

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

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



ADMINISTRATIVE APPLICATION CHECKLIST

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

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

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

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

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

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

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

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

 Print or Type Name

Patrick

 Signature

 Date

 Phone Number

 e-mail Address



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

December 29, 2025

VIA ONLINE FILING

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

Re: Application of Matador Production Company to amend NMOCD Order PLC-794-B and for administrative approval to surface commingle (pool and lease), as well as off-lease measure and off-lease storage, oil and gas production from the leases comprising the W/2 W/2 of Section 35 and the W/2 W/2 and E/2 E/2 of Section 33, Township 22 South, Range 35 East, and Lot 4, the SW/4 NW/4, and W/2 SW/4 (W/2 W/2 equivalent) of irregular Section 2, and Lot 1, SE/4 NE/4, and S/2 of irregular Section 4, and All of Sections 9 and 16, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico (the “Lands”)

Dear Mr. Chang:

Matador Production Company (OGRID No. 228937) (“Matador”) seeks to amend Administrative Order PLC-794-B (“Order PLC-794-B”), attached as **Exhibit 1**. Order PLC-794-B authorizes lease commingling, off-lease storage, off-lease measurement, and off-lease marketing at the **Marlon Downey East Tank Battery** of production from *all existing and future wells drilled in the following spacing units*:

(a) The 240-acre spacing unit comprised of the W/2 SE/4 of irregular Section 4 and the W/2 E/2 of Section 9, T23S-R35E, in the Rock Lake; Bone Spring, South [52769] – currently dedicated to the **Marlan Downey 4 9 23S 35E State Com 113H** (API. No. 30-025-46254);

(b) The 240-acre spacing unit comprised of the E/2 SE/4 of irregular Section 4 and the E/2 E/2 of Section 9, T23S-R35E, in the Rock Lake; Bone Spring, South [52769] – currently dedicated to the **Marlan Downey 4 9 23S 35E State Com 114H** (API. No. 30-025-46255);

(c) The 159.97-acre spacing unit comprised of the W/2 W/2 of Section 9, T23S-R35E, in the Rock Lake; Bone Spring, South [52769] – currently dedicated to the **Marlan Downey 4 9 23 35 AR State 111H** (API. No. 30-025-44201);



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(d) The 400-acre spacing unit comprised of the W/2 SW/4 of irregular Section 4 and the W/2 W/2 of Sections 9 and 16, T23S-R35E, in the Rock Lake; Bone Spring, South [52769] and WC-025 G-06 S233516M; Middle Bone Spring [98246] – currently dedicated to the **Marlan Downey State Com 121H** (API. No. 30-025-50537);

(e) The 400-acre spacing unit comprised of the E/2 SW/4 of irregular Section 4 and the E/2 W/2 of Sections 9 and 16, T23S-R35E, in the Rock Lake; Bone Spring, South [52769] and WC-025 G-06 S233516M; Middle Bone Spring [98246] – currently dedicated to the **Marlan Downey State Com 122H** (API. No. 30-025-50538);

(f) The 400-acre spacing unit comprised of the W/2 SE/4 of irregular Section 4 and the W/2 E/2 of Sections 9 and 16, T23S-R35E, in the Rock Lake; Bone Spring, South [52769] and WC-025 G-06 S233516M; Middle Bone Spring [98246] – currently dedicated to the **Marlan Downey State Com 123H** (API. No. 30-025-51606);

(g) The 400-acre spacing unit comprised of the E/2 SE/4 of irregular Section 4 and the E/2 E/2 of Sections 9 and 16, T23S-R35E, in the Rock Lake; Bone Spring, South [52769] and WC-025 G-06 S233516M; Middle Bone Spring [98246] – currently dedicated to the **Marlan Downey State Com 124H** (API. No. 30-025-51607);

(h) The 160-acre spacing unit comprised of the W/2 W/2 of Section 33, T22S-R35E, in the Rock Lake; Bone Spring [52766] – currently dedicated to the **Bill Alexander State Com 111H** (API. No. 30-025-44286);

(i) The 240.32-acre spacing unit comprised of the W/2 E/2 of Section 33, T22S-R35E, and Lot 1 and SE/4 NE/4 (E/2 NE/4 equivalent) of irregular Section 4, T23S-R35E, in the Rock Lake; Bone Spring [52766] – currently dedicated to the **Bill Alexander State Com 114H** (API. No. 30-025-51014) and **Bill Alexander State Com 124H** (API. No. 30-025-51015); and

(j) Pursuant to 19.15.12.10.C(4)(g), *from all future additions of pools, leases or leases and pools to the Marlan Downey East Tank Battery* with notice provided only to the owners of interests to be added.

Pursuant to 19.15.12.7 NMAC and provision 10 of Order PLC-794-B, Matador seeks to amend the terms of Order PLC-794-B to add production from all existing and future infill wells drilled in the following spacing unit:

(a) The 320.48-acre spacing unit comprised of the W/2 W/2 of Section 35, T22S-R35E, and Lot 4, SW/4 NW/4, and W/2 SW/4 (W/2 W/2 equivalent) of irregular Section 2, T23S-R35E, in the Rock Lake; Bone Spring [52766] – currently dedicated to the **Uncle Don State Com 111H** (API. No. 30-025-55345); and



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(b) Pursuant to 19.15.12.10.C(4)(g), *from all future additions of pools, leases or leases and pools to the Marlan Downey East 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 **Marlon Downey East Tank Battery** ("TB"), located off the project area in the SW/4 NE/4 of irregular Section 4, Township 23 South, Range 35 East. Each well is equipped with a three-phase separator. 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 2 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 3 is a completed Surface Commingling (Diverse Ownership) Form C-107-B, that includes a statement from Oscar Gonzales, Senior Facilities 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 4 is a well list and also a C-102 for the well currently permitted or drilled within the spacing unit to be added to Order PLC-794-B.

Exhibit 5 includes relevant communitization agreements for the spacing unit to be added to Order PLC-794-B.

Ownership is diverse between the 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 6** is a list of the interest owners (including any owners of royalty or overriding royalty interests) affected by this application, an example of the letters sent by certified mail advising the interest owners that any objections must be filed in writing with the Division within 20 days from the date the Division receives this application, and proof of mailing. A copy of this application has been provided to the New Mexico State Land Office since state 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.



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Sincerely,

A handwritten signature in black ink, appearing to read "Paula M. Vance".

Paula M. Vance
**ATTORNEY FOR MATADOR PRODUCTION
COMPANY**



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

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY MATADOR PRODUCTION COMPANY ORDER NO. PLC-794-B**

ORDER

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

FINDINGS OF FACT

1. Matador Production Company (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
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 identified 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 (“Pooled Area”), as described in Exhibit B.

CONCLUSIONS OF LAW

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

ORDER

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

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

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

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

2. This Order supersedes Order PLC-794-A.
3. For each Pooled Area described in Exhibit B, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil and gas production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.

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

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

4. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil and gas production to each well not included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.
5. The allocation of oil and gas production shall be based on the production life of each well as measured for three periods: (a) the initial production period shall be measured from the first production until the earlier of either the peak production rate or thirty (30) days after the first production; (b) the plateau period shall be measured from the end of the initial production period to the peak decline rate; and (c) the decline period shall be measured from the end of the plateau period until the well is plugged and abandoned.

During the initial production period, the oil and gas production for each well identified in Exhibit A shall be allocated using a production curve calculated from a minimum of ten (10) well tests per month, except that any day in which a well test cannot achieve an accurate result due to a temporary change in oil and gas production shall not be included in the computation of time determining the well test schedule. The production curve shall be calculated by interpolating daily production for each day using the known daily production obtained by well tests and shall use a method of interpolation that is at minimum as accurate as maintaining a constant rate of change for each day's production between the known daily production values.

During the plateau period, the oil and gas production for each well identified in Exhibit A shall be allocated using a minimum of three (3) well tests per month.

During the decline period, the oil and gas production for each well identified in Exhibit A shall be allocated as follows: (a) a minimum of three (3) well tests per month when the decline rate is greater than twenty-two percent (22%) per month; (b) a minimum of two (2) well tests per month when the decline rate is between twenty-two percent (22%) and ten percent (10%) per month; and (c) a minimum of one (1) well test per month when the decline rate is less than ten percent (10%) per month.

Upon OCD's request, Applicant shall submit a Form C-103 to the OCD Engineering Bureau that contains the decline rate curve and other relevant information demonstrating the production life of a well.

Applicant shall conduct a well test by separating and metering the oil and gas production from that well for either (a) a minimum of twenty-four (24) consecutive hours; or (b) a combination of nonconsecutive periods that meet the following conditions: (i) each period shall be a minimum of six (6) hours; and (ii) the total duration of the nonconsecutive periods shall be a minimum of eighteen (18) hours.

The well test requirements of this Order shall be suspended for any well shut-in for a period that continues for more than fifteen (15) days until the well commences production.

6. 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.
7. 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.
8. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
9. 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.
10. 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.

11. If a well is not included in Exhibit A but produces from a pool and lease identified in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well, proposed method to determine the allocation of oil and gas production to it, and the location(s) that commingling of its production will occur.
12. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
13. 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).
14. 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**



**DYLAN M. FUGE
DIRECTOR**

DATE: 11/21/23

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: PLC-794-B
Operator: Matador Production Company (228937)
Central Tank Battery: Marlan Downey East Tank Battery
Central Tank Battery Location: Unit J, Section 4, Township 23 South, Range 35 East
Gas Title Transfer Meter Location: Unit J, Section 4, Township 23 South, Range 35 East

Pools

Pool Name	Pool Code
ROCK LAKE; BONE SPRING	52766
ROCK LAKE; BONE SPRING, SOUTH	52769
WC-025 G-06 S233516M; MIDDLE BONE SP	98246

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
CA Bone Spring NMSLO 204020 PUN 1380459	W/2 SE/4	4-23S-35E
	W/2 E/2	9-23S-35E
CA Bone Spring NMSLO 204114 PUN 1385363	E/2 SE/4	4-23S-35E
	E/2 E/2	9-23S-35E
CA Bone Spring NMSLO 204588 PUN 1399491	E/2 E/2	33-22S-35E
	E/2 NE/4	4-23S-35E
CA Bone Spring NMSLO 203714 PUN 1369178	W/2 W/2	33-22S-35E
VC 0429 0001	S/2	4-23S-35E
VB 2259 0000	All	9-23S-35E
VB 2251 0002	All minus I P	16-23S-35E
B0 1040 0014	I P	16-23S-35E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-46254	Marlan Downey 4 9 23S 35E State Com #113H	W/2 SE/4	4-23S-35E	52769
		W/2 E/2	9-23S-35E	
30-025-46255	Marlan Downey 4 9 23S 35E State Com #114H	E/2 SE/4	4-23S-35E	52769
		E/2 E/2	9-23S-35E	
30-025-44286	Bill Alexander State Com #111H	W/2 W/2	33-22S-35E	52766
30-025-50537	Marlan Downey State Com #121H	W/2 SW/4	4-23S-35E	52769
		W/2 W/2	9-23S-35E	
		W/2 W/2	16-23S-35E	98246
30-025-50538	Marlan Downey State Com #122H	E/2 SW/4	4-23S-35E	52769
		E/2 W/2	9-23S-35E	
		E/2 W/2	16-23S-35E	98246
30-025-44201	Marlan Downey 9 23 35 AR State #111H	W/2 W/2	9-23S-35E	52769

30-025-51606	Marlan Downey State Com #123H	W/2 SE/4	4-23S-35E	52769
		W/2 E/2	9-23S-35E	
		W/2 E/2	16-23S-35E	
30-025-51607	Marlan Downey State Com #124H	E/2 SE/4	4-23S-35E	52769
		E/2 E/2	9-23S-35E	
		E/2 E/2	16-23S-35E	
30-025-51014	Bill Alexander State Com #114H	E/2 E/2	33-22S-35E	52766
		E/2 NE/4	4-23S-35E	
30-025-51015	Bill Alexander State Com #124H	E/2 E/2	33-22S-35E	52766
		E/2 NE/4	4-23S-35E	

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit B

Order: PLC-794-B
Operator: Matador Production Company (228937)

Pooled Areas

Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Bone Spring NMSLO	W/2 SW/4	4-23S-35E	400	A
	W/2 W/2	9-23S-35E		
	W/2 W/2	16-23S-35E		
CA Bone Spring NMSLO	E/2 SW/4	4-23S-35E	400	B
	E/2 W/2	9-23S-35E		
	E/2 W/2	16-23S-35E		
CA Bone Spring NMSLO	W/2 SE/4	4-23S-35E	400	C
	W/2 E/2	9-23S-35E		
	W/2 E/2	16-23S-35E		
CA Bone Spring NMSLO	E/2 SE/4	4-23S-35E	400	D
	E/2 E/2	9-23S-35E		
	E/2 E/2	16-23S-35E		

Leases Comprising Pooled Areas

Lease	UL or Q/Q	S-T-R	Acres	Pooled Area ID
VC 0429 0001	W/2 SW/4	4-23S-35E	80	A
VB 2259 0000	W/2 W/2	9-23S-35E	160	A
VB 2251 0002	W/2 W/2	16-23S-35E	160	A
VC 0429 0001	E/2 SW/4	4-23S-35E	80	B
VB 2259 0000	E/2 W/2	9-23S-35E	160	B
VB 2251 0002	E/2 W/2	16-23S-35E	160	B
VC 0429 0001	W/2 SE/4	4-23S-35E	80	C
VB 2259 0000	W/2 E/2	9-23S-35E	160	C
VB 2251 0002	W/2 E/2	16-23S-35E	160	C
VC 0429 0001	E/2 SE/4	4-23S-35E	80	D
VB 2259 0000	E/2 E/2	9-23S-35E	160	D
VB 2251 0002	E/2 NE/4	16-23S-35E	80	D
B0 1040 0014	E/2 SE/4	16-23S-35E	80	D

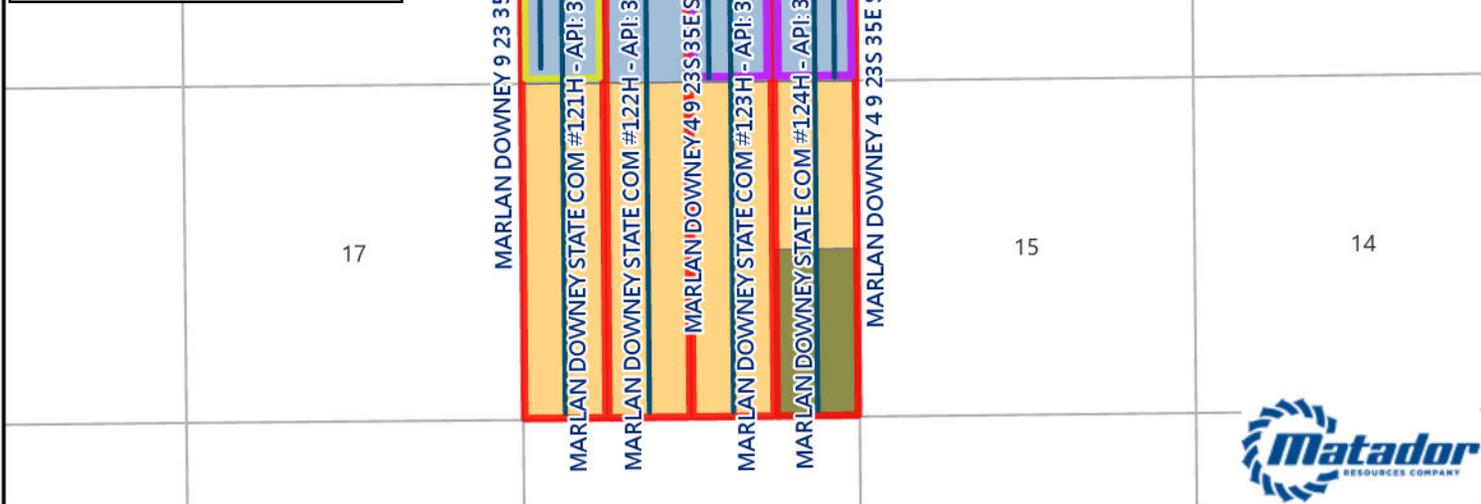
EXHIBIT
2



Marlan East Commingling Map

Date Published:
10/31/2025

- Surface Locations
- Bottom Locations
- Horizontal_Wellbore
- Well Pad
- Facility Pad
- Flowline
- ~400 Acre Spacing Unit
- ~240 Acre Spacing Unit
- ~160 Acre Spacing Unit
- ~320 Acre Spacing Unit
- State V0-8026
- State VB-2250
- State VC-4401
- State VC-0429
- State VB-2259
- State VB-2251
- State B0-1040
- State VC10901
- State VB23801
- State VC8440
- State VC8340



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

1:36,000
 1 inch equals 3,000 feet

0 1,625 3,250 6,500 Feet

Map Prepared by: americo.gamarral
 Date: October 31, 2025
 Spatial Reference: NAD 1983 StatePlane New Mexico East FIPS 3001 Feet
 Sources: IHS, ESRI, US DOI BLM Carlsbad, NM Field Office, GIS Department, Texas Cooperative Wildlife Collection, Texas A&M University, United States Census Bureau (TIGER).

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Rev

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

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

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Matador Production Company
OPERATOR ADDRESS: 5400 LBJ Freeway Tower 1 Suite 1500 Dallas, TX 75240
APPLICATION TYPE:

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

LEASE TYPE: Fee State Federal

Is this an Amendment to existing Order? Yes No If "Yes", please include the appropriate Order No. PLC-794-B
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
 Yes No

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

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production	Calculated Value of Commingled Production	Volumes
Rock Lake; Bone Spring, South (52769)	42.2°	42.2° oil 1,155 BTU/CF	\$69.26/bbl oil Deemed 40°/Sweet (Mar '23 realized price) \$2.40/mcf (Mar '23 realized price)	300 bopd
Rock Lake; Bone Spring, South (52769)	1,155 BTU/CF			1,500 mcf
ROCK LAKE; BONE SPRING (52766)	42.2°			1,500 bopd
ROCK LAKE; BONE SPRING (52766)	1,155 BTU/CF			4,800 mcf
Rock Lake; Bone Spring, South (52769) / WC-025 G-06 S233516M; MIDDLE BONE SP [98246]	42.2°			1,000 bopd
Rock Lake; Bone Spring, South (52769) / WC-025 G-06 S233516M; MIDDLE BONE SP [98246]	1,155 BTU/CF			3,600 mcf

- (2) Are any wells producing at top allowables? Yes No
 (3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No.
 (4) Measurement type: Metering Other (Specify) Metering via well test
 (5) Will commingling decrease the value of production? Yes No If "yes", describe why commingling should be approved

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

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

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

- (1) Complete Sections A and E.

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

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

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

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

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: *Oscar Gonzalez* TITLE: Sr. Facilities Engineer DATE: 10/23/2025
 TYPE OR PRINT NAME: Oscar Gonzalez TELEPHONE NO.: (972) 629-2147
 E-MAIL ADDRESS: ogonzalez@matadorresources.com

Matador Production Company

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

Voice 972.587.4638 • Fax 972.371.5201

ogonzalez@matadorresources.com

Oscar Gonzalez
Sr. Facilities Engineer

October 23, 2025

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

Re: Application of Matador Production Company for Administrative Approval to Amend Administrative Order PLC-794-B to Surface Commingle (pool and lease commingle) production from the spacing units comprising W/2W/2 of Section 35, W/2W/2 and E/2E/2 of Section 33, Township 22 South, Range 35 East, and the W/2W/2 of Section 2, S/2 and E/2 NE/4 of Section 4, Section 9, and Section 16, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico (the “Lands”).

To Whom This May Concern,

Under NMOCD Order No. PLC-794-B, Matador Production Company (“Matador”), OGRID: 228937, was authorized to surface commingle (pool and lease commingle) production from the spacing units comprising W/2W/2 and E/2E/2 of Section 33, Township 22 South, Range 35 East, and the S/2 and E/2 NE/4 of Section 4, Section 9, and Section 16, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico (the “Lands”) and to allow commingled production to be measured via well test. Pursuant to this application, Matador seeks to amend Order No. PLC-794-B to gain authority to also surface commingle production from the W/2W/2 of Section 35, Township 22 South, Range 35 East and W/2W/2 of Section 2, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico.

Specifically, Matador requests to surface commingle current and upcoming production from eleven (11) wells located on the Lands and future production from the Lands as described herein. Production will be allocated on a daily basis based on the most recent individual well tests of oil, gas, and water. These well tests will last a minimum of 24 hours and will be conducted following the guidelines shown below:

Period	From:	To:	Test frequency per month
Initial Production	First Production	Peak production or 30 days after first production	10
Plateau	End of initial production	Peak decline rate	3
Decline	End of Plateau	P&A	3

Gas exiting each separator will flow into one gathering line, as depicted on **Exhibit A**, the Targa Resources or MPLX Midstream line. Each separator will have its own 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, Ltd attached as **Exhibit B** hereto.

The flow stream from each wellhead is demonstrated in the Process Flow Diagram (PFD) attached as **Exhibit A** hereto. The PFD shows that the water, oil, and gas leave the wellbore and flow into either a wellhead test separator or the bulk separator, which separates the oil, gas, and water. The oil is measured via turbine meter which is calibrated periodically in accordance with industry specifications by a third party measurement company for accuracy. The gas is measured on a volume and MMBTU basis by an orifice meter and supporting EFM equipment in accordance with American Petroleum Association (API) Chapter 21.1. The gas is then sent into a gathering line where it is commingled with each of the other wells' metered gas. The gathering line gas is then metered by another orifice meter at the tank battery check to show the total volume of gas leaving the Tank Battery. This meter is tested and calibrated in accordance with industry specifications and volume and energy are determined on an hourly, daily, and monthly basis. Once the gas exits this final tank battery sales check it travels directly into a third party sales connect meter. Targa Resources and MPLX Midstream has its own orifice meter that measures the gas for custody transfer. These meters are also calibrated periodically to ensure the measurement accuracy.

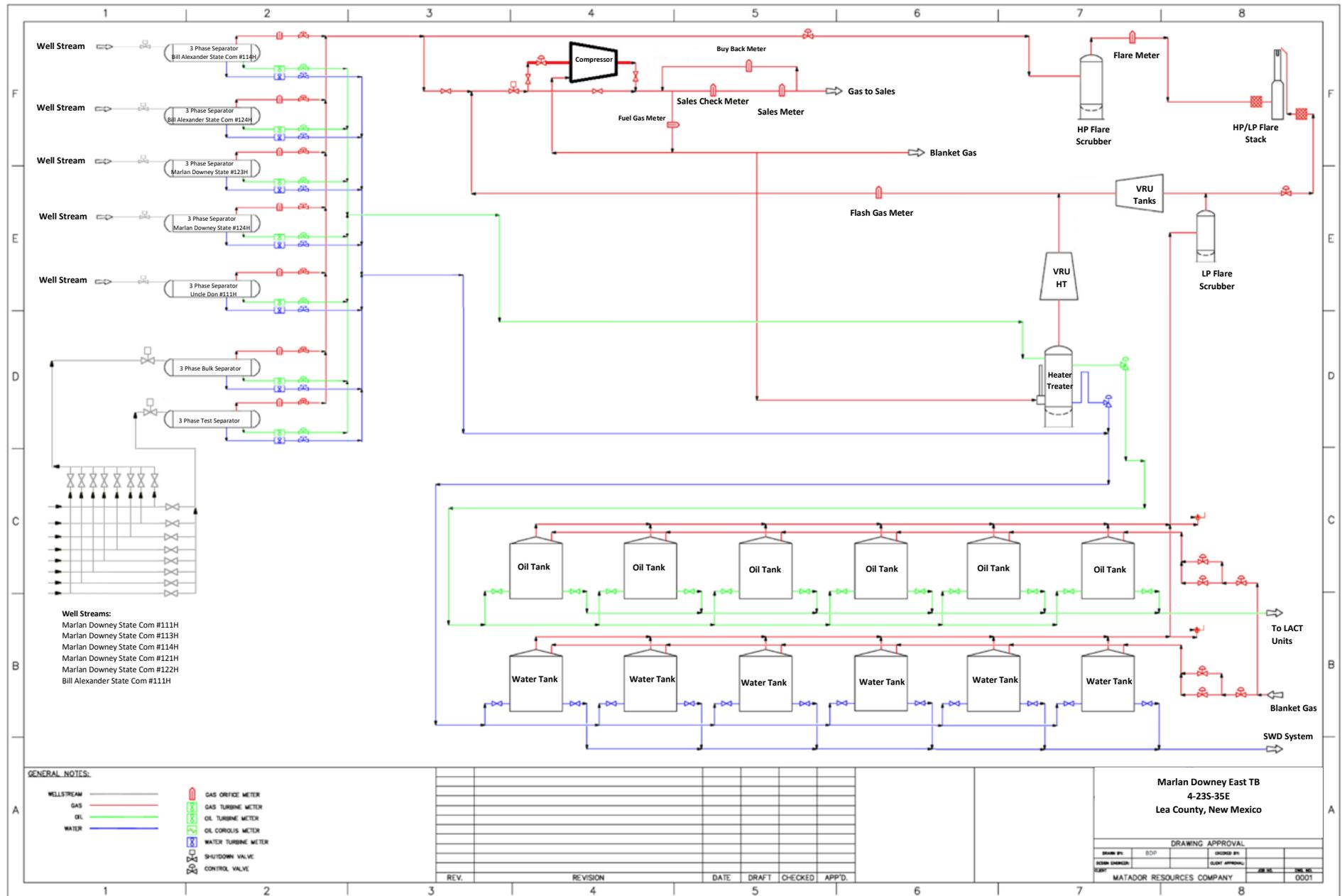
In conclusion, all the oil and gas produced on the Lands is and will be metered by a bulk test system and allocated correctly using the same measurement equipment as the pipeline sales measurement specifications accepted by API as industry standard.

Very truly yours,

MATADOR PRODUCTION COMPANY



Oscar Gonzalez
Sr. Facilities Engineer



36460277_v1

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: Marlan Downey 9 23 35 AR STATE No. 111H
 First Stage Separator
 Spot Gas sample @ 163 psig & 84 °F

Date Sampled: 10/25/18

Job Number: 84059.001

CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286

COMPONENT	MOL%	GPM
Hydrogen Sulfide*	0.450	
Nitrogen	1.832	
Carbon Dioxide	10.722	
Methane	66.680	
Ethane	12.222	3.347
Propane	5.805	1.637
Isobutane	0.000	0.000
n-Butane	1.223	0.395
2-2 Dimethylpropane	0.013	0.005
Isopentane	0.303	0.113
n-Pentane	0.294	0.109
Hexanes	0.224	0.094
Heptanes Plus	<u>0.232</u>	<u>0.094</u>
Totals	100.000	5.795

Computed Real Characteristics Of Heptanes Plus:

Specific Gravity -----	3.329	(Air=1)
Molecular Weight -----	96.04	
Gross Heating Value -----	5039	BTU/CF

Computed Real Characteristics Of Total Sample:

Specific Gravity -----	0.828	(Air=1)
Compressibility (Z) -----	0.9960	
Molecular Weight -----	23.88	
Gross Heating Value		
Dry Basis -----	1155	BTU/CF
Saturated Basis -----	1136	BTU/CF

*Hydrogen Sulfide tested on location by: Stain Tube Method (GPA 2377)
 Results: 283.0 Gr/100 CF, 4500 PPMV or 0.450 Mol %

Base Conditions: 15.025 PSI & 60 Deg F

Sampled By: (24) Dennis Field
 Analyst: MR
 Processor: RG
 Cylinder ID: T-4818

Certified: FESCO, Ltd. - Alice, Texas

David Dannhaus 361-661-7015

**CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286
TOTAL REPORT**

COMPONENT	MOL %	GPM	WT %
Hydrogen Sulfide*	0.450		0.642
Nitrogen	1.832		2.149
Carbon Dioxide	10.722		19.757
Methane	66.680		44.788
Ethane	12.222	3.347	15.387
Propane	5.805	1.637	10.718
Isobutane	0.000	0.000	0.000
n-Butane	1.223	0.395	2.976
2,2 Dimethylpropane	0.013	0.005	0.039
Isopentane	0.303	0.113	0.915
n-Pentane	0.294	0.109	0.888
2,2 Dimethylbutane	0.002	0.001	0.007
Cyclopentane	0.000	0.000	0.000
2,3 Dimethylbutane	0.026	0.011	0.094
2 Methylpentane	0.070	0.030	0.253
3 Methylpentane	0.047	0.020	0.170
n-Hexane	0.079	0.033	0.285
Methylcyclopentane	0.029	0.010	0.102
Benzene	0.017	0.005	0.056
Cyclohexane	0.037	0.013	0.130
2-Methylhexane	0.009	0.004	0.038
3-Methylhexane	0.012	0.006	0.050
2,2,4 Trimethylpentane	0.000	0.000	0.000
Other C7's	0.021	0.009	0.087
n-Heptane	0.018	0.009	0.076
Methylcyclohexane	0.022	0.009	0.090
Toluene	0.024	0.008	0.093
Other C8's	0.018	0.009	0.083
n-Octane	0.005	0.003	0.024
Ethylbenzene	0.003	0.001	0.013
M & P Xylenes	0.004	0.002	0.018
O-Xylene	0.001	0.000	0.004
Other C9's	0.005	0.003	0.026
n-Nonane	0.001	0.001	0.005
Other C10's	0.003	0.002	0.018
n-Decane	0.001	0.001	0.006
Undecanes (11)	<u>0.002</u>	<u>0.001</u>	<u>0.013</u>
Totals	100.000	5.795	100.000

Computed Real Characteristics of Total Sample

Specific Gravity -----	0.828	(Air=1)
Compressibility (Z) -----	0.9960	
Molecular Weight -----	23.88	
Gross Heating Value		
Dry Basis -----	1155	BTU/CF
Saturated Basis -----	1136	BTU/CF

FESCO, Ltd.

1100 Fesco Ave. - Alice, Texas 78332

Sample: Marlan Downey 9 23 35 AR STATE No. 111H
 First Stage Separator
 Spot Gas sample @ 163 psig & 84 °F

Date Sampled: 10/25/18

Job Number: 84059.001

GLYCALC FORMAT

COMPONENT	MOL%	GPM	Wt %
Carbon Dioxide	10.722		19.757
Hydrogen Sulfide	0.450		0.642
Nitrogen	1.832		2.149
Methane	66.680		44.788
Ethane	12.222	3.347	15.387
Propane	5.805	1.637	10.718
Isobutane	0.000	0.000	0.000
n-Butane	1.236	0.400	3.015
Isopentane	0.303	0.113	0.915
n-Pentane	0.294	0.109	0.888
Cyclopentane	0.000	0.000	0.000
n-Hexane	0.079	0.033	0.285
Cyclohexane	0.037	0.013	0.130
Other C6's	0.145	0.061	0.524
Heptanes	0.089	0.038	0.353
Methylcyclohexane	0.022	0.009	0.090
2,2,4 Trimethylpentane	0.000	0.000	0.000
Benzene	0.017	0.005	0.056
Toluene	0.024	0.008	0.093
Ethylbenzene	0.003	0.001	0.013
Xylenes	0.005	0.002	0.022
Octanes Plus	<u>0.035</u>	<u>0.018</u>	<u>0.175</u>
Totals	100.000	5.795	100.000

Real Characteristics Of Octanes Plus:

Specific Gravity -----	4.148	(Air=1)
Molecular Weight -----	119.68	
Gross Heating Value -----	6323	BTU/CF

Real Characteristics Of Total Sample:

Specific Gravity -----	0.828	(Air=1)
Compressibility (Z) -----	0.9960	
Molecular Weight -----	23.88	
Gross Heating Value		
Dry Basis -----	1155	BTU/CF
Saturated Basis -----	1136	BTU/CF

API	Well Name & Number	UL or Q/Q	S-T-R	Pool Code	Operator
30-025-46254	Marlan Downey 4 9 23S 35E State Com 113H	W/2 SE/4 W/2 E/2	4-23N-35W 9-23N-35W	Rock Lake; Bone Spring, South [52769]	Matador Production Company
30-025-46255	Marlan Downey 4 9 23S 35E State Com 114H	E/2 SE/4 E/2 E/2	4-23N-35W 9-23N-35W	Rock Lake; Bone Spring, South [52769]	Matador Production Company
30-025-44201	Marlan Downey 4 9 23 35 AR State 111H	W/2 W/2	9-23N-35W	Rock Lake; Bone Spring, South [52769]	Matador Production Company
30-025-50537	Marlan Downey State Com 121H	W/2 SW/4 W/2 W/2 W/2 W/2	4-23N-35W 9-23N-35W 16-23N-35W	Rock Lake; Bone Spring, South [52769] WC-025 G-06 S233516M; Middle Bone Spring [98246]	Matador Production Company
30-025-50538	Marlan Downey State Com 122H	E/2 SW/4 E/2 W/2 E/2 W/2	4-23N-35W 9-23N-35W 16-23N-35W	Rock Lake; Bone Spring, South [52769] WC-025 G-06 S233516M; Middle Bone Spring [98246]	Matador Production Company
30-025-51606	Marlan Downey State Com 123H	W/2 SE/4 W/2 E/2 W/2 E/2	4-23N-35W 9-23N-35W 16-23N-35W	Rock Lake; Bone Spring, South [52769] WC-025 G-06 S233516M; Middle Bone Spring [98246]	Matador Production Company
30-025-51607	Marlan Downey State Com 124H	E/2 SE/4 E/2 E/2 E/2 E/2	4-23N-35W 9-23N-35W 16-23N-35W	Rock Lake; Bone Spring, South [52769] WC-025 G-06 S233516M; Middle Bone Spring [98246]	Matador Production Company
30-025-44286	Bill Alexander State Com 111H	W/2 W/2	33-22N-35W	Rock Lake; Bone Spring [52766]	Matador Production Company
30-025-51014	Bill Alexander State Com 114H	E/2 E/2 E/2 NE/4	33-22N-35W 4-23N-35W	Rock Lake; Bone Spring [52766]	Matador Production Company
30-025-51015	Bill Alexander State Com 124H	E/2 E/2 E/2 NE/4	33-22N-35W 4-23N-35W	Rock Lake; Bone Spring [52766]	Matador Production Company
30-025-55345	Uncle Don State Com 111H	W/2 W/2 W/2 W/2	35-22N-35W 2-23N-35W	Rock Lake; Bone Spring [52766]	Matador Production Company

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024
	Submittal Type:	<input checked="" type="checkbox"/> Initial Submittal <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-55345	Pool Code 52766	Pool Name Rock Lake; Bone Spring
Property Code 334799	Property Name UNCLE DON STATE COM	Well Number 111H
OGRID No. 228937	Operator Name MATADOR PRODUCTION COMPANY	Ground Level Elevation 3526'
Surface Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal

Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
M	2	23-S	35-E	-	286' S	180' W	N 32.3272088	W 103.3463419	LEA

Bottom Hole Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
D	35	22-S	35-E	-	110' N	660' W	N 32.3551889	W 103.3447793	LEA

Dedicated Acres 320.46	Infill or Defining Well Defining	Defining Well API ---	Overlapping Spacing Unit (Y/N) Yes	Consolidated Code ---
Order Numbers NA			Well Setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No	

Kick Off Point (KOP)

UL or lot no	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
M	2	23-S	35-E	-	50' S	660' W	N 32.3265602	W 103.3447899	LEA

First Take Point (FTP)

UL or lot no	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
M	2	23-S	35-E	-	100' S	660' W	N 32.3266976	W 103.3447895	LEA

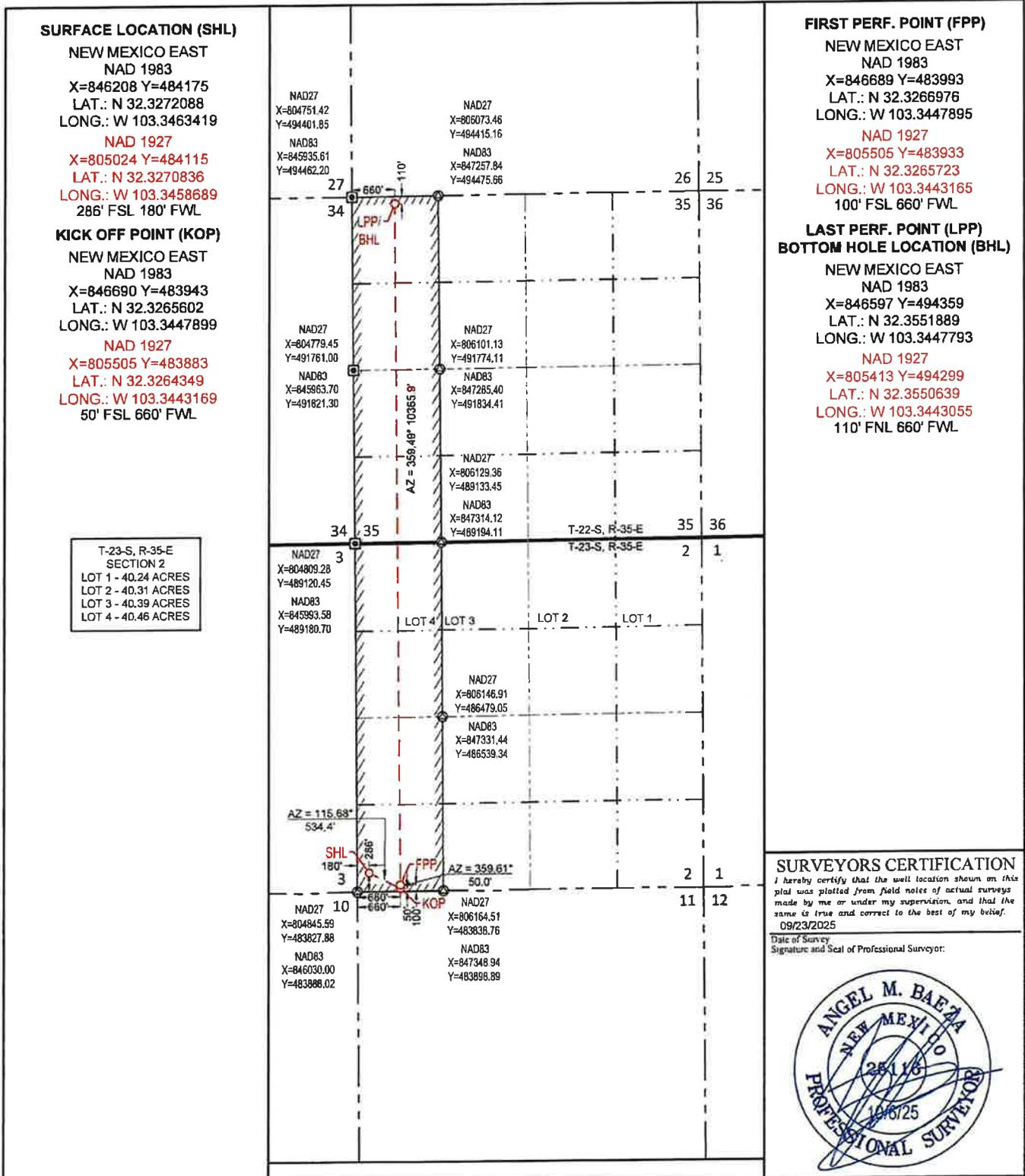
Last Take Point (LTP)

UL or lot no	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
D	35	22-S	35-E	-	110' N	660' W	N 32.3551889	W 103.3447793	LEA

Unitized Area or Area of Uniform Interest NA	Spacing Unity Type: <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation 3526
---	--	--------------------------------

<p>OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p><i>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i></p> <p>Signature: D.W.J. Date: 10/6/25</p> <p>Print Name: David W. Johns</p> <p>E-mail Address: djohns@matadorresources.com</p>	<p>SURVEYORS CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plat was M taken from field notes of actual surveys made by me or under my supervision and the same is true and correct to the best of my belief.</i></p> <p align="center">  </p> <p>Signature and Seal of Professional Surveyor: Anton Date: 10/8/25</p> <p>Certificate Number: _____ Date of Survey: 09/23/2025</p>
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C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024
Property Name and Well Number <p style="text-align: center; font-weight: bold;">UNCLE DON STATE 111H</p>		Submittal Type: <input checked="" type="checkbox"/> Initial Submittal <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled





New Mexico State Land Office
Oil, Gas, & Minerals Division

STATE/STATE OR
STATE/FEE
Revised August 2024

COMMUNITIZATION AGREEMENT
ONLINE Version

API #: 30-0_____

THIS COMMUNITIZATION AGREEMENT (“Agreement”) [which is NOT to be used for carbon dioxide or helium] is entered into and made effective this 1st [day] of October [month], 2025, by and between the parties signing below (“Parties”):

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

WHEREAS, the Parties own working, royalty, or other leasehold or other interests or operating rights under the oil and gas leases and lands subject to this Agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules and regulations, which leases, along with the well(s) on each lease to be encompassed by this Agreement, are more particularly described in the schedule attached hereto, marked Exhibit “A” and made a part hereof, for all purposes; and

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

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

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

1. The lands described in Exhibit A (or B) covered by this Agreement (hereinafter referred to as the "communitized area") are described as follows:

Subdivisions: W2W2 of Section 35-22S-35E; Lot 4, SW4NW4, W2SW4 of Section 2-23S-35E

of Sect(s): 35 & 2 Twp: 2 2 S & 2 3 S Rng: 3 5 E NMPM Lea County, NM

Containing 320.46 acres, more or less. It is the judgment of the Parties that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the OCD, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

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

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

2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the Parties that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.
3. Subject to Paragraph 5, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals or performance of other lease obligations under the terms of said leases shall not be affected by this Agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this Agreement shall remain in full force and effect as originally issued and amended.

4. **Matador Production Company** shall be the operator of the said communitized area (“Operator”) and all matters of operation shall be determined and performed by **Matador Production Company**. If more than one Operator operates wells subject to this Agreement, the Commissioner reserves the right to require one or more or all operators who added infill wells to this Agreement to obtain a new agreement.
5. The Commissioner hereafter is entitled to the right to take in kind the Commissioner’s share for the communitized substances allocated to such tract, and the Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.
6. There shall be no obligation upon the Parties to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the Parties shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.
7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit “A” hereto.
8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws.
9. This Agreement shall be effective as of the date hereinabove written upon execution by the Parties, notwithstanding the date of execution, and upon approval by the Commissioner, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all applicable State laws, rules, and regulations; provided, that this Agreement shall not expire if there is a well producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: **(a)** a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this Agreement so as to prevent the expiration of such lease; or **(b)** each of the State of New Mexico oil and gas leases covering lands subject to this Agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well located within the physical boundaries of that specific lease assignment. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner with respect to any dry hole or abandoned well drilled

upon the communitized area, this Agreement may be terminated at any time by mutual agreement of the Parties.

10. Notwithstanding any other provision herein, if there is a cessation of production of communitized substances for more than sixty (60) days beginning one year after the date of execution, this Agreement shall automatically terminate, along with the ability to produce communitized substances, unless notice of reworking or drilling operations on the communitized area is made within 60 days of cessation of production of communitized substances and are thereafter conducted with reasonable diligence or the Commissioner of Public Lands otherwise grants an exception to continued drilling operations, including for the compliance of other state rules, laws, or policies. All such notices provided pursuant to this Paragraph shall be in writing and must be approved by the Commissioner. As to State Trust Lands, written notice of intention to commence any operations hereunder shall be filed with the Commissioner within thirty(30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this Agreement. All requests to the Commissioner to grant an exception or exceptions for the compliance of other state rules, laws, or policies must be made in writing within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to this Agreement or any lease from the State of New Mexico included in this Agreement

11. Operator shall furnish the Commissioner and the OCD, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

12. It is agreed between the Parties that the Commissioner, or the Commissioner's duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State Land Office and the OCD.

13. If any order of the OCD upon which this Agreement is predicated or based is in anyway changed or modified, then in such event said Agreement is likewise modified to conform thereto.

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 instruments, in writing, specifically referring hereto, and shall be binding upon all Parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

15. 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.

16. In the event that Operator is aggrieved by a decision of the Commissioner with respect to any action by the Commissioner arising under this Agreement, Operator may within thirty (30) days after the date of such action file an administrative contest pursuant to 19-7-64 NMSA (1978) and 19.2.15 NMAC. Operator shall initiate no court action against the Commissioner or New Mexico State Land Office regarding this Agreement except to appeal a final decision of the Commissioner rendered pursuant to such a contest proceeding, and as provided by 19-7-64 NMSA (1978). **The Parties agree that any venue for any appeal or other action shall be in Santa Fe, New Mexico.**

17. Operator shall notify the Commissioner in writing within ten (10) days of (i) Operator's receipt of any compliance order, enforcement order, notice of violation, warning letter, or other written notice of final or contemplated enforcement action taken by any federal, state, or local governmental entity arising out of or concerning any of Operator's operations on New Mexico state trust land; (ii) Operator's receipt of any order, judgment, or decree (on consent or otherwise) entered by any federal or state court against Operator arising out of or concerning any of Operator's operations on New Mexico state trust land; or (iii) Operator's receipt of any written notice of claim, written pre-suit notice, or lawsuit arising out of or concerning any of Operator's operations on New Mexico state trust land. Upon the Commissioner's request, Operator shall promptly provide the Commissioner with a copy of any such order, judgment, decree, notice, letter, or lawsuit.

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

Operator: **Matador Production Company**

By: Kyle Perkins – Senior Vice President & Assistant General Counsel
Name & Title of Authorized Agent

Kyle Perkins
Signature of Authorized Agent
10/20/25

D.N.J. pdl

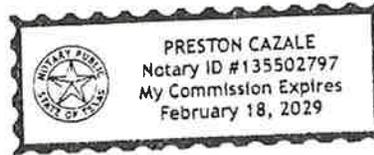
Acknowledgment in a Representative Capacity

STATE OF TEXAS) §

COUNTY OF DALLAS) §

This instrument was acknowledged before me on October 20th, 2025, by Kyle Perkins, as Senior Vice President & Assistant General Counsel for Matador Production Company, a Texas corporation, on behalf of said corporation.

Preston Cazale
Signature of Notarial Officer
My commission expires 2/18/2029



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

MRC Permian Company

By: Kyle Perkins – Senior Vice President & Assistant General Counsel
Name & Title of Authorized Agent

Kyle Perkins
Signature of Authorized Agent
10/20/25

D.N.J. pdl

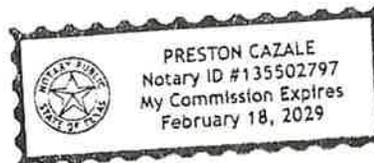
Acknowledgment in a Representative Capacity

STATE OF TEXAS) §

COUNTY OF DALLAS) §

This instrument was acknowledged before me on October 20th, 2025, by Kyle Perkins, as Senior Vice President & Assistant General Counsel, for MRC Permian Company, a Texas corporation, on behalf of said corporation.

Preston Cazale
Signature of Notarial Officer
My commission expires 2/18/2029



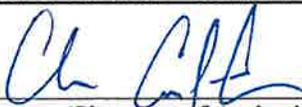
NMSLO Communitization Agreement Self-Certification for Federal, Fee or Tribal Interests

Approval of this Communitization Agreement does not constitute an adjudication of any federal, Tribal or private interests, and neither the Commissioner of Public Lands nor the State Land Office warrant or certify that the information supplied by the party submitting this agreement is accurate with regard to all private, Tribal or federal interests. The responsibility of the Commissioner and State Land Office is to protect and adjudicate only the State Land Office interests during the processing of Communitization Agreements. The State Land Office will only verify the accuracy of state leases in the proposed Communitization Agreement. All non-state interests must be certified by the Operator.

As Operator of **Uncle Don State #111H**, **Chris Carleton** on behalf of **Matador Production Company** hereby certifies that all lessees and/or working interest owners that are parties to this Communitization Agreement, as shown on Exhibit A, have the legal rights and interests they claim to the private or federal or Tribal leases subject to this Communitization Agreement and **Matador Production Company** has obtained written consent and authority to enter into this Agreement on their behalf. Written consent/signatures of lessees and/or other interest owners will be made available to the State Land Office immediately upon request. Any misrepresentation or material omission by the Operator in this respect will be grounds to void the Communitization Agreement.

OPERATOR: Matador Production Company

BY: Chris Carleton – Senior Vice President of Land



(Signature of Authorized Agent)

D.W.J.
pd

Acknowledgment in a Representative Capacity

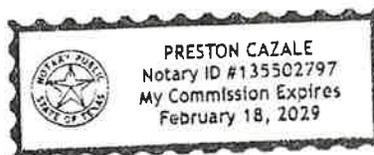
STATE OF TEXAS) §

COUNTY OF DALLAS) §

This instrument was acknowledged before me on October 20th, 2025, by Chris Carleton, as Senior Vice President of Land for Matador Production Company, a Texas corporation, on behalf of said corporation.



Signature of Notarial Officer
My commission expires 2/18/2029



WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD

Me-Tex Oil & Gas, Inc.

By: _____

C. Ash Roan

Print Name

Date: _____

10/8/2025

Acknowledgment in a Representative Capacity

STATE OF NM §

COUNTY OF Ses §

This instrument was acknowledged before me on Oct. 8, 2025, by C. Ash Roan, as

President, for Me-Tex Oil & Gas Inc on
behalf of said company.

LeAnn Whitehead
Signature

LeAnn Whitehead
Name (Print)

My commission expires June 7, 2028



STATE OF NEW MEXICO
NOTARY PUBLIC
LeAnn Whitehead
Commission No. 1099927
Expires: June 07, 2028

WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD

Featherstone Development Corporation

By: _____

Glen Featherstone III, President
Print Name

Date: 10/14/25

Acknowledgment in a Representative Capacity

STATE OF New Mexico §

COUNTY OF Sandoval §

This instrument was acknowledged before me on 10/14, 2025, by Glen Featherstone III
President for Featherstone Development on
behalf of said corporation corporation

Tracey Noriega
Signature

Tracey Noriega
Name (Print)

My commission expires _____

STATE OF NEW MEXICO
NOTARY PUBLIC
TRACEY NORIEGA
COMMISSION# 1088082
EXP. 12-17-2026

EXHIBIT "A"

Plat of communitized area covering 320.46 acres in the W2W2 of Section 35, Township 22 South, Range 35 East, Lot 4, SW4NW4 & W2SW4 of Section 2, Township 23 South, Range 35 East, Lea County, New Mexico.

Uncle Don State #111H

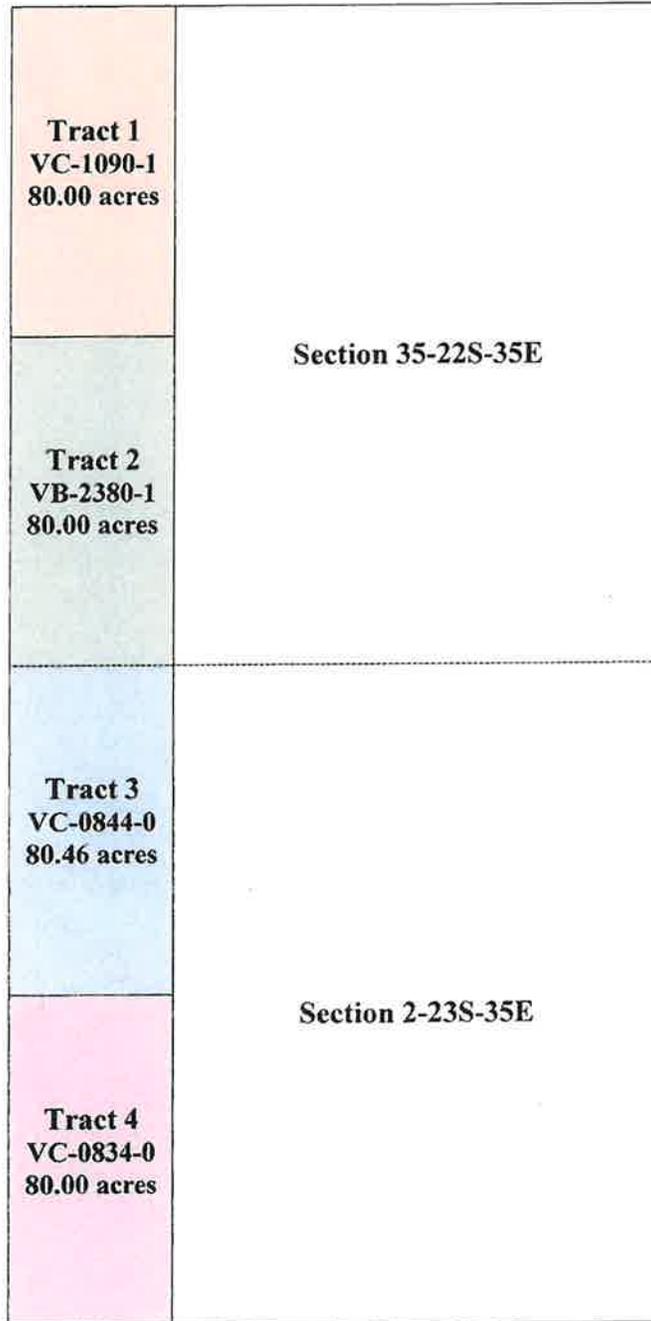


EXHIBIT "B"

Attached to and made a part of that certain Communitization Agreement dated **October 1, 2025**, embracing the following described land in the **W2W2 of Section 35, Township 22 South, Range 35 East, Lot 4, SW4NW4 & W2SW4 of Section 2, Township 23 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: VC-1090-0001

Description of Land Committed: Township 22 South, Range 35 East, Section 35: W2NW4

Number of Acres: 80.00 acres

Current Lessee of Record: MRC Permian Company

Name and Percent of Working Interest Owners: MRC Permian Company

Tract No. 2

Lease Serial Number: VB-2380-0001

Description of Land Committed: Township 22 South, Range 35 East, Section 35: W2SW4

Number of Acres: 80.00 acres

Current Lessee of Record: MRC Permian Company

Name and Percent of Working Interest Owners: MRC Permian Company

Tract No. 3

Lease Serial Number: VC-0844-0000

Description of Land Committed: Township 23 South, Range 35 East, Section 2: Lot 4, SW4NW4

Number of Acres: 80.46 acres

Current Lessee of Record: Featherstone Development Corporation

Name and Percent of Working Interest Owners: Featherstone Development Corporation

Tract No. 4

Lease Serial Number: VC-0834-0000
Description of Land Committed: Township 23 South, Range 35 East,
Section 2: W2SW4
Number of Acres: 80.00 acres
Current Lessee of Record: Me-Tex Oil & Gas, Inc.
Name and Percent of Working Interest Owners: Me-Tex Oil & Gas, Inc.

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	80.00	24.96%
2	80.00	24.96%
3	80.46	25.12%
4	80.00	24.96%
Total	320.46	100.00%

Big Three Energy Group, LLC	P.O. Box 429	Roswell NM 88202
Featherstone Development Corporation	P.O. Box 429	Roswell NM 88202
Mewbourne Oil Company	P.O. Box 7698	Tyler TX 75711
Prospector, LLC	P.O. Box 429	Roswell NM 88202
Ross Duncan Properties, LLC	P.O. Box 647	Artesia NM 88211
State of New Mexico Land Office	310 Old Santa Fe Trail	Santa Fe NM 87501
State of New Mexico State Land Office	P.O. Box 1148	Santa Fe NM 87504
Veer Capital Partners, LLC	7670 Woodway Drive, Suite 357	Houston TX 77063



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

December 12, 2025

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PARTIES

Re: Application of Matador Production Company to amend NMOCD Order PLC-794-B and for administrative approval to surface commingle (pool and lease), as well as off-lease measure and off-lease storage, oil and gas production from the leases comprising the W/2 W/2 of Section 35 and the W/2 W/2 and E/2 E/2 of Section 33, Township 22 South, Range 35 East, and Lot 4, the SW/4 NW/4, and W/2 SW/4 (W/2 W/2 equivalent) of irregular Section 2, and Lot 1, SE/4 NE/4, and S/2 of irregular Section 4, and All of Sections 9 and 16, Township 23 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:

David Johns
Matador Production Company
(972) 619-1259
djohns@matadorresources.com

Sincerely,

Paula M. Vance
**ATTORNEY FOR MATADOR PRODUCTION
COMPANY**

36459974_v2

MRC - Uncle Don - Commingling Amended
Postal Delivery Report

9414811898765432374099	Big Three Energy Group, LLC	PO Box 429	Roswell	NM	88202-0429	Your item was picked up at the post office at 10:22 am on December 18, 2025 in ROSWELL, NM 88201.
9414811898765432374082	Featherstone Development Corporation	PO Box 429	Roswell	NM	88202-0429	Your item was picked up at the post office at 10:22 am on December 18, 2025 in ROSWELL, NM 88201.
9414811898765432374075	Mewbourne Oil Company	PO Box 7698	Tyler	TX	75711-7698	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765432374457	New Mexico State Land Office	310 Old Santa Fe Trl	Santa Fe	NM	87501-2708	Your item was picked up at the post office at 7:40 am on December 16, 2025 in MEMPHIS, TN 37501.
9414811898765432374426	New Mexico State Land Office	PO Box 1148	Santa Fe	NM	87504-1148	Your item was picked up at the post office at 7:40 am on December 16, 2025 in MEMPHIS, TN 37501.
9414811898765432374495	Prospector, LLC	PO Box 429	Roswell	NM	88202-0429	Your item was picked up at the post office at 10:22 am on December 18, 2025 in ROSWELL, NM 88201.
9414811898765432374488	Ross Duncan Properties, LLC	PO Box 647	Artesia	NM	88211-0647	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765432374556	Veer Capital Partners, LLC	7670 Woodway Dr Ste 357	Houston	TX	77063-6507	Your item was delivered to an individual at the address at 12:06 pm on December 16, 2025 in HOUSTON, TX 77063.

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
December 16, 2025
and ending with the issue dated
December 16, 2025.



Publisher

Sworn and subscribed to before me this
16th day of December 2025.



Business Manager

My commission expires

January 29, 2027
STATE OF NEW MEXICO
(Seal) NOTARY PUBLIC
GUSSIE RUTH BLACK
COMMISSION # 1087526
COMMISSION EXPIRES 01/29/2027

To: All affected parties, including all heirs, devisees, and successors of: New Mexico State Land Office; Big Three Energy Group, LLC; Featherstone Development Corporation; Prospector, LLC; Ross Duncan Properties, LLC; Mewbourne Oil Company; and Veer Capital Partners, LLC.

Application of Matador Production Company to amend NMOCD Order PLC-794-B and for administrative approval to surface commingle (pool and lease), as well as off-lease measure and off-lease storage, oil and gas production from the leases comprising the W/2 W/2 of Section 35 and the W/2 W/2 and E/2 E/2 of Section 33, Township 22 South, Range 35 East, and Lot 4, the SW/4 NW/4, and W/2 SW/4 (W/2 W/2 equivalent) of Irregular Section 2, and Lot 1, SE/4 NE/4, and S/2 of Irregular Section 4, and All of Sections 9 and 16, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico (the "Lands"). Matador Production Company (OGRID No. 228937) ("Matador") seeks to amend Administrative Order PLC-794-B ("Order PLC-794-B"). Order PLC-794-B authorizes lease commingling, off-lease storage, off-lease measurement, and off-lease at the Marlon Downey East Tank Battery production from all existing and future wells drilled in the following spacing units:

(a) The 240-acre spacing unit comprised of the W/2 SE/4 of Irregular Section 4 and the W/2 E/2 of Section 9, T23S-R35E, in the Rock Lake; Bone Spring, South [52769] – currently dedicated to the Marlan Downey 4 9 23S 35E State Com 113H (API. No. 30-025-46254);

(b) The 240-acre spacing unit comprised of the E/2 SE/4 of Irregular Section 4 and the E/2 E/2 of Section 9, T23S-R35E, in the Rock Lake; Bone Spring, South [52769] – currently dedicated to the Marlan Downey 4 9 23S 35E State Com 114H (API. No. 30-025-46255);

(c) The 159.97-acre spacing unit comprised of the W/2 W/2 of Section 9, T23S-R35E, in the Rock Lake; Bone Spring, South [52769] – currently dedicated to the Marlan Downey 4 9 23 35 AR State 111H (API. No. 30-025-44201);

(d) The 400-acre spacing unit comprised of the W/2 SW/4 of Irregular Section 4 and the W/2 W/2 of Sections 9 and 16, T23S-R35E, in the Rock Lake; Bone Spring, South [52769] and WC-025 G-06 S233516M; Middle Bone Spring [98246] – currently dedicated to the Marlan Downey State Com 121H (API. No. 30-025-50537);

(e) The 400-acre spacing unit comprised of the E/2 SW/4 of Irregular Section 4 and the E/2 W/2 of Sections 9 and 16, T23S-R35E, in the Rock Lake; Bone Spring, South [52769] and WC-025 G-06 S233516M; Middle Bone Spring [98246] – currently dedicated to the Marlan Downey State Com 122H (API. No. 30-025-50538);

(f) The 400-acre spacing unit comprised of the W/2 SE/4 of Irregular Section 4 and the W/2 E/2 of Sections 9 and 16, T23S-R35E, in the Rock Lake; Bone Spring, South [52769] and WC-025 G-06 S233516M; Middle Bone Spring [98246] – currently dedicated to the Marlan Downey State Com 123H (API. No. 30-025-51606);

(g) The 400-acre spacing unit comprised of the E/2 SE/4 of Irregular Section 4 and the E/2 E/2 of Sections 9 and 16, T23S-R35E, in the Rock Lake; Bone Spring, South [52769] and WC-025 G-06 S233516M; Middle Bone Spring [98246] – currently dedicated to the Marlan Downey State Com 124H (API. No. 30-025-51607);

(h) The 160-acre spacing unit comprised of the W/2 W/2 of Section 33, T22S-R35E, in the Rock Lake; Bone Spring [52766] – currently dedicated to the Bill Alexander State Com 111H (API. No. 30-025-44286);

(i) The 240.32-acre spacing unit comprised of the W/2 E/2 of Section 33, T22S-R35E, and Lot 1 and SE/4 NE/4 (E/2 NE/4 equivalent) of Irregular Section 4, T23S-R35E in the Rock Lake; Bone Spring [52766] – currently dedicated to the Bill Alexander State Com 114H (API. No. 30-025-51014) and Bill Alexander State Com 124H (API. No. 30-025-51015); and

(j) Pursuant to 19.15.12.10.C(4)(g), from all future additions of pools, leases or leases and pools to the Marlan Downey East Tank Battery with notice provided only to the owners of interests to be added.

Pursuant to 19.15.12.7 NMAC and provision 10 of Order PLC-794-B, Matador seeks to amend the terms of Order PLC-794-B to add production from all existing and future infill wells drilled in the following spacing unit:

(a) The 320.48-acre spacing unit comprised of the W/2 W/2 of Section 35, T22S-R35E, and Lot 4, SW/4 NW/4, and W/2 SW/4 (W/2 W/2 equivalent) of Irregular Section 2, T23S-R35E in the Rock Lake; Bone Spring [52766] – currently dedicated to the Uncle Don State Com 111H (API. No. 30-025-55345); and

(b) Pursuant to 19.15.12.10.C(4)(g), from all future additions of pools, leases or leases and pools to the Marlan Downey East Tank Battery (located off the project area in the SW/4 NE/4 of Irregular Section 4, Township 23 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 David Johns, Matador Production Company, (972) 619-1259, djohns@matadorresources.com. #00307052

67100754

00307052

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.

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 COMMINGLING
SUBMITTED BY MATADOR PRODUCTION COMPANY ORDER NO. PLC-794-C**

ORDER

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

FINDINGS OF FACT

1. Matador Production Company (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools and leases described in Exhibit A (“Application”).
2. Applicant included a complete list of the wells currently dedicated to each pool and lease.
3. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
4. 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.
5. Applicant in the notice for the Application stated that it sought authorization to prospectively include additional pools and leases in accordance with 19.15.12.10(C)(4)(g) NMAC.
6. 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.
7. 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.
8. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.

CONCLUSIONS OF LAW

9. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.

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

ORDER

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

Applicant is authorized to surface commingle oil and gas production from the wells included in Exhibit A provided that they produce from a pool and lease described in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease, as applicable, from the pools and leases 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, as applicable, 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. This Order supersedes Order PLC-749-B.
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 allocation of oil and gas production shall be based on the production life of each well as measured for three periods:

- a. The initial production period shall be measured from the first production until the earlier of either the peak production rate or thirty (30) days after the first production.

During the initial production period, the oil and gas production for each well identified in Exhibit A shall be allocated using a production curve calculated from a minimum of ten (10) well tests per month, except that any day in which a well test cannot achieve an accurate result due to a temporary change in oil and gas production shall not be included in the computation of time determining the well test schedule. The production curve shall be calculated by interpolating daily production for each day using the known daily production obtained by well tests and shall use a method of interpolation that is at minimum as accurate as maintaining a constant rate of change for each day's production between the known daily production values.

- b. The plateau period shall be measured from the end of the initial production period to the peak decline rate.

During the plateau period, the oil and gas production for each well identified in Exhibit A shall be allocated using a minimum of three (3) well tests per month.

- c. The decline period shall be measured from the end of the plateau period until the well is plugged and abandoned.

During the decline period, the oil and gas production for each well identified in Exhibit A shall be allocated as follows:

- i. a minimum of three (3) well tests per month when the decline rate is greater than twenty-two percent (22%) per month;
- ii. a minimum of two (2) well tests per month when the decline rate is between twenty-two percent (22%) and ten percent (10%) per month; and
- iii. a minimum of one (1) well test per month when the decline rate is less than ten percent (10%) per month.

Upon OCD's request, Applicant shall submit a Form C-103 to the OCD Engineering Bureau that contains the decline rate curve and other relevant information demonstrating the production life of a well.

Applicant shall conduct a well test by separating and metering the oil and gas production from that well for either:

- a. a minimum of twenty-four (24) consecutive hours; or
- b. a combination of nonconsecutive periods that meet the following conditions:
 - i. Each period shall be a minimum of six (6) hours.
 - ii. The total duration of the nonconsecutive periods shall be a minimum of eighteen (18) hours.
 - iii. A vessel shall be allowed to reach equilibrium and a sufficient liquid retention time for accurate measurement achieved prior to beginning the well test.

The well test requirements of this Order shall be suspended for any well shut-in for a period that continues for more than fifteen (15) days until the well commences production.

5. If Applicant recovers oil or gas production from produced water prior to Applicant injecting it or transferring custody of it, then that production shall be allocated to each well in the proportion that it contributed to the total produced water.
6. If Applicant recovers gas production using a vapor recovery unit (VRU), then that gas production shall be allocated to each well in the proportion that it contributed to the total oil production.
7. 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.
8. 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.
9. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10(C)(2) NMAC.
10. Applicant shall install and utilize vessels that are appropriately designed to ensure sufficient separation of the fluids and to accurately measure oil and gas production.
11. 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.

12. 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.
13. 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.
14. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
15. 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).
16. 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**



**ALBERT C. S. CHANG
DIRECTOR**

DATE: 1/26/2026

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: PLC-794-C
Operator: Matador Production Company (228937)
Central Tank Battery: Marlan Downey East Tank Battery
Central Tank Battery Location: Unit J, Section 4, Township 23 South, Range 35 East
Gas Title Transfer Meter Location: Unit J, Section 4, Township 23 South, Range 35 East

Pools

Pool Name	Pool Code
ROCK LAKE; BONE SPRING	52766
ROCK LAKE; BONE SPRING, SOUTH	52769
WC-025 G-06 S233516M; MIDDLE BONE SP	98246

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
CA Bone Spring NMSLO 204020 PUN 1380459	W2SE	4-23S-35E
	W2E2	9-23S-35E
CA Bone Spring NMSLO 204114 PUN 1385363	E2SE	4-23S-35E
	E2E2	9-23S-35E
CA Bone Spring NMSLO 204588 PUN 1399491	E2E2	33-22S-35E
	E2NE	4-23S-35E
CA Bone Spring NMSLO 203714 PUN 1369178	W2W2	33-22S-35E
CA Bone Spring NMSLO 204834 PUN 1401399	E2SW	04-23S-35E
	E2W2	09-23S-35E
CA Bone Spring NMSLO 204835 PUN 1402974	E2SE	04-23S-35E
	E2E2	09-23S-35E
CA Bone Spring NMSLO 204836 PUN 1402989	W2SE	04-23S-35E
	W2E2	09-23S-35E
CA Bone Spring NMSLO 204837 PUN 1402899	E2W2	16-23S-35E
CA Bone Spring NMSLO 204858 PUN 1403007	E2E2	16-23S-35E
CA Bone Spring NMSLO 204967 PUN 1404489	W2SW	04-23S-35E
	W2W2	09-23S-35E
CA Bone Spring NMSLO 204968 PUN 1402899	W2W2	16-23S-35E
CA Bone Spring NMSLO 204992 PUN 1402899	W2E2	16-23S-35E
CA Bone Spring NMSLO 205380 PUN 1411119	W2W2	35-22S-35E
	W2W2	02-23S-35E
NMSLO Lease VB 2259 0000	ALL	9-23S-35E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-46254	Marlan Downey 4 9 23S 35E State Com #113H	W2SE	4-23S-35E	52769
		W2E2	9-23S-35E	

30-025-46255	Marlan Downey 4 9 23S 35E State Com #114H	E2SE E2E2	4-23S-35E 9-23S-35E	52769
30-025-44286	Bill Alexander State Com #111H	W2W2	33-22S-35E	52766
30-025-50537	Marlan Downey State Com #121H	W2SW	4-23S-35E	52769
		W2W2	9-23S-35E	
		W2W2	16-23S-35E	98246
30-025-50538	Marlan Downey State Com #122H	E2SW	4-23S-35E	52769
		E2W2	9-23S-35E	
		E2W2	16-23S-35E	98246
30-025-44201	Marlan Downey 9 23 35 AR State #111H	W2W2	9-23S-35E	52769
30-025-51606	Marlan Downey State Com #123H	W2SE	4-23S-35E	52769
		W2E2	9-23S-35E	
		W2E2	16-23S-35E	98246
30-025-51607	Marlan Downey State Com #124H	W2SE	4-23S-35E	52769
		E2E2	9-23S-35E	
		E2E2	16-23S-35E	98246
30-025-51014	Bill Alexander State Com #114H	E2E2 E2NE	33-22S-35E 4-23S-35E	52766
30-025-51015	Bill Alexander State Com #124H	E2E2	33-22S-35E	52766
		E2NE	4-23S-35E	
30-025-55345	Uncle Don State Com #111H	W2W2	35-22S-35E	52766
		W2W2	02-23S-35E	

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

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

CONDITIONS

Action 538305

CONDITIONS

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 538305
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
sarah.clelland	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 email us at OCD.Engineer@emnrd.nm.gov .	1/27/2026