

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

**APPLICATIONS OF MEWBOURNE OIL
COMPANY FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NOS. 22191 and 22192

MOTION TO RE-OPEN CASE NOS. 22191 and 22192

Matador Production Company (“Matador”), a party being pooled under the applications filed by Mewbourne Oil Company (“Mewbourne”) in Case Nos. 22191 and 22192, submits this motion to re-open these cases and have them set for a status conference on October 21, 2021 with Matador’s competing applications for compulsory pooling in Case Nos. 22257 and 22258. In support, Matador states as follows:

1. Matador and Mewbourne each filed pooling applications for the Bone Spring formation underlying the S/2 of Sections 11 and 12, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico.
2. Due to its competing development plans, Matador opposes Mewbourne’s applications and the relief requested.
3. Matador’s pooling applications, filed on October 5, 2021, stated that Matador was requesting its cases “be set for a contested hearing with the competing pooling applications of Mewbourne Oil Company in Case Nos. 22191 and 22192 that are currently set on the October 7, 2021 docket.”
4. Mewbourne was provided notice of Matador’s competing development plans and intent to pool the acreage underlying the S/2 of Sections 11 and 12.

5. Matador's pooling applications were filed prior to the October 7 hearing, and Matador also previously sent Mewbourne its competing well proposal for the subject acreage, on April 1, 2021, which is attached hereto as *Exhibit 1*.

6. Matador's Case Nos. 22257 and 22258 have been set for hearing on the November 4, 2021, docket. Mewbourne's Case Nos. 22191 and 22192 were taken under advisement at the conclusion of the October 7, 2021 hearing.

7. Matador intended to appear in the Mewbourne cases on the October 7th docket but failed to do so due to an oversight. Matador has since filed an entry of appearance in Mewbourne's Case Nos. 22191 and 22192.

8. The Division has not yet entered orders in Mewbourne's Case Nos. 22191 and 22192.

9. Re-opening these cases will not prejudice Mewbourne or impose an unreasonable burden. In contrast, re-opening the Mewbourne cases to allow the competing development plans to be addressed by the Division at the same hearing will avoid unfair prejudice to Matador and will give both parties a full and fair opportunity to present evidence and testimony in the contested pooling proceedings.

10. Consideration of such evidence is necessary for the Division to make an informed decision on the competing development plans, to prevent waste, and to protect correlative rights.

11. Accordingly, the Division should re-open Case Nos. 22191 and 22192 and set a status conference on the October 21, 2021, Division docket for the parties to confer on a date for a contested hearing and to establish pre-hearing deadlines.

12. Counsel for Matador has conferred with counsel for Mewbourne and has been informed that Mewbourne opposes this application and the relief requested.

WHEREFORE, Matador respectfully requests that the Division grant this motion, re-open Case Nos. 22191 and 22192, schedule a status conference to establish prehearing deadlines for a contested hearing with the competing applications of Matador in Case Nos. 22257 and 22258, and provide any additional relief determined to be just and proper.

Respectfully submitted,

HOLLAND & HART, LLP



Michael H. Feldewert
Adam G. Rankin
Julia Broggi
Kaitlyn A. Luck
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Santa Fe, New Mexico 87504
TEL: (505) 988-4421
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agrarkin@hollandhart.com
jbroggi@hollandhart.com
kaluck@hollandhart.com

ATTORNEYS FOR MATADOR PRODUCTION COMPANY

CERTIFICATE OF SERVICE

I hereby certify that on October 15, 2021, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
505-982-2043
jamesbruc@aol.com

ATTORNEY FOR MEWBOURNE OIL COMPANY



Kaitlyn A. Luck

MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
Voice 972.371.5446 • Fax 214.866.4946
shartsfield@matadorresources.com

Sara Hartsfield
Senior Landman

April 1, 2021

VIA CERTIFIED RETURN RECEIPT MAIL

Brian C. Reid and wife, Katherine A. Reid
2502 Camarie
Midland, TX 79705

Re: Matador Production Company – Tom Matthews 10&11 Com #113H, #114H, #123H & #124H
(the “Wells”)
Participation Proposal
Sections 10 & 11, Township 24 South, Range 28 East
Eddy, New Mexico

Dear Sir/Madam:

MRC Permian Company (“MRC”) proposes the drilling of Matador Production Company’s Tom Matthews 10&11 Com #113H, Tom Matthews 10&11 Com #114H, Tom Matthews 10&11 Com #123H & Tom Matthews 10&11 Com #124H wells, located in the S2 of Sections 10 and 11, Township 24 South, Range 28 East, Eddy County, New Mexico to the Bone Spring formation.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping of each Well is itemized on the four (4) enclosed Authority for Expenditures (“AFE”) dated December 15, 2020.
- **Tom Matthews 10&11 Com #113H:** to be drilled from a legal location with a pyes roposed surface hole location in the NE/4SE/4 of Section 9-24S-28E and a proposed bottom hole location in the NE/4SE/4 of Section 11-24S-28E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~7,250’ TVD) to a Measured Depth of approximately 17,550’.
- **Tom Matthews 10&11 Com #114H:** to be drilled from a legal location with a proposed surface hole location in the SW/4SW/4 of Section 10-24S-28E and a proposed bottom hole location in the SE/4SE/4 of Section 11-24S-28E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~7,250’ TVD) to a Measured Depth of approximately 17,550’.
- **Tom Matthews 10&11 Com #123H:** to be drilled from a legal location with a proposed surface hole location in the NE/4SE/4 of Section 9-24S-28E and a proposed bottom hole location in the NE/4SE/4 of Section 11-24S-28E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~8,250’ TVD) to a Measured Depth of approximately 18,450’.

EXHIBIT 1

- **Tom Matthews 10&11 Com #124H:** to be drilled from a legal location with a proposed surface hole location in the SW/4SW/4 of Section 10-24S-28E and a proposed bottom hole location in the SE/4SE/4 of Section 11-24S-28E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~8,250' TVD) to a Measured Depth of approximately 18,450'.

MRC reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. MRC will advise you of any such modifications.

Brian C. Reid and wife, Katherine A. Reid will own an approximate 0.00237405 working interest in each Well, subject to title verification.

MRC requests that you indicate your election to participate in the drilling and completion of the Wells in the space provided below, sign and return one (1) copy of this letter to the undersigned.

As an alternative to participation in the well Matador is interested in leasing your mineral interest, subject to title verification, for \$1,500/acre, 1/5 royalty, and a 3 year term on the lease form enclosed. Should you elect to lease your minerals, please sign the enclosed lease, in the presence of a notary public, and return it to my attention, at the address listed above.

If your election is to participate in the drilling and completion of the Wells, please sign and return a copy of the enclosed AFE(s) within thirty (30) days of receipt of this notice. Additionally, if your election is to participate, please accept this letter as an invoice notice and request for payment. Please remit payment for your proportionate share of costs to Matador Production Company on or before thirty (30) days after receipt of this estimate and invoice. Please be aware that the enclosed AFE(s) are only an estimate of costs to be incurred and by electing to participate in the Wells, each working interest owner shall be responsible for its proportionate share of all costs incurred.

Thank you for your consideration of this proposal. Please contact me if you have any questions.

Sincerely,

MRC PERMIAN COMPANY



Sara Hartsfield

Brian C. Reid and wife, Katherine A. Reid hereby elects to:

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Tom Matthews 10&11 Com #113H** well, in the estimated amount of **\$16,955.84**.
_____ Not participate in the **Tom Matthews 10&11 Com #113H**.

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Tom Matthews 10&11 Com #114H** well, in the estimated amount of **\$16,955.65**.
_____ Not participate in the **Tom Matthews 10&11 Com #114H**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Tom Matthews 10&11 Com #123H** well, in the estimated amount of **\$17,010.01**.
_____ Not participate in the **Tom Matthews 10&11 Com #123H**.

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Tom Matthews 10&11 Com #124H** well, in the estimated amount of **\$17,011.29**.
_____ Not to participate in the **Tom Matthews 10&11 Com #124H**.

_____ I / We are interested in selling our interest in the contract Area, please contact us at _____ to discuss.

Brian C. Reid and wife, Katherine A. Reid

By: _____

Title: _____

Date: _____

Contact Number: _____

MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
Voice 972.371.5446 • Fax 214.866.4946
shartsfield@matadorresources.com

Sara Hartsfield
Senior Landman

April 1, 2021

VIA CERTIFIED RETURN RECEIPT MAIL

Featherstone Development Corporation
P.O. Box 429
Roswell, NM 88202-0429

Re: Matador Production Company – Tom Matthews 10&11 Com #113H, #114H, #123H & #124H
(the “Wells”)
Participation Proposal
Sections 10 & 11, Township 24 South, Range 28 East
Eddy, New Mexico

Dear Sir/Madam:

MRC Permian Company (“MRC”) proposes the drilling of Matador Production Company’s Tom Matthews 10&11 Com #113H, Tom Matthews 10&11 Com #114H, Tom Matthews 10&11 Com #123H & Tom Matthews 10&11 Com #124H wells, located in the S2 of Sections 10 and 11, Township 24 South, Range 28 East, Eddy County, New Mexico to the Bone Spring formation.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping of each Well is itemized on the four (4) enclosed Authority for Expenditures (“AFE”) dated December 15, 2020.
- **Tom Matthews 10&11 Com #113H:** to be drilled from a legal location with a pyes roposed surface hole location in the NE/4SE/4 of Section 9-24S-28E and a proposed bottom hole location in the NE/4SE/4 of Section 11-24S-28E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~7,250’ TVD) to a Measured Depth of approximately 17,550’.
- **Tom Matthews 10&11 Com #114H:** to be drilled from a legal location with a proposed surface hole location in the SW/4SW/4 of Section 10-24S-28E and a proposed bottom hole location in the SE/4SE/4 of Section 11-24S-28E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~7,250’ TVD) to a Measured Depth of approximately 17,550’.
- **Tom Matthews 10&11 Com #123H:** to be drilled from a legal location with a proposed surface hole location in the NE/4SE/4 of Section 9-24S-28E and a proposed bottom hole location in the NE/4SE/4 of Section 11-24S-28E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~8,250’ TVD) to a Measured Depth of approximately 18,450’.

- **Tom Matthews 10&11 Com #124H:** to be drilled from a legal location with a proposed surface hole location in the SW/4SW/4 of Section 10-24S-28E and a proposed bottom hole location in the SE/4SE/4 of Section 11-24S-28E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~8,250' TVD) to a Measured Depth of approximately 18,450'.

MRC reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. MRC will advise you of any such modifications.

Featherstone Development Corporation will own an approximate 0.00237405 working interest in each Well, subject to title verification.

MRC requests that you indicate your election to participate in the drilling and completion of the Wells in the space provided below, sign and return one (1) copy of this letter to the undersigned.

As an alternative to participation in the well Matador is interested in leasing your mineral interest, subject to title verification, for \$1,500/acre, 1/5 royalty, and a 3 year term on the lease form enclosed. Should you elect to lease your minerals, please sign the enclosed lease, in the presence of a notary public, and return it to my attention, at the address listed above.

If your election is to participate in the drilling and completion of the Wells, please sign and return a copy of the enclosed AFE(s) within thirty (30) days of receipt of this notice. Additionally, if your election is to participate, please accept this letter as an invoice notice and request for payment. Please remit payment for your proportionate share of costs to Matador Production Company on or before thirty (30) days after receipt of this estimate and invoice. Please be aware that the enclosed AFE(s) are only an estimate of costs to be incurred and by electing to participate in the Wells, each working interest owner shall be responsible for its proportionate share of all costs incurred.

Thank you for your consideration of this proposal. Please contact me if you have any questions.

Sincerely,

MRC PERMIAN COMPANY



Sara Hartsfield

Featherstone Development Corporation hereby elects to:

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Tom Matthews 10&11 Com #113H** well, in the estimated amount of **\$16,955.84**.
_____ Not participate in the **Tom Matthews 10&11 Com #113H**.

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Tom Matthews 10&11 Com #114H** well, in the estimated amount of **\$16,955.65**.
_____ Not participate in the **Tom Matthews 10&11 Com #114H**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Tom Matthews 10&11 Com #123H** well, in the estimated amount of **\$17,010.01**.
_____ Not participate in the **Tom Matthews 10&11 Com #123H**.

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Tom Matthews 10&11 Com #124H** well, in the estimated amount of **\$17,011.29**.
_____ Not to participate in the **Tom Matthews 10&11 Com #124H**.

_____ I / We are interested in selling our interest in the contract Area, please contact us at _____ to discuss.

Featherstone Development Corporation

By: _____

Title: _____

Date: _____

Contact Number: _____

MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
Voice 972.371.5446 • Fax 214.866.4946
shartsfield@matadorresources.com

Sara Hartsfield
Senior Landman

April 1, 2021

VIA CERTIFIED RETURN RECEIPT MAIL

Jack's Peak, LLC
P. O. BOX 294928
Kerrville, TX 78029

Re: Matador Production Company – Tom Matthews 10&11 Com #113H, #114H, #123H & #124H
(the "Wells")
Participation Proposal
Sections 10 & 11, Township 24 South, Range 28 East
Eddy, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Tom Matthews 10&11 Com #113H, Tom Matthews 10&11 Com #114H, Tom Matthews 10&11 Com #123H & Tom Matthews 10&11 Com #124H wells, located in the S2 of Sections 10 and 11, Township 24 South, Range 28 East, Eddy County, New Mexico to the Bone Spring formation.

In connection with the above, please note the following:

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- **Tom Matthews 10&11 Com #114H:** to be drilled from a legal location with a proposed surface hole location in the SW/4SW/4 of Section 10-24S-28E and a proposed bottom hole location in the SE/4SE/4 of Section 11-24S-28E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~7,250' TVD) to a Measured Depth of approximately 17,550'.
- **Tom Matthews 10&11 Com #123H:** to be drilled from a legal location with a proposed surface hole location in the NE/4SE/4 of Section 9-24S-28E and a proposed bottom hole location in the NE/4SE/4 of Section 11-24S-28E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~8,250' TVD) to a Measured Depth of approximately 18,450'.

- **Tom Matthews 10&11 Com #124H:** to be drilled from a legal location with a proposed surface hole location in the SW/4SW/4 of Section 10-24S-28E and a proposed bottom hole location in the SE/4SE/4 of Section 11-24S-28E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~8,250' TVD) to a Measured Depth of approximately 18,450'.

MRC reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. MRC will advise you of any such modifications.

Jack's Peak, LLC will own an approximate 0.00010914 working interest in each Well, subject to title verification.

MRC requests that you indicate your election to participate in the drilling and completion of the Wells in the space provided below, sign and return one (1) copy of this letter to the undersigned.

As an alternative to participation in the well Matador is interested in leasing your mineral interest, subject to title verification, for \$1,500/acre, 1/5 royalty, and a 3 year term on the lease form enclosed. Should you elect to lease your minerals, please sign the enclosed lease, in the presence of a notary public, and return it to my attention, at the address listed above.

If your election is to participate in the drilling and completion of the Wells, please sign and return a copy of the enclosed AFE(s) within thirty (30) days of receipt of this notice. Additionally, if your election is to participate, please accept this letter as an invoice notice and request for payment. Please remit payment for your proportionate share of costs to Matador Production Company on or before thirty (30) days after receipt of this estimate and invoice. Please be aware that the enclosed AFE(s) are only an estimate of costs to be incurred and by electing to participate in the Wells, each working interest owner shall be responsible for its proportionate share of all costs incurred.

Thank you for your consideration of this proposal. Please contact me if you have any questions.

Sincerely,

MRC PERMIAN COMPANY



Sara Hartsfield

Jack's Peak, LLC hereby elects to:

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Tom Matthews 10&11 Com #113H** well, in the estimated amount of **\$779.50**.
_____ Not participate in the **Tom Matthews 10&11 Com #113H**.

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Tom Matthews 10&11 Com #114H** well, in the estimated amount of **\$779.49**.
_____ Not participate in the **Tom Matthews 10&11 Com #114H**.

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Tom Matthews 10&11 Com #123H** well, in the estimated amount of **\$781.99**.
_____ Not participate in the **Tom Matthews 10&11 Com #123H**.

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Tom Matthews 10&11 Com #124H** well, in the estimated amount of **\$782.04**.
_____ Not to participate in the **Tom Matthews 10&11 Com #124H**.

_____ I / We are interested in selling our interest in the contract Area, please contact us at _____ to discuss.

Jack's Peak, LLC

By: _____

Title: _____

Date: _____

Contact Number: _____

MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
Voice 972.371.5446 • Fax 214.866.4946
shartsfield@matadorresources.com

Sara Hartsfield
Senior Landman

April 1, 2021

VIA CERTIFIED RETURN RECEIPT MAIL

Michael Kyle Leonard, as Trustee of the Michael Kyle Leonard Child's Trust
P. O. BOX 2625
Eagle Pass, TX 78853

Re: Matador Production Company – Tom Matthews 10&11 Com #113H, #114H, #123H & #124H
(the "Wells")
Participation Proposal
Sections 10 & 11, Township 24 South, Range 28 East
Eddy, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Tom Matthews 10&11 Com #113H, Tom Matthews 10&11 Com #114H, Tom Matthews 10&11 Com #123H & Tom Matthews 10&11 Com #124H wells, located in the S2 of Sections 10 and 11, Township 24 South, Range 28 East, Eddy County, New Mexico to the Bone Spring formation.

In connection with the above, please note the following:

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- **Tom Matthews 10&11 Com #114H:** to be drilled from a legal location with a proposed surface hole location in the SW/4SW/4 of Section 10-24S-28E and a proposed bottom hole location in the SE/4SE/4 of Section 11-24S-28E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~7,250' TVD) to a Measured Depth of approximately 17,550'.
- **Tom Matthews 10&11 Com #123H:** to be drilled from a legal location with a proposed surface hole location in the NE/4SE/4 of Section 9-24S-28E and a proposed bottom hole location in the NE/4SE/4 of Section 11-24S-28E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~8,250' TVD) to a Measured Depth of approximately 18,450'.

- **Tom Matthews 10&11 Com #124H:** to be drilled from a legal location with a proposed surface hole location in the SW/4SW/4 of Section 10-24S-28E and a proposed bottom hole location in the SE/4SE/4 of Section 11-24S-28E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~8,250' TVD) to a Measured Depth of approximately 18,450'.

MRC reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. MRC will advise you of any such modifications.

Michael Kyle Leonard, as Trustee of the Michael Kyle Leonard Child's Trust will own an approximate 0.00006548 working interest in each Well, subject to title verification.

MRC requests that you indicate your election to participate in the drilling and completion of the Wells in the space provided below, sign and return one (1) copy of this letter to the undersigned.

As an alternative to participation in the well Matador is interested in leasing your mineral interest, subject to title verification, for \$1,500/acre, 1/5 royalty, and a 3 year term on the lease form enclosed. Should you elect to lease your minerals, please sign the enclosed lease, in the presence of a notary public, and return it to my attention, at the address listed above.

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Thank you for your consideration of this proposal. Please contact me if you have any questions.

Sincerely,

MRC PERMIAN COMPANY

Sara Hartsfield

Michael Kyle Leonard, as Trustee of the Michael Kyle Leonard Child's Trust hereby elects to:

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Tom Matthews 10&11 Com #113H** well, in the estimated amount of **\$467.67**.
_____ Not participate in the **Tom Matthews 10&11 Com #113H**.

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Tom Matthews 10&11 Com #114H** well, in the estimated amount of **\$467.66**.
_____ Not participate in the **Tom Matthews 10&11 Com #114H**.

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Tom Matthews 10&11 Com #123H** well, in the estimated amount of **\$469.16**.
_____ Not participate in the **Tom Matthews 10&11 Com #123H**.

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Tom Matthews 10&11 Com #124H** well, in the estimated amount of **\$469.20**.
_____ Not to participate in the **Tom Matthews 10&11 Com #124H**.

_____ I / We are interested in selling our interest in the contract Area, please contact us at _____ to discuss.

Michael Kyle Leonard, as Trustee of the Michael Kyle Leonard Child's Trust

By: _____

Title: _____

Date: _____

Contact Number: _____

MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
Voice 972.371.5446 • Fax 214.866.4946
shartsfield@matadorresources.com

Sara Hartsfield
Senior Landman

April 1, 2021

VIA CERTIFIED RETURN RECEIPT MAIL

Prospector, LLC
P. O. Box 429
Roswell, NM 88202-0429

Re: Matador Production Company – Tom Matthews 10&11 Com #113H, #114H, #123H & #124H
(the “Wells”)
Participation Proposal
Sections 10 & 11, Township 24 South, Range 28 East
Eddy, New Mexico

Dear Sir/Madam:

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- **Tom Matthews 10&11 Com #124H:** to be drilled from a legal location with a proposed surface hole location in the SW/4SW/4 of Section 10-24S-28E and a proposed bottom hole location in the SE/4SE/4 of Section 11-24S-28E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~8,250' TVD) to a Measured Depth of approximately 18,450'.

MRC reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. MRC will advise you of any such modifications.

Prospector, LLC will own an approximate 0.00237405 working interest in each Well, subject to title verification.

MRC requests that you indicate your election to participate in the drilling and completion of the Wells in the space provided below, sign and return one (1) copy of this letter to the undersigned.

As an alternative to participation in the well Matador is interested in leasing your mineral interest, subject to title verification, for \$1,500/acre, 1/5 royalty, and a 3 year term on the lease form enclosed. Should you elect to lease your minerals, please sign the enclosed lease, in the presence of a notary public, and return it to my attention, at the address listed above.

If your election is to participate in the drilling and completion of the Wells, please sign and return a copy of the enclosed AFE(s) within thirty (30) days of receipt of this notice. Additionally, if your election is to participate, please accept this letter as an invoice notice and request for payment. Please remit payment for your proportionate share of costs to Matador Production Company on or before thirty (30) days after receipt of this estimate and invoice. Please be aware that the enclosed AFE(s) are only an estimate of costs to be incurred and by electing to participate in the Wells, each working interest owner shall be responsible for its proportionate share of all costs incurred.

Thank you for your consideration of this proposal. Please contact me if you have any questions.

Sincerely,

MRC PERMIAN COMPANY



Sara Hartsfield

Prospector, LLC hereby elects to:

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Tom Matthews 10&11 Com #113H** well, in the estimated amount of **\$16,955.84**.
_____ Not participate in the **Tom Matthews 10&11 Com #113H**.

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Tom Matthews 10&11 Com #114H** well, in the estimated amount of **\$16,955.65**.
_____ Not participate in the **Tom Matthews 10&11 Com #114H**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Tom Matthews 10&11 Com #123H** well, in the estimated amount of **\$17,010.01**.
_____ Not participate in the **Tom Matthews 10&11 Com #123H**.

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Tom Matthews 10&11 Com #124H** well, in the estimated amount of **\$17,011.29**.
_____ Not to participate in the **Tom Matthews 10&11 Com #124H**.

_____ I / We are interested in selling our interest in the contract Area, please contact us at _____ to discuss.

Prospector, LLC

By: _____

Title: _____

Date: _____

Contact Number: _____

MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
Voice 972.371.5446 • Fax 214.866.4946
shartsfield@matadorresources.com

Sara Hartsfield
Senior Landman

April 1, 2021

VIA CERTIFIED RETURN RECEIPT MAIL

Shannon C. Leonard, as Trustee of the Shannon C. Leonard Child's Trust
1018 Sunset Canyon Dr. N
Dripping Springs, TX 78620

Re: Matador Production Company – Tom Matthews 10&11 Com #113H, #114H, #123H & #124H
(the "Wells")
Participation Proposal
Sections 10 & 11, Township 24 South, Range 28 East
Eddy, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Tom Matthews 10&11 Com #113H, Tom Matthews 10&11 Com #114H, Tom Matthews 10&11 Com #123H & Tom Matthews 10&11 Com #124H wells, located in the S2 of Sections 10 and 11, Township 24 South, Range 28 East, Eddy County, New Mexico to the Bone Spring formation.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping of each Well is itemized on the four (4) enclosed Authority for Expenditures ("AFE") dated December 15, 2020.
- **Tom Matthews 10&11 Com #113H:** to be drilled from a legal location with a proposed surface hole location in the NE/4SE/4 of Section 9-24S-28E and a proposed bottom hole location in the NE/4SE/4 of Section 11-24S-28E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~7,250' TVD) to a Measured Depth of approximately 17,550'.
- **Tom Matthews 10&11 Com #114H:** to be drilled from a legal location with a proposed surface hole location in the SW/4SW/4 of Section 10-24S-28E and a proposed bottom hole location in the SE/4SE/4 of Section 11-24S-28E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~7,250' TVD) to a Measured Depth of approximately 17,550'.
- **Tom Matthews 10&11 Com #123H:** to be drilled from a legal location with a proposed surface hole location in the NE/4SE/4 of Section 9-24S-28E and a proposed bottom hole location in the NE/4SE/4 of Section 11-24S-28E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~8,250' TVD) to a Measured Depth of approximately 18,450'.

- **Tom Matthews 10&11 Com #124H:** to be drilled from a legal location with a proposed surface hole location in the SW/4SW/4 of Section 10-24S-28E and a proposed bottom hole location in the SE/4SE/4 of Section 11-24S-28E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~8,250' TVD) to a Measured Depth of approximately 18,450'.

MRC reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. MRC will advise you of any such modifications.

Shannon C. Leonard, as Trustee of the Shannon C. Leonard Child's Trust will own an approximate 0.00006548 working interest in each Well, subject to title verification.

MRC requests that you indicate your election to participate in the drilling and completion of the Wells in the space provided below, sign and return one (1) copy of this letter to the undersigned.

As an alternative to participation in the well Matador is interested in leasing your mineral interest, subject to title verification, for \$1,500/acre, 1/5 royalty, and a 3 year term on the lease form enclosed. Should you elect to lease your minerals, please sign the enclosed lease, in the presence of a notary public, and return it to my attention, at the address listed above.

If your election is to participate in the drilling and completion of the Wells, please sign and return a copy of the enclosed AFE(s) within thirty (30) days of receipt of this notice. Additionally, if your election is to participate, please accept this letter as an invoice notice and request for payment. Please remit payment for your proportionate share of costs to Matador Production Company on or before thirty (30) days after receipt of this estimate and invoice. Please be aware that the enclosed AFE(s) are only an estimate of costs to be incurred and by electing to participate in the Wells, each working interest owner shall be responsible for its proportionate share of all costs incurred.

Thank you for your consideration of this proposal. Please contact me if you have any questions.

Sincerely,

MRC PERMIAN COMPANY

Sara Hartsfield

Shannon C. Leonard, as Trustee of the Shannon C. Leonard Child's Trust hereby elects to:

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Tom Matthews 10&11 Com #113H** well, in the estimated amount of **\$467.67**.
_____ Not participate in the **Tom Matthews 10&11 Com #113H**.

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Tom Matthews 10&11 Com #114H** well, in the estimated amount of **\$467.66**.
_____ Not participate in the **Tom Matthews 10&11 Com #114H**.

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Tom Matthews 10&11 Com #123H** well, in the estimated amount of **\$469.16**.
_____ Not participate in the **Tom Matthews 10&11 Com #123H**.

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Tom Matthews 10&11 Com #124H** well, in the estimated amount of **\$469.20**.
_____ Not to participate in the **Tom Matthews 10&11 Com #124H**.

_____ I / We are interested in selling our interest in the contract Area, please contact us at _____ to discuss.

Shannon C. Leonard, as Trustee of the Shannon C. Leonard Child's Trust

By: _____

Title: _____

Date: _____

Contact Number: _____