

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

FOR OCD ONLY
<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
AGRankin@hollandhart.com

April 4, 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) oil and gas production from various spacing units within the W/2 of Sections 3 & 10, T24S, R27E, Eddy County, NM.

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) diversely owned oil and gas production at the **Tony La Russa Tank Battery** *insofar as all existing and future infill wells drilled in the following spacing units:*

(a) The 320.85-acre spacing unit comprised of the W/2 of Section 3 in the Purple Sage; Wolfcamp (Gas) [98220] – includes the **Tony La Russa State Com #201H well** (API. No. 30-015-45964), **Tony La Russa State Com #202H well** (API. No. 30-015-45965);

(b) The 320.43-acre spacing unit comprised of the W/2 W/2 of Sections 3 & 10 in the Willow Lake; Bone Spring, West [96415] – includes the **Tony La Russa 0310 State Com #121H well** (API. No. TBD);

(c) The 320.42-acre spacing unit comprised of the E/2 W/2 of Sections 3 & 10 in the Willow Lake; Bone Spring, West [96415] – includes the **Tony La Russa 0310 State Com #122H well** (API. No. TBD);

(d) The 640.85-acre spacing unit comprised of the W/2 of Sections 3 & 10 in the Purple Sage; Wolfcamp (Gas) [98220] – includes the **Tony La Russa 0310 State Com #225H well** (API. No. TBD), **Tony La Russa 0310 State Com #226H well** (API. No. TBD); and

(e) pursuant to 19.15.12.10.C(4)(g), *future Willow Lake; Bone Spring, West [96415] and Purple Sage; Wolfcamp (Gas) [98220] spacing units within the W/2 of*

Sections 3 & 10 connected to the Tony La Russa 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 Tony La Russa Tank Battery located in the NE/4 NW/4 of Section 3. 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, 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 completed Application for Surface Commingling (Diverse Ownership) Form C-107-B, that includes a statement from Omar Enriquez, 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 3 is a C-102 for each of the wells currently drilled within the existing spacing units, together with available production data.

Exhibit 4 includes relevant communitization agreements.

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.

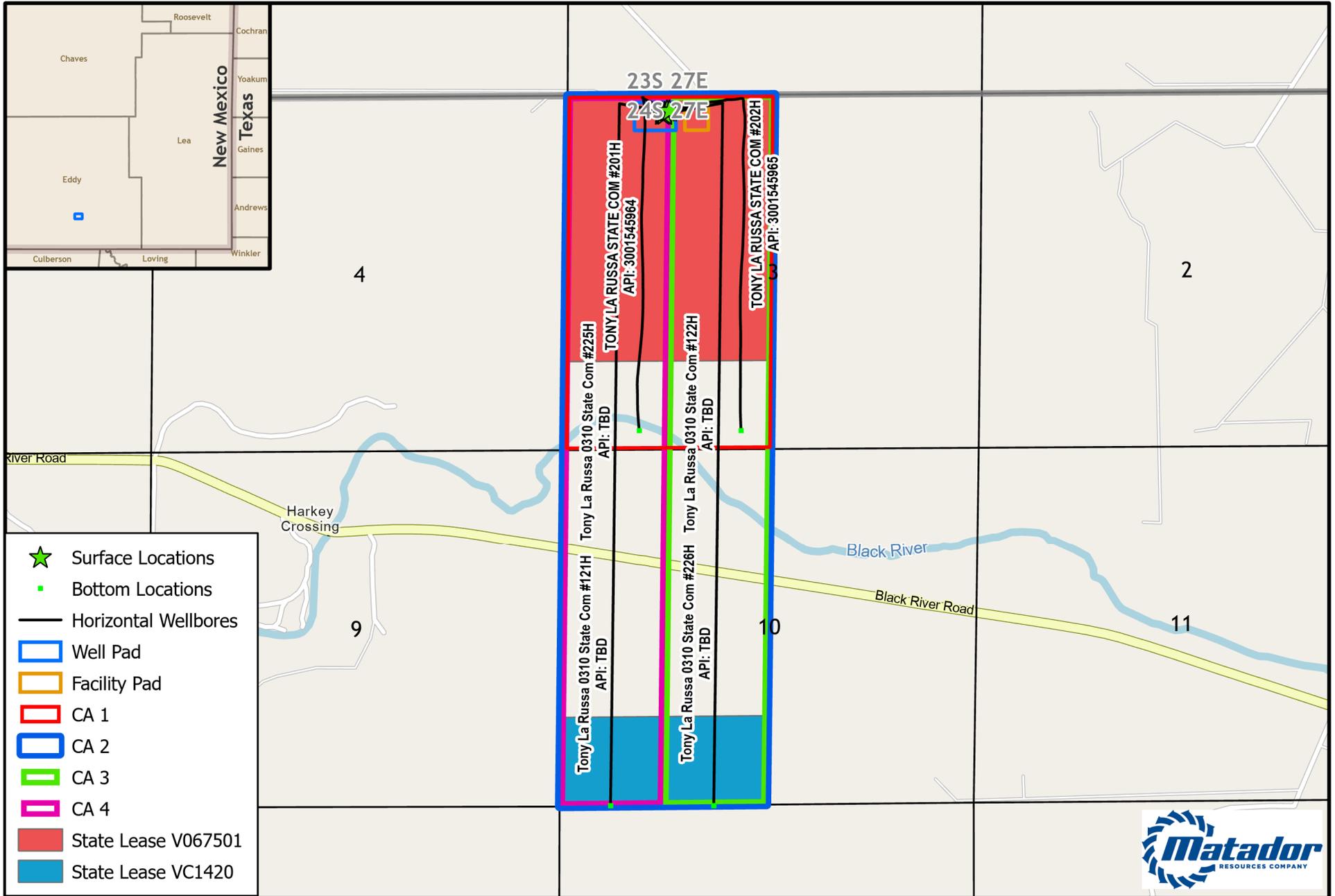
Thank you for your attention to this matter, and please feel free to call if you have any questions or require additional information.

Sincerely,



Adam G. Rankin
ATTORNEY FOR
MATADOR PRODUCTION COMPANY

Tony LaRussa Commingling Plat



Southeast New Mexico

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.



EXHIBIT 1

Map Prepared by: agreen
 Project: ComminglingPlat
 Date: 3/15/2022
 Coordinate System:

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 Tower 1 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
Willow Lake; Bone Spring, West 96415	46.9°	48.45°	\$80.17/bbl	\$11.34/Mcf	2,698
Willow Lake; Bone Spring, West 96415	1,327 BTU/scf	1296 BTU/scf	\$11.61/Mcf	\$80.17/bbl	12,400
Purple Sage; Wolfcamp (Gas) 98220	49.6°		\$80.17/bbl		2,000
Purple Sage; Wolfcamp (Gas) 98220	1,250 BTU/scf		\$10.94/Mcf		18,000

(2) Are any wells producing at top allowables? Yes No
(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: 02/28/2022

TYPE OR PRINT NAME Omar Enriquez TELEPHONE NO.: (972) 371 5200

E-MAIL ADDRESS: oenriquez@matadorresources.com

EXHIBIT 2

Matador Production Company

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

Voice 972.371.5427 • Fax 972.371.5201

bpeterson@matadorresources.com

Omar Enriquez
Sr. Production Engineer

March 2, 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) gas and oil production from the spacing units comprised of the W/2 of Sections 3 and 10, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico (the “Lands”)

To Whom This May Concern,

Matador Production Company (“Matador”), OGRID: 228937, requests to commingle future oil and gas production from six (6) 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. The PFD shows that the water, oil, and gas leave the wellbore and flow into a wellhead test 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. 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

<u>9713G</u>	<u>40-30078</u>	<u>Tony LaRussa Check</u>	
Sample Point Code	Sample Point Name	Sample Point Location	
<u>Laboratory Services</u>	<u>2022051185</u>	<u>1809</u>	<u>BF - Spot</u>
Source Laboratory	Lab File No	Container Identity	Sampler
<u>USA</u>	<u>USA</u>	<u>USA</u>	<u>New Mexico</u>
District	Area Name	Field Name	Facility Name
<u>Jan 26, 2022 07:47</u>	<u>Jan 26, 2022 07:47</u>	<u>Feb 4, 2022 08:41</u>	<u>Feb 4, 2022</u>
Date Sampled	Date Effective	Date Received	Date Reported
<u>29.00</u>	<u>423.00</u>	<u>Torrance</u>	<u>364 @ 62</u>
Ambient Temp (°F)	Flow Rate (Mcf)	Analyst	Press PSI @ Temp °F Source Conditions
<u>Matador Resources</u>		<u>NG</u>	
Operator		Lab Source Description	

Component	Normalized Mol %	Un-Normalized Mol %	GPM
H2S (H2S)	0.0000	0	
Nitrogen (N2)	1.1350	1.13471	
CO2 (CO2)	0.0530	0.05324	
Methane (C1)	75.4960	75.47805	
Ethane (C2)	12.4840	12.48167	3.3380
Propane (C3)	6.6340	6.63286	1.8270
I-Butane (IC4)	0.9080	0.90745	0.2970
N-Butane (NC4)	2.0970	2.09682	0.6610
I-Pentane (IC5)	0.3860	0.38573	0.1410
N-Pentane (NC5)	0.4680	0.46795	0.1700
Hexanes Plus (C6+)	0.3390	0.33887	0.1470
TOTAL	100.0000	99.9774	6.5810

Gross Heating Values (Real, BTU/ft³)

14.696 PSI @ 60.00 Å°F		14.73 PSI @ 60.00 Å°F	
Dry	Saturated	Dry	Saturated
1,304.5	1,283.1	1,307.5	1,286.1

Calculated Total Sample Properties

GPA2145-16 *Calculated at Contract Conditions

Relative Density Real	Relative Density Ideal
0.7557	0.7531
Molecular Weight	
21.8105	

C6+ Group Properties

Assumed Composition

C6 - 60.000%	C7 - 30.000%	C8 - 10.000%
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Field H2S

1.5 PPM

PROTREND STATUS: Passed By Validator on Feb 7, 2022

DATA SOURCE: Imported

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

VALIDATOR: Brooke Rush

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:	Jan 24, 2022

District I
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1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

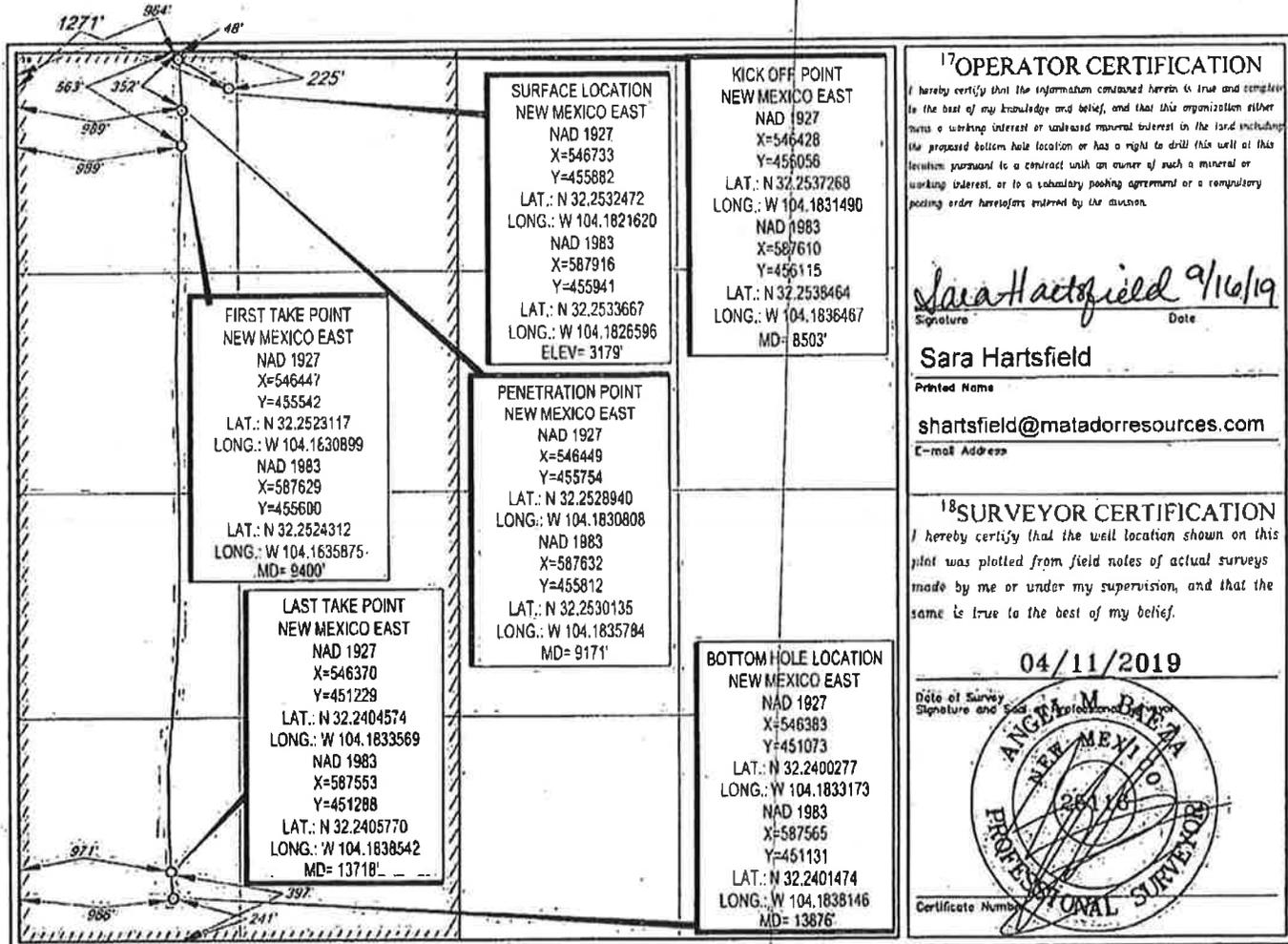
State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

NM OIL CONSERVATION FORM C-102
ARTESTA DISTRICT Revised August 1, 2011
DEC 20 2019 Submit one copy to appropriate District Office
RECEIVED AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-45964		² Pool Code 98220		³ Pool Name PURPLE SAGE;WOLFCAMP(GAS)					
⁴ Property Code 325647		⁵ Property Name TONY LA RUSSA STATE COM			⁶ Well Number 201H				
⁷ GRID No. 228937		⁸ Operator Name MATADOR PRODUCTION COMPANY			⁹ Elevation 3179'				
¹⁰ Surface Location									
UL or lot no. 4	Section 3	Township 24-S	Range 27-E	Lot Idn -	Feet from the 225'	North/South line NORTH	Feet from the 1271'	East/West line WEST	County EDDY
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. M	Section 3	Township 24-S	Range 27-E	Lot Idn -	Feet from the 241'	North/South line SOUTH	Feet from the 986'	East/West line WEST	County EDDY
¹² Dedicated Acres 320.85		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.



S:\SURVEY\MATADOR_RESOURCES\ITONY_LA_RUSSA_STATE_COM_03-245-27\FINAL_PRODUCTS\AO_TONY_LA_RUSSA_STATE_COM_201H.DWG 01/3/2019 6:31:23 AM jchardson

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

FORM C-102
Revised August 1, 2011
Submit one copy to appropriate
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NM OIL CONSERVATION
ARTESIA DISTRICT
SEP 23 2019

RECEIVED AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-45965		² Pool Code 98220	³ Pool Name PURPLE SAGE;WOLFCAMP(GAS)
⁴ Property Code 325647	⁵ Property Name TONY LA RUSSA STATE COM		⁶ Well Number 202H
⁷ GRID No. 228937	⁸ Operator Name MATADOR PRODUCTION COMPANY		⁹ Elevation 3179'

¹⁰Surface Location

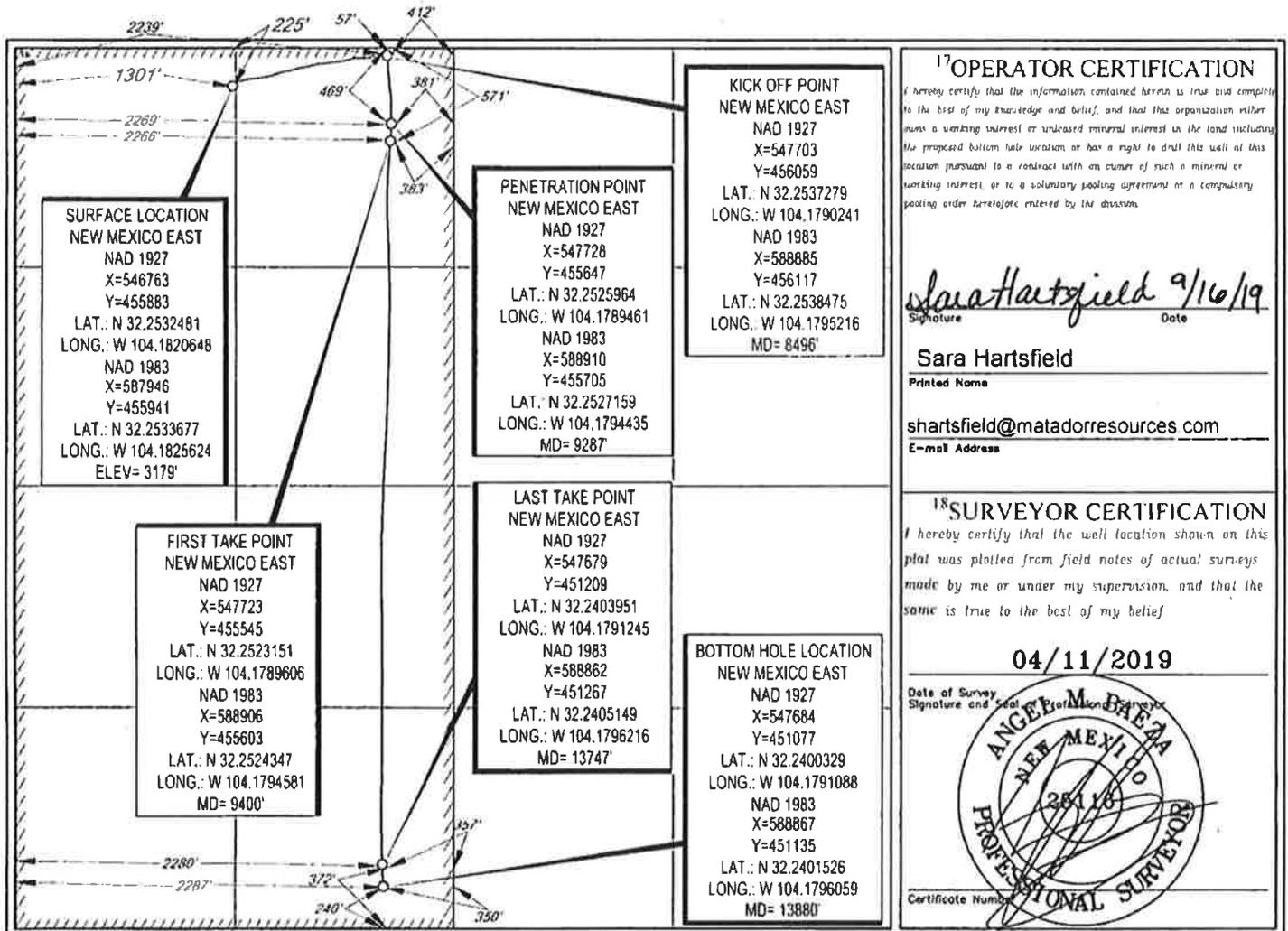
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	3	24-S	27-E	-	225'	NORTH	1301'	WEST	EDDY

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	3	24-S	27-E	-	240'	SOUTH	2287'	WEST	EDDY

¹² Dedicated Acres 320.85	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.



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

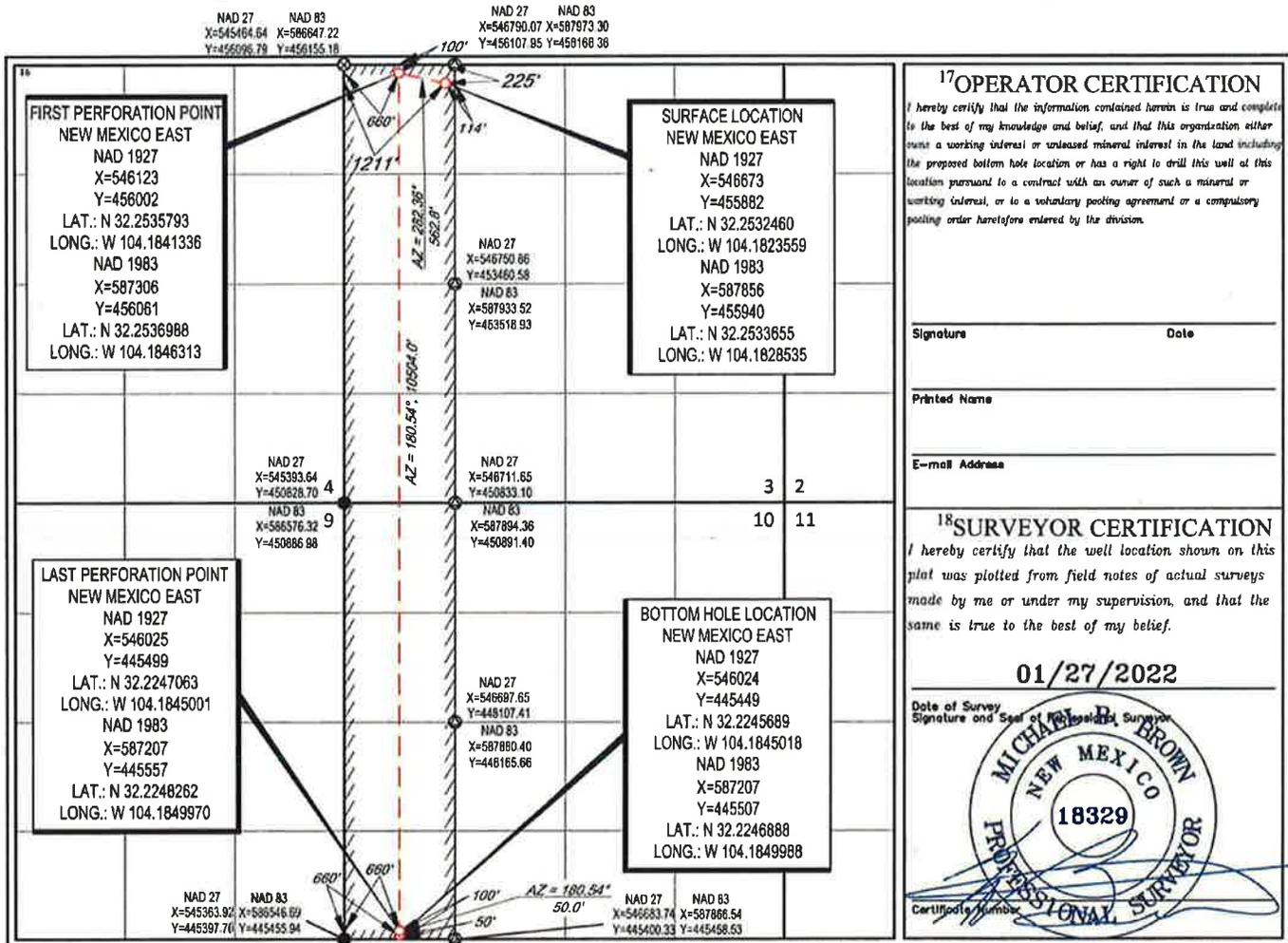
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name					
⁴ Property Code		⁵ Property Name TONY LA RUSSA 0310 STATE COM				⁶ Well Number 121H			
⁷ GRID No.		⁸ Operator Name MATADOR PRODUCTION COMPANY				⁹ Elevation 3180'			
¹⁰ Surface Location									
UL or lot no. 4	Section 3	Township 24-S	Range 27-E	Lot Idn -	Feet from the 225'	North/South line NORTH	Feet from the 1211'	East/West line WEST	County EDDY
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. M	Section 10	Township 24-S	Range 27-E	Lot Idn -	Feet from the 50'	North/South line SOUTH	Feet from the 660'	East/West line WEST	County EDDY
¹² Dedicated Acres 320.43	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.



S:\SURVEY\MATADOR_RESOURCE\TONY_LA_RUSSA_0310_03-24S-27E\FINAL_PRODUCT\SL0_TONY_LA_RUSSA_0310_STATE_COM_121H.DWG 2/8/2022 10:50:01 AM adx\adell

District I
1625 N. French Dr., Hobbs, NM 88240
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FORM C-102
Revised August 1, 2011
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

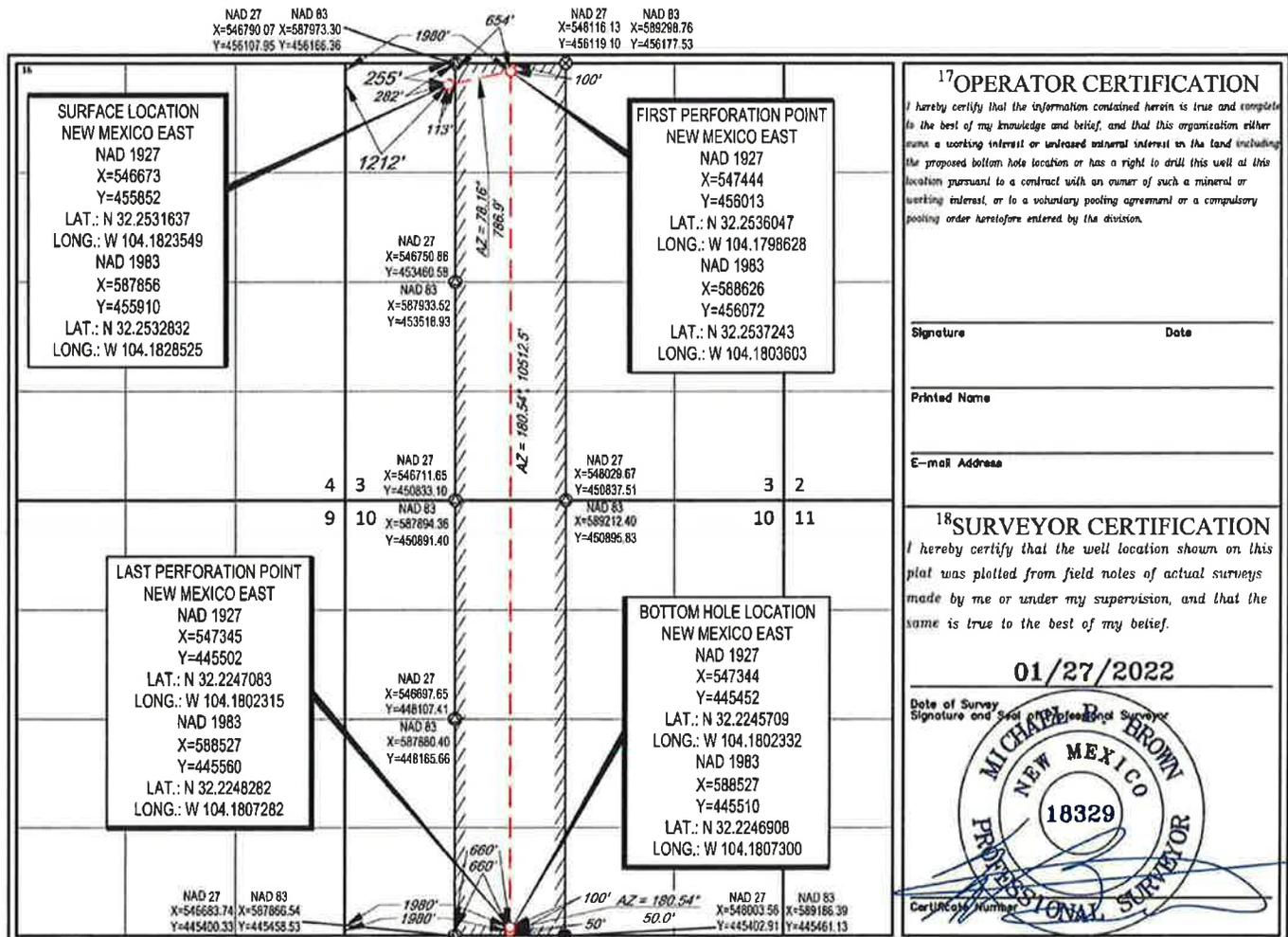
¹ API Number		² Pool Code		³ Pool Name	
⁴ Property Code		⁵ Property Name TONY LA RUSSA 0310 STATE COM			⁶ Well Number 122H
⁷ GRID No.		⁸ Operator Name MATADOR PRODUCTION COMPANY			⁹ Elevation 3180'

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
4	3	24-S	27-E	-	255'	NORTH	1212'	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	10	24-S	27-E	-	50'	SOUTH	1980'	WEST	EDDY

¹² Dedicated Acres 320.42	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.

01/27/2022

Date of Survey _____
Signature and Seal of Licensed Surveyor _____
MICHAEL B. BROWN
NEW MEXICO
18329
PROFESSIONAL SURVEYOR
Certificate Number _____

S:\SURVEY\MATADOR_RESOURCE\TONY_LA_RUSSA_0310_03-24S-27E\FINAL_PRODUCT\SI\LO_TONY_LA_RUSSA_0310_STATE_COM_122H.DWG 2/8/2022 10:48:22 AM adaspe@e

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

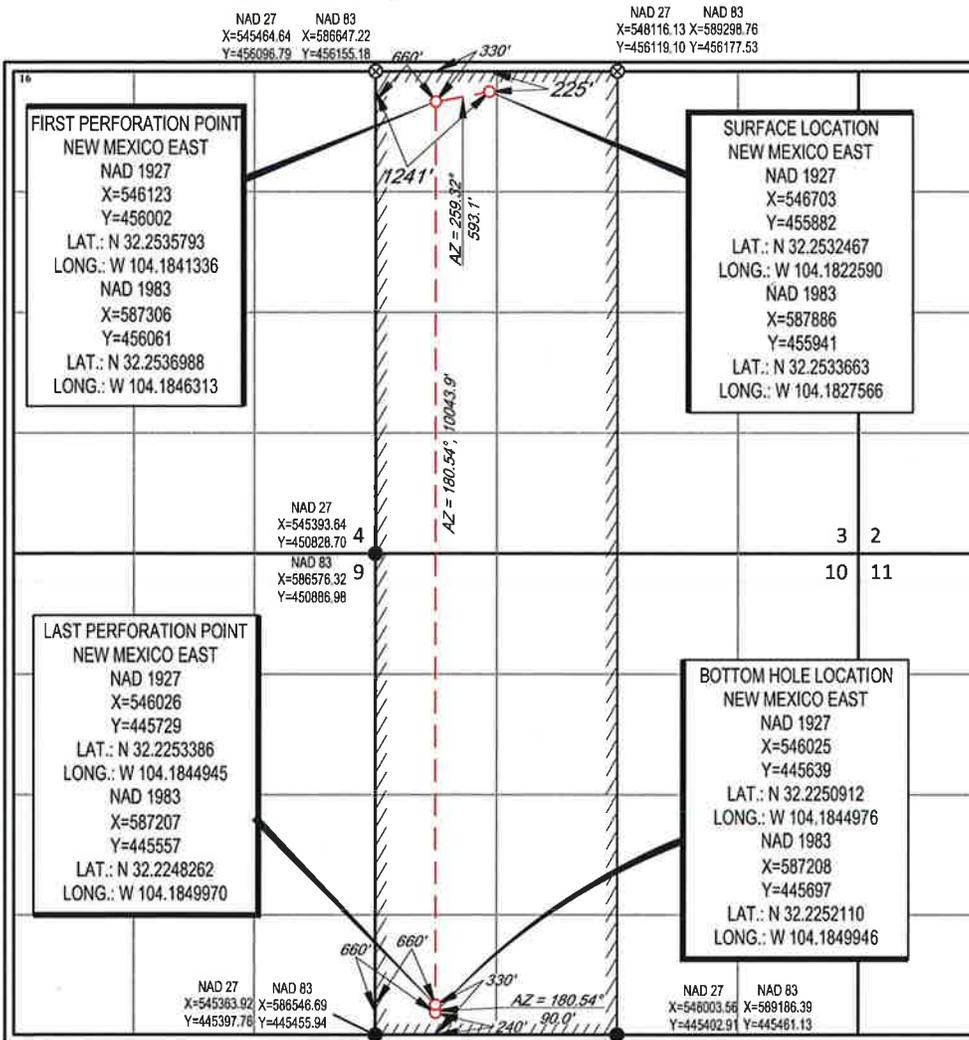
¹ API Number		² Pool Code		³ Pool Name	
⁴ Property Code		⁵ Property Name			⁶ Well Number
		TONY LA RUSSA 0310 STATE COM			225H
⁷ OGRID No.		⁸ Operator Name			⁹ Elevation
		MATADOR PRODUCTION COMPANY			3180'

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
4	3	24-S	27-E	-	225'	NORTH	1241'	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
M	10	24-S	27-E	-	240'	SOUTH	660'	WEST	EDDY

¹² Dedicated Acres 640.85	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.



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.

01/27/2022

Date of Survey
Signature and Seal of Professional Surveyor

MICHAEL B. BROWN
NEW MEXICO
18329
PROFESSIONAL SURVEYOR

Certificate Number _____

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

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name		
⁴ Property Code		⁵ Property Name			⁶ Well Number	
		TONY LA RUSSA 0310 STATE COM			226H	
⁷ GRID No.		⁸ Operator Name			⁹ Elevation	
		MATADOR PRODUCTION COMPANY			3180'	

¹⁰Surface Location

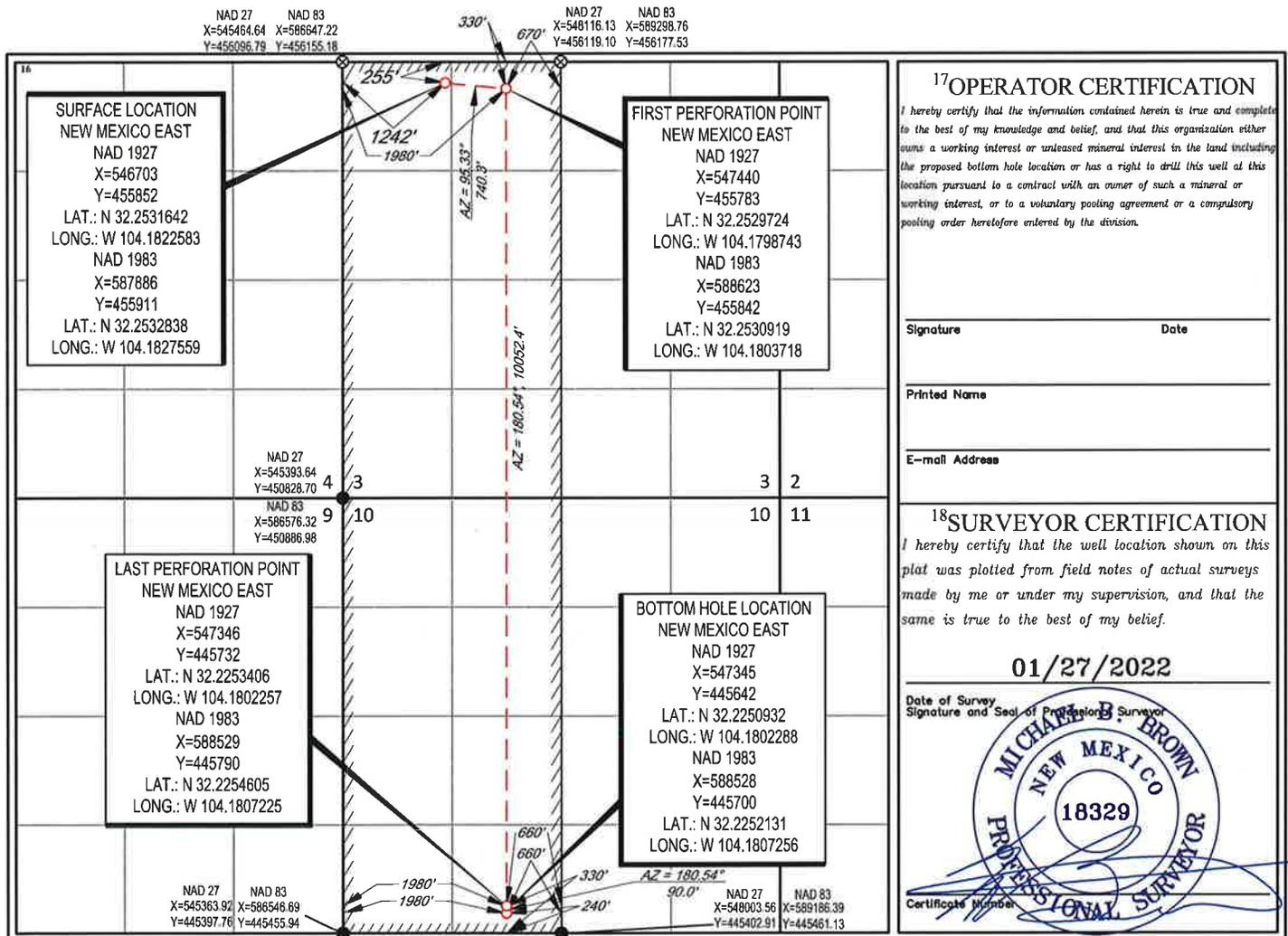
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	3	24-S	27-E	-	255'	NORTH	1242'	WEST	EDDY

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	10	24-S	27-E	-	240'	SOUTH	1980'	WEST	EDDY

¹² Dedicated Acres 640.85	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.

01/27/2022

Date of Survey
Signature and Seal of Professional Surveyor
MICHAEL B. BROWN
NEW MEXICO
18329
PROFESSIONAL SURVEYOR
Certificate Number

S:\SURVEY\MATADOR_RESOURCE\TONY_LA_RUSSA_0310_03-24S-27E\FINAL_PRODUCT\SILO_TONY_LA_RUSSA_0310_STATE_COM_226H_REV1.DWG 2/25/2022 12:11:24 PM adisabla

Production Summary Report											
API: 30-015-45964											
TONY LA RUSSA STATE COM #201H											
Printed On: Tuesday, February 15 2022											
Year	Pool	Month	Production				Injection				
			Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure
2019	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Aug	32	116	20238	6	0	0	0	0	0
2019	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Sep	19413	39353	114432	30	0	0	0	0	0
2019	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Oct	13553	27396	63951	28	0	0	0	0	0
2019	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Nov	10893	24128	58466	30	0	0	0	0	0
2019	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Dec	7885	20614	47973	31	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Jan	6588	19925	41428	31	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Feb	5219	16713	33022	29	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Mar	4592	15599	31103	31	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Apr	3684	11215	23560	29	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	May	3738	13145	27008	31	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Jun	3497	12491	25193	30	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Jul	3097	12502	25115	31	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Aug	2895	11943	23452	31	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Sep	2698	11191	22832	30	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Oct	2481	10888	22548	31	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Nov	2354	10094	18778	30	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Dec	2130	8487	12784	31	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Jan	2759	10642	20810	31	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Feb	1882	9121	15560	26	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Mar	2584	12602	20374	31	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Apr	2130	12515	20356	30	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	May	2211	11229	18359	31	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Jun	1934	11057	17628	30	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Jul	1950	10325	15499	31	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Aug	1897	10727	15663	31	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Sep	1665	9800	14644	30	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Oct	1746	10694	15657	31	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Nov	1614	9065	13894	30	0	0	0	0	0

Production Summary Report											
API: 30-015-45965											
TONY LA RUSSA STATE COM #202H											
Printed On: Tuesday, February 15 2022											
Year	Pool	Month	Production				Injection				
			Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure
2019	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Aug	24	59	21290	6	0	0	0	0	0
2019	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Sep	21643	43712	130514	30	0	0	0	0	0
2019	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Oct	19872	37897	74657	31	0	0	0	0	0
2019	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Nov	14975	30158	52556	30	0	0	0	0	0
2019	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Dec	12430	26433	47306	31	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Jan	10519	27973	43344	31	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Feb	8185	22763	34066	29	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Mar	7419	21982	32901	31	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Apr	6569	18547	28621	29	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	May	6337	18071	24417	31	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Jun	5531	17289	22759	30	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Jul	5513	17464	22588	31	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Aug	5178	18057	22736	31	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Sep	4853	16936	21044	30	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Oct	4832	15688	19585	31	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Nov	4034	12847	16963	30	0	0	0	0	0
2020	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Dec	3661	13240	13393	31	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Jan	4259	14358	19562	31	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Feb	3158	11158	14544	26	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Mar	3955	12273	16934	31	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Apr	3504	12498	16907	30	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	May	3385	12651	17161	31	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Jun	3200	13098	17464	30	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Jul	3201	13713	19985	31	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Aug	3134	12853	18402	31	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Sep	2936	11187	16071	30	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Oct	3104	12949	18367	31	0	0	0	0	0
2021	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Nov	2808	12297	16634	30	0	0	0	0	0



Commissioner

Stephanie Garcia Richard

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

Jaime Grainger
Matador Production Company
5400 LBJ Freeway, Suite 1500
Dallas, TX 75240

February 25th, 2020

Re: Communitization Agreement Approval
Tony La Russa State Com #201-202H
Vertical Extent: Wolfcamp
Township: 24 South, Range 27 East, NMPM
Sect 3: W2
Eddy County, New Mexico

Dear Ms Grainger,

The Commissioner of Public Lands has this date approved the Tony La Russa State Com #201-202H Communitization Agreement for the Wolfcamp formation effective 5/15/2019. Enclosed are three Certificates of Approval.

The agreement shall remain in effect for One Year, and as long thereafter as communitized substances are produced from the communitized area in paying quantities.

Approval of this agreement does not warrant or certify that the operator and/or other working interest owners hold legal or equitable title to the leases which are committed hereto, nor does the Commissioner's approval constitute adjudication of any federal or private interests, or warrant or certify that the information supplied by the operator regarding federal or private interests is accurate.

If we may be of further service, please contact Niranjana Khalsa at (505) 827-6628.

Sincerely,

Stephanie Garcia Richard
COMMISSIONER OF PUBLIC LANDS

EXHIBIT 4

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

**Matador Production Company
Tony La Russa State Com #201-202H
Vertical Extent: Wolfcamp
Township: 24 South, Range: 27 East, NMPM
Section 3: W2
Eddy County, New Mexico**

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **May 15, 2019**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **25th Day of February, 2020**.

COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

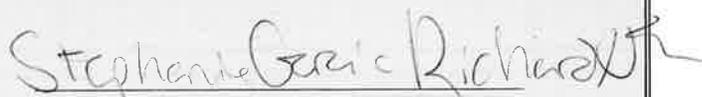
**Matador Production Company
Tony La Russa State Com #201-202H
Vertical Extent: Wolfcamp
Township: 24 South, Range: 27 East, NMPM
Section 3: W2
Eddy County, New Mexico**

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- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **25th Day of February, 2020**.



COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

**Matador Production Company
Tony La Russa State Com #201-202H
Vertical Extent: Wolfcamp
Township: 24 South, Range: 27 East, NMPM
Section 3: W2
Eddy County, New Mexico**

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **May 15, 2019**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **25th Day of February, 2020**.

COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

NM State Land Office
Oil, Gas, & Minerals Division

STATE/STATE OR
STATE/FEE
Revised March 2017

COMMUNITIZATION AGREEMENT

ONLINE Version

KNOW ALL MEN BY THESE PRESENTS: Well Name: Tony La Russa State Com #201H & #202H

STATE OF NEW MEXICO)
SS)

API #: 30 - 15 - 45964

COUNTY OF Eddy)

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of May 15, 20 19, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the Commissioner of Public Lands to be fair and equitable.

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 leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the **Wolfcamp** formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communitize and pool their respective interests in said leases subject to this agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

ONLINE version
March, 2017

State/State
State/Fee

AM 10:23

2022 APR -2 AM 10:24

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 undersigned as follows:

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

Subdivisions **W2**
 Of Sect(s) **3** Twnshp **24S** Rng **27E** NMPM **Eddy** County, NM

containing **320.8** acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and/or depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

- 2. 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 leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.

- 3. Subject to Paragraph 4, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

ONLINE version
 March, 2017

State/State
 State/Fee

2022 JAN -2 2
 AM 10:23
 AM 10:24

4. **Matador Production Company** shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by **Matador Production Company**

5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, 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 compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease) or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be

ONLINE version

State/State

March, 2017

State/Fee

2022 JAN 2 11:10:23
STATE OF NEW MEXICO
COMMISSIONER OF PUBLIC LANDS
[Signature]

terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such 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.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

13. 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 instruments, 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.

14. 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.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

ONLINE version
March, 2017

State/State
State/Fee

AM 10:23
2022 JAN 24

2022 JAN -2 AM 10:24

EXHIBIT A

Attached to and made a part of that Communitization Agreement dated **May 15, 2019**

by and between **Matador Production Company** company and **COG Operating LLC/ Concho Oil & Gas LLC**,

MRC Permian Company

the Subdivisions **W2**,
Sect **3**, Twnshp **24S**, Rnge **27E**, NMPM **Eddy** County, NM

Limited in depth from _____ ft to _____ ft. (enter here what is granted in pooling order if applicable)

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

DESCRIPTION OF LEASES COMMITTED:

TRACT NO. 1

Lessor: **State of New Mexico**

Lessee of Record: **COG Operating LLC/ Concho Oil & Gas LLC**

Serial No. of Lease: **V0-6750-1** Date of Lease: **December 1, 2002**

Description of Lands Committed:

Subdivisions: **NW/4, N2SW/4**
Sect **3** Twnshp **24S** Rng **27E** NMPM **Eddy** County NM

No. of Acres: **240.8**

TRACT NO. 2

Lessor: **Fee**

Lessee of Record: **MRC Permian Company**

Serial No. of Lease: _____ Date of Lease: _____

Description of Lands Committed:

Subdivisions: **S2SW/4**
Sect **3** Twnshp **24S** Rng **27E** NMPM **Eddy** County NM

No. of Acres: **80**

2020 JAN -2 AM 10:24

ONLINE version
March, 2017

State/State
State/Fee
42 :01 114
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TRACT NO. 3

Lessor:

Lessee of Record:

Serial No. of Lease:

Date of Lease:

Description of Lands Committed:

Subdivisions:

Sect	Twnshp	Rng	NMPM	County NM
------	--------	-----	------	-----------

No. of Acres:

TRACT NO. 4

Lessor:

Lessee of Record:

Serial No. of Lease:

Date of Lease:

Description of Lands Committed:

Subdivisions:

Sect	Twnshp	Rng	NMPM	County NM
------	--------	-----	------	-----------

No. of Acres:

RECAPITULATION

Tract number	Number of Acres Committed	Percentage of Interest in Communitized Area
No. 1	240.8	75.06623
No. 2	80.00	24.93377
No. 3		
No. 4		
TOTAL	320.8	100.00%

2020 JAN -2 AM 10:24

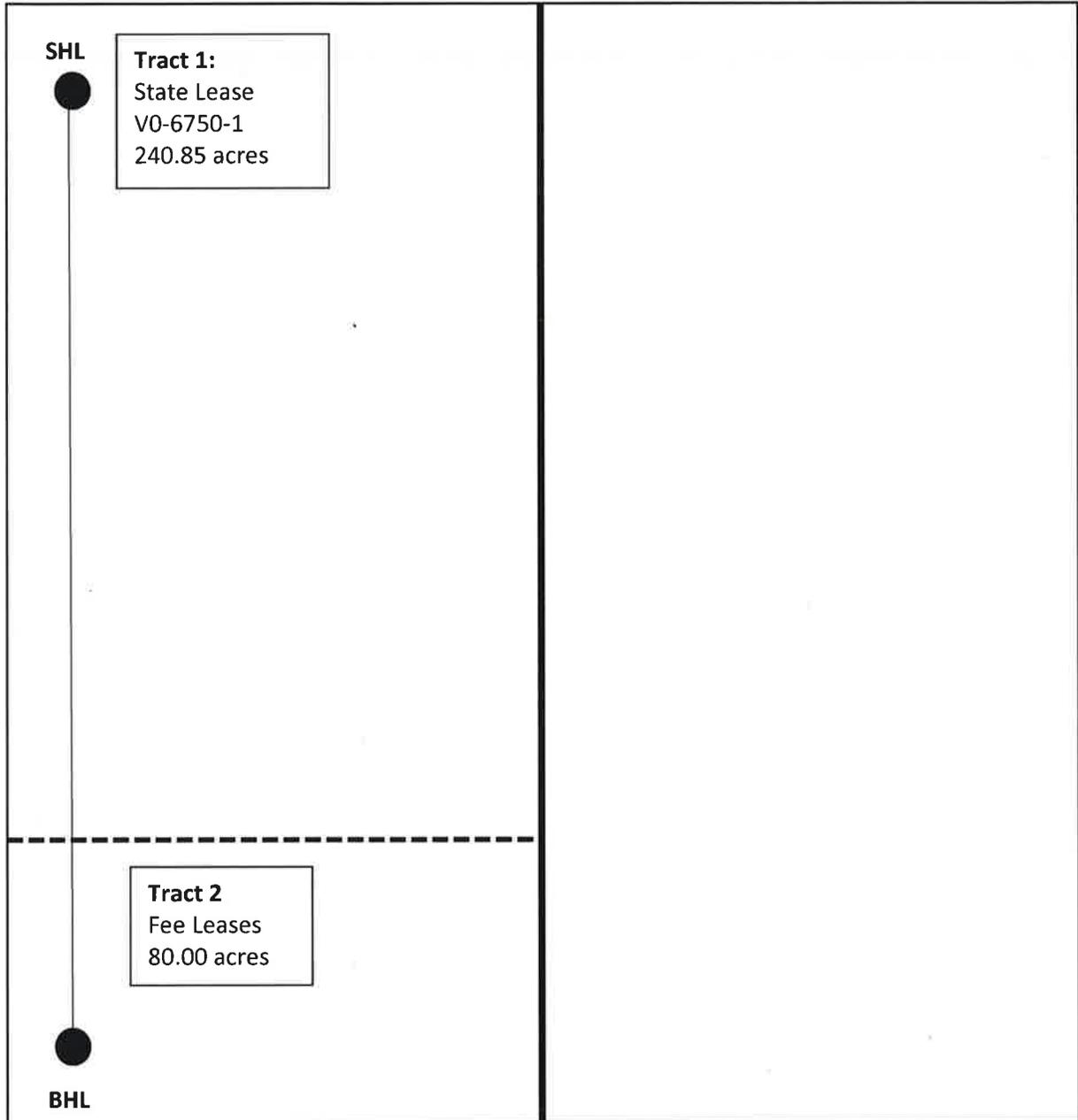
ONLINE version
March, 2017

State/State
State/Fee

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EXHIBIT "B"

**PLAT OF COMMUNITIZED AREA COVERING THE N2 OF SECTION 3, TOWNSHIP
24 SOUTH, RANGE 27 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO**



AM 10: 24
~~_____~~
H

**NM State Land Office
Oil, Gas, & Minerals Division**

**STATE/STATE OR
STATE/FEE**
Revised March 2017

COMMUNITIZATION AGREEMENT

ONLINE Version

KNOW ALL MEN BY THESE PRESENTS: Well Name: Tony La Russa State Com #121H

STATE OF NEW MEXICO)
SS)

API #: 30 - ____ - _____

COUNTY OF)

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of **February 21, 2021**, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the Commissioner of Public Lands to be fair and equitable.

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 leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the **Bone Spring formation** or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communitize and pool their respective interests in said leases subject to this agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

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 undersigned as follows:

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

Subdivisions W2W2 of Section (s) 3&10, Township 24S Range 27E NMPM Eddy, County, NM

Containing 320.43 acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and/or depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

- 2. 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 leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.

- 3. Subject to Paragraph 4, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

4. **Matador Production Company** shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by **Matador Production Company**.

5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, 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 compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: **(a)** a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or **(b)** each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be

terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such 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.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

13. 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 instruments, 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.

14. 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.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

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

To Communitization Agreement dated **February 21, 2022.**

Plat of communitized area covering the **W2W2**, of Sect. **3&10**, T **24S**, R **27E**, NMPM, **Eddy** County, NM.

Tony La Russa State Com #121H

<p><u>Tract 1</u> State Lease 120.43 Acres</p>		<p>Section 3</p>
<p><u>Tract 2</u> Fee Leases 160 Acres</p>		
		<p>Section 10</p>
<p><u>Tract 3</u> State Lease 40 Acres</p>		

TRACT NO. 3

Lease Serial No.: VC-0142
Lease Date: 8/1/2014
Lease Term: 5 Years
Lessor: State of New Mexico
Present Lessee: MRC Permian Company
Description of Land Committed: Subdivisions: Township 24 South, Range 27 East,
 Section 10: SW/4SW/4
Number of Acres: 40.00
Royalty Rate: 1/5th
Name and WIOwners: MRC Permian Company

RECAPITULATION

Tract Numbers	Numbers of Acres	Percentage of Interest in Communitied Area
Tract 1	120.43	37.584
Tract 2	160.00	49.933
Tract 3	40.00	12.483
Total Acreage	320.43	100%

**NM State Land Office
Oil, Gas, & Minerals Division**

**STATE/STATE OR
STATE/FEE**
Revised March 2017

COMMUNITIZATION AGREEMENT

ONLINE Version

KNOW ALL MEN BY THESE PRESENTS: Well Name: Tony La Russa State Com #122H

STATE OF NEW MEXICO)
SS)

API #: 30 - ____ - _____

COUNTY OF)

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of **February 21, 2021**, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the Commissioner of Public Lands to be fair and equitable.

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 leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the **Bone Spring formation** or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communitize and pool their respective interests in said leases subject to this agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

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 undersigned as follows:

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

Subdivisions E2W2 of Section (s) 3&10, Township 24S Range 27E NMPM Eddy, County, NM

Containing 320.42 acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and/or depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

2. 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 leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.

3. Subject to Paragraph 4, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

4. **Matador Production Company** shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by **Matador Production Company**.

5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, 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 compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: **(a)** a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or **(b)** each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be

terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such 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.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

13. 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 instruments, 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.

14. 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.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

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

To Communitization Agreement dated **February 21, 2022.**

Plat of communitized area covering the **E2W2**, of Sect. **3&10**, T **24S**, R **27E**, NMPM, **Eddy** County, NM.

Tony La Russa State Com #122H

	<p><u>Tract 1</u> State Lease 120.42 Acres</p>	<p>Section 3</p>
	<p><u>Tract 2</u> Fee Leases 160 Acres</p>	
	<p><u>Tract 3</u> State Lease 40 Acres</p>	<p>Section 10</p>

TRACT NO. 3

Lease Serial No.: VC-0142
Lease Date: 8/1/2014
Lease Term: 5 Years
Lessor: State of New Mexico
Present Lessee: MRC Permian Company
Description of Land Committed: Subdivisions: Township 24 South, Range 27 East,
 Section 10: SE/4SW/4
Number of Acres: 40.00
Royalty Rate: 1/5th
Name and WIOwners: MRC Permian Company

RECAPITULATION

Tract Numbers	Numbers of Acres	Percentage of Interest in Communitied Area
Tract 1	120.42	37.582
Tract 2	160.00	49.934
Tract 3	40.00	12.484
Total Acreage	320.42	100%

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 undersigned as follows:

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

Subdivisions W2 of Section (s) 3&10, Township 24S Range 27E NMPM Eddy, County, NM

Containing 640.85 acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and/or depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

2. 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 leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.

3. Subject to Paragraph 4, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

4. **Matador Production Company** shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by **Matador Production Company**.

5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, 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 compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: **(a)** a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or **(b)** each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be

terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such 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.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

13. 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 instruments, 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.

14. 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.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

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

To Communitization Agreement dated **February 21, 2022.**

Plat of communitized area covering the **W2, of Sect. 3&10**, T **24S**, R **27E**, NMPM, **Eddy County**, NM.

Tony La Russa State Com #225H & #226H

<p><u>Tract 1</u> State Lease 240.85 Acres</p>	<p>Section 3</p>
<p><u>Tract 2</u> Fee Leases 320.00 Acres</p>	
	<p>Section 10</p>
	<p><u>Tract 3</u> State Lease 80.00 Acres</p>

TRACT NO. 3

Lease Serial No.: VC-0142
Lease Date: 8/1/2014
Lease Term: 5 Years
Lessor: State of New Mexico
Present Lessee: Ascent Energy, LLC
Description of Land Committed: Subdivisions: Township 24 South, Range 27 East,
 Section 10: S/2/SW/4
Number of Acres: 80.00
Royalty Rate: 1/5th
Name and WIOwners: Marshall & Winston, Inc.
 Concho Oil & Gas LLC (*Compulsory Pooled*)
 Tap Rock Resources II, LLC (*Compulsory Pooled*)
 COG Operating LLC (*Compulsory Pooled*)

RECAPITULATION

Tract Numbers	Numbers of Acres	Percentage of Interest in Communitied Area
Tract 1	240.85	37.584
Tract 2	320.00	49.933
Tract 3	80.00	12.483
Total Acreage	640.85	100%

ADDR1	ADDR2	ADDR3	ADDR4	ADDR5	ADDR6
New Mexico State Land Office	P.O. Box 1148	Santa Fe	NM	87504	
COG Operating, LLC	600 W. Illinois Ave	Midland	TX	79701	
Concho Oil & Gas, LLC	600 W. Illinois Ave	Midland	TX	79701	
MRC Permian Co.	5400 LBJ Freeway Suite 1500	Dallas	TX	75240	
Matador Production	5400 LBJ Freeway Suite 1500	Dallas	TX	75240	
Marshall & Winston, Inc.	P.O. Box 50880	Midland	TX	79710-	
Nestegg Energy Corp	2308 Sierra Vista Rd	Artesia	NM	88210	
Mongoose Minerals LLC	600 W. Illinois Ave	Midland	TX	79701	
Tap Rock Resources II, LLC	523 Park Point Drive, Suite 200	Golden	CO	80401	

EXHIBIT 5



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

April 1, 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) oil and gas production from various spacing units within the W/2 of Sections 3 & 10, T24S, R27E, Eddy County, NM.

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 be 'A.G. Rankin'.

Adam G. Rankin
ATTORNEY FOR
MATADOR PRODUCTION COMPANY

Parent ID	Mail Date	Name	Address	City	ST	Zip	MailClass	Tracking No	Well
31309	04/01/2022	New Mexico State Land Office	PO Box 1148	Santa Fe	NM	87504-1148	Certified w/ Return Receipt (Signature)	94148118987 65843077749	71247 - Matador -Tony La Russa PLC C107B - notice list - 1
31309	04/01/2022	COG Operating, LLC	600 W Illinois Ave	Midland	TX	79701-4882	Certified w/ Return Receipt (Signature)	94148118987 65843077787	71247 - Matador -Tony La Russa PLC C107B - notice list - 2
31309	04/01/2022	Concho Oil & Gas, LLC	600 W Illinois Ave	Midland	TX	79701-4882	Certified w/ Return Receipt (Signature)	94148118987 65843077732	71247 - Matador -Tony La Russa PLC C107B - notice list - 3
31309	04/01/2022	MRC Permian Co.	5400 Lbj Fwy Ste 1500	Dallas	TX	75240-1017	Certified w/ Return Receipt (Signature)	94148118987 65843077770	71247 - Matador -Tony La Russa PLC C107B - notice list - 4
31309	04/01/2022	Matador Production	5400 Lbj Fwy Ste 1500	Dallas	TX	75240-1017	Certified w/ Return Receipt (Signature)	94148118987 65843077916	71247 - Matador -Tony La Russa PLC C107B - notice list - 5
31309	04/01/2022	Marshall & Winston, Inc.	PO Box 50880	Midland	TX	79710-0880	Certified w/ Return Receipt (Signature)	94148118987 65843077954	71247 - Matador -Tony La Russa PLC C107B - notice list - 6
31309	04/01/2022	Nestegg Energy Corp	2308 Sierra Vista Rd	Artesia	NM	88210-9409	Certified w/ Return Receipt (Signature)	94148118987 65843077961	71247 - Matador -Tony La Russa PLC C107B - notice list - 7
31309	04/01/2022	Mongoose Minerals LLC	600 W Illinois Ave	Midland	TX	79701-4882	Certified w/ Return Receipt (Signature)	94148118987 65843077923	71247 - Matador -Tony La Russa PLC C107B - notice list - 8
31309	04/01/2022	Tap Rock Resources II, LLC	523 Park Point Dr Ste 200	Golden	CO	80401-9387	Certified w/ Return Receipt (Signature)	94148118987 65843077909	71247 - Matador -Tony La Russa PLC C107B - notice list - 9

RECEIVED

APR 21 2022

Carlsbad Current Argus.
PLACES THE LOCAL NEWS ON THE WEB

Holland & Hart LLP.

Affidavit of Publication

Ad # 0005215840

This is not an invoice

Legal Notice (Publication)

To: All affected parties, including: New Mexico State Land Office; COG Operating, LLC; Concho Oil & Gas, LLC; MRC Permian Co.; Matador Production; Marshall & Winston, Inc.; Nestegg Energy Corp; Mongoose Minerals LLC; and Tap Rock Resources II, LLC.

Application of Matador Production Company for administrative approval to surface commingle (pool and lease) oil and gas production from various spacing units within the W/2 of Sections 3 & 10, T24S, R27E, Eddy County, NM. Matador Production Company (OGRID No. 228937), pursuant to 19.15.12.10 NMAC, seeks administrative approval to surface commingle (pool and lease) diversely owned oil and gas production at the Tony La Russa Tank Battery insofar as all existing and future infill wells drilled in the following spacing units:

(a) The 320.85-acre spacing unit comprised of the W/2 of Section 3 in the Purple Sage; Wolfcamp (Gas) [98220] – includes the Tony La Russa State Com #201H well (API. No. 30-015-45964), Tony La Russa State Com #202H well (API. No. 30-015-45965);

(b) The 320.43-acre spacing unit comprised of the W/2 W/2 of Sections 3 & 10 in the Willow Lake; Bone Spring, West [96415] – includes the Tony La Russa 0310 State Com #121H well (API. No. TBD);

(c) The 320.42-acre spacing unit comprised of the E/2 W/2 of Sections 3 & 10 in the Willow Lake; Bone Spring, West [96415] – includes the Tony La Russa 0310 State Com #122H well (API. No. TBD);

(d) The 640.85-acre spacing unit comprised of the W/2 of Sections 3 & 10 in the Purple Sage; Wolfcamp (Gas) [98220] – includes the Tony La Russa 0310 State Com #225H well (API. No. TBD), Tony La Russa 0310 State Com #226H well (API. No. TBD); and

(e) pursuant to 19.15.12.10.C(4)(g), future Willow Lake; Bone Spring, West [96415] and Purple Sage; Wolfcamp (Gas) [98220] spacing units within the W/2 of Sections 3 & 10 connected to the Tony La Russa 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 KP_perkins@matadorresources.com. #5215840 , Current Argus, April 15, 2022

HOLLAND & HART
POBOX 2208

SANTA FE, NM 87504

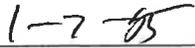
I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements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

04/15/2022


Legal Clerk

Subscribed and sworn before me this April 15, 2022:


State of WI, County of Brown
NOTARY PUBLIC


My commission expires

KATHLEEN ALLEN
Notary Public
State of Wisconsin

Ad # 0005215840
PO #:
of Affidavits 1

This is not an invoice

From: [Engineer, OCD, FMNRD](#)
To: [Adam Rankin](#); [Paula M. Vance](#)
Cc: [McClure, Dean, FMNRD](#); [Wrinkle, Justin, FMNRD](#); [Powell, Brandon, FMNRD](#); lisa@rwbyram.com; [Dawson, Scott](#)
Subject: Approved Administrative Order PLC-850
Date: Wednesday, September 14, 2022 12:20:35 PM
Attachments: [PLC850 Order.pdf](#)

NMOCD has issued Administrative Order PLC-850 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
30-015-45964	Tony La Russa State Com #201H	W/2	3-24S-27E	98220
30-015-45965	Tony La Russa State Com #202H	W/2	3-24S-27E	98220
30-015-49520	Tony La Russa 0310 State Com #225H	W/2	3-24S-27E	98220
		W/2	10-24S-27E	
30-015-49601	Tony La Russa 0310 State Com #226H	W/2	3-24S-27E	98220
		W/2	10-24S-27E	

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](#); [Michael Feldewert](#)
Subject: [EXTERNAL] RE: surface commingling application PLC-850
Date: Thursday, September 1, 2022 10:41:21 AM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[image006.png](#)

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

Dean,

Good morning. We've confirmed with Matador that we can drop these two wells from the application. We understand it is your position that excluding these wells requires dropping the Bone Spring CAs/spacing units from the application and that the spacing units will be excluded from an order approving commingling. Matador is ok with that happening in this instance and will file an application to amend at a later time, so please go ahead and drop those wells so an order can be issued without delay.

However, we feel it is important to point out that we disagree with this interpretation of the surface commingling rule. We have had extensive discussions with OCD over this issue in the past and can revisit it at some point if you would like to discuss at some point.

All best,
 Adam

Adam G. Rankin

Partner, Holland & Hart LLP
 110 N. Guadalupe, Suite 1, Santa Fe, NM 87501
 Direct 505.954.7294 Cell 505.570-0377 Main 505.988.4421



CONFIDENTIALITY NOTICE: This message is confidential and may be privileged. If you believe that this email has been sent to you in error, please reply to the sender that you received the message in error; then please delete this e-mail.

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Wednesday, August 24, 2022 2:25 PM
To: Adam Rankin <AGRankin@hollandhart.com>; Paula M. Vance <PMVance@hollandhart.com>
Subject: surface commingling application PLC-850

External Email

Mr. Rankin,

I am reviewing surface commingling application PLC-850 which involves a commingling project that includes the Tony La Russa Tank Battery and is operated by Matador Production Company (228937).

The following 2 wells do not seem to have approved APDs. Does Matador wish to remove them from this application or place this application on hold until their APDs are approved? The removal of these wells will also remove the Bone Spring formation and 2 proposed CAs.

TBD	Tony La Russa 0310 State Com #121H	W/2 W/2	3-24S-27E	96415
		W/2 W/2	10-24S-27E	
TBD	Tony La Russa 0310 State Com #122H	E/2 W/2	3-24S-27E	96415
		E/2 W/2	10-24S-27E	

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-850

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 prospectively include additional pools, leases, and wells in accordance with 19.15.12.10.C.(4)(g) NMAC.
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.

CONCLUSIONS OF LAW

9. 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.
10. 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.
11. 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.
12. 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.
13. 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.
14. 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.
15. 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 or gas title transfer meter 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 or gas title transfer meter described in Exhibit A.

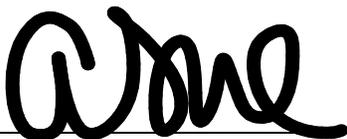
2. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method 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.

3. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling it with production from another well.
4. 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.
5. 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.
6. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
7. 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.
8. 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.
9. If a well is not included in Exhibit A but produces from a pool and 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.
10. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
11. 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).

- 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: 9/14/2022

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: PLC-850
Operator: Matador Production Company (228937)
Central Tank Battery: Tony La Russa Tank Battery
Central Tank Battery Location: UL C, Section 3, Township 24 South, Range 27 East
Gas Title Transfer Meter Location: UL C, Section 3, Township 24 South, Range 27 East

Pools

Pool Name	Pool Code
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 NMSLO PUN 1394769	W/2	3-24S-27E
	W/2	10-24S-27E
CA Wolfcamp NMSLO PUN 1378876	W/2	3-24S-27E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-45964	Tony La Russa State Com #201H	W/2	3-24S-27E	98220
30-015-45965	Tony La Russa State Com #202H	W/2	3-24S-27E	98220
30-015-49520	Tony La Russa 0310 State Com #225H	W/2	3-24S-27E	98220
		W/2	10-24S-27E	
30-015-49601	Tony La Russa 0310 State Com #226H	W/2	3-24S-27E	98220
		W/2	10-24S-27E	

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 95881

CONDITIONS

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 95881
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	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.	9/14/2022