

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING FEBRUARY 3, 2022**

CASE NOS. 22255-22256

*GLEN SPILLER FED COM #111H WELL
HARROLD MELTON FED COM #112H WELL*

EDDY COUNTY, NEW MEXICO



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

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

CASE NOS. 22255-22256

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COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 22255	APPLICANT'S RESPONSE
Date	February 3, 2022
Applicant	Matador Production Company
Designated Operator & OGRID (affiliation if applicable)	OGRID No. 228937
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF MATADOR PRODUCTION COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	N/A
Well Family	Glen Spiller
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Pierce Crossing; Bone Spring [50371]
Well Location Setback Rules:	Statewide oil rules
Spacing Unit Size:	320 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320
Building Blocks:	40 acres
Orientation:	West-East
Description: TRS/County	N/2 N/2 of Section 13, Township 24 South, Range 28 East and the N/2 N/2 of Section 18, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	See Exhibit C-3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	<p>BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. A Submitted by: Matador Production Company Hearing Date: February 3, 2022 Case Nos. 22255-22256</p>

Well #1	Glen Spiller #111H SHL: (Unit A) of Section 14, Township 24 South, Range 28 East BHL: (Unit A) of Section 18, Township 24 South, Range 29 East Target: Bone Spring Orientation: West-East Completion: Standard Location
Well #2	
Horizontal Well First and Last Take Points	Exhibit C-1
Completion Target (Formation, TVD and MD)	Exhibit C-1
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit C
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-2
Tract List (including lease numbers and owners)	Exhibit C-2
Pooled Parties (including ownership type)	Exhibit C-3, C-4
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit C-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-3, C-4
Chronology of Contact with Non-Joined Working Interests	Exhibit C-6
Overhead Rates In Proposal Letter	Exhibit C-5
Cost Estimate to Drill and Complete	Exhibit C-5
Cost Estimate to Equip Well	Exhibit C-5
Cost Estimate for Production Facilities	Exhibit C-5
Geology	
Summary (including special considerations)	Exhibit D

Spacing Unit Schematic	Exhibit D
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit D
Target Formation	Exhibit D
HSU Cross Section	Exhibit D-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit C-1
Tracts	Exhibit C-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit D-1
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D-2
Cross Section (including Landing Zone)	Exhibit D-3
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Adam G. Rankin
Signed Name (Attorney or Party Representative):	
Date:	3-Feb-22

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

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Date	February 3, 2022
Applicant	Matador Production Company
Designated Operator & OGRID (affiliation if applicable)	OGRID No. 228937
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF MATADOR PRODUCTION COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	N/A
Well Family	Harrold Melton Fed Com
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Pierce Crossing; Bone Spring [50371]
Well Location Setback Rules:	Statewide oil rules
Spacing Unit Size:	320 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320
Building Blocks:	40 acres
Orientation:	West-East
Description: TRS/County	S/2 N/2 of Section 13, Township 24 South, Range 28 East and the S/2 N/2 of Section 18, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	See Exhibit C-3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

Well #1	Harrold Melton Fed Com #112H SHL: (Unit H) of Section 14, Township 24 South, Range 28 East BHL: (Unit H) of Section 18, Township 24 South, Range 29 East Target: Bone Spring Orientation: West-East Completion: Standard Location
Well #2	
Horizontal Well First and Last Take Points	Exhibit C-1
Completion Target (Formation, TVD and MD)	Exhibit C-1
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit C
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-2
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Pooled Parties (including ownership type)	Exhibit C-3, C-4
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit C-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-3, C-4
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Geology	
Summary (including special considerations)	Exhibit D

Spacing Unit Schematic	Exhibit D
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit D
Target Formation	Exhibit D
HSU Cross Section	Exhibit D-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit C-1
Tracts	Exhibit C-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit D-1
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D-2
Cross Section (including Landing Zone)	Exhibit D-3
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Adam G. Rankin
Signed Name (Attorney or Party Representative):	
Date:	3-Feb-22

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

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

CASE NO. 22255

APPLICATION

Matador Production Company (“Matador” or “Applicant”) (OGRID No. 228937), through its undersigned attorneys, hereby files this application with the Oil Conservation Division, pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the N/2 N/2 of Section 13, Township 24 South, Range 28 East, and the N/2 N/2 of Section 18, Township 24 South, Range 29 East, Eddy County, New Mexico. In support of its application, Matador states:

1. An affiliate entity of Matador is a working interest owner in the proposed spacing unit and has the right to drill thereon.
2. Applicant seeks to dedicate the above-referenced spacing unit to the proposed initial **Glen Spiller Fed Com #111H well**, to be drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 14, Township 24 South, Range 28 East, to a bottom hole location in the NE/4 NE/4 (Unit A) of said Section 18, Township 24 South, Range 29 East.
3. The completed interval of the well will comply with statewide setbacks for oil wells.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B
Submitted by: Matador Production Company
Hearing Date: February 3, 2022
Case Nos. 22255-22256

4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all working interest owners in the subject acreage.

5. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

6. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled, and Applicant should be designated the operator of the proposed initial well and the proposed horizontal spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit in the Bone Spring formation and approving the initial well thereon;
- B. Designating Applicant as operator of this spacing unit and the horizontal well to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the well;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP



By: _____

Michael H. Feldewert
Adam G. Rankin
Julia Broggi
Kaitlyn A. Luck
Post Office Box 2208
Santa Fe, NM 87504
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**ATTORNEYS FOR MATADOR PRODUCTION
COMPANY**

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

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

CASE NO. 22256

APPLICATION

Matador Production Company (“Matador” or “Applicant”) (OGRID No. 228937), through its undersigned attorneys, hereby files this application with the Oil Conservation Division, pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the S/2 N/2 of Section 13, Township 24 South, Range 28 East, and the S/2 N/2 of Section 18, Township 24 South, Range 29 East, Eddy County, New Mexico. In support of its application, Matador states:

1. An affiliate entity of Matador is a working interest owner in the proposed spacing unit and has the right to drill thereon.
2. Applicant seeks to dedicate the above-referenced spacing unit to the proposed initial **Harrold Melton Fed Com #112H well**, to be drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 14, Township 24 South, Range 28 East, to a bottom hole location in the SE/4 NE/4 (Unit H) of said Section 18, Township 24 South, Range 29 East.
3. The completed interval of the well will comply with statewide setbacks for oil wells.

4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all working interest owners in the subject acreage.

5. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

6. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled, and Applicant should be designated the operator of the proposed initial well and the proposed horizontal spacing unit.

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- B. Designating Applicant as operator of this spacing unit and the horizontal well to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the well;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP



By: _____

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Adam G. Rankin
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jbroggi@hollandhart.com
kaluck@hollandhart.com

**ATTORNEYS FOR MATADOR PRODUCTION
COMPANY**

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

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

CASE NOS. 22255 and 22256

AFFIDAVIT OF HANNA BOLLENBACH

Hanna Bollenbach, of lawful age and being first duly sworn, states the following:

1. My name is Hanna Bollenbach and I am employed by MRC Energy Company, an affiliate of Matador Production Company (“Matador”), as a Landman.

2. I graduated from the University of Oklahoma in December 2021 with a Bachelor’s degree in Energy Management. After graduation, I began working for Matador as a Landman, with specific responsibilities in Eddy and Lea County, New Mexico. Prior to graduation, I also served an internship in the Land department for Matador during the Summer of 2021. As part of my employment with Matador, I am also required to complete at least 40 hours of continuing education about the oil and gas industry each year. I am also a member of the American Association of Professional Landmen.

3. I am familiar with the applications filed by Matador in these consolidated cases and the status of the lands in the subject area.

4. In these consolidated cases, Matador seeks orders pooling uncommitted interests in the Bone Spring formation in the following standard horizontal spacing units:

- In Case 22255, Matador seeks to pool all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the N/2 N/2 of Section 13, Township 24 South,

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C**

**Submitted by: Matador Production Company
Hearing Date: February 3, 2022
Case Nos. 22255-22256**

Range 28 East, and the N/2 N/2 of Section 18, Township 24 South, Range 29 East, Eddy County, New Mexico. The spacing unit will be dedicated to the proposed initial **Glen Spiller Fed Com #111H well**, to be drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 14, Township 24 South, Range 28 East, to a bottom hole location in the NE/4 NE/4 (Unit A) of said Section 18, Township 24 South, Range 29 East.

- In **Case 22256**, Matador seeks to pool all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the S/2 N/2 of Section 13, Township 24 South, Range 28 East, and the S/2 N/2 of Section 18, Township 24 South, Range 29 East, Eddy County, New Mexico. The spacing unit will be dedicated to the proposed initial **Harrold Melton Fed Com #112H well**, to be drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 14, Township 24 South, Range 28 East, to a bottom hole location in the SE/4 NE/4 (Unit H) of said Section 18, Township 24 South, Range 29 East.

5. **Matador Exhibit C-1** contains draft Form C-102's for the proposed initial wells in each of these standard spacing units. These forms demonstrate that the completed interval for each well will meet the standard setback requirements for horizontal oil wells.

6. Matador understands that these Bone Spring wells will be placed in the Pierce Crossing; Bone Spring [503710] pool.

7. **Matador Exhibit C-2** identifies the tracts of land comprising each of the proposed horizontal spacing units. The subject acreage is comprised of federal and fee lands.

8. There are no depth severances within the Bone Spring formation underlying this acreage.

9. **Matador Exhibit C-3** identifies the working interest owners that Matador is seeking to pool in each of the proposed horizontal spacing units.

10. **Matador Exhibit C-4** identifies the overriding royalty interest owners and nonparticipating royalty interest owners that Matador is seeking to pool in each of the proposed horizontal spacing units.

11. Matador has conducted a diligent search of the public records in the county where the property is located, reviewed telephone directories and conducted computer searches to locate contact information for each of these mineral owners. As indicated in **Exhibit C-6**, Matador has been able to locate and has had discussions with each working interest owners that it seeks to pool in these cases in an effort to reach voluntary joinder.

12. **Matador Exhibit C-5** contains a sample of the well proposal letters and AFEs sent to the working interest owners Matador is seeking to pool. The costs reflected in these AFEs are consistent with what other operators have incurred for drilling similar horizontal wells in the area in these formations.

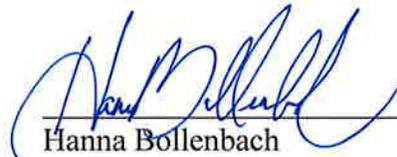
13. **Matador Exhibit C-6** contains a general summary of the contacts with the uncommitted working interest owners that Matador was able to locate. In my opinion, Matador has undertaken good faith efforts to reach an agreement with the uncommitted mineral owners.

14. Matador requests that the overhead and administrative costs for drilling and producing the proposed wells be set at \$8,000 per month while drilling and \$800 per month while producing. These costs are consistent with what other operators are charging in this area for similar wells.

15. Matador has provided the law firm of Holland & Hart LLP with the names and addresses (where available) of the parties that Matador seeks to pool and instructed that they be notified of this hearing.

16. **Matador Exhibits C-1 through C-6** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.



Hanna Bollenbach

STATE OF TEXAS)
)
COUNTY OF DALLAS)

SUBSCRIBED and SWORN to before me this 25th day of January 2022 by Hanna Bollenbach.



NOTARY PUBLIC

My Commission Expires:
3/23/2025

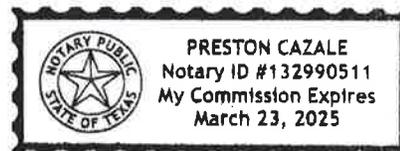


EXHIBIT C-1

Submitted by: Matador Production Company

Hearing Date: February 3, 2022 FORM C-102

Case Nos. 22255-22256 Revised August 1, 2011

Submit one copy to appropriate

District Office

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 50371		³ Pool Name Pierce Crossing Bone Springs	
⁴ Property Code		⁵ Property Name GLEN SPILLER FED COM			⁶ Well Number 111H
⁷ OGRID No.		⁸ Operator Name MATADOR PRODUCTION COMPANY			⁹ Elevation 2977'

¹⁰Surface Location

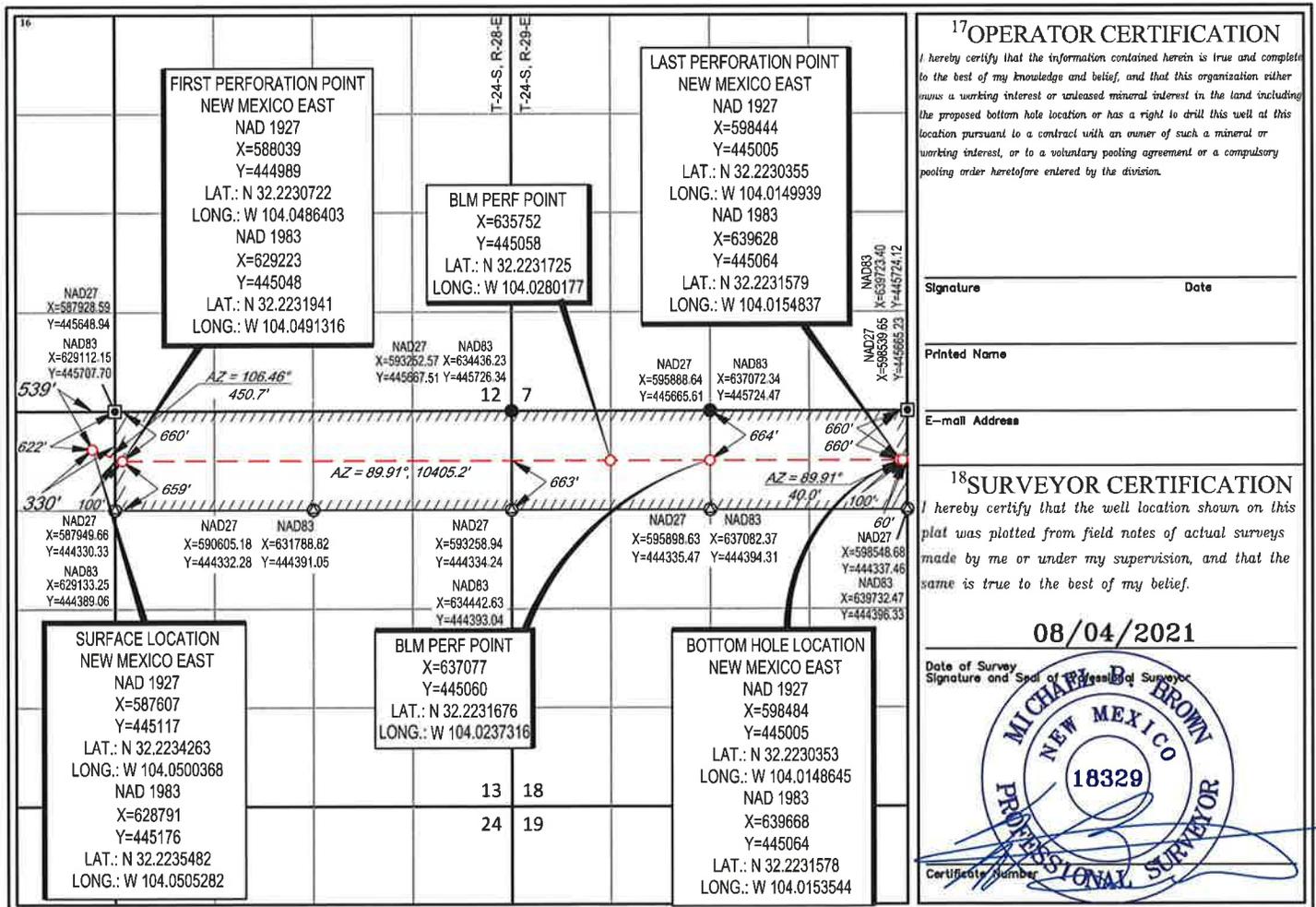
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	14	24-S	28-E	-	539'	NORTH	330'	EAST	EDDY

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	18	24-S	29-E	-	660'	NORTH	60'	EAST	EDDY

¹² Dedicated Acres 319.60	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



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

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 50371		³ Pool Name Pierce Crossing; Bone Spring					
⁴ Property Code		⁵ Property Name HARROLD MELTON FED COM			⁶ Well Number 112H				
⁷ GRID No.		⁸ Operator Name MATADOR PRODUCTION COMPANY			⁹ Elevation 2966'				
¹⁰ Surface Location									
UL or lot no. H	Section 14	Township 24-S	Range 28-E	Lot Idn -	Feet from the 1966'	North/South line NORTH	Feet from the 356'	East/West line EAST	County EDDY
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. H	Section 18	Township 24-S	Range 29-E	Lot Idn -	Feet from the 1980'	North/South line NORTH	Feet from the 60'	East/West line EAST	County EDDY
¹² Dedicated Acres 319.68		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

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

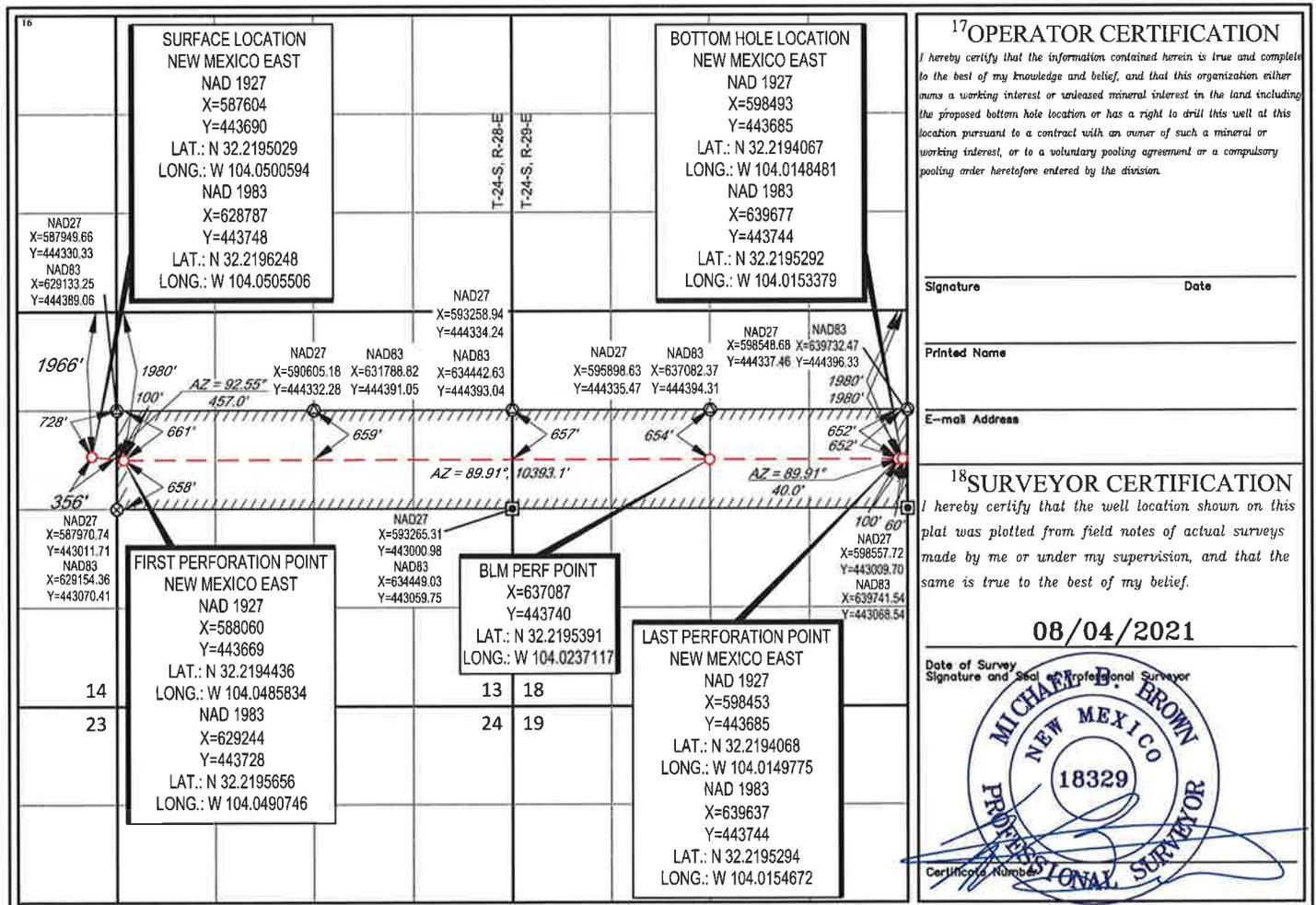
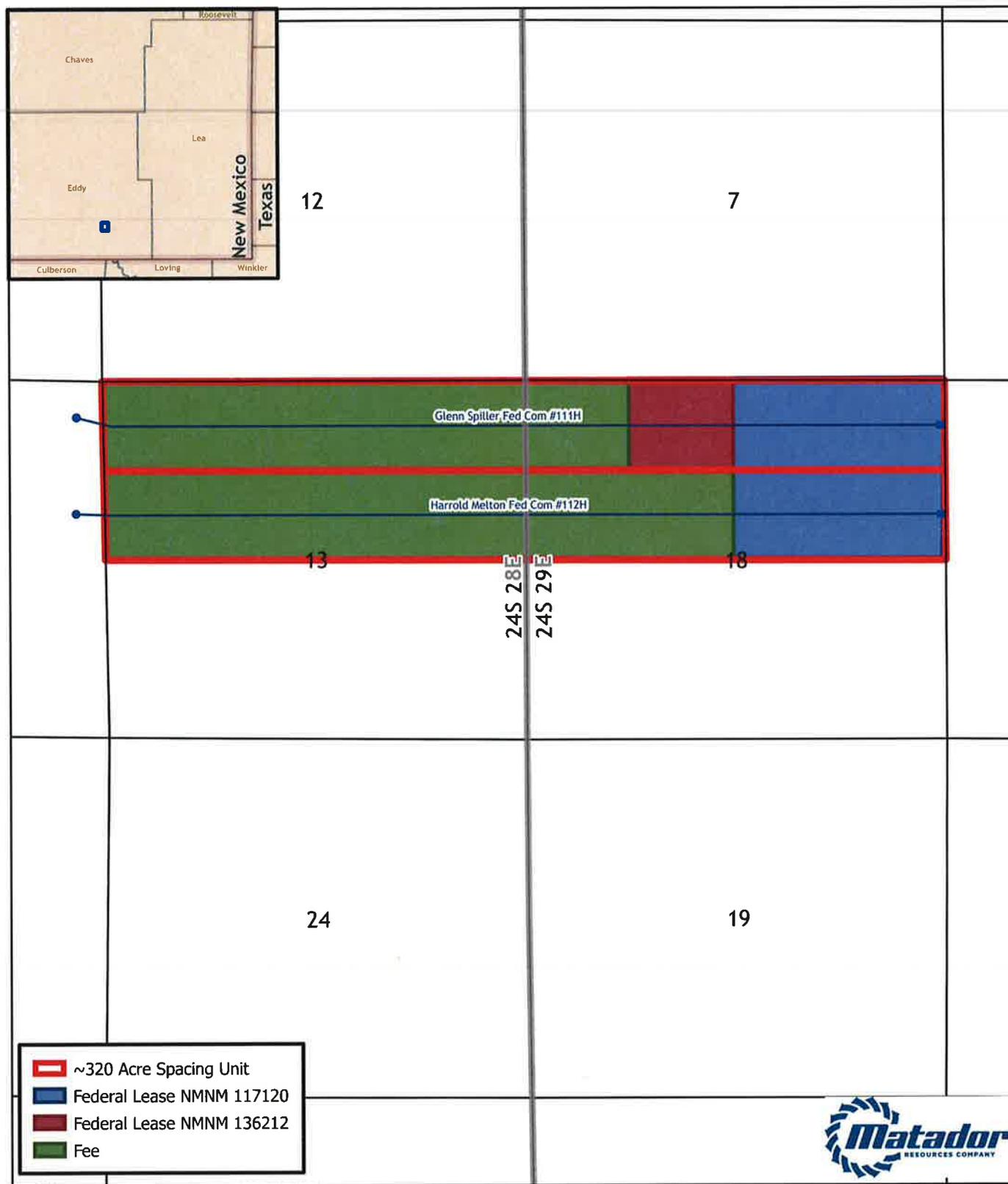


EXHIBIT C-2

Spiller / Melton

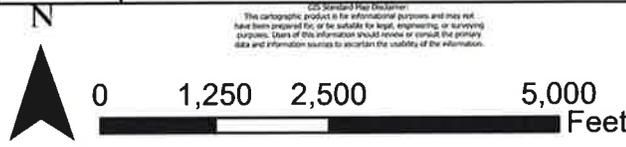


~320 Acre Spacing Unit

- Federal Lease NMNM 117120
- Federal Lease NMNM 136212
- Fee



Southeast New Mexico



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

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C2
Submitted by: Matador Production Company
Hearing Date: February 3, 2022
Case Nos. 22255-22256

Map Prepared by: agreen
 Project: Forced Pooling
 Date: 12/14/2021
 Coordinate System:

EXHIBIT C-3

Summary of Interests

MRC Permian Company:		59.95017%
Compulsory Pool:		1.472973%
Voluntary Joinder:		38.57686%
Interest Owner:	Description:	Interest:
OXY USA WTP, LLC	Uncommitted Working Interest Owner	0.841699%
Chisos, Ltd.	Uncommitted Working Interest Owner	0.631274%

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. C3
 Submitted by: Matador Production Company
 Hearing Date: February 3, 2022
 Case Nos. 22255-22256



EXHIBIT C-4

Overriding royalty owners and non-participating royalty owners to be pooled in

CASE NOS. 22255 and 22256

ORRI

Camarie Oil & Gas, LLC
Ross Duncan Properties, LLC
Featherstone Development Corporation
Big Three Energy Group, LLC
Prospector, LLC
Xplor Resources, LLC
Cogent Energy, Inc. Profit Sharing Plan
Nestegg Energy Corporation

NPRI

Hexad Oil Company
Roger Rowland
Manix Royalty, Ltd.
SAC Investments I, LP

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C4
Submitted by: Matador Production Company
Hearing Date: February 3, 2022
Case Nos. 22255-22256**

EXHIBIT C-5

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
Landman

March 3, 2020

VIA CERTIFIED RETURN RECEIPT MAIL

Black Shale Minerals, LLC
PO Box 2243
Longview, TX 75606

Re: Glen Spiller Fed Com #111H & Harrold Melton Fed Com #112H (the "Well")
Participation Proposal
N/2 of Section 13, Township 24 South, Range 28 East & the N/2 of Section 18, Township 24 South, Range 29 East
Eddy County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Glen Spiller Fed Com #111H and Harrold Melton Fed Com #112H well, located in the N/2 of Section 13, Township 24 South, Range 28 East and the N/2 of Section 18, Township 24 South, Range 29 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 two (2) enclosed Authority for Expenditures ("AFE") both dated November 1, 2019.

- **Glen Spiller Fed Com #111H:** to be drilled from a legal location with a proposed surface hole location in the NE/4NE/4 of Section 14-24S-28E and a proposed bottom hole location in the NE/4NE/4 of Section 18-24S-29E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~7,300' TVD) to a Measured Depth of approximately 17,400'.
- **Harrold Melton Fed Com #112H:** to be drilled from a legal location with a proposed surface hole location in the SE/4NE/4 of Section 14-24S-28E and a proposed bottom hole location in the SE/4NE/4 of Section 18-24S-29E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~7,300' TVD) to a Measured Depth of approximately 17,400'.

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.

Black Shale Minerals, LLC will own an approximate 0.01262548 in the proposed working interest unit, 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.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C5
Submitted by: Matador Production Company
Hearing Date: February 3, 2022
Case Nos. 22255-22256

MRC is proposing to drill the Wells under the terms of the modified 1989 AAPL form of Operating Agreement, which is enclosed for your review. The proposed Operating Agreement dated March 3, 2020, by and between Matador Production Company, as Operator and MRC Permian Company et al as Non-Operators, covers certain depths in the N/2 of Section 13, Township 24 South, Range 28 East and the N/2 of Section 18, Township 24 South, Range 28 East. Eddy County, New Mexico, being 640.00 acres, more or less, and has the following general provisions:

- 100/300/300 Non-consenting penalty
- \$8,000/\$800 Drilling and Producing rate
- Matador Production Company named as Operator

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

Black Shale Minerals, LLC hereby elects to:

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Glen Spiller Fed Com #111H** well, in the estimated amount of **\$125,911.30**.
_____ Not to participate in the **Glen Spiller Fed Com #111H**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Harrold Melton Fed Com #112H** well, in the estimated amount of **\$125,911.30**.
_____ Not to participate in the **Harrold Melton Fed Com #112H**

Black Shale Minerals, LLC

By: _____

Title: _____

Date: _____

Contact Number: _____

_____ Black Shale Minerals, LLC is interested in selling its interest in this unit, please contact to discuss.

MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
Voice 972.619.4341 • Fax 214.866.4946
hanna.bollenbach@matadorresources.com

**Hanna Bollenbach
Landman**

September 15, 2021

VIA CERTIFIED RETURN RECEIPT MAIL

Black Shale Minerals, LLC
P.O. Box 2243
Longview, TX 75606

Re: Matador Production Company – Glen Spiller Fed Com #111H & Harrold Melton Fed Com #112H
(the “Wells”)
Participation Proposal / Offer to lease
N/2 of Section 13, Township 24 South, Range 28 East & the N/2 of Section 18, Township 24 South, Range
29 East
Eddy County, New Mexico

Dear Sir/Madam:

MRC Permian Company (“MRC”) proposes the drilling of Matador Production Company’s Glen Spiller Fed Com #111H and Harrold Melton Fed Com #112H well, located in the N/2 of Section 13, Township 24 South, Range 28 East and the N/2 of Section 18, Township 24 South, Range 29 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 two (2) enclosed Authority for Expenditures (“AFE”) both dated November 1, 2019.

- **Glen Spiller Fed Com #111H:** to be drilled from a legal location with a proposed surface hole location in the NE/4NE/4 of Section 14-24S-28E and a proposed bottom hole location in the NE/4NE/4 of Section 18-24S-29E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~7,300’ TVD) to a Measured Depth of approximately 17,400’.
- **Harrold Melton Fed Com #112H:** to be drilled from a legal location with a proposed surface hole location in the SE/4NE/4 of Section 14-24S-28E and a proposed bottom hole location in the SE/4NE/4 of Section 18-24S-29E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~7,300’ TVD) to a Measured Depth of approximately 17,400’.

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.

Black Shale Minerals, LLC will own a 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 Well, please sign and return a copy of the enclosed AFE within thirty (30) days of receipt of this notice. Please be aware that the enclosed AFE is only an estimate of costs to be incurred and by electing to participate in the Well, 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

Hanna Bollenbach
Hanna Bollenbach *by smtt*

Black Shale Minerals, LLC hereby elects to:

_____ Not to participate in the **Glen Spiller Fed Com #111H**
_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Glen Spiller Fed Com #111H** well.

_____ Not to participate in the **Harrold Melton Fed Com #112H**
_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Harrold Melton Fed Com #112H** well.

_____ Black Shale Minerals, LLC hereby elects to lease our minerals for \$1,500/acre, 1/5 royalty, and a 3-year term.

_____ Black Shale Minerals, LLC is interested in selling its interest in this unit, please contact to discuss.

Black Shale Minerals, LLC

By: _____

Title: _____

Date: _____

Contact Number: _____

MATADOR PRODUCTION COMPANY

ONE LINCOLN CENTRE • 5400 LBJ FREEWAY • SUITE 1500 • DALLAS, TEXAS 75240

Phone (972) 371-5200 • Fax (972) 371-5201

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	November 1, 2019	AFE NO.:	
WELL NAME:	Glen Spiller Fed Com 111H	FIELD:	
LOCATION:	Section 13-24S-28E & 18-24S-29E	MD/TVD:	17400/7300'
COUNTY/STATE:	Eddy, NM	LATERAL LENGTH:	9,800
MRC Wt:			
GEOLOGIC TARGET:	First Bone Spring Sand		
REMARKS:	Drill and complete a horizontal 2 mile long First Bone Spring sand target with about 53 frac stages		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
INTANGIBLE COSTS					
Land / Legal / Regulatory	\$ 164,000		\$ 50,000	\$ 10,000	\$ 224,000
Location, Surveys & Damages	177,333	13,000	25,000	25,000	240,333
Drilling	674,925				674,925
Cementing & Float Equip	188,000				188,000
Logging / Formation Evaluation		6,500	3,000		9,500
Flowback - Labor			117,060		117,060
Flowback - Surface Rentals			86,000		86,000
Flowback - Rental Living Quarters					
Mud Logging	26,750				26,750
Mud Circulation System	52,713				52,713
Mud & Chemicals	82,500	62,500	8,000		151,000
Mud / Wastewater Disposal	105,000			1,000	106,000
Freight / Transportation	20,000	38,000			58,000
Rig Supervision / Engineering	114,750	110,400	16,500	10,800	251,450
Drill Bits	73,700				73,700
Fuel & Power	162,500				162,500
Water	65,000	840,000	2,000		907,000
Drig & Completion Overhead	10,000	26,000			36,000
Plugging & Abandonment					
Directional Drilling, Surveys	213,144				213,144
Completion Unit, Swab, CTU		220,000	20,000		240,000
Perforating, Wireline, Slickline		277,100			277,100
High Pressure Pump Truck		93,000	6,000		99,000
Stimulation		2,756,000			2,756,000
Stimulation Flowback & Disp		13,000	220,000		233,000
Insurance	31,522				31,522
Labor	157,000	57,750	15,000	5,000	234,750
Rental - Surface Equipment	91,160	348,050	10,000	5,000	454,210
Rental - Downhole Equipment	173,625	78,000	3,000		254,625
Rental - Living Quarters	54,563	41,550			96,113
Contingency	128,909	223,385	57,956		410,250
TOTAL INTANGIBLES >	2,707,693	5,213,235	637,516	56,800	8,614,644
TANGIBLE COSTS					
Surface Casing	\$ 19,368				\$ 19,368
Intermediate Casing	74,337				74,337
Drilling Liner					
Production Casing	395,886				395,886
Production Liner					
Tubing			48,750		48,750
Wellhead	83,000		45,000		128,000
Packers, Liner Hangers		114,600	6,000		120,600
Tanks				29,617	29,617
Production Vessels				113,582	113,582
Flow Lines				100,000	100,000
Rod string					
Artificial Lift Equipment			15,000		15,000
Compressor				15,000	15,000
Installation Costs				36,000	36,000
Surface Pumps			5,000	10,833	15,833
Non-controllable Surface					
Non-controllable Downhole					
Downhole Pumps					
Measurement & Meter Installation			10,000	74,333	84,333
Gas Conditioning / Dehydration					
Interconnecting Facility Piping				40,000	40,000
Gathering / Bulk Lines					
Valves, Dumps, Controllers				7,500	7,500
Tank / Facility Containment				5,833	5,833
Flare Stack			2,000	53,500	55,500
Electrical / Grounding			11,000		11,000
Communications / SCADA				42,000	42,000
Instrumentation / Safety					
TOTAL TANGIBLES >	572,591	114,600	142,750	528,200	1,358,149
TOTAL COSTS >	3,279,684	5,327,835	780,266	585,008	9,972,793

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer: Jordan Ellington	Team Lead - WTX/NM <u>WTE</u>
Completions Engineer: Garrett Hunt	WTE
Production Engineer: Jan Mosnes	

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, COO/CFO <u>DEL</u>	VP - Res Engineering <u>BMR</u>	VP - Drilling <u>BG</u>
Executive VP, Legal <u>CA</u>	Exec Dir - Exploration <u>NLF</u>	
President <u>MVH</u>		

NON OPERATING PARTNER APPROVAL:

Company Name: _____	Working Interest (%): _____	Tax ID: _____
Signed by: _____	Date: _____	
Title: _____	Approval: Yes _____ No (mark one)	

The costs on this AFE are estimates only and may not be identical to charges on any 12830 form or the final cost of the project. Taking credit for approval under the AFE may be required in a year after the well has been completed or according to the AFE. The Participant agrees to pay the appropriate share of actual costs incurred, including legal, insurance, regulatory, postage and well costs under the terms of the applicable joint operating agreement, regardless of whether the participant is a member of the well. There is no liability for costs incurred by the Company and its subsidiaries and affiliates under the AFE. Operator's certificate number is on the back of the AFE form.

MATADOR PRODUCTION COMPANY

ONE LINCOLN CENTRE • 5400 LBJ FREEWAY • SUITE 1500 • DALLAS, TEXAS 75240

Phone (972) 371-5200 • Fax (972) 371-5201

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	November 1, 2019	AFE NO.:	
WELL NAME:	Harrold Mellon Fed Com 112H	FIELD:	
LOCATION:	Section 13-24S-28E & 18-24S-29E	MD/TVD:	17400/7300'
COUNTY/STATE:	Eddy, NM	LATERAL LENGTH:	9,800
MRC WI:			
GEOLOGIC TARGET:	First Bone Spring Sand		
REMARKS:	Drill and complete a horizontal 2 mile long First Bone Spring sand target with about 53 frac stages		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
INTANGIBLE COSTS					
Land / Legal / Regulatory	\$ 164,000	\$ -	\$ 50,000	\$ 10,000	\$ 224,000
Location, Surveys & Damages	177,333	13,000	25,000	25,000	240,333
Drilling	674,925	-	-	-	674,925
Cementing & Float Equip	186,000	-	-	-	186,000
Logging / Formation Evaluation	-	6,500	3,000	-	9,500
Flowback - Labor	-	-	117,060	-	117,060
Flowback - Surface Rentals	-	-	86,000	-	86,000
Flowback - Rental Living Quarters	-	-	-	-	-
Mud Logging	26,750	-	-	-	26,750
Mud Circulation System	52,713	-	-	-	52,713
Mud & Chemicals	82,500	62,500	6,000	-	151,000
Mud / Wastewater Disposal	105,000	-	-	1,000	106,000
Freight / Transportation	20,000	36,000	-	-	56,000
Rig Supervision / Engineering	114,750	119,400	16,500	10,800	261,450
Drill Bits	73,700	-	-	-	73,700
Fuel & Power	102,500	-	-	-	102,500
Water	85,000	840,000	2,000	-	907,000
Drig & Completion Overhead	10,000	26,000	-	-	36,000
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	213,144	-	-	-	213,144
Completion Unit, Swab, CTU	-	220,000	20,000	-	240,000
Perforating, Wireline, Slickline	-	277,100	-	-	277,100
High Pressure Pump Truck	-	90,000	6,000	-	99,000
Stimulation	-	2,756,000	-	-	2,756,000
Stimulation Flowback & Disp	-	13,000	220,000	-	233,000
Insurance	31,522	-	-	-	31,522
Labor	157,000	57,750	15,000	5,000	234,750
Rental - Surface Equipment	91,160	348,050	10,000	5,000	454,210
Rental - Downhole Equipment	173,625	78,000	3,000	-	254,625
Rental - Living Quarters	54,563	41,550	-	-	96,113
Contingency	128,909	223,385	57,956	-	410,250
TOTAL INTANGIBLES >	2,707,993	5,213,235	637,516	56,800	8,614,644
TANGIBLE COSTS					
Surface Casing	\$ 19,368	\$ -	\$ -	\$ -	\$ 19,368
Intermediate Casing	74,337	-	-	-	74,337
Drilling Liner	-	-	-	-	-
Production Casing	395,686	-	-	-	395,686
Production Liner	-	-	-	-	-
Tubing	-	-	48,750	-	48,750
Wellhead	83,000	-	45,000	-	128,000
Packers, Liner Hangers	-	114,600	6,000	-	120,600
Tanks	-	-	-	29,617	29,617
Production Vessels	-	-	-	113,592	113,592
Flow Lines	-	-	-	100,000	100,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	15,000	-	15,000
Compressor	-	-	-	15,000	15,000
Installation Costs	-	-	-	36,000	36,000
Surface Pumps	-	-	5,000	10,833	15,833
Non-controllable Surface	-	-	-	-	-
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	10,000	74,333	84,333
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	40,000	40,000
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	-	7,500	7,500
Tank / Facility Containment	-	-	-	5,833	5,833
Flare Stack	-	-	2,000	53,500	55,500
Electrical / Grounding	-	-	11,000	-	11,000
Communications / SCADA	-	-	-	42,000	42,000
Instrumentation / Safety	-	-	-	-	-
TOTAL TANGIBLES >	672,591	114,600	142,750	528,208	1,358,149
TOTAL COSTS >	3,279,684	5,327,835	780,266	685,008	9,972,793

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Jordan Ellington	Team Lead - WTX/INM	<i>WTE</i>
Completions Engineer:	Carrell Hunt		WTE
Production Engineer:	Jan Mosnes		

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, COO/CFO	DEL	VP - Res Engineering	BMR	VP - Drilling	BG
Executive VP, Legal	CA	Exec Dir - Exploration	NLF		
President	MVH				

NON OPERATING PARTNER APPROVAL:

Company Name:	Working Interest (%):	Tax ID:
Signed by:	Date:	
Title:	Approval: Yes	No (mark one)

The costs on this AFE are estimates only and may be modified as necessary when the well is drilled. This information is provided for informational purposes only. The Participant agrees to be responsible for any and all costs incurred in drilling, completion, production and operations. The Participant agrees to be responsible for any and all costs incurred in drilling, completion, production and operations. The Participant agrees to be responsible for any and all costs incurred in drilling, completion, production and operations. The Participant agrees to be responsible for any and all costs incurred in drilling, completion, production and operations.

EXHIBIT C-6

Summary of Communications (Glen Spiller Fed Com/Harrold Melton Fed Com)

Working Interest Owner:

1. OXY USA WTP, LP

In addition to sending well proposals, Matador has had discussions with OXY USA WTP, LP regarding their interest and continue to discuss voluntary joinder.

2. Chisos, Ltd.

In addition to sending well proposals, Matador has had discussions with Chisos, Ltd. regarding their interest and continue to discuss voluntary joinder.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C6
Submitted by: Matador Production Company
Hearing Date: February 3, 2022
Case Nos. 22255-22256

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

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

CASE NOS. 22255 and 22256

AFFIDAVIT OF DANIEL BRUGIONI

Daniel Brugioni, of lawful age and being first duly sworn, declares as follows:

1. My name is Daniel Brugioni and I am employed by MRC Energy Company, an affiliate of Matador Production Company (“Matador”), as a Senior Geologist.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology. I am familiar with the applications filed by Matador in these consolidated cases and have conducted a geologic study of the lands in the subject area.
3. **Matador Exhibit D-1** is a locator map outlining the horizontal spacing units with a black box shaded in yellow, with the larger area identified in a red box.
4. The target interval for the initial wells in these proposed spacing units is the First Bone Spring sand of the Bone Spring formation.
5. **Matador Exhibit D-2** is a subsea structure map that I prepared for the top of the Bone Spring formation. The contour interval is 50 feet. The structure map shows the Bone Spring formation gently dipping to the east. The structure appears consistent across the proposed spacing unit and I do not observe any faulting, pinch outs, or other geologic impediments to horizontal drilling.
6. Also included on Matador Exhibit D-2 is a line of cross section from A to A’.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D**

**Submitted by: Matador Production Company
Hearing Date: February 3, 2022
Case Nos. 22255-22256**

7. **Matador Exhibit D-3** is a structural cross-section that I prepared displaying open-hole logs run over the Bone Spring formation from the three representative wells denoted from A to A'. For each well in the cross-section, the following logs are included, when available: gamma ray, caliper, resistivity, and porosity. The proposed target interval of each of the respective proposed wells is labeled and marked with a yellow shaded area. The logs in the cross-section demonstrate that the targeted interval, within the Bone Spring formation, is consistent in thickness across the entirety of the proposed spacing unit.

8. Based on my geologic study of the area, I have not identified any geologic impediments to drilling horizontal wells within the Bone Spring formation in the area of the spacing units proposed in these cases.

9. In my opinion, each quarter-quarter section will be productive and contribute more-or-less equally to production from each respective horizontal spacing unit.

10. In my opinion, the laydown orientation of the proposed wells is appropriate because there is no preferred orientation when comparing a standup orientation to a laydown orientation in this area.

11. In my opinion, horizontal drilling will be the most efficient method to develop this acreage, to prevent the drilling of unnecessary wells, and to result in the greatest ultimate recovery.

12. Approving Matador's applications will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

13. **Matador Exhibits D-1 through D-3** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT

Daniel Brugioni
DANIEL BRUGIONI

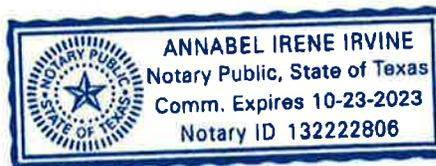
STATE OF TEXAS)
COUNTY OF Dallas)

SUBSCRIBED and SWORN to before me this 13 ^{and} January 2022 ~~December 2021~~ by
Daniel Brugioni.

Annabel Irvine
NOTARY PUBLIC

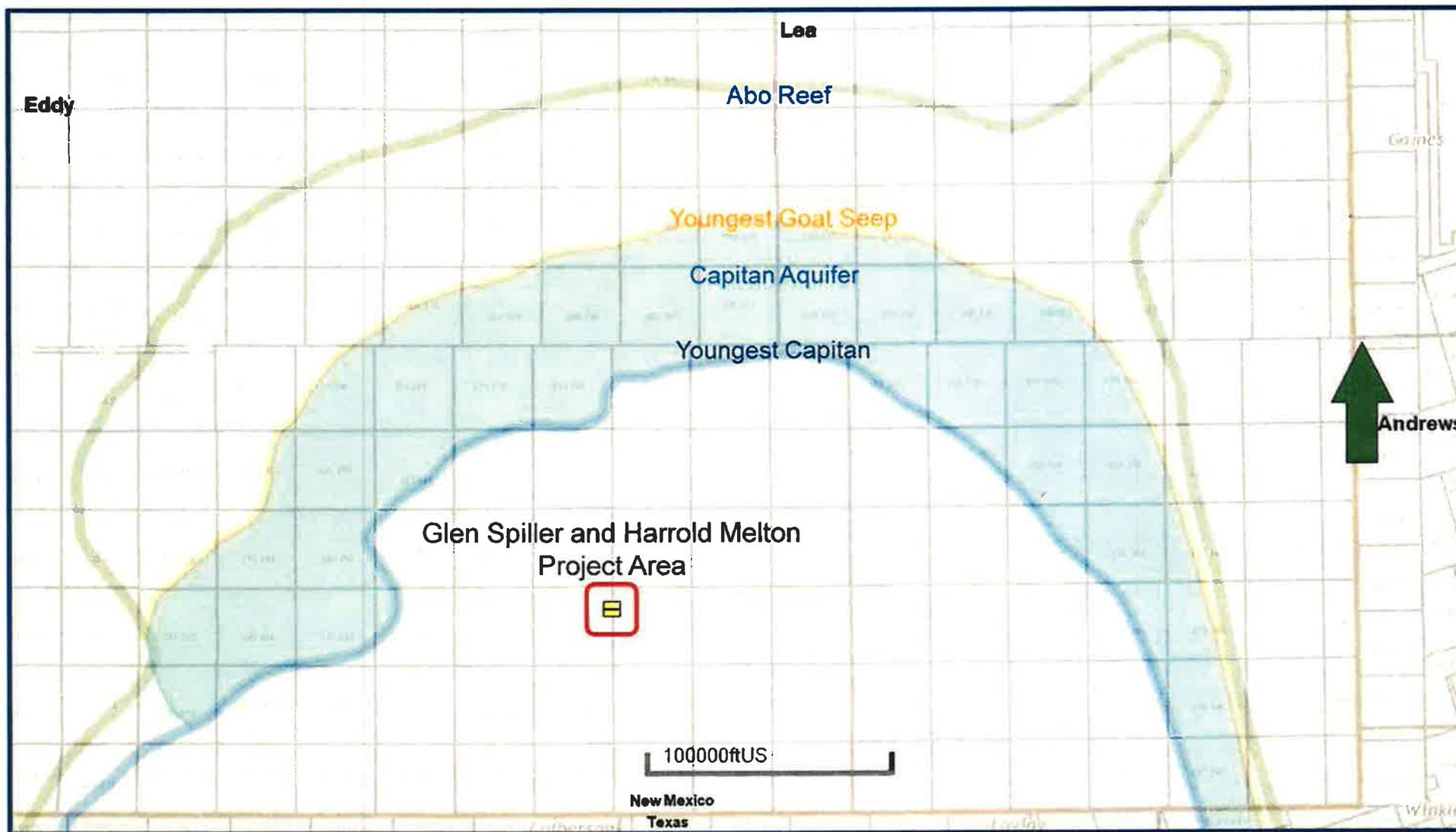
My Commission Expires:

10/23/2023



Locator Map

Exhibit D-1



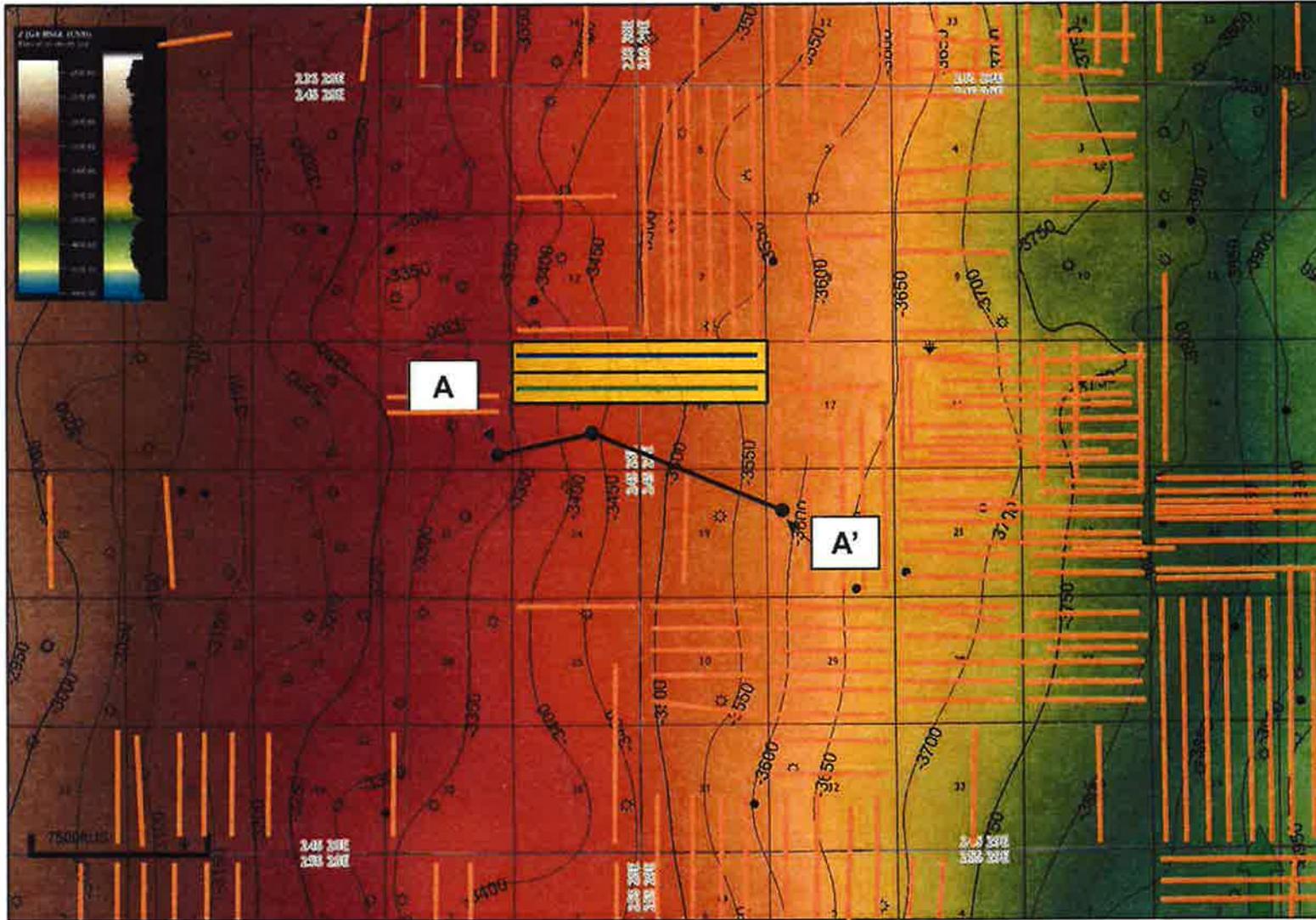
Glen Spiller Fed Com #111H and Harrold Melton Fed Com #112H

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. D1
 Submitted by: Matador Production Company
 Hearing Date: February 3, 2022
 Case Nos. 22255-22256



D-1

Pierce Crossing; Bone Spring (Pool Code 50371) Structure Map (Top Bone Spring Subsea) A – A' Reference Line



Map Legend

Glen Spiller Well



Harrold Melton Well



Bone Spring Wells



Project Areas



C. I. = 50'

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. D2

Submitted by: Matador Production Company

Hearing Date: February 3, 2022

Case Nos. 22255-22256

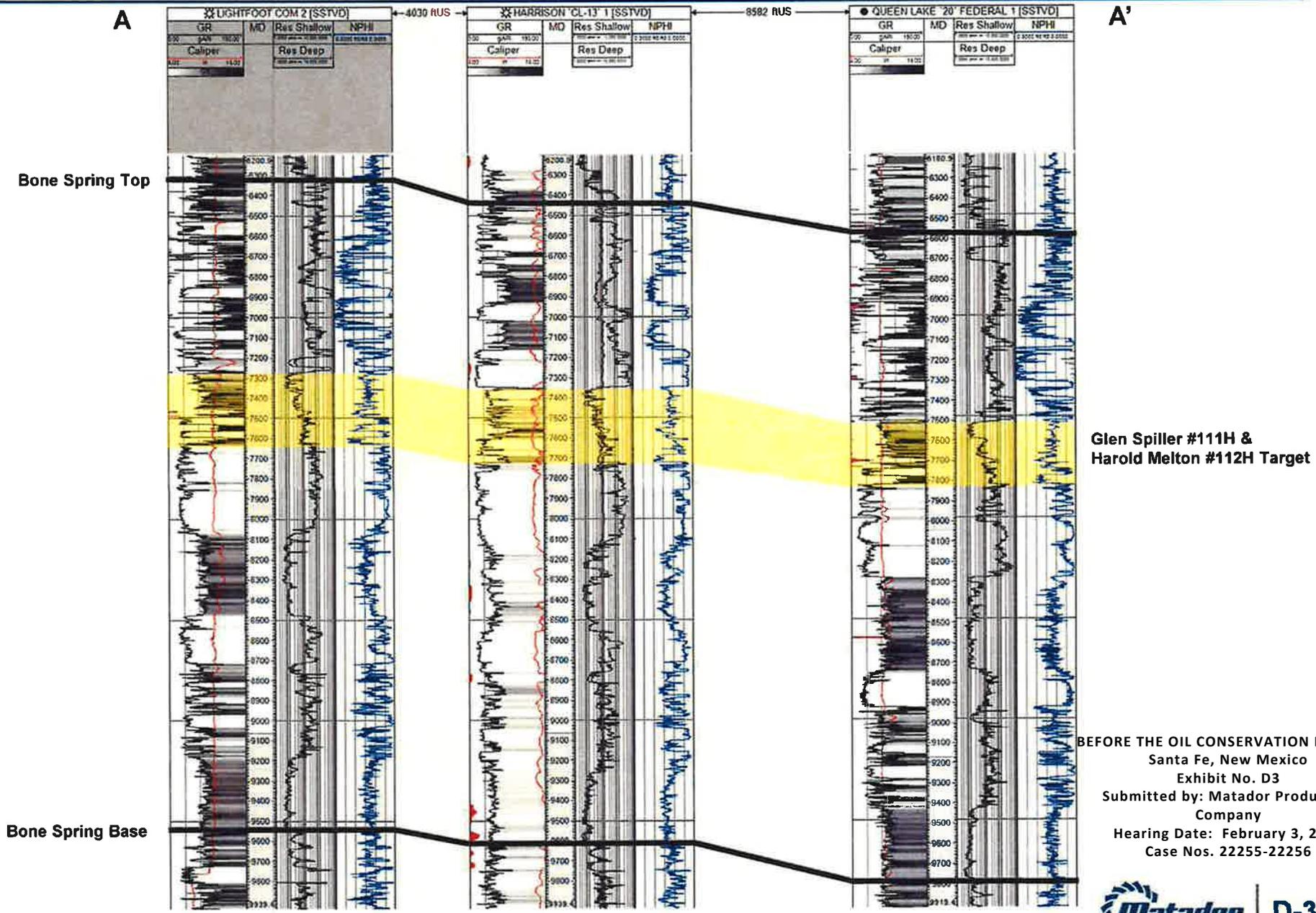


D-2

Glen Spiller Fed Com #111H and Harrold Melton Fed Com #112H

Pierce Crossing; Bone Spring (Pool Code 50371) Structural Cross-Section A – A'

Exhibit D-3



BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. D3
 Submitted by: Matador Production Company
 Hearing Date: February 3, 2022
 Case Nos. 22255-22256



D-3

Glen Spiller Fed Com #111H and Harrold Melton Fed Com #112H



Kaitlyn A. Luck
Phone (505) 988-4421
kaluck@hollandhart.com

October 15, 2021

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

**Re: Application of Matador Production Company for compulsory pooling,
Eddy County, New Mexico.
Glen Spiller Fed Com #111H well**

Ladies & Gentlemen:

This letter is to advise you that Matador Production Company has filed the enclosed application with the New Mexico Oil Conservation Division.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on November 4, 2021 beginning at 8:15 a.m., until it is concluded. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed online or in person at the Division’s Santa Fe office and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Hanna Bollenbach, at (972) 619-4341 or hanna.bollenbach@matadorresources.com.

Sincerely,

Kaitlyn A. Luck
ATTORNEY FOR MATADOR PRODUCTION
COMPANY

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

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



Kaitlyn A. Luck
Phone (505) 988-4421
kaluck@hollandhart.com

October 15, 2021

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

**Re: Application of Matador Production Company for compulsory pooling,
Eddy County, New Mexico.
Harrold Melton Fed Com #112H well**

Ladies & Gentlemen:

This letter is to advise you that Matador Production Company has filed the enclosed application with the New Mexico Oil Conservation Division.

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Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0004965393

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HOLLAND AND HART
POBOX 2208

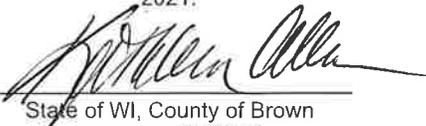
SANTA FE, NM 87504

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

10/21/2021


Legal Clerk

Subscribed and sworn before me this October 21, 2021:


State of WI, County of Brown
NOTARY PUBLIC
1-7-25
My commission expires

KATHLEEN ALLEN
Notary Public
State of Wisconsin

Ad # 0004965393
PO #: Case No. 22255:
of Affidavits 1

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BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. F
Submitted by: Matador Production Company
Hearing Date: February 3, 2022
Case Nos. 22255-22256

STATE OF NEW MEXICO
ENERGY, MINERALS AND
NATURAL RESOURCES DE-
PARTMENT
OIL CONSERVATION DIVI-
SION
SANTA FE, NEW MEXICO

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case. During the COVID-19 Public Health Emergency, state buildings are closed to the public and Division hearings will be conducted remotely. The public hearing for the following case will be electronic and conducted remotely. The hearing will be conducted on Thursday, November 4, 2021, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at <https://www.emnrd.nm.gov/ocd/hearing-info/> or obtained from Marlene Salvidrez, at Marlene.Salvidrez@state.nm.us. Documents filed in the case may be viewed at <http://ocdimage.emnrd.state.nm.us/imaging/CaseFileCriteria.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Marlene Salvidrez at Marlene.Salvidrez@state.nm.us, or the New Mexico Relay Network at 1-800-659-1779, no later than October 24, 2021.

Persons may view and participate in the hearings through the following link:

<https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID=e12bd776b32e14edf7deee3425ea99347>
Event number: 2497 665 1056
Event password: JYvf8wjp55w

Join by video: 24976651056@nmemnrd.webex.com
Numeric Password: 256526
You can also dial 173.243.2.68 and enter your meeting number

Join by audio: 1-844-992-4726 United States Toll Free
Access code: 2497 665 1056

STATE OF NEW MEXICO TO:
All named parties and persons having any right, title, interest or claim in the following case and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All overriding royalty interest owners and pooled parties, including: BucJag Investments, LLC; Chisos, Ltd.; COG Operating, LLC; Concho

Oil & Gas, LLC; Gair Energy Company; Horned Frog Oil and Gas, LP; Nonnortootie LLC; OXY USA WTP, LLC; Una Oreja, LLC; Camarie Oil & Gas, LLC; Ross Duncan Properties, LLC; Featherstone Development Corporation; Big Three Energy Group, LLC; Prospector, LLC; Xplor Resources, LLC; Cogent Energy, Inc. Profit Sharing Plan; Nestegg Energy Corporation; Hexad Oil Company; Roger Rowland, his heirs and devisees; Manix Royalty, Ltd.; and SAC Investments I, LP.

Case No. 22255: Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the N/2 N/2 of Section 13, Township 24 South, Range 28 East, and the N/2 N/2 of Section 18, Township 24 South, Range 29 East, Eddy County, New Mexico. The above-referenced unit will be dedicated to the proposed initial Glen Spiller Fed Com #111H well, to be drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 14, Township 24 South, Range 28 East, to a bottom hole location in the NE/4 NE/4 (Unit A) of said Section 18, Township 24 South, Range 29 East. The completed interval of the well will comply with statewide setbacks for oil wells. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing the wells. Said area is located approximately 4 miles west of Malaga, New Mexico. #4965393, Current Argus, October 21, 2021

Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0004965407

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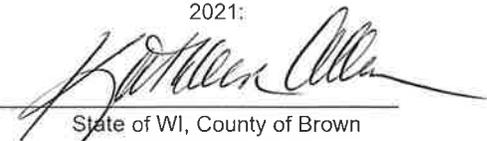
SANTA FE, NM 87504

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Legal Clerk

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NOTARY PUBLIC

1-7-25
My commission expires

KATHLEEN ALLEN
Notary Public
State of Wisconsin

Ad # 0004965407
PO #: Case No. 22256:
of Affidavits 1

This is not an invoice

STATE OF NEW MEXICO
ENERGY, MINERALS AND
NATURAL RESOURCES DE-
PARTMENT
OIL CONSERVATION DIVI-
SION
SANTA FE, NEW MEXICO

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Case No. 22256: Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the S/2 N/2 of Section 13, Township 24 South, Range 28 East, and the S/2 N/2 of Section 18, Township 24 South, Range 29 East, Eddy County, New Mexico. The above-referenced unit will be dedicated to the proposed initial Harrold Melton Fed Com #112H well, to be drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 14, Township 24 South, Range 28 East, to a bottom hole location in the SE/4 NE/4 (Unit H) of said Section 18, Township 24 South, Range 29 East. The completed interval of the well will comply with state-wide setbacks for oil wells. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing the wells. Said area is located approximately 4 miles west of Malaga, New Mexico.
#4965407, Current Argus, October 21, 2021