RECEIVED:	REVIEWER:	TYPE:	APP NO:	
	- Geologi	ABOVE THIS TABLE FOR OCD DI CO OIL CONSERVA ical & Engineering rancis Drive, Santa	<b>ATION DIVISION</b> Bureau –	Contractor meters
THIS CHECKI				to division rules and
		EQUIRE PROCESSING AT THE		
Applicant: Well Name:			API:	ID Number:
Pool:			Pool	Code:
SUBMIT ACCURATE A	ND COMPLETE IN	FORMATION REQUI		THE TYPE OF APPLICATION
NSL B. Check one or [ I ] Commingl DHC [ II ] Injection -	acing Unit – Simu NSP(F Ny for [1] or [11] ing – Storage – N CTB [F	Itaneous Dedication PROJECT AREA) Measurement PLC PC O ure Increase – Enha	C <sub>(PRORATION UNIT)</sub>	SD ery <u>FOR OCD ONLY</u>
C. Application D. Notification E. Notification F. Surface ow	ators or lease ho erriding royalty c n requires publish n and/or concurr n and/or concurr ner e above, proof c	lders wners, revenue ow	ners D M	Notice Complete Application Content Complete
3) <b>CERTIFICATION:</b> I he administrative appr understand that <b>no</b> notifications are sub	oval is <b>accurate</b> <b>action</b> will be ta	and <b>complete</b> to the oken on this applica	ne best of my kn	
Note: Stat	ement must be compl	eted by an individual with	managerial and/or su	pervisory capacity.

Print or Type Name

Pathin

Signature

Date

Phone Number

e-mail Address

.



Paula M. Vance Associate Phone (505) 988-4421 Fax (505) 819-5579 pmvance@hollandhart.com

April 15, 2024

## VIA ONLINE FILING

Dylan Fuge, Division Director (Acting) 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 spacing units comprised of Sections 13 & 24, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico (the "Lands")

Dear Mr. Fuge:

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

(a) The 320-acre spacing unit comprised of the W/2 W/2 of Sections 13 and 24, in the WC-025 G-09 S253502B; Lower Bone Spring [98185] – currently dedicated to the **Cathy Bryce Fed Com #135H** (API. No. 30-025-52222);

(b) The 320-acre spacing unit comprised of the E/2 W/2 of Sections 13 and 24, in the WC-025 G-09 S253502B; Lower Bone Spring [98185] – currently dedicated to the **Cathy Bryce Fed Com #136H** (API No. 30-025-52223);

(c) The 320-acre spacing unit comprised of the W/2 E/2 of Sections 13 and 24, in the WC-025 G-09 S253502B; Lower Bone Spring [98185] – currently dedicated to the **Cathy Bryce Fed Com #137H** (API. No. 30-025-52235);

(d) The 320-acre spacing unit comprised of the E/2 E/2 of Sections 13 and 24, in the WC-025 G-09 S253502B; Lower Bone Spring [98185] – currently dedicated to the **Cathy Bryce Fed Com #138H** (API. No. 30-025-52236);

(e) The 320-acre spacing unit comprised of the W/2 W/2 of Sections 13 and 24, in the WC-025 G-09 S253502D; Upper Wolfcamp [98187] – currently dedicated to the **Cathy Bryce Fed Com #211H** (API No. 30-025-52237) and **Cathy Bryce Fed Com** #221H (API No. 30-025-52241);



Paula M. Vance Associate Phone (505) 988-4421 Fax (505) 819-5579 pmvance@hollandhart.com

(f) The 320-acre spacing unit comprised of the E/2 W/2 of Sections 13 and 24, in the WC-025 G-09 S253502D; Upper Wolfcamp [98187] – currently dedicated to the **Cathy Bryce Fed Com #212H** (API No. 30-025-52238) and **Cathy Bryce Fed Com** #222H (API No. 30-025-52242);

(g) The 320-acre spacing unit comprised of the W/2 E/2 of Sections 13 and 24, in the WC-025 G-09 S253502D; Upper Wolfcamp [98187] – currently dedicated to the **Cathy Bryce Fed Com #213H** (API No. 30-025-52239);

(h) The 320-acre spacing unit comprised of the E/2 E/2 of Sections 13 and 24, in the WC-025 G-09 S253502D; Upper Wolfcamp [98187] – currently dedicated to the **Cathy Bryce Fed Com #214H** (API No. 30-025-52240);

(i) Pursuant to 19.15.12.10.C(4)(g), from all future additions of pools, leases or leases and pools to the Cathy Bryce Fed Com 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 **Cathy Bryce Fed Com Tank Battery** ("TB") located on the quarter section line between the NW/4 NE/4 and NE/4 NW/4 of Section 13, Township 24 South, Range 35 East. Each well is equipped with a three-phase separator and metered on lease before production is transferred to the TB. Gas production from the separator will be individually metered with a calibrated orifice meter that is manufactured to AGA specifications. Oil production from the separator will be separately metered using turbine meters.

**Exhibit 1** is a land plat showing Matador's current development plan, flow lines, well pads, the central tank battery ("Facility Pad") in the subject area, and common gathering line. The plat also identifies the wellbores 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 Oscar Gonzalez, Production Engineer with Matador, identifying the facilities and the measurement devices to be utilized, a detailed schematic of the surface facilities (Exhibit A to the statement) and an example gas analysis (Exhibit B to the statement).

**Exhibit 3** is a C-102 for each of the wells currently permitted or drilled within the existing spacing units.

Exhibit 4 includes relevant communitization agreements.

Ownership is diverse between the above-described spacing units, each of which are either subject to a pooling agreement or a pooling order and are therefore considered "leases" as defined by 19.15.12.7(C) NMAC. **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



Paula M. Vance Associate Phone (505) 988-4421 Fax (505) 819-5579 pmvance@hollandhart.com

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. A copy of this application has been provided to the Bureau of Land Management since federal lands are involved.

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

Sincerely,

Paula M. Vance ATTORNEY FOR MATADOR PRODUCTION COMPANY

Received by OCD: 4/15/2024 3:14:36 PM



Released to Imaging: 8/9/2024 11:15:47 AM

1625 N. French Drive, Hobbs, NM 88240

1000 Rio Brazos Road, Aztec, NM 87410

811 S. First St., Artesia, NM 88210

1220 S. St Francis Dr, Santa Fe, NM

District I

District II

District III

District IV

87505

2

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 Producti	on Company			
OPERATOR ADDRESS: 5400 LBJ Freewa	y Tower 1 Suite 150	0 Dallas, TX 75240		
APPLICATION TYPE:				
Pool Commingling Lease Commingling Pool	ol and Lease Comminglin	ng Off-Lease Storage	and Measurement (Only if not Surfa	ace Commingled)
LEASE TYPE: Fee State	Federal			
Is this an Amendment to existing Order? Ye Have the Bureau of Land Management (BLM) a	es ⊠No If "Yes",	please include the app (SLO) been notified in	propriate Order No.	mingling
Have the Bureau of Land Management (BLM) $\mathcal{E}$	ind State Land office	(SLO) been nouried i	ii writing of the proposed com	minging
	(A) POOL CO attach sheets with	MMINGLING the following informa	ation	
(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production	Calculated Value of Commingled Production	Volumes
WC-025 G-09 S253502B;LWR BONE SPRING [98185]	50.36 °		\$68.88/bbl oil Deemed	2,800 bopd
WC-025 G-09 S253502B;LWR BONE SPRING [98185]	1282 BTU/CF	47,81° oil	40°/Sweet (Jul '23 realized price)	3,200 mcfd
WC-025 G-09 S253502D; UPR WOLFCAMP [98187]	45.77 °	1,303 BTU/CF	\$2,15/mcf (Jul '23 realized	3,500 bopd
WC-025 G-09 S253502D; UPR WOLFCAMP [98187]	1320 BTU/CF		price)	4,000 mcfd
<ul> <li>(4) Measurement type: Metering Other</li> <li>(5) Will commingling decrease the value of production</li> </ul>	tion? [Yes XNo	If "yes", describe why	commingling should be approved	
Please		OMMINGLING the following inform:	ation	
<ol> <li>Pool Name and Code-</li> <li>Is all production from same source of supply?</li> <li>Has all interest owners been notified by certified</li> <li>Measurement type: Metering Other (S</li> </ol>		ommingling?	Yes 🗌 No	
		SE COMMINGLIN		
(1) Complete Sections A and E,				
		GE and MEASURI h the following inform		
(1) Is all production from same source of supply?		interesting more		i i
(2) Include proof of notice to all interest owners.				
(E) ADDITIC	NAL INFORMA e attach sheets with	TION (for all appli the following inform	ication types) ation	
<ol> <li>A schematic diagram of facility, including lega</li> <li>A plat with lease boundaries showing all well a</li> <li>Lease Names, Lease and Well Numbers, and A</li> </ol>	l location. nd facility locations. Ir			
I hereby certify that the information above is true and	complete to the best of	my knowledge and belie		
SIGNATURE: Oscar Byg	TITLE:	Production Engineer	DATE: 11	108/2023
TYPE OR PRINT NAME Oscar Gonzalez			TELEPHONE NO.: (972) 629-2	147
E-MAIL ADDRESS: <u>ogonzalez@matadorresourc</u>	es.com			EXHIBI

# Matador Production Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240 Voice 972.371.5427 • Fax 972.371.5201 ogonzalez@matadorresources.com

Oscar Gonzalez Production Engineer

November 8, 2023

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) gas and oil production from the spacing units comprised of Section 13 and Section 24 of Township 24 South, Range 35 East, NMPM, Lea County, New Mexico (the "Lands").

To Whom This May Concern,

Matador Production Company ("Matador"), OGRID: 228937, requests to commingle current oil and gas production from ten (10) 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 Northwind Midstream, LLC 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 FESCO attached as **Exhibit B** hereto.

The flow stream from each wellhead is demonstrated in the Process Flow Diagram (PFD) attached as **Exhibit A** hereto. This PFD shows that the water, oil, and gas exit the wellbore and flow into a wellhead three-phase separator which separates the oil, gas, and water. The oil is measured via turbine meter which is calibrated periodically in accordance with industry specifications by a third party measurement company for accuracy. The gas is measured on a volume and MMBTU basis by an orifice meter and supporting EFM equipment in accordance with American Petroleum Association (API) Chapter 21.1. The gas is then sent into a gathering line where it is commingled

with each of the other wells' metered gas, as shown on **Exhibit A**. The gathering line gas is then metered by another orifice meter at the tank battery check to show the total volume of gas leaving the Tank Battery. This meter is tested and calibrated in accordance with industry specifications and volume and energy are determined on an hourly, daily, and monthly basis. Once the gas exits this final tank battery sales check it travels directly into a third party sales connect meter. Northwind Midstream, LLC 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

Oscar Gyles

Oscar Gonzalez Production Engineer



EXHIBIT **A** 

### FESCO, Ltd. 1100 Fesco Ave. - Alice, Texas 78332

For: Matador Production Company One Lincoln Centre 5400 LBJ Freeway, Suite 1500 Dallas, Texas 75240

Sample: Uncle Richard State COM No. 213H First Stage Separator Spot Gas Sample @ 260 psig & 120 °F

Date Sampled: 07/05/2023

Job Number: 232585.001

COMPONENT	MOL%	GPM
Hydrogen Sulfide*	0.040	
Nitrogen	2.291	
Carbon Dioxide	0.945	
Methane	73.105	
Ethane	13.119	3.592
Propane	6.400	1.805
Isobutane	0.701	0.235
n-Butane	1.676	0.541
2-2 Dimethylpropane	0.024	0.009
Isopentane	0.407	0.152
n-Pentane	0.386	0.143
Hexanes	0.327	0.138
Heptanes Plus	<u>0.579</u>	0.230
Totals	100.000	6.847

#### **CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286**

#### **Computed Real Characteristics Of Heptanes Plus:**

Specific Gravity	3.294	(Air=1)
Molecular Weight	95.02	
Gross Heating Value	5043	BTU/CF

#### **Computed Real Characteristics Of Total Sample:**

Specific Gravity	0.775	(Air=1)
Compressibility (Z)	0.9959	
Molecular Weight	22.37	
Gross Heating Value		
Dry Basis	1320	BTU/CF
Saturated Basis	1298	BTU/CF

\*Hydrogen Sulfide tested on location by: Stain Tube Method (GPA 2377) Results: 25.16 Gr/100 CF, 400.0 PPMV or 0.040 Mol %

Base Conditions: 15.025 PSI & 60 Deg F

Sampled By: (16) D. Field Analyst: LG Processor: RG Cylinder ID: T-2754



Certified: FESCO, Ltd. - Alice, Texas

Conan Pierce 361-661-7015

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### Page 1 of 3

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### CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286 TOTAL REPORT

			0.004		
COMPONENT	MOL %		GPM		WT %
Hydrogen Sulfide*	0.040				0.061
Nitrogen	2.291				2.869
Carbon Dioxide	0.945				1.859
Methane	73.105				52.428
Ethane	13.119		3.592		17.635
Propane	6.400		1.805		12.616
Isobutane	0.701		0.235		1.821
n-Butane	1.676		0.541		4.355
2,2 Dimethylpropane	0.024		0.009		0.077
Isopentane	0.407		0.152		1.313
n-Pentane	0.386		0.143		1.245
2,2 Dimethylbutane	0.003		0.001		0.012
Cyclopentane	0.000		0.000		0.000
2,3 Dimethylbutane	0.040		0.017		0.154
2 Methylpentane	0.104		0.044		0.401
3 Methylpentane	0.064		0.027		0.247
n-Hexane	0.116		0.049		0.447
Methylcyclopentane	0.063		0.023		0.237
Benzene	0.100		0.029		0.349
Cyclohexane	0.082		0.029		0.309
2-Methylhexane	0.014		0.007		0.063
3-Methylhexane	0.020		0.009		0.090
2,2,4 Trimethylpentane	0.011		0.006		0.056
Other C7's	0.034		0.015		0.151
n-Heptane	0.035		0.017		0.157
Methylcyclohexane	0.049		0.020		0.215
Toluene	0.060		0.021		0.247
Other C8's	0.042		0.020		0.207
n-Octane	0.013		0.007		0.066
Ethylbenzene	0.007		0.003		0.033
M & P Xylenes	0.008		0.003		0.038
O-Xylene	0.003		0.001		0.014
Other C9's	0.019		0.010		0.107
n-Nonane	0.004		0.002		0.023
Other C10's	0.009		0.005		0.057
n-Decane	0.002		0.001		0.013
Undecanes (11)	0.004		0.003		0.028
Totals	100.000		6.847		100.000
Computed Real Charac	teristics of T	otal Sample			
Specific Gravity			0.775	(Air=1)	
Compressibility (Z)			.9959	·····/	
		0	.0000		

, ,		· · ·
Compressibility (Z)	0.9959	
Molecular Weight	22.37	
Gross Heating Value		
Dry Basis	1320	BTU/CF
Saturated Basis	1298	BTU/CF

Page 2 of 3

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### FESCO, Ltd.

#### 1100 Fesco Ave. - Alice, Texas 78332

Sample: Uncle Richard State COM No. 213H First Stage Separator Spot Gas Sample @ 260 psig & 120 °F

Date Sampled: 07/05/2023

Job Number: 232585.001

#### **GLYCALC FORMAT**

COMPONENT	MOL%	GPM	Wt %
Carbon Dioxide	0.945		1.859
Hydrogen Sulfide	0.040		0.061
Nitrogen	2.291		2.869
Methane	73.105		52.428
Ethane	13.119	3.592	17.635
Propane	6.400	1.805	12.616
Isobutane	0.701	0.235	1.821
n-Butane	1.700	0.550	4.432
Isopentane	0.407	0.152	1.313
n-Pentane	0.386	0.143	1.245
Cyclopentane	0.000	0.000	0.000
n-Hexane	0.116	0.049	0.447
Cyclohexane	0.082	0.029	0.309
Other C6's	0.211	0.089	0.814
Heptanes	0.166	0.071	0.698
Methylcyclohexane	0.049	0.020	0.215
2,2,4 Trimethylpentane	0.011	0.006	0.056
Benzene	0.100	0.029	0.349
Toluene	0.060	0.021	0.247
Ethylbenzene	0.007	0.003	0.033
Xylenes	0.011	0.004	0.052
Octanes Plus	<u>0.093</u>	<u>0.048</u>	<u>0.501</u>
Totals	100.000	6.847	100.000

### **Real Characteristics Of Octanes Plus:**

Specific Gravity	4.177	(Air=1)
Molecular Weight	120.51	
Gross Heating Value	6384	BTU/CF

### **Real Characteristics Of Total Sample:**

Specific Gravity	0.775	(Air=1)
Compressibility (Z)	0.9959	
Molecular Weight	22.37	
Gross Heating Value		
Dry Basis	1320	BTU/CF
Saturated Basis	1298	BTU/CF

Bistriet I           1625 N. French Dr., Hobbs, NM 88240           Phone: (575) 393-0161           Phone: (575) 748-1283           Phone: (575) 748-1283	State o Energy, Minera Di OIL CONSER 1220 Sou	f New Mexico ls & Natural Resources epartment VATION DIVISION th St. Francis Dr. Fe. NM 87505	EXHIBIT 3	Page 2 of 76Page 13 of 114 FORM C-102 ugust 1, 2011 appropriate District Office
Phone: (505) 476-3460 Fax: (505) 476-3462	L LOCATION AND	ACREAGE DEDICATION P	PLAT	
API Number	<sup>2</sup> Pool Code		ool Name	DINC

	API Number 5-52222						<sup>3</sup> Pool Name WC-025 G-09 S253502B;LWR BONE SPRING			
<sup>4</sup> Property C	ode				<sup>5</sup> Property N				<sup>6</sup> Well Number	
334854				CA'	LHA BRACF	E FED COM			135H	
<sup>7</sup> OGRID N	Ňo.				<sup>8</sup> Operator N	Name			<sup>9</sup> Elevation	
22893	7			MATADO	R PRODUC	TION COMPA	NY		3442'	
<sup>10</sup> Surface Location										
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West li	ne County	
D	13	24-S	35-E	-	408'	NORTH	1115'	WEST	LEA	
<sup>11</sup> Bottom Hole Location If Different From Surface										
UL or lot no.	Section	Township	Range	Lot Idn		North/South line	Feet from the	East/West li	ne County	
М	24	24-S	35-E	-	110'	SOUTH	1254'	WEST	LEA	
<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or I	nfill <sup>14</sup> Coi	solidation Co	de <sup>15</sup> Ord	er No.					

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



Released to Imaging; 8/9/2024 11,15,47 AM Signary and a resourcesicating Bryce 24-245 asterinal productisio cating Bryce Fed Com 135H Rev2. DWG 8/11/2023 7:38:36 AM juliana. franklin

### Received by OCD: 4/15/2024 3:14:363PM1:42 AM

District I IG25 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 000 Rto Brazos Road, Aztec, NM 87410 Phone: (505) 334-6170 District IV I220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Zax (505) 476-3462

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

WELL LOCATION AND ACDEACE DEDICATION DLAT

Page 2 of 76 Page 14 of 114

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

AMENDED REPORT

		V	VELL LO	JUATIO	IN AND ACK	EAGE DEDIC	ATION PLA		
	API Number			<sup>2</sup> Pool Code			<sup>3</sup> Pool Na		
30-02	5-52223		5	8185		WC-025 G-	09 8253502B	;LWR BONE S	SPRING
<sup>4</sup> Property C	Code				<sup>5</sup> Property N	ame		61	Well Number
334854		CATHY BRYCE FED COM 136H							
<sup>7</sup> OGRID N		<sup>8</sup> Operator Name <sup>9</sup> Elevation							
228937		MATADOR PRODUCTION COMPANY 3442'							
<sup>10</sup> Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	13	24-S	35-E	-	408'	NORTH	1225'	WEST	LEA
			11	Bottom Ho	ole Location If D	ifferent From Su	rface		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	24	24-S	24-S $35-E$ - 110' SOUTH 2313' WEST LEA						
<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or I	infill <sup>14</sup> C	onsolidation Co	de <sup>15</sup> Ord	ler No.				

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



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### Received by OCD: 4/15/2624 3:14:363PM 19:24 AM

District I IG25 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-0161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 000 Rto Brazos Road, Aztee, NM 87410 Phone: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Za: (505) 476-3460 Za:

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

## Page 2 of 77 Page 15 of 114

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

AMENDED REPORT

		W	ELL LO	OCATIO	N AND ACR	EAGE DEDIC	ATION PLA	Т		
	<sup>1</sup> API Number	r		<sup>2</sup> Pool Code			<sup>3</sup> Pool Na	ame		
30-0	25-5223	35		98185	5	WC-025 G	-09 S253502I	B;LWR I	BONE	SPRING
<sup>4</sup> Property C	Code		-		<sup>5</sup> Property 1	Name			°1	Well Number
33485	4			CA	THY BRYCE	E FED COM				137H
<sup>7</sup> OGRID N	No.				<sup>8</sup> Operator 1	Name				<sup>9</sup> Elevation
22893	37		MATADOR PRODUCTION COMPANY 3435'							
	<sup>10</sup> Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	Eas	t/West line	County
В	13	24-S	35-E	-	403'	NORTH	1523'	EAS	ST	LEA
	•		11	Bottom Ho	le Location If I	Different From Su	rface			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	Eas	st/West line	County
0	24	24-S	24-S $35-E$ - 110' SOUTH 2178' EAST LEA							LEA
<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or 1	Infill <sup>14</sup> Cor	solidation Co	de <sup>15</sup> Ord	ler 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.



### Received by OCD: 4/15/2024 3:14:363PM7:19 PM

District I IG25 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-0161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 000 Rto Brazos Road, Aztee, NM 87410 Phone: (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

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

AMENDED REPORT

		W	ELL LO	OCATIO	N AND ACR	REAGE DEDIC	ATION PLA	Т		
· · · · ·	API Number	r		<sup>2</sup> Pool Code			<sup>3</sup> Pool N	ame		
30-02	5-52236	<b>j</b>		98185	.	WC-025 G-	09 S253502B	;LWR B	ONE S	SPRING
<sup>4</sup> Property C	ode		<sup>5</sup> Property Name <sup>6</sup> Well Number							
334854				CA	THY BRYCE	E FED COM				138H
<sup>7</sup> OGRID N	lo.				<sup>8</sup> Operator 1	Name				<sup>9</sup> Elevation
22893	37		MATADOR PRODUCTION COMPANY 3435'							
	<sup>10</sup> Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	Eas	t/West line	County
В	13	24-S	35-E	-	403'	NORTH	1493'	EAS	ST	LEA
			11	Bottom Ho	ble Location If I	Different From Su	rface			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	Eas	t/West line	County
Р	24	24-S	24-S   35-E   -   110'   SOUTH   330'   EAST							LEA
<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or 1	Infill <sup>14</sup> Con	solidation Co	de <sup>15</sup> Ord	ler No.					

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## Received by OCD: 4/15/2024 3:14:363PM :59 PM

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 District III

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

 District III

 1000 Rito Brazos Road, Aztec, NM 87410

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

 District IV

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 Phone: (505) 476-3400

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WELL LOCATION AND ACDEACE DEDICATION BLAT

Page 2 of 80 Page 17 of 114

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

AMENDED REPORT

		<b>W</b> .	ELL L(	JCATIO	N AND ACK	EAGE DEDIC	ATION PLA			
	API Numbe	r		<sup>2</sup> Pool Code			<sup>3</sup> Pool Na	ame		
30	-025-52	2237		98187		WC-025 G-0	9 S253502D;	UPR WOLFO	CAMP	
<sup>4</sup> Property C	ode				<sup>5</sup> Property N	ame			<sup>6</sup> Well Number	
334854			CATHY BRYCE FED COM 211H							
<sup>7</sup> OGRID N	ŇO.				<sup>8</sup> Operator N	lame			<sup>9</sup> Elevation	
22893	37		MATADOR PRODUCTION COMPANY 3442'							
<sup>10</sup> Surface Location										
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West li	ne County	
D	13	24-S	35-E	-	438'	NORTH	1115'	WEST	LEA	
			11	Bottom Ho	ole Location If D	Different From Su	rface			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West li	ne County	
М	24	24-S	24-S $35-E$ - 110' SOUTH 330' WEST LEA							
<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or 1	Infill <sup>14</sup> Con	fill <sup>14</sup> Consolidation Code <sup>15</sup> 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.



Released to Imaging; 8/9/2024 11:15:47. AM appropriate Resources Catty BRYCE 24:245 35E/FINAL PRODUCTS Lo\_Catty BRYCE FED\_COM 2111\_REV1.DWG 8/18/2023 8:52:17 AM Juliana.franklin

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 Phone: (505) 476-3460

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

AMENDED REPORT

		W	ELL LC	<b>)CATIO</b>	N AND ACI	REAGE DEDIC	ATION PLA	Т.		
	<sup>1</sup> API Number	r		<sup>2</sup> Pool Code			<sup>3</sup> Pool Na			
30-02	25-5223	8		98187		WC-025 G-	09 S253502D	; UPR WOLFC	CAMP	
<sup>4</sup> Property C					5Property	y Name <sup>6</sup> Well Number				
334854	-		CATHY BRYCE FED COM 212H							
<sup>7</sup> OGRID I					<sup>8</sup> Operator	Name			<sup>9</sup> Elevation	
22893	7		MATADOR PRODUCTION COMPANY 3442'							
	<sup>10</sup> Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	e North/South line	Feet from the	East/West line	County	
D	13	24-S	35-E	-	437'	NORTH	1145'	WEST	LEA	
			11	Bottom Ho	le Location If	Different From Su	rface			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	e North/South line	Feet from the	East/West line	County	
М	24	24-S	24-S $35-E$ - 110' SOUTH 2178' WEST LEA							
<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or 1	Infill <sup>14</sup> Cor	solidation Co	de <sup>15</sup> Ord	ler No.	•				

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Released to Imaging; 8/9/2024 11:15:47 AM superprint ador\_resourcesicathy\_Bryce\_24-24s\_35EFINAL\_PRODUCTSLO\_CATHY\_Bryce\_FED\_COM\_212H\_REV2.DWG 8/11/2023 7:30:50 AM juliana.franklin

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AMENDED REPORT

		W	ELL LC	OCATIO	N AND ACF	REAGE DEDIC	ATION PLA	Т			
· · · · ·	API Number			<sup>2</sup> Pool Code		<sup>3</sup> Pool Name					
3	0-025-5	2239		98187		WC-025 G-09	\$253502D;U	PR WOLFCA	MP		
<sup>4</sup> Property C	ode		<sup>5</sup> Property Name <sup>6</sup> Well Number								
334854				CA	THY BRYCI	E FED COM			213H		
<sup>7</sup> OGRID N	Ňø.				<sup>8</sup> Operator	Name			<sup>9</sup> Elevation		
228937		MATADOR PRODUCTION COMPANY 3435'									
<sup>10</sup> Surface Location											
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County		
В	13	24-S	35-E	-	433'	NORTH	1523'	EAST	LEA		
			11	Bottom Ho	le Location If l	Different From Su	rface				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County		
0	24	24-S $35-E$ - 110' SOUTH 2178' EAST LEA									
<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or 1	infill <sup>14</sup> Co	nsolidation Coc	le <sup>15</sup> Ord	er No.						

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



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

AMENDED REPORT

	WE	LL LUCATION AND	ACKEAGE DEDICATION PLAT							
<sup>1</sup> API Numbe	r	<sup>2</sup> Pool Code	<sup>3</sup> Pool Name							
30-025-52240		98187	OLFCAMP							
<sup>4</sup> Property Code		<sup>5</sup> Property Name <sup>6</sup> Well Number								
		CATHY BRYCE FED COM 214H								
<sup>7</sup> OGRID No.		*Operator Name <sup>9</sup> Elevation								
228937	MATADOR PRODUCTION COMPANY 3435'									

WELL LOCATION AND ACDEACE DEDICATION BLAT

					<sup>10</sup> Surface L	ocation			
UL or lot no.	Section	tion Township Range Lot Idn Feet from the North/South line Feet from the East/West line Count							County
B	13	24-S	35-E	-	433'	NORTH	1493'	EAST	LEA
<sup>11</sup> 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
0	24	24-S	35-E	-	110'	SOUTH	1254'	EAST	LEA
<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or 1	infill <sup>14</sup> Co	onsolidation Co	de <sup>15</sup> Ord	er No.				

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



Released to Imaging; 8/9/2024 11:15:47 AM segryper at a dor resources cathy Bryce 24:245 3551 Final products to Cathy Bryce Fed Com 214H rev2. DWG 8/11/2023 7:42:59 AM juliana. Irankin

### Received by OCD: 4/15/2024 3:14:363PM<sup>0:36</sup> AM

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AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

30-025	API Number -52241			<sup>2</sup> Pool Code 98187		<sup>3</sup> Pool Name WC-025 G-09 S253502D; UPR WOLFCAMP				
<sup>4</sup> Property C	ode		-	CA		<sup>6</sup> Well Number 221H				
<sup>7</sup> OGRID M 228937	io.	<sup>8</sup> Operator Name <sup>9</sup> Eleva MATADOR PRODUCTION COMPANY 344								
					<sup>10</sup> Surface L	ocation				
UL or lot no. D	Section 13	Township 24–S	Range 35–E	Lot Idn —	Feet from the 407'	North/South line NORTH	Feet from the 1145'	East/West line	County	
			11	Bottom Ho	le Location If I	Different From Su	rface			
UL or lot no. M	Section 24	Township         Range         Lot Idn         Feet from the         North/South line         Feet from the         East/West line           24-S         35-E         -         110'         SOUTH         1254'         WEST							e County LEA	
<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or 1	or Infill <sup>14</sup> Consolidation Code <sup>15</sup> 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.



Released to Imaging; 8/9/2024 11:15:47 AM SURPENTATADOR RESOURCESICATHY BRYCE 24:245 35EIFINAL PRODUCTSILO\_CATHY BRYCE FED\_COM\_221H\_REV3.DWG 9/11/2023 4:41:16 PM juliana.franklin

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AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

	API Number			<sup>2</sup> Pool Code			<sup>3</sup> Pool N				
30-025	-52242			98187		WC-025	5 G-09 S2535	02D; UP	PR WO	LFCAMP	
<sup>4</sup> Property C	ode			<sup>5</sup> Property Name						<sup>6</sup> Well Number	
				CA	THY BRYCE	E FED COM			222H		
<sup>7</sup> OGRID N	ŇO.				<sup>8</sup> Operator I	Name				<sup>9</sup> Elevation	
228937		MATADOR PRODUCTION COMPANY 3445'							3445'		
	<sup>10</sup> Surface Location										
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	Ea	st/West line	County	
D	13	24–S	35–E	-	438'	NORTH	1225'	WE	ST	LEA	
			11	Bottom Ho	le Location If I	Different From Su	rface				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	Ea	st/West line	County	
N	24	24-S	24-S $35-E$ - 110' SOUTH 2313' WEST LEA								
<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or 1	r Infill <sup>14</sup> Consolidation Code <sup>15</sup> Order No.									

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



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## Federal Communitization Agreement

Contract No.

THIS AGREEMENT entered into as of the 1<sup>st</sup> day of **October**, 2023, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

### WITNESSETH:

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

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

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

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

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

### W2 W2 Sections 13 & 24, Township 24S, Range 35E, Lea County, New Mexico.

Containing **320** acres, and this agreement shall include only the Bone Spring Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

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

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8<sup>th</sup> or 12<sup>1</sup>/<sub>2</sub> percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining  $7/8^{\text{th}}$  should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the

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

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

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

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

- 10. The date of this agreement is October 1, 2023, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
- 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
- 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all

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

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

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

### **Operator:** <u>Matador Production Company</u>

Signature of Authorized Agent

**By:** Bryan A. Erman E.V.P. and General Counsel and Head of M&A Name & Title of Authorized Agent

Date:

## ACKNOWLEDGEMENT

### STATE OF **TEXAS**)

### COUNTY OF **DALLAS**)

On this \_\_\_\_\_day of \_\_\_\_\_\_, 2022, before me, a Notary Public for the State of Texas, personally appeared Bryan A. Erman, known to me to be the E.V.P. and General Counsel and Head of M&A of Matador Production Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

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

## MRC Permian Company

By: \_\_\_\_\_

Bryan A. Erman E.V.P. and General Counsel and Head of M&A Print Name

Date: \_\_\_\_\_

## ACKNOWLEDGEMENT

## STATE OF **TEXAS**)

### COUNTY OF **DALLAS**)

On this \_\_\_\_\_day of \_\_\_\_\_\_, 2022, before me, a Notary Public for the State of Texas, personally appeared Bryan A. Erman, known to me to be the E.V.P. and General Counsel and Head of M&A of MRC Permian Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

# SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING <u>INTEREST</u>

COMMUNITIZATION AGREEMENT:

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

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

NAME :

Signature of office

Printed: Bryan A. Erman

TITLE: EVP & General Counsel & Head of M&A

Phone number : (972)-371-5469

## **EXHIBIT "A"**

Plat of communitized area covering 320 acres in W2 W2 Sections 13 & 24, Township 24S, Range 35E, Lea County, New Mexico.

Cathy Bryce Fed Com #135H

b	-	
Tract 1		
NMNM		
138888		
Tract 2		
NMNM		
138892		

## EXHIBIT "B"

Attached to and made a part of that certain Communitization Agreement dated October 1, 2023, embracing the following described land in the W2 W2 Sections 13 & 24, Township 24S, Range 35E, Lea County, New Mexico.

## Operator of Communitized Area: Matador Production Company

## DESCRIPTION OF LEASES COMMITTED

### Tract No. 1

Lease Serial Number:	NMNM 138888
Description of Land Committed:	Township 24 South, Range 35 East, Section 13: W2 W2
Number of Acres:	160.00
Current Lessee of Record:	MRC Permian Company
Name and Percent of Working Interest Owners:	MRC Permian Company 100%

## Tract No. 2

Lease Serial Number:	NMNM 138892	
Description of Land Committed:	Township 24 South, Range 35 East, Section 24: W2 W2	
Number of Acres:	160.00	
Current Lessee of Record:	MRC Permian Company	
Name and Percent of Working Interest Owners:	MRC Permian Company 100%	
Name of Overriding Royalty Interest Owners:	Franklin Mountain Royalty Investments, LLC	

# **RECAPITULATION**

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	160.00	50%
2	160.00	50%
Total	320.00	100.00%

## Federal Communitization Agreement

Contract No.

THIS AGREEMENT entered into as of the 1<sup>st</sup> day of **October**, 2023, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

### WITNESSETH:

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

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

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

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

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

E2W2 Sections 13 & 24, Township 24 South, Range 35 East, Lea County, New Mexico.

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

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

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

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

If the communitized area approved in this Agreement contains unleased Federal lands, the value of  $1/8^{\text{th}}$  or  $12\frac{1}{2}$  percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 7/8<sup>th</sup> should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the

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

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

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

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

- 10. The date of this agreement is October 1, 2023, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
- 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
- 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all
parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

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

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

#### **Operator:** <u>Matador Production Company</u>

Signature of Authorized Agent

**By:** Bryan A. Erman E.V.P. and General Counsel and Head of M&A Name & Title of Authorized Agent

Date:

## ACKNOWLEDGEMENT

#### STATE OF **TEXAS**)

#### COUNTY OF **DALLAS**)

On this \_\_\_\_\_day of \_\_\_\_\_\_, 2024, before me, a Notary Public for the State of Texas, personally appeared Bryan A. Erman, known to me to be the E.V.P. and General Counsel and Head of M&A of Matador Production Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

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

#### MRC Permian Company

By: \_\_\_\_\_

Bryan A. Erman E.V.P. and General Counsel and Head of M&A Print Name

Date: \_\_\_\_\_

## ACKNOWLEDGEMENT

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My Commission Expires

# SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING <u>INTEREST</u>

COMMUNITIZATION AGREEMENT:

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

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

NAME :

Signature of office

Printed: Bryan A. Erman

TITLE: E.V.P. & General Counsel & Head of M&A

Phone number : (972)-371-5469

## **EXHIBIT "A"**

Plat of communitized area covering 320.00 acres in E2W2 Sections 13 & 24, Township 24 South, Range 35 East, Lea County, New Mexico.

Cathy Bryce Fed Com #150ff		
	Tract 1 NMNM 138888	
	Tract 2 NMNM 138892	

Cathy Bryce Fed Com #136H

## EXHIBIT "B"

Attached to and made a part of that certain Communitization Agreement dated October 1, 2023, embracing the following described land in the E2W2 Sections 13 & 24, Township 24 South, Range 35 East, Lea County, New Mexico.

Operator of Communitized Area: Matador Production Company

#### **DESCRIPTION OF LEASES COMMITTED**

#### Tract No. 1

Lease Serial Number:	NMNM-138888
Description of Land Committed:	Township 24 South, Range 35 East, Section 13: E2W2
Number of Acres:	160.00
Current Lessee of Record:	MRC Permian Company
Name and Percent of Working Interest Owners:	MRC Permian Company

#### Tract No. 2

Lease Serial Number:	NMNM-138892
Description of Land Committed:	Township 24 South, Range 35 East, Section 24: E2W2
Number of Acres:	160.00
Current Lessee of Record:	MRC Permian Company
Name and Percent of Working Interest Owners:	MRC Permian Company
Name of Overriding Royalty Interest Owners:	Franklin Mountain Royalty Investments, LLC

# **RECAPITULATION**

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

#### Federal Communitization Agreement

Contract No.

THIS AGREEMENT entered into as of the 1<sup>st</sup> day of **October**, 2023, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

#### WITNESSETH:

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

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

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W2E2 Sections 13 & 24, Township 24 South, Range 35 East, Lea County, New Mexico.

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

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

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

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

If the communitized area approved in this Agreement contains unleased Federal lands, the value of  $1/8^{\text{th}}$  or  $12\frac{1}{2}$  percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 7/8<sup>th</sup> should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the

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

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

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

- 10. The date of this agreement is October 1, 2023, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
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#### **Operator:** <u>Matador Production Company</u>

Signature of Authorized Agent

**By:** Bryan A. Erman E.V.P. and General Counsel and Head of M&A Name & Title of Authorized Agent

Date:

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#### MRC Permian Company

By: \_\_\_\_\_

Bryan A. Erman E.V.P. and General Counsel and Head of M&A Print Name

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

NAME :

Signature of office

Printed: Bryan A. Erman

TITLE: E.V.P. & General Counsel & Head of M&A

Phone number : (972)-371-5469

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Catily Dryce Feu Colli #15/11		
	Tract 1 NMNM 138888	
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Cathy Bryce Fed Com #137H

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Name and Percent of Working Interest Owners:	MRC Permian Company

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Current Lessee of Record:	MRC Permian Company
Name and Percent of Working Interest Owners:	MRC Permian Company
Name of Overriding Royalty Interest Owners:	Franklin Mountain Royalty Investments, LLC

# **RECAPITULATION**

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

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Contract No.

THIS AGREEMENT entered into as of the 1<sup>st</sup> day of **October**, 2023, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

#### WITNESSETH:

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

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

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

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

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

#### E2 E2 Sections 13 & 24, Township 24S, Range 35E, Lea County, New Mexico.

Containing **320** acres, and this agreement shall include only the Bone Spring Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

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

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8<sup>th</sup> or 12<sup>1</sup>/<sub>2</sub> percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining  $7/8^{\text{th}}$  should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the

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

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

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

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

- 10. The date of this agreement is October 1, 2023, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
- 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
- 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all

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

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

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

#### **Operator:** <u>Matador Production Company</u>

Signature of Authorized Agent

**By:** Bryan A. Erman E.V.P. and General Counsel and Head of M&A Name & Title of Authorized Agent

Date:

## ACKNOWLEDGEMENT

#### STATE OF **TEXAS**)

#### COUNTY OF **DALLAS**)

On this \_\_\_\_\_day of \_\_\_\_\_\_, 2022, before me, a Notary Public for the State of Texas, personally appeared Bryan A. Erman, known to me to be the E.V.P. and General Counsel and Head of M&A of Matador Production Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

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

#### MRC Permian Company

By: \_\_\_\_\_

Bryan A. Erman E.V.P. and General Counsel and Head of M&A Print Name

Date: \_\_\_\_\_

## ACKNOWLEDGEMENT

#### STATE OF **TEXAS**)

#### COUNTY OF **DALLAS**)

On this \_\_\_\_\_day of \_\_\_\_\_\_, 2022, before me, a Notary Public for the State of Texas, personally appeared Bryan A. Erman, known to me to be the E.V.P. and General Counsel and Head of M&A of MRC Permian Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

# SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING <u>INTEREST</u>

COMMUNITIZATION AGREEMENT:

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

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

NAME :

Signature of office

Printed: Bryan A. Erman

TITLE: EVP & General Counsel & Head of M&A

Phone number : (972)-371-5469

## **EXHIBIT "A"**

Plat of communitized area covering 320 acres in E2 E2 Sections 13 & 24, Township 24S, Range 35E, Lea County, New Mexico.

## Cathy Bryce Fed Com #138H

	Tract 1 NMNM 138	888
	Tract 2 NMNM 13	8892

## EXHIBIT "B"

Attached to and made a part of that certain Communitization Agreement dated October 1, 2023, embracing the following described land in the E2 E2 Sections 13 & 24, Township 24S, Range 35E, Lea County, New Mexico.

## Operator of Communitized Area: Matador Production Company

### DESCRIPTION OF LEASES COMMITTED

#### Tract No. 1

Lease Serial Number:	NMNM 138888
Description of Land Committed:	Township 24 South, Range 35 East, Section 13: E2 E2
Number of Acres:	160
Current Lessee of Record:	MRC Permian Company
Name and Percent of Working Interest Owners:	MRC Permian Company 100%

#### Tract No. 2

Lease Serial Number:	NMNM 138892
Description of Land Committed:	Township 20 South, Range 29 East, Section 24: E2 E2
Number of Acres:	160
Current Lessee of Record:	MRC Permian Company
Name and Percent of Working Interest Owners:	MRC Permian Company 100%
Name of Overriding Royalty Interest Owners:	Franklin Mountain Royalty Investments, LLC

# **RECAPITULATION**

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	160.00	50%
2	160.00	50%
Total	320.00	100.00%

### Federal Communitization Agreement

Contract No.

THIS AGREEMENT entered into as of the 1<sup>st</sup> day of **October**, 2023, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

#### WITNESSETH:

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

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

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

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

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

#### W2 W2 Sections 13 & 24, Township 24S, Range 35E, Lea County, New Mexico.

Containing **320** acres, and this agreement shall include only the Wolfcamp Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

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

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8<sup>th</sup> or 12<sup>1</sup>/<sub>2</sub> percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining  $7/8^{\text{th}}$  should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the

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

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

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

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

- 10. The date of this agreement is October 1, 2023, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
- 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
- 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all

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

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

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

#### **Operator:** <u>Matador Production Company</u>

Signature of Authorized Agent

**By:** Bryan A. Erman E.V.P. and General Counsel and Head of M&A Name & Title of Authorized Agent

Date:

## ACKNOWLEDGEMENT

#### STATE OF **TEXAS**)

#### COUNTY OF **DALLAS**)

On this \_\_\_\_\_day of \_\_\_\_\_\_, 2022, before me, a Notary Public for the State of Texas, personally appeared Bryan A. Erman, known to me to be the E.V.P. and General Counsel and Head of M&A of Matador Production Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

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

#### MRC Permian Company

By: \_\_\_\_\_

Bryan A. Erman E.V.P. and General Counsel and Head of M&A Print Name

Date: \_\_\_\_\_

## ACKNOWLEDGEMENT

#### STATE OF **TEXAS**)

#### COUNTY OF **DALLAS**)

On this \_\_\_\_\_day of \_\_\_\_\_\_, 2022, before me, a Notary Public for the State of Texas, personally appeared Bryan A. Erman, known to me to be the E.V.P. and General Counsel and Head of M&A of MRC Permian Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

# SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING <u>INTEREST</u>

COMMUNITIZATION AGREEMENT:

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

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

NAME :

Signature of office

Printed: Bryan A. Erman

TITLE: EVP & General Counsel & Head of M&A

Phone number : (972)-371-5469

## **EXHIBIT "A"**

Plat of communitized area covering 320 acres in W2 W2 Sections 13 & 24, Township 24S, Range 35E, Lea County, New Mexico.

Cathy Bryce Fed Com #221H

Cathy Bryce Fed Com #211H

Tract 1 NMNM 138888	2		
Tract 2 NMNM 138892			

## EXHIBIT "B"

Attached to and made a part of that certain Communitization Agreement dated October 1, 2023, embracing the following described land in the W2 W2 Sections 13 & 24, Township 24S, Range 35E, Lea County, New Mexico.

## Operator of Communitized Area: Matador Production Company

### DESCRIPTION OF LEASES COMMITTED

#### Tract No. 1

Lease Serial Number:	NMNM 138888	
Description of Land Committed:	Township 24 South, Range 35 East, Section 13: W2 W2	
Number of Acres:	160	
Current Lessee of Record:	MRC Permian Company	
Name and Percent of Working Interest Owners:	MRC Permian Company 100%	

#### Tract No. 2

Lease Serial Number:	NMNM 138892	
Description of Land Committed:	Township 24 South, Range 35 East, Section 24: W2 W2	
Number of Acres:	160	
Current Lessee of Record:	MRC Permian Company	
Name and Percent of Working Interest Owners:	MRC Permian Company 100%	
Name of Overriding Royalty Interest Owners:	Franklin Mountain Royalty Investments, LLC	

## **RECAPITULATION**

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	160.00	50%
2	160.00	50%
Total	320.00	100.00%
#### Federal Communitization Agreement

Contract No.

THIS AGREEMENT entered into as of the 1<sup>st</sup> day of **October**, 2023, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

#### WITNESSETH:

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

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

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

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

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

#### E2 W2 Sections 13 & 24, Township 24S, Range 35E, Lea County, New Mexico.

Containing **320** acres, and this agreement shall include only the Wolfcamp Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

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

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8<sup>th</sup> or 12<sup>1</sup>/<sub>2</sub> percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining  $7/8^{\text{th}}$  should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the

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

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

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

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

- 10. The date of this agreement is October 1, 2023, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
- 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
- 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all

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

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

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

#### **Operator:** <u>Matador Production Company</u>

Signature of Authorized Agent

**By:** Bryan A. Erman E.V.P. and General Counsel and Head of M&A Name & Title of Authorized Agent

Date:

## ACKNOWLEDGEMENT

#### STATE OF **TEXAS**)

#### COUNTY OF **DALLAS**)

On this \_\_\_\_\_day of \_\_\_\_\_\_, 2022, before me, a Notary Public for the State of Texas, personally appeared Bryan A. Erman, known to me to be the E.V.P. and General Counsel and Head of M&A of Matador Production Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

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

#### MRC Permian Company

By: \_\_\_\_\_

Bryan A. Erman E.V.P. and General Counsel and Head of M&A Print Name

Date: \_\_\_\_\_

## ACKNOWLEDGEMENT

#### STATE OF **TEXAS**)

#### COUNTY OF **DALLAS**)

On this \_\_\_\_\_day of \_\_\_\_\_\_, 2022, before me, a Notary Public for the State of Texas, personally appeared Bryan A. Erman, known to me to be the E.V.P. and General Counsel and Head of M&A of MRC Permian Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

# SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING <u>INTEREST</u>

COMMUNITIZATION AGREEMENT:

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

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

NAME :

Signature of office

Printed: Bryan A. Erman

TITLE: EVP & General Counsel & Head of M&A

Phone number : (972)-371-5469

## **EXHIBIT "A"**

Plat of communitized area covering 320 acres in E2 W2 Sections 13 & 24, Township 24S, Range 35E, Lea County, New Mexico.

Cathy Bryce Fed Com #212H and #222H

Tract 1 NMNM		
138888		
Tract 2 NMNM 138892		

## EXHIBIT "B"

Attached to and made a part of that certain Communitization Agreement dated October 1, 2023, embracing the following described land in the E2 W2 Sections 13 & 24, Township 24S, Range 35E, Lea County, New Mexico.

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

#### DESCRIPTION OF LEASES COMMITTED

#### Tract No. 1

Lease Serial Number:	NMNM 138888
Description of Land Committed:	Township 24 South, Range 35 East, Section 13: E2 W2
Number of Acres:	160
Current Lessee of Record:	MRC Permian Company
Name and Percent of Working Interest Owners:	MRC Permian Company 100%

#### Tract No. 2

Lease Serial Number:	NMNM 138892
Description of Land Committed:	Township 24 South, Range 35 East, Section 24: E2 W2
Number of Acres:	160
Current Lessee of Record:	MRC Permian Company
Name and Percent of Working Interest Owners:	MRC Permian Company 100%
Name of Overriding Royalty Interest Owners:	Franklin Mountain Royalty Investments, LLC

## **RECAPITULATION**

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	160.00	50%
2	160.00	50%
Total	320.00	100.00%

#### Federal Communitization Agreement

Contract No.

THIS AGREEMENT entered into as of the 1<sup>st</sup> day of **October**, 2023, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

#### WITNESSETH:

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

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

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

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

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

W2E2 Sections 13 & 24, Township 24 South, Range 35 East, Lea County, New Mexico.

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

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

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

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

If the communitized area approved in this Agreement contains unleased Federal lands, the value of  $1/8^{\text{th}}$  or  $12\frac{1}{2}$  percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 7/8<sup>th</sup> should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the

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

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

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

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

- 10. The date of this agreement is October 1, 2023, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
- 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
- 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all

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

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

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

#### **Operator:** <u>Matador Production Company</u>

Signature of Authorized Agent

**By:** Bryan A. Erman E.V.P. and General Counsel and Head of M&A Name & Title of Authorized Agent

Date:

## ACKNOWLEDGEMENT

#### STATE OF **TEXAS**)

#### COUNTY OF **DALLAS**)

On this \_\_\_\_\_day of \_\_\_\_\_\_, 2024, before me, a Notary Public for the State of Texas, personally appeared Bryan A. Erman, known to me to be the E.V.P. and General Counsel and Head of M&A of Matador Production Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

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

#### MRC Permian Company

By: \_\_\_\_\_

Bryan A. Erman E.V.P. and General Counsel and Head of M&A Print Name

Date: \_\_\_\_\_

## ACKNOWLEDGEMENT

#### STATE OF **TEXAS**)

#### COUNTY OF **DALLAS**)

On this \_\_\_\_\_day of \_\_\_\_\_\_, 2024, before me, a Notary Public for the State of Texas, personally appeared Bryan A. Erman, known to me to be the E.V.P. and General Counsel and Head of M&A of MRC Permian Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

# SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING <u>INTEREST</u>

COMMUNITIZATION AGREEMENT:

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

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

NAME :

Signature of office

Printed: Bryan A. Erman

TITLE: E.V.P. & General Counsel & Head of M&A

Phone number : (972)-371-5469

## **EXHIBIT "A"**

Plat of communitized area covering 320.00 acres in W2E2 Sections 13 & 24, Township 24 South, Range 35 East, Lea County, New Mexico.

Cathy Dryce red Com #21511		
	Tract 1 NMNM 138888	
	Tract 2 NMNM 138892	

#### Cathy Bryce Fed Com #213H

### EXHIBIT "B"

Attached to and made a part of that certain Communitization Agreement dated October 1, 2023, embracing the following described land in the W2E2 Sections 13 & 24, Township 24 South, Range 35 East, Lea County, New Mexico.

Operator of Communitized Area: Matador Production Company

#### DESCRIPTION OF LEASES COMMITTED

#### Tract No. 1

Lease Serial Number:	NMNM-138888
Description of Land Committed:	Township 24 South, Range 35 East, Section 13: W2E2
Number of Acres:	160.00
Current Lessee of Record:	MRC Permian Company
Name and Percent of Working Interest Owners:	MRC Permian Company

#### Tract No. 2

Lease Serial Number:	NMNM-138892
Description of Land Committed:	Township 24 South, Range 35 East, Section 24: W2E2
Number of Acres:	160.00
Current Lessee of Record:	MRC Permian Company
Name and Percent of Working Interest Owners:	MRC Permian Company
Name of Overriding Royalty Interest Owners:	Franklin Mountain Royalty Investments, LLC

## **RECAPITULATION**

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

#### Federal Communitization Agreement

Contract No.

THIS AGREEMENT entered into as of the 1<sup>st</sup> day of **October**, 2023, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

#### WITNESSETH:

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

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

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

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

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

#### E2 E2 Sections 13 & 24, Township 24S, Range 35E, Lea County, New Mexico.

Containing **320** acres, and this agreement shall include only the Wolfcamp Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

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

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8<sup>th</sup> or 12<sup>1</sup>/<sub>2</sub> percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining  $7/8^{\text{th}}$  should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the

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

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

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

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

- 10. The date of this agreement is October 1, 2023, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
- 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
- 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all

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

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

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

#### **Operator:** <u>Matador Production Company</u>

Signature of Authorized Agent

**By:** Bryan A. Erman E.V.P. and General Counsel and Head of M&A Name & Title of Authorized Agent

Date:

## ACKNOWLEDGEMENT

#### STATE OF **TEXAS**)

#### COUNTY OF **DALLAS**)

On this \_\_\_\_\_day of \_\_\_\_\_\_, 2022, before me, a Notary Public for the State of Texas, personally appeared Bryan A. Erman, known to me to be the E.V.P. and General Counsel and Head of M&A of Matador Production Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

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

#### MRC Permian Company

By: \_\_\_\_\_

Bryan A. Erman E.V.P. and General Counsel and Head of M&A Print Name

Date: \_\_\_\_\_

## ACKNOWLEDGEMENT

#### STATE OF **TEXAS**)

#### COUNTY OF **DALLAS**)

On this \_\_\_\_\_day of \_\_\_\_\_\_, 2022, before me, a Notary Public for the State of Texas, personally appeared Bryan A. Erman, known to me to be the E.V.P. and General Counsel and Head of M&A of MRC Permian Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

# SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING <u>INTEREST</u>

COMMUNITIZATION AGREEMENT:

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

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

NAME :

Signature of office

Printed: Bryan A. Erman

TITLE: EVP & General Counsel & Head of M&A

Phone number : (972)-371-5469

## **EXHIBIT "A"**

Plat of communitized area covering 320 acres in E2 E2 Sections 13 & 24, Township 24S, Range 35E, Lea County, New Mexico.

### Cathy Bryce Fed Com #214H

	Tract 1 NMNM 138	888
	Tract 2 NMNM 13	8892

### EXHIBIT "B"

Attached to and made a part of that certain Communitization Agreement dated October 1, 2023, embracing the following described land in the E2 E2 Sections 13 & 24, Township 24S, Range 35E, Lea County, New Mexico.

### Operator of Communitized Area: Matador Production Company

### DESCRIPTION OF LEASES COMMITTED

#### Tract No. 1

Lease Serial Number:	NMNM 138888
Description of Land Committed:	Township 24 South, Range 35 East, Section 13: E2 E2
Number of Acres:	160
Current Lessee of Record:	MRC Permian Company
Name and Percent of Working Interest Owners:	MRC Permian Company 100%

#### Tract No. 2

Lease Serial Number:	NMNM 138892
Description of Land Committed:	Township 20 South, Range 29 East, Section 24: E2 E2
Number of Acres:	160
Current Lessee of Record:	MRC Permian Company
Name and Percent of Working Interest Owners:	MRC Permian Company 100%
Name of Overriding Royalty Interest Owners:	Franklin Mountain Royalty Investments, LLC

## **RECAPITULATION**

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	160.00	50%
2	160.00	50%
Total	320.00	100.00%

Franklin Mountain Royalty Investment, LLC Bureau of Land Management

44 Cook Street, Suite 1000Denver301 Dinosaur TrlSanta Fe

ver	CO	80206
ta Fe	NM	87508

ехнівіт **5** 



Paula M. Vance Associate Phone (505) 988-4421 Fax (505) 819-5579 pmvance@hollandhart.com

April 10, 2024

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

#### TO: ALL AFFECTED PARTIES

Re: Application of Matador Production Company for administrative approval to surface commingle (pool and lease) oil and gas production from spacing units comprised of Sections 13 & 24, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico (the "Lands")

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 the date this application is received by 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,

Paula M. Vance ATTORNEY FOR MATADOR PRODUCTION COMPANY

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

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

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MRC - Cathy Bryce Commingling
Postal Delivery Report

						Your shipment was
						received at 3:28 pm on
						April 10, 2024 in DENVER,
						CO 80217. The acceptance
9414811898765406196887	Franklin Mountain Royalty Investment, LLC	44 Cook St Ste 1000	Denver	со	80206-5827	of your package is pending.
						Your shipment was
						received at 3:28 pm on
						April 10, 2024 in DENVER,
						CO 80217. The acceptance
9414811898765406196870	Bureau of Land Management	301 Dinosaur Trl	Santa Fe	NM	87508-1560	of your package is pending.

Received by OCD: 4/15/2024 3:14:36 PM

From:	McClure, Dean, EMNRD on behalf of Engineer, OCD, EMNRD
To:	Paula M. Vance
Cc:	McClure, Dean, EMNRD; Lowe, Leonard, EMNRD; Kautz, Paul, EMNRD; Wrinkle, Justin, EMNRD; Powell, Brandon,
	EMNRD; Paradis, Kyle O; Walls, Christopher
Subject:	Approved Administrative Order PLC-941
Date:	Friday, August 9, 2024 8:53:53 AM
Attachments:	PLC941 Order.pdf

NMOCD has issued Administrative Order PLC-941 which authorizes Matador Production Company (228937) to surface commingle or off-lease measure, as applicable, the following wells:

Well Name	UL or Q/Q	S-T-R	Pool
025-52222 Cathy Bryce Federal Com #135H	W/2 W/2	13-24S-35E	00105
Cathy Bryce Federal Com #155H	W/2 W/2	24-24S-35E	98185
Cathy Buyes Endowel Com #12(1)	E/2 W/2	13-24S-35E	00105
Cathy Bryce Federal Com #150H	E/2 W/2	24-24S-35E	98185
Cother Derives Federal Core #12711	W/2 E/2	13-24S-35E	00105
Catny Bryce Federal Com #13/H	W/2 E/2	24-24S-35E	98185
	E/2 E/2	13-24S-35E	00105
Cathy Bryce Federal Com #138H	E/2 E/2	24-24S-35E	98185
Cathy Bryce Federal Com #211H	W/2 W/2	13-24S-35E	98187
	W/2 W/2	24-24S-35E	
025-52241 Cathy Bryce Federal Com #221H	W/2 W/2	13-24S-35E	00107
Catny Bryce Federal Com #221H	W/2 W/2	24-24S-35E	98187
238 Cathy Bryce Federal Com #212H	E/2 W/2	13-24S-35E	00107
Catny Bryce Federal Com #212H	E/2 W/2	24-24S-35E	98187
Cother Derives Federal Core #2221	E/2 W/2	13-24S-35E	00107
Cathy Bryce Federal Com #222H	E/2 W/2	24-24S-35E	98187
Cathy Bryce Federal Com #213H	W/2 E/2	13-24S-35E	00107
	W/2 E/2	24-24S-35E	98187
<b>30-025-52240</b> Cathy Bryce Federal Com #214H	E/2 E/2	13-24S-35E	00107
	E/2 E/2	24-24S-35E	98187
	Cathy Bryce Federal Com #135H Cathy Bryce Federal Com #136H Cathy Bryce Federal Com #137H Cathy Bryce Federal Com #138H Cathy Bryce Federal Com #211H Cathy Bryce Federal Com #221H Cathy Bryce Federal Com #212H Cathy Bryce Federal Com #212H	Cathy Bryce Federal Com #135HW/2 W/2Cathy Bryce Federal Com #136HE/2 W/2Cathy Bryce Federal Com #136HE/2 W/2Cathy Bryce Federal Com #137HW/2 E/2Cathy Bryce Federal Com #138HE/2 E/2Cathy Bryce Federal Com #138HE/2 E/2Cathy Bryce Federal Com #211HW/2 W/2Cathy Bryce Federal Com #221HW/2 W/2Cathy Bryce Federal Com #221HW/2 W/2Cathy Bryce Federal Com #212HE/2 W/2Cathy Bryce Federal Com #212HE/2 W/2Cathy Bryce Federal Com #212HE/2 W/2Cathy Bryce Federal Com #222HE/2 W/2Cathy Bryce Federal Com #213HW/2 E/2W/2 E/2Cathy Bryce Federal Com #213HW/2 E/2Cathy Bryce Federal Com #214H	Cathy Bryce Federal Com #135H $W/2$ $W/2$ $13-248-35E$ Cathy Bryce Federal Com #136H $E/2$ $W/2$ $24-248-35E$ Cathy Bryce Federal Com #136H $E/2$ $W/2$ $24-248-35E$ Cathy Bryce Federal Com #137H $W/2$ $E/2$ $13-248-35E$ Cathy Bryce Federal Com #137H $W/2$ $E/2$ $24-248-35E$ Cathy Bryce Federal Com #138H $E/2$ $E/2$ $24-248-35E$ Cathy Bryce Federal Com #138H $E/2$ $E/2$ $24-248-35E$ Cathy Bryce Federal Com #211H $W/2$ $W/2$ $13-248-35E$ Cathy Bryce Federal Com #221H $W/2$ $W/2$ $13-248-35E$ Cathy Bryce Federal Com #212H $E/2$ $W/2$ $13-248-35E$ Cathy Bryce Federal Com #212H $E/2$ $W/2$ $13-248-35E$ Cathy Bryce Federal Com #222H $E/2$ $W/2$ $13-248-35E$ Cathy Bryce Federal Com #212H $E/2$ $W/2$ $13-248-35E$ Cathy Bryce Federal Com #222H $E/2$ $W/2$ $13-248-35E$ Cathy Bryce Federal Com #222H $E/2$ $W/2$ $24-248-35E$ Cathy Bryce Federal Com #222H $E/2$ $W/2$ $13-248-35E$ Cathy Bryce Federal Com #222H $E/2$ $W/2$ $24-248-35E$ Cathy Bryce Federal Com #213H $W/2$ $E/2$ $13-248-35E$ Cathy Bryce Federal Com #213H $W/2$ $E/2$ $13-248-35E$ Cathy Bryce Federal Com #213H $W/2$ $E/2$ $13-248-35E$

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

## Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated April 18, 2024 and ending with the issue dated April 18, 2024.

the se ll

Publisher

Sworn and subscribed to before me this 18th day of April 2024.

thBlack **Business Manager** 

My commission expires January 29, 2027

(Seal) STATE OF NEW MEXICO NOTARY PUBLIC GUSSIE RUTH BLACK

COMMISSION # 1087526 COMMISSION EXPIRES 01/29/2027 This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

LEGAL LEGAL LEGAL

#### LEGAL NOTICE April 18, 2024

#### Legal Notice (Publication)

To: All affected parties, including: Franklin Mountain Royalty Investment, LLC; and Bureau of Land Management.

Application of Matador Production Company for administrative approval to surface commingle (pool and lease) oil and gas production from spacing units comprised of Sections 13 & 24, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico (the "Lands"). 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 Cathy Bryce Fed Com Tank Battery insofar as all existing and future infill wells drilled in the following spacing units:

(a) The 320-acre spacing unit comprised of the W/2 W/2 of Sections 13 and 24, in the WC-025 G-09 S253502B; Lower Bone Spring [98185] – currently dedicated to the Cathy Bryce Fed Com #135H (API. No. 30-025-52222);

(b) The 320-acre spacing unit comprised of the E/2 W/2 of Sections 13 and 24, in the WC-025 G-09 S253502B; Lower Bone Spring [98185] – currently dedicated to the Cathy Bryce Fed Com #136H (API No. 30-025-52223);

(c) The 320-acre spacing unit comprised of the W/2 E/2 of Sections 13 and 24, in the WC-025 G-09 S253502B; Lower Bone Spring [98185] – currently dedicated to the Cathy Bryce Fed Com #137H (API. No. 30-025-52235);

(d) The 320-acre spacing unit comprised of the E/2 E/2 of Sections 13 and 24, in the WC-025 G-09 S253502B; Lower Bone Spring [98185] – currently dedicated to the Cathy Bryce Fed Com #138H (API. No. 30-025-52236);

(e) The 320-acre spacing unit comprised of the W/2 W/2 of Sections 13 and 24, in the WC-025 G-09 S253502D; Upper Wolfcamp [98187] – currently dedicated to the Cathy Bryce Fed Com #211H (API No. 30-025-52237) and Cathy Bryce Fed Com #221H (API No. 30-025-52241);

(f) The 320-acre spacing unit comprised of the E/2 W/2 of Sections 13 and 24, in the WC-025 G-09 S253502D; Upper Wolfcamp [98187] – currently dedicated to the Cathy Bryce Fed Com #212H (API No. 30-025-52238) and Cathy Bryce Fed Com #222H (API No. 30-025-52242);

(g) The 320-acre spacing unit comprised of the W/2 E/2 of Sections 13 and 24, in the WC-025 G-09 S253502D; Upper Wolfcamp [98187] – currently dedicated to the Cathy Bryce Fed Com #213H (API No. 30-025-52239);

(h) The 320-acre spacing unit comprised of the E/2 E/2 of Sections 13 and 24, in the WC-025 G-09 S253502D; Upper Wolfcamp [98187] – currently dedicated to the Cathy Bryce Fed Com #214H (API No. 30-025-52240);

(i) Pursuant to 19.15.12.10.C(4)(g), from all future additions of pools, leases or leases and pools to the Cathy Bryce Fed Com Tank Battery (located on the guarter section line between the NW/4 NE/4 and NE/4 NW/4 of Section 13, Township 24 South, Range 35 East) with notice provided only to the owners of interests to be added.

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

67100754

00289321

HOLLAND & HART LLC 110 N GUADALUPE ST., STE. 1 SANTA FE, NM 87501

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

# APPLICATION FOR SURFACE COMMINGLINGSUBMITTED BY MATADOR PRODUCTION COMPANYORDER NO. PLC-941

#### <u>ORDER</u>

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 as described 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. 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.
- 4. Applicant provided notice of the Application to the Bureau of Land Management ("BLM") or New Mexico State Land Office ("NMSLO"), as applicable.
- 5. 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.
- 6. 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.
- 7. 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 as described in Exhibit A.
- 8. Applicant submitted or intends to submit one or more proposed communitization agreement(s) ("Proposed Agreement(s)") to the BLM or NMSLO, as applicable, identifying the acreage of each lease to be consolidated into a single pooled area ("CA Pooled Area"), as described in Exhibit A.

Order No. PLC-941

#### **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.
- 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.
- 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.

#### <u>ORDER</u>

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

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

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

Order No. PLC-941

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

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

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

Order No. PLC-941

- 8. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
- 9. Applicant may submit an application to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by this Order by submitting a Form C-107-B in accordance with 19.15.12.10 C.(4)(g) NMAC, provided the pools, leases, and subsequently drilled wells are within the identified parameters included in the Application.
- 10. If a well is not included in Exhibit A but produces from a pool and lease as described in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well, proposed method to determine the allocation of oil and gas production to it, and the location(s) that commingling of its production will occur.
- 11. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
- 12. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
- 13. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

### STATE OF NEW MEXICO OIL CONSERVATION DIVISION

**DATE:** 8/9/2024

GERASIMOS RAZATOS DIRECTOR (ACTING)

#### State of New Mexico Energy, Minerals and Natural Resources Department

## **Exhibit** A

Order: PLC-941 Operator: Matador Production Company (228937) Central Tank Battery: Cathy Bryce Federal Com Tank Battery Central Tank Battery Location: UL B C, Section 13, Township 24 South, Range 35 East Gas Title Transfer Meter Location: UL B C, Section 13, Township 24 South, Range 35 East

#### Pools

Pool Name	<b>Pool Code</b>
WC-025 G-09 S253502B; LWR BONE SPRIN	98185
WC-025 G-09 S253502D; UPR WOLFCAMP	<b>98187</b>

Leases as defined in 19.15.12.7(C) NMAC				
Lease	UL or Q/Q	S-T-R		
DDODOSED CA Dono Spring NMNM 106240764	W/2 W/2	13-24S-35E		
PROPOSED CA Bone Spring NMNM 106340764	UL or Q/Q         S-T-R           W/2 W/2         13-248-3           W/2 W/2         24-248-3           E/2 W/2         13-248-3           E/2 W/2         24-248-3           E/2 W/2         24-248-3           W/2 E/2         13-248-3           W/2 E/2         13-248-3           W/2 E/2         13-248-3           W/2 E/2         24-248-3           E/2 E/2         13-248-3           W/2 W/2         24-248-3           W/2 W/2         13-248-3           W/2 W/2         13-248-3           W/2 W/2         24-248-3           W/2 E/2         13-248-3	24-24S-35E		
DDODOGED CA D G ' NUMERIA (240/01	E/2 W/2	13-24S-35E		
PROPOSED CA Bone Spring NMNM 106340681	UL or Q/Q W/2 W/2 W/2 W/2 E/2 W/2 E/2 W/2 W/2 E/2 W/2 E/2 E/2 E/2 E/2 E/2 W/2 W/2 W/2 W/2 E/2 W/2 E/2 W/2 E/2 W/2 E/2 W/2 E/2 W/2 E/2 Z/2 W/2 E/2 W/2 E/2	24-24S-35E		
DDODOSED CA Dono Spring DI M A	W/2 E/2	13-24S-35E		
<b>PROPOSED CA Bone Spring BLM A</b>	W/2 E/2	24-24S-35E		
	E/2 E/2	13-24S-35E		
PROPOSED CA Bone Spring BLM B	E/2 E/2	24-24S-35E		
	W/2 W/2	13-24S-35E		
<b>PROPOSED CA Wolfcamp BLM A</b>	W/2 W/2	24-24S-35E		
BDODOSED CA Welfsomm DI M D	E/2 W/2	13-24S-35E		
PROPOSED CA Wolfcamp BLM B	E/2 W/2	24-24S-35E		
DDODOSED CA Welfermer NMNM 10/240/75	W/2 E/2	13-24S-35E		
PROPOSED CA Wolfcamp NMNM 106340675	W/2 E/2	24-24S-35E		
DDODOGED CA Welfermer NMNM 19/2407/5	E/2 E/2	13-24S-35E		
PROPOSED CA Wolfcamp NMNM 106340765	UL or Q/Q         S-T-R           0764         W/2 W/2         13-24S-35           0/681         E/2 W/2         24-24S-35           0681         E/2 W/2         24-24S-35           M A         W/2 E/2         13-24S-35           M B         E/2 E/2         24-24S-35           M A         W/2 E/2         13-24S-35           M B         E/2 E/2         24-24S-35           M B         E/2 E/2         13-24S-35           M B         E/2 E/2         24-24S-35           M A         W/2 E/2         13-24S-35           M B         E/2 E/2         24-24S-35           M A         W/2 W/2         13-24S-35           M B         E/2 W/2         24-24S-35           M B         E/2 W/2         24-24S-35           M B         E/2 W/2         24-24S-35           M C         E/2 W/2         24-24S-35           M Z         <	24-24S-35E		

#### Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
20.025.52222	Cathy Bryce Federal Com #135H	W/2 W/2	13-24S-35E	98185
30-025-52222		W/2 W/2	W/2 24-24S-35E	90105
30-025-52223	Cathy Bryce Federal Com #136H	E/2 W/2	13-24S-35E	98185
30-025-52225		E/2 W/2	24-24S-35E	
20.025.52225	Codhar Darras Followel Come #12711	W/2 E/2	13-24S-35E	98185
30-025-52235	Cathy Bryce Federal Com #137H	W/2 E/2	24-24S-35E	90105
30-025-52236	Cathy Bryce Federal Com #138H	E/2 E/2	13-24S-35E	98185
		E/2 E/2	24-24S-35E	90103
30-025-52237 Ca	Cathy Bryce Federal Com #211H	W/2 W/2	13-24S-35E	00107
		W/2 W/2	24-24S-35E	98187

ORDER NO. PLC-941

20.025.52241		W/2 W/2	13-24S-35E	00107
30-025-52241	Cathy Bryce Federal Com #221H	W/2 W/2	24-24S-35E	98187
30-025-52238	Cothy Drygo Fodovol Com #21211	E/2 W/2	13-24S-35E	98187
30-023-32230	Cathy Bryce Federal Com #212H	E/2 W/2	24-24S-35E	90107
30-025-52242	Cathy Drives Federal Com #22211	E/2 W/2	13-24S-35E	98187
30-023-32242	Cathy Bryce Federal Com #222H	E/2 W/2	24-24S-35E	
20.025.52220	Cathy Drygg Fadaval Care #21211	W/2 E/2	13-24S-35E	98187
30-025-52239	Cathy Bryce Federal Com #213H	W/2 E/2	24-24S-35E	90107
30-025-52240 Cat	Cathy Bryce Federal Com #214H	E/2 E/2	13-24S-35E	98187
		E/2 E/2	24-24S-35E	7010/

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District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II

811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

CONDITIONS

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

Operator:	OGRID:
MATADOR PRODUCTION COMPANY	228937
One Lincoln Centre	Action Number:
Dallas, TX 75240	333513
	Action Type:
	[C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS	3	
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.	8/9/2024

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Action 333513