Signature of Authorized Agent

By: Craig N. Adams Executive Vice President
Name & Title of Authorized Agent

Date: _____

ACKNOWLEDGEMENT

STATE OF TEXAS)

COUNTY OF DALLAS)

On this ___ day of _____, 2022, before me, a Notary Public for the State of Texas, personally appeared Craig N. Adams, known to me to be the Executive Vice President of Matador Production Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

MRC Permian Company

By: _____

Craig N. Adams Executive Vice President
Print Name

Date: _____

ACKNOWLEDGEMENT

STATE OF TEXAS)

COUNTY OF DALLAS)

On this ____ day of _____, 2022, before me, a Notary Public for the State of Texas, personally appeared Craig N. Adams, known to me to be the Executive Vice President of MRC Permian Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING
INTEREST

COMMUNITIZATION AGREEMENT: _____

I, the undersigned, hereby certify, on behalf of **Matador Production Company**, the Operator under the captioned Communitization Agreement, that all working interest owners shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the true and correct owners of the leases committed to the Communitization Agreement, and the consents of the requisite working interest owners have been obtained.

I, further certify that the Communitization Agreement follows the standard form except for Sections 1 and 10.

NAME: _____

Signature of office

Printed: Craig N. Adams

TITLE: Executive Vice President

Phone number : (972) -371-5200

EXHIBIT "A"

Plat of communitized area covering **320.00** acres in E2W2 of Sections 9 & 16, Township 23 South, Range 28 East, Eddy County, New Mexico.

Jack Sleeper Fed Com #122H

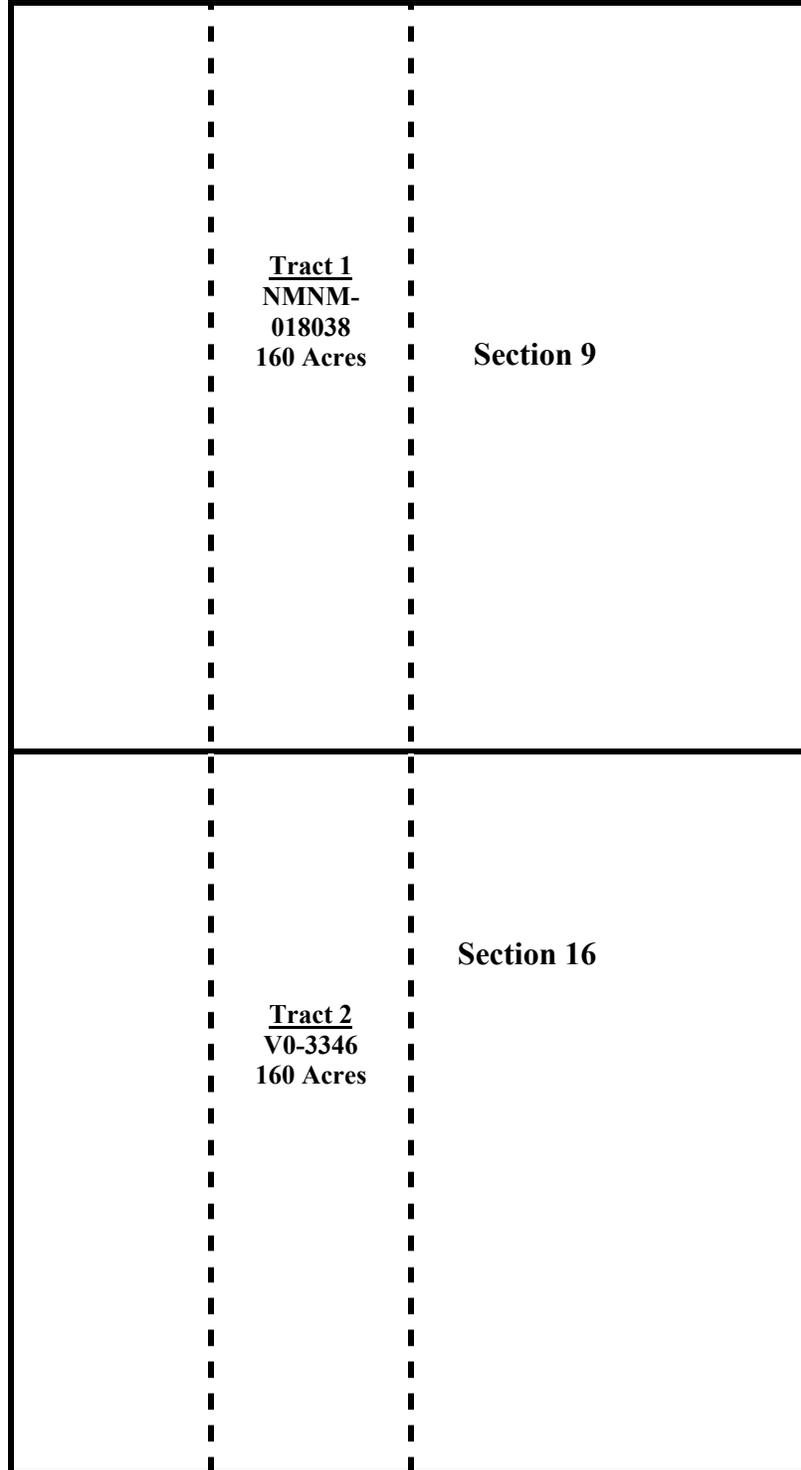


EXHIBIT "B"

Attached to and made a part of that certain Communitization Agreement dated **February 1, 2022**, embracing the following described land in the **E2W2 of Sections 9 & 16, Township 23 South, Range 28 East, Eddy County, New Mexico.**

Operator of Communitized Area: **Matador Production Company**

DESCRIPTION OF LEASES COMMITTEDTRACT NO. 1

Lease Serial No.:	NMNM-018038
Current Lessee of Record:	Devon Energy Production
Description of Land Committed: Subdivisions:	Township 23 South, Range 28 East, Section 09: E2W2
Number of Gross Acres:	160
Name of Working Interest Owners:	MRC Permian Company

TRACT NO. 2

Lease Serial No.:	State of New Mexico: V0-3346
Current Lessee of Record:	MRC Permian Company
Description of Land Committed: Subdivisions:	Township 23 South, Range 28 East, Section 16: E2W2
Number of Gross Acres:	160
Name of Working Interest Owners:	MRC Permian Company

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	160.00	50.00%
2	160.00	50.00%
Total	320.00	100.00%

NM State Land Office
Oil, Gas, & Minerals Division

STATE/FEDERAL OR
STATE/FEDERAL/FEE
Revised Feb. 2013

ONLINE Version
COMMUNITIZATION AGREEMENT

Contract No. _____

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto,"
W I T N E S S E T H:

WHEREAS, the Act of February 25, 1920, 41 Stat. 437, as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a federal oil and gas lease, or any portions thereof, with other lands, whether or not owned by the United States, when separate tracts under such federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area, and such communitization or pooling is determined to be in the public interest; and,

WHEREAS, the Commissioner of Public Lands of the State of New Mexico, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such pooling is determined to be in the public interest; and,

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of the agreement;

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Subdivisions W2W2 _____,

Sect 9&16, T 23 South, R 28 East, NMPM Eddy County NM containing 320.00 acres, more or less, and this agreement shall include only the Bone Spring Formation underlying said lands and the oil and gas (hereinafter referred to as "communitized substances") producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "B" designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States and the State of New Mexico, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any federal lease bearing a sliding-or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is February _____ Month 1st Day, 2022 Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his duly authorized representative, and by the Commissioner or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced or can be produced from the communitized area in paying quantities; provided, that the two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of the capability of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

- 12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
- 13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first written and have set opposite their respective names the date of execution.

Operator: Matador Production Company

By: Craig N. Adams – Executive Vice President
Name & Title of Authorized Agent

Signature of Authorized Agent

ACKNOWLEDGEMENT

STATE OF TEXAS §

COUNTY OF DALLAS §

This instrument was acknowledged before me on _____, 2022, by **Craig N. Adams, as Executive Vice President for Matador Production Company**, on behalf of said corporation.

Signature

Name (Print)
My commission expires _____

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

MRC Permian Company

By: _____

Print Name

Date: _____

Acknowledgment in a Representative Capacity

STATE OF TEXAS §

COUNTY OF DALLAS §

This instrument was acknowledged before me on _____, 2022, by **Craig N. Adams, as Executive Vice President**, for **MRC Permian Company** on behalf of said corporation.

Signature

Name (Print)
My commission expires _____

EXHIBIT "A"

Plat of communitized area covering 320.00 acres in W2W2 of Sections 9 & 16, Township 23 South, Range 28 East, Eddy County, New Mexico.

Jack Sleeper Fed Com #121H

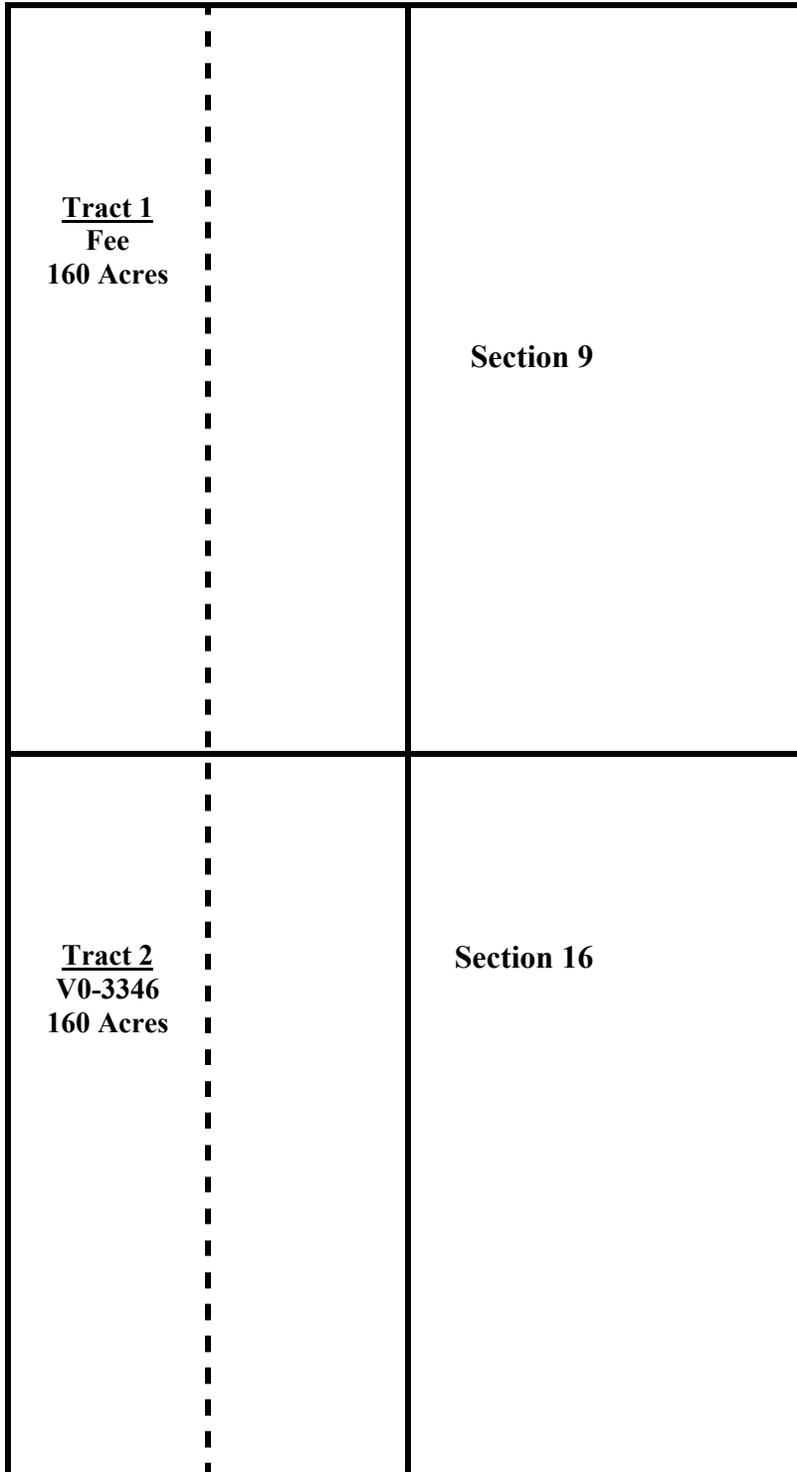


EXHIBIT B

Attached to and made a part of that certain Communitization Agreement dated **February 1, 2022**, embracing the following described land in the **W2W2 of Sections 9 &16, Township 23 South, Range 28 East, Eddy County, New Mexico.**

Operator of Communitized Area: Matador Production Company

DESCRIPTION OF LEASES COMMITTED**TRACT NO. 1**

Lease Serial No.:	Fee Leases
Current Lessee of Record:	MRC Permian Company Novo Oil & Gas Northern Delaware, LLC BEXP I, LP Marathon Oil Company (Compulsory Pooled) OXY USA INC
Description of Land Committed:	Township 23 South, Range 28 East, Section 09: W2W2
Subdivisions:	
Number of Gross Acres:	160
Name of Working Interest Owners:	MRC Permian Company Novo Oil & Gas Northern Delaware, LLC BEXP I, LP Marathon Oil Company (Compulsory Pooled) OXY USA INC Chief Capital (O&G) II, LLC (Compulsory Pooled)

TRACT NO. 2

Lease Serial No.:	V0-3346
Lease Date:	7/1/1990
Lease Term:	5 Years
Lessor:	State of New Mexico
Present Lessee:	MRC Permian Company
Description of Land Committed: Subdivisions:	Township 23 South, Range 28 East, Section 16: W2W2
Number of Acres:	160
Royalty Rate:	1/6th
Name and WI Owners:	MRC Permian Company

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	160.00	50.00%
2	160.00	50.00%
Total	320.00	100.00%

NM State Land Office
Oil, Gas, & Minerals Division

STATE/FEDERAL OR
STATE/FEDERAL/FEE
Revised Feb. 2013

ONLINE Version
COMMUNITIZATION AGREEMENT

Contract No. _____

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto,"
W I T N E S S E T H:

WHEREAS, the Act of February 25, 1920, 41 Stat. 437, as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a federal oil and gas lease, or any portions thereof, with other lands, whether or not owned by the United States, when separate tracts under such federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area, and such communitization or pooling is determined to be in the public interest; and,

WHEREAS, the Commissioner of Public Lands of the State of New Mexico, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such pooling is determined to be in the public interest; and,

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of the agreement;

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Subdivisions E2W2 _____,

Sect 9&16, T 23 South, R 28 East, NMPM Eddy County NM containing 320.00 acres, more or less, and this agreement shall include only the Bone Spring Formation underlying said lands and the Oil & Gas (hereinafter referred to as "communitized substances") producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "B" designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States and the State of New Mexico, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any federal lease bearing a sliding-or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is February _____ Month 1st Day, 2022 Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his duly authorized representative, and by the Commissioner or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced or can be produced from the communitized area in paying quantities; provided, that the two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of the capability of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

- 12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
- 13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first written and have set opposite their respective names the date of execution.

Operator: Matador Production Company

By: Craig N. Adams – Executive Vice President
Name & Title of Authorized Agent

Signature of Authorized Agent

ACKNOWLEDGEMENT

STATE OF TEXAS §

COUNTY OF DALLAS §

This instrument was acknowledged before me on _____, 2022, by **Craig N. Adams, as Executive Vice President for Matador Production Company**, on behalf of said corporation.

Signature

Name (Print)

My commission expires _____

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

MRC Permian Company

By: _____

Print Name

Date: _____

Acknowledgment in a Representative Capacity

STATE OF TEXAS §

COUNTY OF DALLAS §

This instrument was acknowledged before me on _____, 2022, by **Craig N. Adams, as Executive Vice President**, for **MRC Permian Company** on behalf of said corporation.

Signature

Name (Print)
My commission expires _____

EXHIBIT "A"

Plat of communitized area covering **320.00** acres in E2W2 of Sections 9 & 16, Township 23 South, Range 28 East, Eddy County, New Mexico.

Jack Sleeper Fed Com #122H

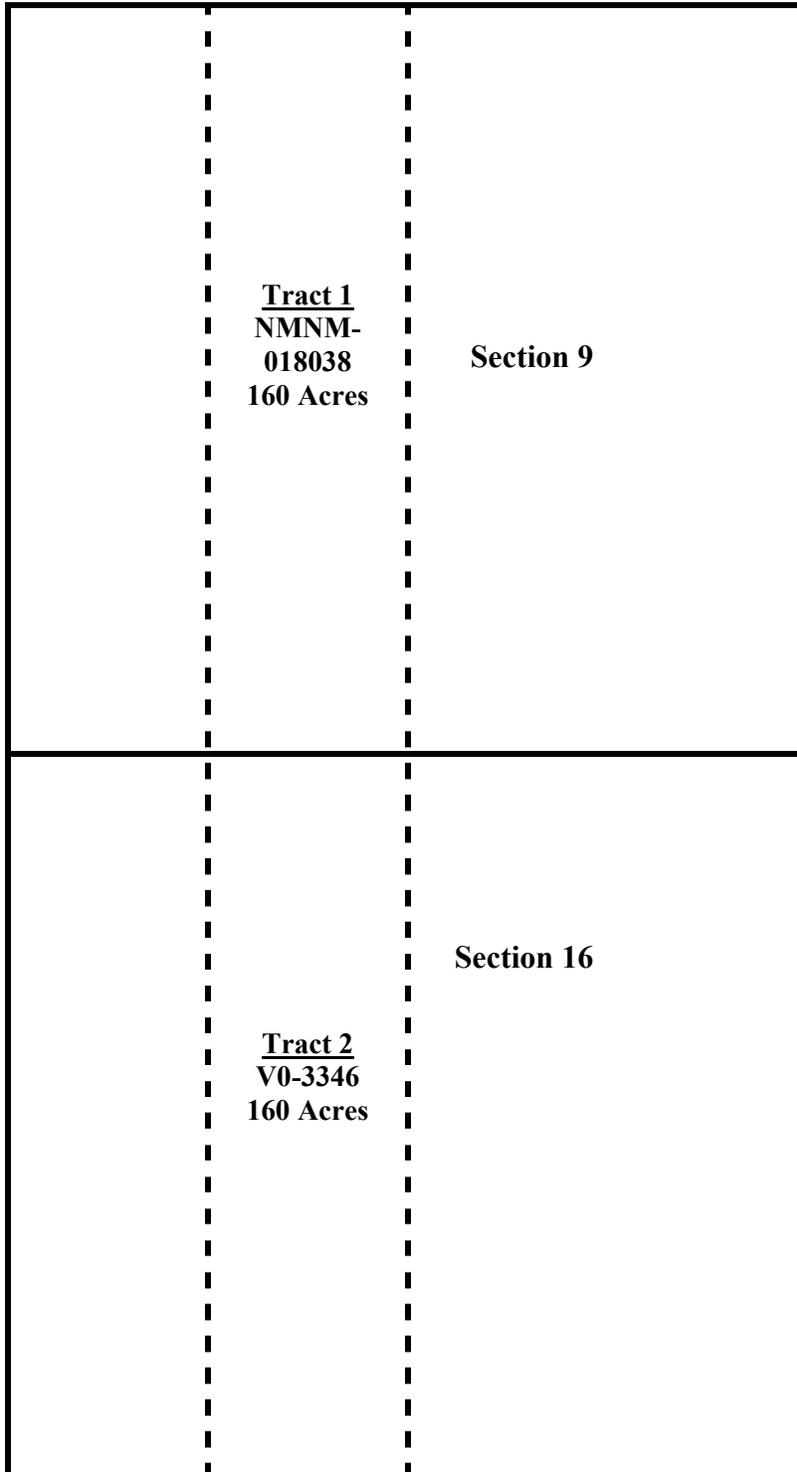


EXHIBIT B

Attached to and made a part of that certain Communitization Agreement dated **February 1, 2022**, embracing the following described land in the **E2W2 of Sections 9 &16, Township 23 South, Range 28 East, Eddy County, New Mexico.**

Operator of Communitized Area: Matador Production Company

DESCRIPTION OF LEASES COMMITTED

TRACT NO. 1

Lease Serial No.:	NMNM-018038
Current Lessee of Record:	Devon Energy Production
Description of Land Committed:	Township 23 South, Range 28 East, Section 09: E2W2
Subdivisions:	
Number of Gross Acres:	160
Name of Working Interest Owners:	MRC Permian Company

TRACT NO. 2

Lease Serial No.:	V0-3346
Lease Date:	7/1/1990
Lease Term:	5 Years
Lessor:	State of New Mexico
Present Lessee:	MRC Permian Company
Description of Land Committed: Subdivisions:	Township 23 South, Range 28 East, Section 16: E2W2
Number of Acres:	160
Royalty Rate:	1/6th
Name and WI Owners:	MRC Permian Company

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	160.00	50.00%
2	160.00	50.00%
Total	320.00	100.00%

ADDR1	ADDR2	ADDR3	ADDR4	ADDR5
Anthony L Moschetto Rev Trust	dtd 7/13/2018, Anthony Moschetto Trustee	Dallas	TX	75360
Barbara Anna Combs	P. O. Box 600635 9440 US Hwy 27 South	Waynesburg	KY	40489-8852
Betty Lee Brown	16396 Highway 11	New Boston	MO	63557-2657
BEXP I OG LLC	5914 W Courtyard Dr Ste 340	Austin	TX	78730
Carnegie Energy, LLC	4925 Greenville Ave, Suite 200	Dallas	TX	75206
Carole D Skeen	1508 West Riverside Drive	Carlsbad	NM	88220-4164
Chalcam Exploration LLC	403 Tierra Berrenda	Roswell	NM	88201
Chief Capital (O&G) II, LLC	8111 Westchester Dr Ste 900	Dallas	TX	75225-6146
DAVID PETROLEUM CORPORATION	116 W 1ST ST.	ROSWELL	NM	88203
Diane N Smith	18710 Kenya Street	Porter Ranch	CA	91326-2418
Donald Braymer	28250 Hwy 130	Laclede	MO	64651-8108
Dorothy G Vescovo	2500 Barton Creek Blvd #2314	Austin	TX	78735-1627
Earl Don Ramsey	1305 Dakota Trail	Krum	TX	76249
Excess Energy LLC	1701 River Run Ste 306	Fort Worth	TX	76107-6547
GGM EXPLORATION INC	PO Box 123610	Fort Worth	TX	76121-3610
Jean Carolyn Patterson	1608 Landsun Drive	Carlsbad	NM	88220
Jeanette Pearl DeRousse	250 Bellview Street	Junction City	KY	40440-8516
John R Wiley	168 Green Valley Drive	Blythe	CA	92225-2008
Karen S Pfost	1506 East Grove Street	Bloomington	IL	61701-4218
KMF Land LLC	Kimmeridge Mineral Fund, LP 1144 15th St Ste 2650	Denver	CO	80202
Llano Natural Resources LLC	PO Box 65318	Lubbock	TX	79464
MARATHON OIL PERMIAN, LLC	PO Box 732312	Dallas	TX	75373-2312
Margaret Hall Michaels Est	PO Box 50215	Midland	TX	79710-0215
Michael D Glasscock	P O Box 1148	Santa Fe	NM	87504
New Mexico State Land Office	P.O. Box 840321	Dallas	TX	75284-0321
Nilo Operating Company	1001 West Wilshire Boulevard Suite 206	Oklahoma City	OK	73116
Novo Minerals LP	PO Box 25627	Denver	CO	80225-0627
Office of Natural Resources	PO Box 27570	Houston	TX	77227-7570
OXY USA Inc.	4840 Alden St	Shawnee	KS	66216-5138
Patricia Braymer Davison	221 Williamsburg Lane	Ovilla	TX	75154
Patricia Thompson Flournoy	P.O. Box 470698	Fort Worth	TX	76147
Pegasus Resources II LLC	Karen S Pfost Trt	Bloomington	IL	61701-4218
Pfost Fam Rev Tr dtd 5-12-2011	1506 East Grove Street			
Precious Lady Holdings LLC	PO Box 1479	Carlsbad	NM	88221-1479
Ranchito AD4 LP	2100 Ross Ave Suite 1870 LB-9	Dallas	TX	75201
RE Glasscock Oil & Gas Prts LLC	PO Box 50215	Midland	TX	79710-0215
Springwood Minerals 6 LP	PO Box 3579	Midland	TX	79702-3579
TD MINERALS LLC	8111 WESTCHESTER DR STE 900	DALLAS	TX	75225-6146
Thomas R Nickoloff	P.O. Box 51807	Midland	TX	79710-1807
TILDEN CAPITAL MINERALS LLC	PO BOX 470857	FORT WORTH	TX	76147-0857
Tundra AD3 LP	2100 Ross Ave Ste 1870, LB-9	Dallas	TX	75201-6773
Vernetta L Poyner	806 W 35th Street	Higginsville	MO	64037-1872
Wilbur Richard Braymer	6029 North Norton Avenue	Gladstone	MO	64119
Bureau of Land Management	301 Dinosaur Trail	Santa Fe	NM	87508
Bureau of Land Management	620 E Greene St.	Carlsbad	NM	88220

EXHIBIT 5



Adam G. Rankin
Phone (505) 954-7294
Fax (505) 819-5579
AGRankin@hollandhart.com

February 28, 2022

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PARTIES

Re: Application of Matador Production Company for administrative approval to surface commingle (pool and lease commingle) oil and gas production at the Jack Sleeper Tank Battery located in the SE/4SE/4 of Section 5 and SW/4SW/4 of Section 4, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application, which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date at the Division's Santa Fe office located at 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Kyle Perkins
Matador Production Company
(972) 371-5202
kperkins@matadorresources.com

Sincerely,

A handwritten signature in blue ink, appearing to read 'A.G. Rankin'.

Adam G. Rankin
ATTORNEY FOR
MATADOR PRODUCTION COMPANY

Parent ID	Mail Date	Company	Name	Address	City	ST	Zip	Mail Class	TrackingNo	Well
31309	03/01/2022	Anthony L Moschetto Rev Trust, Dtd 7/13/2018,	Anthony Moschetto Trustee	PO Box 600635	Dallas	TX	75360-0635	Certified with Return Receipt (Signature)	941481189876 5840535433	71933 - MRC - Jack Sleeper C107B - notice list - 1
31309	03/01/2022		Diane N Smith	18710 Kenya St	Porter Ranch	CA	91326-2418	Certified with Return Receipt (Signature)	941481189876 5840532814	71933 - MRC - Jack Sleeper C107B - notice list - 10
31309	03/01/2022		Donald Braymer	28250 Highway 130	Laclede	MO	64651-8108	Certified with Return Receipt (Signature)	941481189876 5840532869	71933 - MRC - Jack Sleeper C107B - notice list - 11
31309	03/01/2022		Dorothy G Vescovo	2500 Barton Creek Blvd Apt 2314	Austin	TX	78735-1627	Certified with Return Receipt (Signature)	941481189876 5840532807	71933 - MRC - Jack Sleeper C107B - notice list - 12
31309	03/01/2022		Earl Don Ramsey	1305 Dakota Trl	Krum	TX	76249-6878	Certified with Return Receipt (Signature)	941481189876 5840532845	71933 - MRC - Jack Sleeper C107B - notice list - 13

Parent ID	Mail Date	Company	Name	Address	City	ST	Zip	Mail Class	TrackingNo	Well
31309	03/01/2022		Excess Energy LLC	1701 River Run Ste 306	Fort Worth	TX	76107-6547	Certified with Return Receipt (Signature)	941481189876 5840532876	71933 - MRC - Jack Sleeper C107B - notice list - 14
31309	03/01/2022		GGM Exploration INC	PO Box 123610	Fort Worth	TX	76121-3610	Certified with Return Receipt (Signature)	941481189876 5840532753	71933 - MRC - Jack Sleeper C107B - notice list - 15
31309	03/01/2022		Jean Carolyn Patterson	1608 Landsun Dr	Carlsbad	NM	88220-4010	Certified with Return Receipt (Signature)	941481189876 5840532722	71933 - MRC - Jack Sleeper C107B - notice list - 16
31309	03/01/2022		Jeanette Pearl DeRousse	250 Bellview St	Junction City	KY	40440-8516	Certified with Return Receipt (Signature)	941481189876 5840532791	71933 - MRC - Jack Sleeper C107B - notice list - 17

Parent ID	Mail Date	Company	Name	Address	City	ST	Zip	Mail Class	TrackingNo	Well
31309	03/01/2022		John R Wiley	168 Green Valley Rd	Blythe	CA	92225-2008	Certified with Return Receipt (Signature)	941481189876 5840532784	71933 - MRC - Jack Sleeper C107B - notice list - 18
31309	03/01/2022		Karen S Pfof	1506 E Grove St	Bloomington	IL	61701-4218	Certified with Return Receipt (Signature)	941481189876 5840532913	71933 - MRC - Jack Sleeper C107B - notice list - 19
31309	03/01/2022		Barbara Anna Combs	9440 US Highway 27 S	Waynesburg	KY	40489-8852	Certified with Return Receipt (Signature)	941481189876 5840535518	71933 - MRC - Jack Sleeper C107B - notice list - 2
31309	03/01/2022		KMF Land LLC, Kimmeridge Mineral Fund, LP	1144 15th St Ste 2650	Denver	CO	80202-2686	Certified with Return Receipt (Signature)	941481189876 5840532968	71933 - MRC - Jack Sleeper C107B - notice list - 20

Parent ID	Mail Date	Company	Name	Address	City	ST	Zip	Mail Class	TrackingNo	Well
31309	03/01/2022		Llano Natural Resources LLC	PO Box 65318	Lubbock	TX	79464-5318	Certified with Return Receipt (Signature)	941481189876 5840532999	71933 - MRC - Jack Sleeper C107B - notice list - 21
31309	03/01/2022		Marathon Oil Permian, LLC	PO Box 732312	Dallas	TX	75373-2312	Certified with Return Receipt (Signature)	941481189876 5840532982	71933 - MRC - Jack Sleeper C107B - notice list - 22
31309	03/01/2022		Michael D Glasscock	PO Box 50215	Midland	TX	79710-0215	Certified with Return Receipt (Signature)	941481189876 5840532975	71933 - MRC - Jack Sleeper C107B - notice list - 23
31309	03/01/2022		New Mexico State Land Office	PO Box 1148	Santa Fe	NM	87504-1148	Certified with Return Receipt (Signature)	941481189876 5840532654	71933 - MRC - Jack Sleeper C107B - notice list - 24

Parent ID	Mail Date	Company	Name	Address	City	ST	Zip	Mail Class	TrackingNo	Well
31309	03/01/2022		Nilo Operating Company	PO Box 840321	Dallas	TX	75284-0321	Certified with Return Receipt (Signature)	941481189876 5840532623	71933 - MRC - Jack Sleeper C107B - notice list - 25
31309	03/01/2022		Novo Minerals LP	1001 W Wilshire Blvd Ste 206	Oklahoma City	OK	73116-7058	Certified with Return Receipt (Signature)	941481189876 5840532197	71933 - MRC - Jack Sleeper C107B - notice list - 26
31309	03/01/2022		Office of Natural Resources	PO Box 25627	Denver	CO	80225-0627	Certified with Return Receipt (Signature)	941481189876 5840532135	71933 - MRC - Jack Sleeper C107B - notice list - 27
31309	03/01/2022		OXY USA Inc.	PO Box 27570	Houston	TX	77227-7570	Certified with Return Receipt (Signature)	941481189876 5840532173	71933 - MRC - Jack Sleeper C107B - notice list - 28

Parent ID	Mail Date	Company	Name	Address	City	ST	Zip	Mail Class	TrackingNo	Well
31309	03/01/2022		Patricia Braymer Davison	4840 Alden St	Shawnee	KS	66216-5138	Certified with Return Receipt (Signature)	941481189876 5840532364	71933 - MRC - Jack Sleeper C107B - notice list - 29
31309	03/01/2022		Betty Lee Brown	16396 Highway 11	New Boston	MO	63557-2657	Certified with Return Receipt (Signature)	941481189876 5840535563	71933 - MRC - Jack Sleeper C107B - notice list - 3
31309	03/01/2022		Patricia Thompson Flournoy	221 Williamsburg Ln	Ovilla	TX	75154-3333	Certified with Return Receipt (Signature)	941481189876 5840532302	71933 - MRC - Jack Sleeper C107B - notice list - 30
31309	03/01/2022		Pegasus Resources II LLC	PO Box 470698	Fort Worth	TX	76147-0698	Certified with Return Receipt (Signature)	941481189876 5840532340	71933 - MRC - Jack Sleeper C107B - notice list - 31

Parent ID	Mail Date	Company	Name	Address	City	ST	Zip	Mail Class	TrackingNo	Well
31309	03/01/2022	Pfost Fam Rev Tr Dtd 5-12-2011,	Karen S Pfost Trt	1506 E Grove St	Bloomingt on	IL	61701- 4218	Certified with Return Receipt (Signature)	941481189876 5840532333	71933 - MRC - Jack Sleeper C107B - notice list - 32
31309	03/01/2022		Precious Lady Holdings LLC	PO Box 1479	Carlsbad	NM	88221- 1479	Certified with Return Receipt (Signature)	941481189876 5840532050	71933 - MRC - Jack Sleeper C107B - notice list - 33
31309	03/01/2022		Ranchito AD4 LP	2100 Ross Ave Ste 1870 Lb-9	Dallas	TX	75201- 6773	Certified with Return Receipt (Signature)	941481189876 5840532029	71933 - MRC - Jack Sleeper C107B - notice list - 34
31309	03/01/2022		RE Glasscock Oil & Gas Prts LLC	PO Box 50215	Midland	TX	79710- 0215	Certified with Return Receipt (Signature)	941481189876 5840532098	71933 - MRC - Jack Sleeper C107B - notice list - 35

Parent ID	Mail Date	Company	Name	Address	City	ST	Zip	Mail Class	TrackingNo	Well
31309	03/01/2022		Springwood Minerals 6 LP	PO Box 3579	Midland	TX	79702-3579	Certified with Return Receipt (Signature)	941481189876 5840532081	71933 - MRC - Jack Sleeper C107B - notice list - 36
31309	03/01/2022		TD MINERALS LLC	8111 Westchester Dr Ste 900	Dallas	TX	75225-6146	Certified with Return Receipt (Signature)	941481189876 5840532036	71933 - MRC - Jack Sleeper C107B - notice list - 37
31309	03/01/2022		Thomas R Nickoloff	PO Box 51807	Midland	TX	79710-1807	Certified with Return Receipt (Signature)	941481189876 5840532418	71933 - MRC - Jack Sleeper C107B - notice list - 38
31309	03/01/2022		Tilden capital Minerals LLC	PO Box 470857	Fort Worth	TX	76147-0857	Certified with Return Receipt (Signature)	941481189876 5840532425	71933 - MRC - Jack Sleeper C107B - notice list - 39

Parent ID	Mail Date	Company	Name	Address	City	ST	Zip	Mail Class	TrackingNo	Well
31309	03/01/2022		BEXP I OG LLC	5914 W Courtyard Dr Ste 340	Austin	TX	78730-4928	Certified with Return Receipt (Signature)	941481189876 5840535501	71933 - MRC - Jack Sleeper C107B - notice list - 4
31309	03/01/2022		Tundra AD3 LP	2100 Ross Ave Ste 1870 Lb-9	Dallas	TX	75201-6773	Certified with Return Receipt (Signature)	941481189876 5840532494	71933 - MRC - Jack Sleeper C107B - notice list - 40
31309	03/01/2022		Vernetta L Poyner	806 W 35th St	Higginsville	MO	64037-1872	Certified with Return Receipt (Signature)	941481189876 5840532432	71933 - MRC - Jack Sleeper C107B - notice list - 41
31309	03/01/2022		Wilbur Richard Braymer	6029 N Norton Ave	Gladstone	MO	64119-5356	Certified with Return Receipt (Signature)	941481189876 5840532517	71933 - MRC - Jack Sleeper C107B - notice list - 42

Parent ID	Mail Date	Company	Name	Address	City	ST	Zip	Mail Class	TrackingNo	Well
31309	03/01/2022		Bureau of Land Management	301 Dinosaur Trl	Santa Fe	NM	87508-1560	Certified with Return Receipt (Signature)	941481189876 5840532562	71933 - MRC - Jack Sleeper C107B - notice list - 43
31309	03/01/2022		Bureau of Land Management	620 E Greene St	Carlsbad	NM	88220-6292	Certified with Return Receipt (Signature)	941481189876 5840532500	71933 - MRC - Jack Sleeper C107B - notice list - 44
31309	03/01/2022		Carnegie Energy, LLC	4925 Greenville Ave Ste 200	Dallas	TX	75206-0500	Certified with Return Receipt (Signature)	941481189876 5840535587	71933 - MRC - Jack Sleeper C107B - notice list - 5
31309	03/01/2022		Carole D Skeen	1508 W Riverside Dr	Carlsbad	NM	88220-4164	Certified with Return Receipt (Signature)	941481189876 5840535570	71933 - MRC - Jack Sleeper C107B - notice list - 6

Parent ID	Mail Date	Company	Name	Address	City	ST	Zip	Mail Class	TrackingNo	Well
31309	03/01/2022		Chalcam Exploration LLC	403 Tierra Berrenda Dr	Roswell	NM	88201-7837	Certified with Return Receipt (Signature)	9414811898765840532258	71933 - MRC - Jack Sleeper C107B - notice list - 7
31309	03/01/2022		Chief Capital O&G II, LLC	8111 Westchester Dr Ste 900	Dallas	TX	75225-6146	Certified with Return Receipt (Signature)	9414811898765840532227	71933 - MRC - Jack Sleeper C107B - notice list - 8
31309	03/01/2022		David Petroleum Corporation	116 W 1st St	Roswell	NM	88203-4702	Certified with Return Receipt (Signature)	9414811898765840532241	71933 - MRC - Jack Sleeper C107B - notice list - 9

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Carlsbad Current Argus.
PART OF THE USA TODAY NETWORK

MAR 10 2022

Holland & Hart LLP

Affidavit of Publication

Ad # 0005151973

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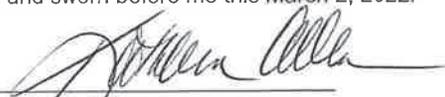
SANTA FE, NM 87504

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

03/02/2022


Legal Clerk

Subscribed and sworn before me this March 2, 2022:


State of WI, County of Brown
NOTARY PUBLIC

1-7-25

My commission expires

KATHLEEN ALLEN
Notary Public
State of Wisconsin

Ad # 0005151973
PO #: 5151973
of Affidavits 1

This is not an invoice

Legal Notice

To: Anthony L Moschetto Rev Trust dtd 7/13/2018, Anthony Moschetto Trustee; Barbara Anna Combs, her heirs and devisees; Betty Lee Brown, her heirs and devisees; BEXP I OG LLC; Carnegie Energy, LLC; Carole D Skeen, her heirs and devisees; Chalcam Exploration LLC; Chief Capital (O&G) II, LLC; David Petroleum Corporation; Diane N Smith, her heirs and devisees; Donald Braymer, his heirs and devisees; Dorothy G Vescovo, her heirs and devisees; Earl Don Ramsey, his heirs and devisees; Excess Energy LLC; GGM Exploration Inc.; Jean Carolyn Patterson, her heirs and devisees; Jeanette Pearl DeRousse, her heirs and devisees; John R Wiley, his heirs and devisees; Karen S Pfof, her heirs and devisees; KMF Land LLC; Llano Natural Resources LLC; Marathon Oil Permian, LLC; Margaret Hall Michaels Est, her heirs and devisees; Michael D Glasscock, his heirs and devisees; New Mexico State Land Office; Nilo Operating Company; Novo Minerals LP; Office of Natural Resources; OXY USA Inc.; Patricia Braymer Davison, her heirs and devisees; Patricia Thompson Flournoy, her heirs and devisees; Pegasus Resources II LLC; Pfof Fam Rev Tr dtd 5-12-2011 Karen S Pfof Trt; Precious Lady Holdings LLC; Ranchito AD4 LP; RE Glasscock Oil & Gas Prts LLC; Springwood Minerals 6 LP; TD MINERALS LLC; Thomas R Nickoloff, his heirs and devisees; Tilden Capital Minerals LLC; Tundra AD3 LP; Vernetta L Poyner, her heirs and devisees; Wilbur Richard Braymer, his heirs and devisees; and Bureau of Land Management.

Application of Matador Production Company for administrative approval to surface commingle (pool and lease commingle) oil and gas production at the Jack Sleeper Tank Battery located in the SE4SE/4 of Section 5 and SW4SW/4 of Section 4, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. Matador Production Company (OGRID No. 228937), pursuant to 19.15.12.10 NMAC, seeks administrative approval to surface commingle (pool and lease commingle) diversely owned oil and gas production at the Jack Sleeper Tank Battery insofar as all existing and future in-fill wells drilled in the following spacing units:

(a) The 640-acre spacing unit comprised of the W/2 of Sections 9 and 16 in the Purple Sage; Wolfcamp (Gas) [98220] – includes the Jack Sleeper State Com 9 & 16-23S-28E #201H well (API No. 30-015-46131), Jack Sleeper State Com 9 & 16-

235-28E #221H well (API. No. 30-015-46133), Jack Sleeper State Com 9 & 16-235-28E #221H well (API. No. 30-015-46132), Jack Sleeper Fed Com #202H well (API. No. TBD), Jack Sleeper Fed Com #222H well (API. No. TBD);

(b) The 320-acre spacing unit comprised of the E/2W/2 of Sections 9 and 16 in the Culebra Bluff; Bone Spring, South [15011] - includes the Jack Sleeper Fed Com #122H well (API. No. TBD), Jack Sleeper Fed Com #112H well (API. No. TBD);

(c) The 320-acre spacing unit comprised of the W/2W/2 of Sections 9 and 16 in the Culebra Bluff; Bone Spring, South [15011] - includes the Jack Sleeper Com 9 & 16-235-28E #121H well (API. No. 30-015-49247), Jack Sleeper Com 9 & 16-235-28E #111H well (API. No. 30-015-46379); and

(d) pursuant to 19.15.12.10.C(4)(g), future Purple Sage; Wolfcamp (Gas) [98220] and Culebra Bluff; Bone Spring, South [15011] spacing units within the W/2 of Sections 9 and 16 connected to the Jack Sleeper Tank Battery with notice provided only to the owners of interests to be added.

Any objection to this application must be filed in writing within twenty days from date of publication with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division. If you have any questions about this application, please contact Kyle Perkins, Matador Production Company, (972) 371-5202 or KPerkins@matadorresources.com, #5151973, Daily news, March 2, 2022

From: [Engineer, OCD, EMNRD](#)
To: [Adam Rankin](#)
Cc: [McClure, Dean, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); [lisa@rwbyram.com](#); [Glover, James](#); [Paradis, Kyle O](#); [Walls, Christopher](#); [Dawson, Scott](#)
Subject: Approved Administrative Order PLC-840
Date: Monday, July 11, 2022 4:10:19 PM
Attachments: [PLC840 Order.pdf](#)

NMOCD has issued Administrative Order PLC-840 which authorizes Matador Production Company (228937) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-46131	Jack Sleeper State Com 9 16 23S 28E #201H	W/2	9-23S-28E	98220
		W/2	16-23S-28E	
30-015-46133	Jack Sleeper State Com 9 16 23S 28E #215H	W/2	9-23S-28E	98220
		W/2	16-23S-28E	
30-015-46132	Jack Sleeper State Com 9 16 23S 28E #221H	W/2	9-23S-28E	98220
		W/2	16-23S-28E	
30-015-49333	Jack Sleeper Federal Com #202H	W/2	9-23S-28E	98220
		W/2	16-23S-28E	
30-015-49336	Jack Sleeper Federal Com #222H	W/2	9-23S-28E	98220
		W/2	16-23S-28E	
30-015-49335	Jack Sleeper Federal Com #122H	E/2 W/2	9-23S-28E	15011
		E/2 W/2	16-23S-28E	
30-015-49334	Jack Sleeper Federal Com #112H	E/2 W/2	9-23S-28E	15011
		E/2 W/2	16-23S-28E	
30-015-49247	Jack Sleeper Com 9 16 23S 28E #121H	W/2 W/2	9-23S-28E	15011
		W/2 W/2	16-23S-28E	
30-015-46379	Jack Sleeper Com 9 16 23S 28E #111H	W/2 W/2	9-23S-28E	15011
		W/2 W/2	16-23S-28E	

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure
 Petroleum Engineer, Oil Conservation Division
 New Mexico Energy, Minerals and Natural Resources Department
 (505) 469-8211

From: [Adam Rankin](#)
To: [McClure, Dean, EMNRD](#)
Cc: [Paula M. Vance](#)
Subject: [EXTERNAL] RE: surface commingling application PLC-840 (Jack Sleeper)
Date: Wednesday, June 29, 2022 9:04:43 AM

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Dean,

All those APIs are correct and intended to be included in the commingling. Thank you.

Adam

From: Adam Rankin
Sent: Tuesday, June 28, 2022 5:34 PM
To: 'McClure, Dean, EMNRD' <Dean.McClure@state.nm.us>
Cc: Paula M. Vance <PMVance@hollandhart.com>
Subject: RE: surface commingling application PLC-840 (Jack Sleeper)

Dean,

Thanks for reaching out. I will confirm the APIs with you in a follow-up email. Attached is the affidavit of publication for the Jack Sleeper application showing the Mr. Riley was provided constructive notice by publication.

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Tuesday, June 28, 2022 4:13 PM
To: Adam Rankin <AGRankin@hollandhart.com>
Subject: surface commingling application PLC-840

External Email

Mr. Rankin,

I am reviewing surface commingling application PLC-840 which involves a commingling project that includes the Jack Sleeper Tank Battery and is operated by Matador Production Company (228937).

It appears that several wells did not have API numbers yet at the time of submittal; please confirm the following wells are the correct wells intended to be included in this commingling project:

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-46131	Jack Sleeper State Com 9 16 23S	W/2	9-23S-28E	98220
	28E #201H	W/2	16-23S-28E	
30-015-46133	Jack Sleeper State Com 9 16 23S	W/2	9-23S-28E	98220
	28E #215H	W/2	16-23S-28E	
30-015-46132	Jack Sleeper State Com 9 16 23S	W/2	9-23S-28E	98220
	28E #221H	W/2	16-23S-28E	
		W/2	9-23S-28E	

30-015-49333	Jack Sleeper Federal Com #202H	W/2	16-23S-28E	98220
30-015-49336	Jack Sleeper Federal Com #222H	W/2	9-23S-28E	98220
30-015-49335	Jack Sleeper Federal Com #122H	E/2 W/2	9-23S-28E	15011
30-015-49334	Jack Sleeper Federal Com #112H	E/2 W/2	9-23S-28E	15011
30-015-49247	Jack Sleeper Com 9 16 23S 28E #121H	W/2 W/2	9-23S-28E	15011
30-015-46379	Jack Sleeper Com 9 16 23S 28E #111H	W/2 W/2	9-23S-28E	15011

Additionally, please confirm that either notice of this application was provided to the correct address for the following person or that the person was notified of this application via another method if the correct address could not be found:

3/11/2022	John R Wiley	9414811898765840532784	Returned
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Dean McClure
 Petroleum Engineer, Oil Conservation Division
 New Mexico Energy, Minerals and Natural Resources Department
 (505) 469-8211

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

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY MATADOR PRODUCTION COMPANY**

ORDER NO. PLC-840

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

FINDINGS OF FACT

1. Matador Production Company (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7.B. NMAC.
4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
5. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
6. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.
7. Applicant in the notice for the Application stated that it sought authorization to add additional pools, leases, and wells and identified the parameters to make such additions.
8. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil and gas production from wells which have not yet been approved to be drilled, but will produce from a pool and lease identified in Exhibit A.
9. Applicant submitted or intends to submit one or more proposed communitization agreement(s) (“Proposed Agreement(s)”) to the BLM or NMSLO, as applicable, identifying

the acreage of each lease to be consolidated into a single pooled area (“Pooled Area”), as described in Exhibit B.

CONCLUSIONS OF LAW

10. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
11. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.
12. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.
13. Applicant’s proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.C.(1) NMAC, as applicable.
14. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10.B.(3) NMAC and 19.15.12.10.C.(4)(h) NMAC.
15. Applicant satisfied the notice requirements for the subsequent addition of pools, leases, and wells in the notice for the Application, in accordance with 19.15.12.10.C.(4)(g) NMAC. Subsequent additions of pools, leases, and wells within Applicant’s defined parameters, as modified herein, will not, in reasonable probability, reduce the commingled production’s value or otherwise adversely affect the interest owners in the production to be added.
16. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery described in Exhibit A.

Applicant is authorized to surface commingle oil and gas production from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A at a central tank battery described in Exhibit A.

2. For each Pooled Area described in Exhibit B, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil and gas production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.

No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit a Form C-103 to OCD with a copy of the decision and a description of the approved lands, as applicable. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, this Order shall terminate on the date of such action, and Applicant shall cease commingling the production from the Pooled Area. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), Applicant shall comply with the approved Agreement(s), and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingling application to OCD to conform this Order with the approved Agreement(s). If Applicant fails to submit the new surface commingling application or OCD denies the new surface commingling application, this Order shall terminate on the date of such action.

Applicant shall allocate the oil and gas production to each lease within a Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the Pooled Area described in Exhibit B until the Proposed Agreement which includes the Pooled Area is approved. After the Proposed Agreement is approved, the oil and gas production from the Pooled Area shall be allocated as required by the BLM's or NMSLO's, as applicable, approval of the Agreement, including any production that had been allocated previously in accordance with this Order.

3. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil and gas production to each well not included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.
4. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling.
5. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
6. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8.B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8.E. NMAC.
7. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
8. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later

than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.

9. Applicant may submit an application to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by this Order by submitting a Form C-107-B in accordance with 19.15.12.10.C.(4)(g) NMAC, provided the pools, leases, and subsequently drilled wells are within the identified parameters included in the Application.
10. If a well is not included in Exhibit A but produces from a pool or lease identified in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well, proposed method to determine the allocation of oil and gas production to it, and the location(s) that commingling of its production will occur.
11. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
12. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
13. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE E. SANDOVAL
DIRECTOR**

DATE: 7/11/2022

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: PLC-840

Operator: Matador Production Company (228937)

Central Tank Battery: Jack Sleeper Tank Battery

Central Tank Battery Location: UL M, Section 4, Township 23 South, Range 28 East
UL P, Section 5, Township 23 South, Range 28 East

Gas Title Transfer Meter Location: UL M, Section 4, Township 23 South, Range 28 East
UL P, Section 5, Township 23 South, Range 28 East

Pools

Pool Name	Pool Code
CULEBRA BLUFF; BONE SPRING, SOUTH	15011
PURPLE SAGE; WOLFCAMP (GAS)	98220

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
CA Wolfcamp NMNM 142865	W/2	9-23S-28E
	W/2	16-23S-28E
Fee	W/2 W/2	9-23S-28E
NMNM 018038	E/2 W/2	9-23S-28E
VO 33460001	W/2	16-23S-28E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-46131	Jack Sleeper State Com 9 16 23S 28E	W/2	9-23S-28E	98220
	#201H	W/2	16-23S-28E	
30-015-46133	Jack Sleeper State Com 9 16 23S 28E	W/2	9-23S-28E	98220
	#215H	W/2	16-23S-28E	
30-015-46132	Jack Sleeper State Com 9 16 23S 28E	W/2	9-23S-28E	98220
	#221H	W/2	16-23S-28E	
30-015-49333	Jack Sleeper Federal Com #202H	W/2	9-23S-28E	98220
		W/2	16-23S-28E	
30-015-49336	Jack Sleeper Federal Com #222H	W/2	9-23S-28E	98220
		W/2	16-23S-28E	
30-015-49335	Jack Sleeper Federal Com #122H	E/2 W/2	9-23S-28E	15011
		E/2 W/2	16-23S-28E	
30-015-49334	Jack Sleeper Federal Com #112H	E/2 W/2	9-23S-28E	15011
		E/2 W/2	16-23S-28E	
30-015-49247	Jack Sleeper Com 9 16 23S 28E #121H	W/2 W/2	9-23S-28E	15011
		W/2 W/2	16-23S-28E	
30-015-46379	Jack Sleeper Com 9 16 23S 28E #111H	W/2 W/2	9-23S-28E	15011
		W/2 W/2	16-23S-28E	

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit B

Order: **PLC-840**
Operator: **Matador Production Company (228937)**

Pooled Areas

Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Bone Spring BLM	W/2 W/2	9-23S-28E	320	A
	W/2 W/2	16-23S-28E		
CA Bone Spring BLM	E/2 W/2	9-23S-28E	320	B
	E/2 W/2	16-23S-28E		

Leases Comprising Pooled Areas

Lease	UL or Q/Q	S-T-R	Acres	Pooled Area ID
Fee	W/2 W/2	9-23S-28E	160	A
VO 33460001	W/2 W/2	16-23S-28E	160	A
NMNM 018038	E/2 W/2	9-23S-28E	160	B
VO 33460001	E/2 W/2	16-23S-28E	160	B

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 Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS
 Action 85596

CONDITIONS

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 85596
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
dmclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	7/11/2022