CASE NO. 22848 & 22849

APPLICATIONS OFMATADOR PRODUCTION COMPANY TO AMNED ORDERS FOR COMPLUSORY POOLING LEA COUNTY, NEW MEXICO

EXHIBITS

- A. Landman's Affidavit
- B Applications and Proposed Notices
- C Pooling Checklists
- D. Geologist's Affidavit
- E. Affidavit of Notice
- F. Affidavit of Publication

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

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

CASE NO. 22848 and 22849

AFFIDAVIT OF ROBERT HELBING

Robert Helbing, of lawful age and being first duly sworn, states the following:

- 1. My name is Robert Helbing and I am employed by MRC Energy Company, an affiliate of Matador Production Company ("Matador"), as a Landman.
- 2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of record.
- 3. I am familiar with the applications filed by Matador in these cases and the status of the lands in the subject area.
- 4. In these applications, Matador is requesting to change the initial wells listed under two previous force pooling orders, as described below.
- 5. Regarding Case No. 22848, The Division previously entered Order No. R-21666, naming Matador Production Company as Operator of a 320 acre, more or less, Bone Spring spacing unit comprised of the W/2 E/2 of Sections 3 and 10, Township 22 South, Range 32 East, Lea County, New Mexico. The initial well under Order No. R-21666 was Matador's Nina Cortell Fed. Com. #127H, which was targeting the Second Bone Spring formation. In the present Case No. 22848, Matador seeks to amend Order No. R-21666 to change the initial well to Matador's Nina Cortell Fed. Com. #133H, which is targeting the Third Bone Spring formation. The Nina

EXHIBIT \bigwedge

Cortell Fed. Com. #133H has a surface hole location in the SW/4 SE/4 of Section 10 and a bottom hole location in the NW/4 NE/4 of Section 3.

- ConocoPhillips is the only working interest currently pooled under Order No. R 21666 and its working interest remains the same as when Order R-21666 was originally entered.
- 7. Regarding Case No. 22849, The Division previously entered Order No. R-21667, naming Matador Production Company as Operator of a 320 acre, more or less, Bone Spring spacing unit comprised of the E/2 E/2 of Sections 3 and 10, Township 22 South, Range 32 East, Lea County, New Mexico. The initial well under Order No. R-21667 was Matador's Nina Cortell Fed. Com. #128H, which was targeting the Second Bone Spring formation. In the present Case No. 22849, Matador seeks to amend Order No. R-21667 to change the initial well to Matador's Nina Cortell Fed. Com. #134H, which is targeting the Third Bone Spring formation. The Nina Cortell Fed. Com. #134H has a surface hole location in the SW/4 SE/4 of Section 10 and a bottom hole location in the NE/4 NE/4 of Section 3.
- 8. ConocoPhillips is the only working interest currently pooled under Order No. R-21667 and its working interest remains the same as when Order R-21667 was originally entered.
- 9. Attached hereto as **Exhibit A-1** are copies of the draft Form C102s for the new initial wells Matador is requesting in these applications.
- 10. Attached hereto as **Exhibit A-2** are copies of the well proposals and AFEs send to ConocoPhillips (the only working interest owner currently pooled under the prior Orders) for these new initial wells. The costs reflected in the AFE are consistent with what other operators have incurred for similar drilling and completions in this formation in this area.
- 11. No ownership depth severances exists within the Bone Spring formation in the proposed spacing units.

- Matador has estimated the overhead and administrative costs at \$8000/month while 12. drilling and \$800/month while operating the well. These costs are consistent with what other operators are charging in this area for similar wells. Matador respectfully requests that these administrative and overhead costs be incorporated into any order entered by the Division.
- Matador provided our outside counsel, Jim Bruce, with a list of the name 13. and address for ConocoPhillips, the only working interest current pooled under the prior Orders, and instructed that it be notified of this hearing.
- Matador Exhibit Nos. C-1 through C-2 were either prepared by me or compiled 14. under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

1CmA	- Hai	
Robert Hell	oing	

JAIME JAKEWAY GRAINGER

STATE OF TEXAS)
)
COUNTY OF DALLAS)

SUBSCRIBED and SWORN to before me this _____ day of June 2022 by

Robert Helbing.

My Commission Expires:

Norary ID #131259323 My Commission Expires

Exhibit A-1

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

319.92

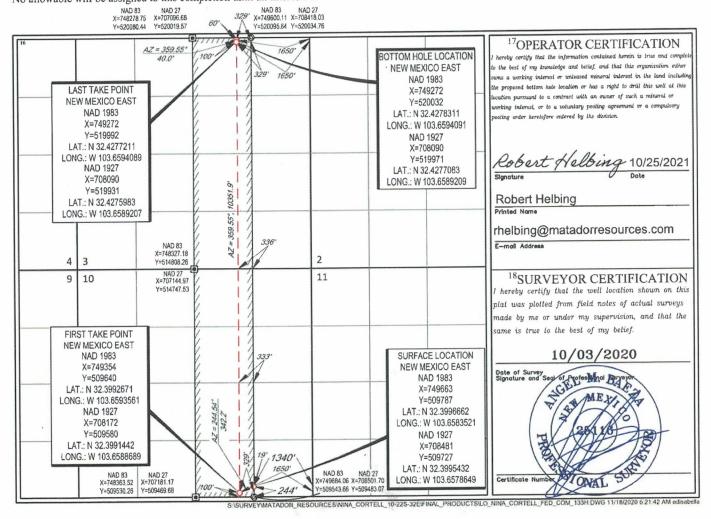
State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

AMENDED REPORT

		W]	ELL LC	CATIO	N AND ACR	EAGE DEDIC	ATION PLAT	l'	
	API Number	ber ² Pool Code			³ Pool Name Bilbrey Basin; Bone Spring				
⁴ Property (Code	NINA CORTELL FED COM 133H				133H			
OGRID : 22893			MATADOR PRODUCTION COMPANY *Elevation 3789				- A Part of the Control of the Contr		
					10 Surface L	ocation			
UL or let no.	Section 10	Township 22-S	Range 32-E	Lot Idn	Feet from the 244'	North/South line	Feet from the 1340'	East/West line EAST	LEA
		<u></u> .	11]	Bottom Ho	le Location If	Different From Sur	rface		
UL or lot no.	Section 3	Township 22-S	32-E	Lot ldn —	Feet from the	North/South line NORTH	Feet from the 1650'	East/West line EAST	LEA
12 Dedicated Acres	13 Joint or	Infill I4Cor	solidation Co	de 15Ord	er No.				

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



District I [625 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 L	OCATIO	N AND AC	CREAGE DEDIC	ATION PLA	AT		
	API Number		T	² Pool Code			³ Pool N	ame		
				5695		Bilbrey	Basinj	Bone	Spring	ell Number
⁴ Property C	Property Code NINA CORTELL FED COM 134H						134H			
12893			MATADOR PRODUCTION COMPANY Selevation 3789'							
- 0 / 3					10 Surface	Location				
UL or lot no.	Section	Township	Rang	e Lot Idr	Feet from	the North/South line	Feet from the	E	ast/West line	County
0	10	22-S	1	1	274'	SOUTH	1340'	EA	ST	LEA
			1	Bottom H	ole Location	If Different From Su	rface			
UL or lot no.	Section	Township	Rang	e Lot ld	n Feet from	the North/South line	Feet from the	E	ast/West line	County
1	3	22-5			60'	NORTH	330'	EA	ST	LEA
12Dedicated Acres 319.92	¹³ Joint or	Infill 1-	Consolidation (Code 15Or	rder 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. NAD 83 NAD 27 X=750921.47 X=709739.38 NAD 83 NAD 27 X=749600.11 X=708418.03 Y=520110.84 Y=520049.95 Y=520095.64 ¹⁷OPERATOR CERTIFICATION AZ = 359.55BOTTOM HOLE LOCATION hereby certify that the information contained herein is true and comple 40.0 100 to the best of my knowledge and belief, and that this organization either 330 **NEW MEXICO EAST** ons a working interest or volumed minural interest in the land includi NAD 1983 the proposed bottom hole location or has a right to drill this well at this X=750592 LAST TAKE POINT ntion pursuant to a contract with an owner of such a mineral or NEW MEXICO EAST Y=520047 urking interest, or to a voluntary pooling agreement or a compulsary LAT.: N 32.4278499 NAD 1983 ing order heretofore entered by the division. LONG.: W 103.6551311 X=750592 NAD 83 X=750946,57 Y=520007 NAD 1927 LAT.: N 32.4277399 Y=517475.94 X=709410 NAD 27 X=709764.41 Y=517415.13 Y=519986 LONG.: W 103.6551309 NAD 1927 LAT.: N 32.4277270 Slanature X=709410 LONG.: W 103.6546430 Y=519946 10353. LAT.: N 32.4276171 Printed Name LONG.: W 103.6546428 359.55". E-mail Address NAD 83 X=750970.96 4 3 Y=514835.97 11 NAD 27 9 10 18SURVEYOR CERTIFICATION Y=514775.23 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief. SURFACE LOCATION NEW MEXICO EAST FIRST TAKE POINT 10/03/2020 NAD 1983 NAD 83 AGE POINT X=749663 NEW MEXICO EAST X=750987.67 Y=512197.53 Date of Survey Y=509817 NAD 1983 LAT.: N 32.3997484 NAD 27 X=750674 LONG.: W 103.6583517 Y=509654 AZ = 99.75 1024.2 Y=512136.87 LAT.: N 32.3992810 NAD 1927 X=708481 LONG.: W 103.6550795 Y=509757 NAD 1927 LAT.: N 32.3996255 X=709492 1340 LONG: W 103.6578645 Y=509593 LAT.: N 32.3991580 NAD 27 X=708501.70 Y=509483.07 NAD 83 274 NAD 83 NAD 27 X=751004.59 X=709822 22 LONG.: W 103.6545924 275 r=509557.08 Y=509496.47 Y=509543.66

Exhibit A-2

MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240 Voice 972.629.2163 • Fax 972.371.5201 rhelbing@matadorresources.com

Robert Helbing Landman

November 14, 2019

VIA CERTIFIED RETURN RECEIPT MAIL

ConocoPhillips Company 16930 Park Row Dr. Houston, TX 77084 Attn: West Permian Land Department

Re: Nina Cortell Fed Com #113H, #114H, #127H, #128H, #133H, #134H, #203H and #204H (the "Wells")
Participation Proposal
Sections 3&10, Township 22 South, Range 32 East
Lea County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of the following Matador Production Company's Nina Cortell Fed Com #113H, #114H, #127H, #128H, #133H, #134H, #203H and #204H (the "Wells"), located in Sections 3 & 10, Township 22 South, Range 32 East, Lea County, New Mexico.

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 eight (8) enclosed Authority for Expenditures ("AFE"), all dated October 22, 2019.

- Nina Cortell #113H: to be drilled from a legal location with a proposed surface hole location in the NW/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SW/4SE/4 of Section 10-22S-32E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,050' TVD) to a Measured Depth of approximately 20,250'.
- Nina Cortell #114H: to be drilled from a legal location with a proposed surface hole location in the NE/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SE/4SE/4 of Section 10-22S-32E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,050' TVD) to a Measured Depth of approximately 20,250'.
- Nina Cortell #127H: to be drilled from a legal location with a proposed surface hole location in the NW/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SW/4SE/4 of Section 10-22S-32E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bonespring (~10,700' TVD) to a Measured Depth of approximately 20,850'.
- Nina Cortell #128H: to be drilled from a legal location with a proposed surface hole location in the NE/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SE/4SE/4 of Section 10-22S-

32E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,700' TVD) to a Measured Depth of approximately 20,850'.

- Nina Cortell #133H: to be drilled from a legal location with a proposed surface hole location in the NW/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SW/4SE/4 of Section 10-22S-32E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~11,900' TVD) to a Measured Depth of approximately 22,000'.
- Nina Cortell #134H: to be drilled from a legal location with a proposed surface hole location in the NE/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SE/4SE/4 of Section 10-22S-32E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~11,900' TVD) to a Measured Depth of approximately 22,000'.
- Nina Cortell #203H: to be drilled from a legal location with a proposed surface hole location in the NW/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SW/4SE/4 of Section 10-22S-32E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~12,200' TVD) to a Measured Depth of approximately 22,350'.
- Nina Cortell #204H: to be drilled from a legal location with a proposed surface hole location in the NE/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SE/4SE/4 of Section 10-22S-32E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~12,200' TVD) to a Measured Depth of approximately 22,350'.

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.

If your election is to participate in the drilling and completion of the Wells, please sign and return a copy of this letter along with the enclosed AFE(s) within thirty (30) days of receipt of this notice. 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.

Rut Hellig

Robert Helbing

ConocoPhillips Company hereby elects to:

Email A	ddrees.
Contact	Number:
Date:	
Title:	
	Phillips Company
Сополо	Philling Company
	_We are interested in selling our interest in this unit, please contact to discuss.
	_Not to participate in the Nina Cortell #204HParticipate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Nina Cortell #204H well.
	_Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Nina Cortell #203H wellWe are interested in selling our interest in this unit, please contact to discuss.
	_Not to participate in the Nina Cortell #203H.
	Production Company's Nina Cortell #134H well. We are interested in selling our interest in this unit, please contact to discuss.
	_Not to participate in the Nina Cortell #134HParticipate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador
	Production Company's Nina Cortell #133H well. _We are interested in selling our interest in this unit, please contact to discuss.
	_Not to participate in the Nina Cortell #133HParticipate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador _Production Company's Nina Cortell #133H well.
	_We are interested in selling our interest in this unit, please contact to discuss.
	_Not to participate in the Nina Cortell #128HParticipate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Nina Cortell #128H well.
	_We are interested in selling our interest in this unit, please contact to discuss.
	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Nina Cortell #127H well.
Anne-1	_Not to participate in the Nina Cortell #127H.
	Production Company's Nina Cortell #114H well. We are interested in selling our interest in this unit, please contact to discuss.
	_Not to participate in the Nina Cortell #114HParticipate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador
	_We are interested in selling our interest in this unit, please contact to discuss.
	Production Company's Nina Cortell #113H well.
	_Not to participate in the Nina Cortell #1134Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF MATADOR PRODUCTION COMPANY TO AMEND ORDER NO. R-21666 FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

Case No. 22848

APPLICATION

Matador Production Company applies for an order amending Order No. R-21666, and in support thereof, states:

- 1. Order No. R-21666 pooled the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2E/2 of Section 3 and the W/2E/2 of Section 10, Township 22 South, Range 32 East, N.M.P.M.
- 2. Applicant proposed to drill the Nina Cortell Fed. Com. Well No. 127H to a depth sufficient to test the Bone Spring formation, with a first take point in the SW/4SE/4 of Section 10 and a last take point in the NW/4NE/4 of Section 3.
- 3. Applicant desires to change the initial well drilled under the order to the Nina Cortell Fed. Com. Well No. 133H, so it requests an appropriate amendment to the order and pooling checklist.

WHEREFORE, Applicant requests that, after notice and hearing, the Division enter its order amending Order Nos. R-21666 to change the initial well drilled under the order.

EXHIBIT

3

Respectfully submitted,

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

Attorney for Matador Production Company

Application of Matador Production Company to amend Order No. R-21666 for compulsory pooling, Lea County, New Mexico. Applicant seeks an order amending Order No. R-21666, which pooled mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2E/2 of Section 3 and W/2E/2 of Section 10, Township 22 South, Range 32 East, NMPM, for purposes of drilling the Nina Cortell Well No. 127H. Applicant desires to change the initial well drilled under the order to the Nina Cortell Fed. Com. Well No. 133H, so it requests an appropriate amendment to the order and pooling checklist. The unit is located approximately 10 miles south-southeast of Halfway, New Mexico.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF MATADOR PRODUCTION COMPANY TO AMEND ORDER NO. R-21667 FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

Case No. 2>849

APPLICATION

Matador Production Company applies for an order amending Order No. R-21667, and in support thereof, states:

- 1. Order No. R-21667 pooled the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2E/2 of Section 3 and the E/2E/2 of Section 10, Township 22 South, Range 32 East, N.M.P.M.
- 2. Applicant proposed to drill the Nina Cortell Fed. Com. Well No. 128H to a depth sufficient to test the Bone Spring formation, with a first take point in the SE/4SE/4 of Section 10 and a last take point in the NE/4NE/4 of Section 3.
- 3. Applicant desires to change the initial well drilled under the order to the Nina Cortell Fed. Com. Well No. 134H, so it requests an appropriate amendment to the order and pooling checklist.

WHEREFORE, Applicant requests that, after notice and hearing, the Division enter its order amending Order Nos. R-21667 to change the initial well drilled under the order.

Respectfully submitted,

COPY

James Bruce Post Office Box 1056 Santa Fe, New Mexico 87504 (505) 982-2043

Attorney for Matador Production Company

Application of Matador Production Company to amend Order No. R-21667 for compulsory pooling, Lea County, New Mexico. Applicant seeks an order amending Order No. R-21667, which pooled mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2E/2 of Section 3 and E/2E/2 of Section 10, Township 22 South, Range 32 East, NMPM, for purposes of drilling the Nina Cortell Well No. 128H. Applicant desires to change the initial well drilled under the order to the Nina Cortell Fed. Com. Well No. 134H, so it requests an appropriate amendment to the order and pooling checklist. The unit is located approximately 10 miles south-southeast of Halfway, New Mexico.

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

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY MATADOR PRODUCTION COMPANY

CASE NO. 21795 ORDER NO. R-21666

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard these matters through a Hearing Examiner on April 8, 2021, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Orders:

FINDINGS OF FACT

- 1. Matador Production Company ("Operator") submitted an application ("Application") to compulsorily pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
- 2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
- 3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
- 4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
- 5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

- 6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 7. Operator is the owner of an oil and gas working interest within the Unit.
- 8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.

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- 10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
- 23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the

well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

- 24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
- 28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of

- the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 et seq., and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 et seq.
- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

ADRIENNE SANDOVAL DIRECTOR

AES/kms

Date: 4/20/2021

Exhibit "A"

	TION MUST BE SUPPORTED BY SIGNED AFFIDAVITS
Case:	21795
Date	April 8, 2021
Applicant	Matador Production Company
Designated Operator & OGRID	
(affiliation if applicable)	Matador Production Company/OGRID No. 228937
Applicant's Counsel:	James Bruce
Case Title:	Application of Matador Production Company for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	ConocoPhillips Company/Holland & Hart LLP
Well Family	Nina Cortell Bone Spring Wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Entire Bone Spring formation
Pool Name and Pool Code:	Bilbrey Basin; Bone Spring/Pool Code 5695
Well Location Setback Rules:	Statewide rules and current horizontal well rules
Spacing Unit Size:	Quarter-quarter sections/40 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	40 acres
Orientation:	South-North
Description: TRS/County	W/2E/2 §10 and W/2E/2 §3-22S-32E, NMPM, Lea County
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 EXHIBIT
Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	Exhibits C-2 and C-3
Well(s)	
Name & API (if assigned), surface and cottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Nina Cortell Fed. Com. Well No. 127H, API No. Pending SHL: 244 FSL and 1230 FEL (Unit P) §10-22S-32E BHL: 60 feet FNL and 1980 feet FEL (Unit B) §3-22S-32E FTP: 100 FSL & 1980 FEL §10 LTP: 100 FNL & 1980 FEL §3 Bone Spring Sand/TVD 10850 feet/MD 21114 feet

Horizontal Well First and Last Take	See above
Points	See above
Completion Target (Formation, TVD and	See above
MD)	366 0000
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit C, page 4
Requested Risk Charge	Cost + 200%/Exhibit A, Case No. 21795
Notice of Hearing	COST 1 20070/ EARISTE PA, COSC NO. 21755
Proposed Notice of Hearing	Exhibit A
Proof of Mailed Notice of Hearing (20	CAMBILIA
days before hearing)	Exhibit B
Proof of Published Notice of Hearing (10	LAMBLE
days before hearing)	Not necessary
Ownership Determination	140t riecessary
Land Ownership Schematic of the	
Spacing Unit	Exhibits C-2 and C-3
Tract List (including lease numbers and	Exmolts C-2 and C-5
owners)	Exhibit C-2
Pooled Parties (including ownership	EXHIBIT C-2
type)	Exhibit C-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including	N/A
percentage above & below)	None
Joinder	Notice
Sample Copy of Proposal Letter	Exhibit C-4
List of Interest Owners (i.e. Exhibit A of	EXHIBIT C-4
JOA)	Exhibit C-3
Chronology of Contact with Non-Joined	
Chronology of Contact with Non-Joined Working Interests	Full like C. A.
Overhead Rates In Proposal Letter	Exhibit C-4
Cost Estimate to Drill and Complete	\$8000/\$800
Cost Estimate to Drill and Complete Cost Estimate to Equip Well	Exhibit C-5
Cost Estimate to Equip Well Cost Estimate for Production Facilities	Exhibit C-5
Geology	Exhibit C-5
Summary (including special considerations)	Estable 6
	Exhibit C
Spacing Unit Schematic	Exhibits C-1 and C-2
Gunbarrel/Lateral Trajectory Schematic	Exhibits D-2 and D-3
Well Orientation (with rationale)	Standup/Exhibit D
Target Formation	Bone Spring
HSU Cross Section	Exhibit D-3
Depth Severance Discussion	Not Applicable
Forms, Figures and Tables	
C-102	Exhibit C-1

Tracts	Exhibit C-1 and C-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibits C-1 and C-3
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit C-1
Structure Contour Map - Subsea Depth	Exhibit D-2
-Cross Section-Location-Map-(including- wells)	Exhibit D-3
Cross Section (including Landing Zone)	Exhibit D-3
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	James Bruce
Signed Name (Attorney or Party Representative):	James Blue
Date:	April 6, 2021

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

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY MATADOR PRODUCTION COMPANY

CASE NO. 21796 ORDER NO. R-21667

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard these matters through a Hearing Examiner on April 8, 2021, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Orders:

FINDINGS OF FACT

- 1. Matador Production Company ("Operator") submitted an application ("Application") to compulsorily pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
- 2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
- 3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
- 4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
- 5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

- 6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 7. Operator is the owner of an oil and gas working interest within the Unit.
- 8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.

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- 10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
- 23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the

well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

- 24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
- 28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of

- the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 et seq., and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 et seq.
- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

ADRIENNE SANDOVAL DIRECTOR AES/kms

Date: _____4/20/2021

Exhibit "A"

ALL INFORMATION IN THE APPLICA	ATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS
Case:	21796
Date	April 8, 2021
Applicant	Matador Production Company
Designated Operator & OGRID	
(affiliation if applicable)	Matador Production Company/OGRID No. 228937
Applicant's Counsel:	James Bruce
Case Title:	Application of Matador Production Company for Compulsory Pooling Eddy County, New Mexico
Entries of Appearance/Intervenors:	ConocoPhillips Company/Holland & Hart LLP
Well Family	Nina Cortell Bone Spring Wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Entire Bone Spring formation
Pool Name and Pool Code:	Bilbrey Basin; Bone Spring/Pool Code 5695
Well Location Setback Rules:	Statewide rules and current horizontal well rules
Spacing Unit Size:	Quarter-quarter sections/40 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	40 acres
Orientation:	South-North
Description: TRS/County	E/2E/2 §10 and E/2E/2 §3-22S-32E, NMPM, Lea County
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	
Applicant's Ownership in Each Tract	Exhibits C-2 and C-3
Well(s)	
Name & API (if assigned), surface and	Nina Cortell Fed. Com. Well No. 128H, API No. Pending
bottom hole location, footages,	SHL: 274 FSL and 1230 FEL (Unit P) §10-22S-32E
completion target, orientation,	BHL: 60 feet FNL and 660 feet FEL (Unit A) §3-22S-32E
completion status (standard or non-	FTP: 100 FSL & 660 FEL §10
standard)	LTP: 100 FNL & 660 FEL §3
	Bone Spring Sand/TVD 10850 feet/MD 21114 feet

Horizontal Well First and Last Take	See above
Points	
Completion Target (Formation, TVD and MD)	See above
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit C, page 4
Requested Risk Charge	Cost + 200%/Exhibit A, Case No. 21796
Notice of Hearing	COST : 2007by EMILDIC A, Case No. 21750
Proposed Notice of Hearing	Exhibit A
Proof of Mailed Notice of Hearing (20	LAHIMEA
days before hearing)	Exhibit B
Proof of Published Notice of Hearing (10	EATION D
days before hearing)	Not necessary
Ownership Determination	140t Hecessal y
Land Ownership Schematic of the	
Spacing Unit	Exhibits C-2 and C-3
Tract List (including lease numbers and	Exhibits C-2 and C-5
owners)	Exhibit C-2
Pooled Parties (including ownership	LAMBIC C-2
type)	Exhibit C-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including	IVA
percentage above & below)	None
Joinder	NOTE
Sample Copy of Proposal Letter	Exhibit C-4
List of Interest Owners (i.e. Exhibit A of	EXHIBIT C-4
JOA)	Exhibit C-3
Chronology of Contact with Non-Joined	
Working Interests	Eulaikia C. A
Overhead Rates In Proposal Letter	Exhibit C-4
Cost Estimate to Drill and Complete	\$8000/\$800
Cost Estimate to Equip Well	Exhibit C-5
Cost Estimate for Production Facilities	Exhibit C-5
Geology	Exhibit C-5
Summary (including special	
considerations)	Euhihit C
Spacing Unit Schematic	Exhibit C
Gunbarrel/Lateral Trajectory Schematic	Exhibits C-1 and C-2
Well Orientation (with rationale)	Exhibits D-2 and D-3
Target Formation	Standup/Exhibit D
HSU Cross Section	Bone Spring
Depth Severance Discussion	Exhibit D-3
Forms, Figures and Tables	Not Applicable
C-102	Eublidia C d
	Exhibit C-1

Tracts	Exhibit C-1 and C-2
Summary of Interests, Unit	
Recapitulation (Tracts)	Exhibits C-1 and C-3
General Location Map (Including basin)	Exhibit D-1
Well Bore Location Map	Exhibit C-1
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D-3
Cross Section (including Landing Zone)	Exhibit D-3
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	James/Bruce
Signed Name (Attorney or Party Representative):	James Trues
Date:	April 6, 2021

CONPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS		
Case:		22848
Date	Ju	ıly 7, 2022
Applicant	Matador Production Company	
Designated Operator & OGRID	,	
(affiliation if applicable)	Matador Production Company/OGRID No. 228937	
Applicant's Counsel:	James Bruce	
Case Title:	Application of Matador Production Company for Compulsory Pooling, Eddy County, New Mexico	
Entries of Appearance/Intervenors:	ConocoPhillips Company/Holland & Hart LLP	
Well Family	Nina Cortell Bone Spring Wells	
Formation/Pool		
Formation Name(s) or Vertical Extent:	Bone Spring Formation	
Primary Product (Oil or Gas):	Oil	
Pooling this vertical extent:	Entire Bone Spring formation	
Pool Name and Pool Code:	Bilbrey Basin; Bone Spring/Pool Code 5695	
Well Location Setback Rules:	Statewide rules and current horizontal well rules	
Spacing Unit Size:	Quarter-quarter sections/40 acres	
Spacing Unit		
Type (Horizontal/Vertical)	Horizontal	
Size (Acres)	320 acres	
Building Blocks:	40 acres	
Orientation:	South-North	
Description: TRS/County	W/2E/2 §10 and W/2E/2 §3-22	2S-32E, NMPM, Lea County
Standard Horizontal Well Spacing Unit	Yes	,,
(Y/N), If No, describe		
Other Situations		
Depth Severance: Y/N. If yes, description	No	
Proximity Tracts: If yes, description	No	EXHIBIT (
Proximity Defining Well: if yes, description		
Applicant's Ownership in Each Tract	Exhibits C-2 and C-3	
Well(s)		
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or nonstandard)	Nina Cortell Fed. Com. Well No. 133H, API No. Pending SHL: 244 FSL and 1340 FEL §10 BHL: 60 feet FNL and 1650 feet FEL §3 FTP: 100 FSL & 1650 FEL §10 LTP: 100 FNL & 1650 FEL §3 Bone Spring Sand/TVD 10900 feet/MD 22000 feet	

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Horizontal Well First and Last Take	See above
Points	
Completion Target (Formation, TVD and	See above
MD)	
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit C, page 4
Requested Risk Charge	Cost + 200%/Exhibit A, Case No. 21795
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A
Proof of Mailed Notice of Hearing (20	
days before hearing)	Exhibit B
Proof of Published Notice of Hearing (10	
days before hearing)	Not necessary
Ownership Determination	
Land Ownership Schematic of the	
Spacing Unit	Exhibits C-2 and C-3
Tract List (including lease numbers and	
owners)	Exhibit C-2
Pooled Parties (including ownership	
type)	Exhibit C-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including	
percentage above & below) Joinder	None
Sample Copy of Proposal Letter	Exhibit C-4
List of Interest Owners (i.e. Exhibit A of	
JOA)	Exhibit C-3
Chronology of Contact with Non-Joined	
Working Interests	Exhibit C-4
Overhead Rates In Proposal Letter	\$8000/\$800
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 C
Spacing Unit Schematic	Exhibits C-1 and C-2
Gunbarrel/Lateral Trajectory Schematic	Exhibits D-2 and D-3
Well Orientation (with rationale)	Standup/Exhibit D
Target Formation	Bone Spring
HSU Cross Section	Exhibit D-3
Depth Severance Discussion	Not Applicable
Forms, Figures and Tables	
C-102	Exhibit C-1

Tracesived by OCD: 7/5/2022 8:18:32 PM	Exhibit C-1 and C-2	Page 34 of 54
Summary of Interests, Unit		
Recapitulation (Tracts)	Exhibits C-1 and C-3	
General Location Map (including basin)	Exhibit D-1	1. I
Well Bore Location Map	Exhibit C-1	
Structure Contour Map - Subsea Depth	Exhibit D-2	
Cross Section Location Map (including		
wells)	Exhibit D-3	
Cross Section (including Landing Zone)	Exhibit D-3	
Additional Information		
CERTIFICATION: I hereby certify that the		
information provided in this checklist is		
complete and accurate.		
Printed Name (Attorney or Party		
Representative):	James Bruce	
Signed Name (Attorney or Party	1 2	
Representative):	Claux Buil	•:
Date:	July 5, 202 1	

COIVIPULSORY POOLING APPLICATION CHECKLIST

July 7, 2022 Matador Production Company Matador Production Company/OGRID No. 228937 James Bruce Application of Matador Production Company for Compulsory Pooling, Eddy County, New Mexico
Matador Production Company Matador Production Company/OGRID No. 228937 James Bruce Application of Matador Production Company for Compulsory Pooling,
Matador Production Company Matador Production Company/OGRID No. 228937 James Bruce Application of Matador Production Company for Compulsory Pooling,
James Bruce Application of Matador Production Company for Compulsory Pooling,
James Bruce Application of Matador Production Company for Compulsory Pooling,
Application of Matador Production Company for Compulsory Pooling,
ConocoPhillips Company/Holland & Hart LLP
Nina Cortell Bone Spring Wells
Bone Spring Formation
Oil
Entire Bone Spring formation
Bilbrey Basin; Bone Spring/Pool Code 5695
Statewide rules and current horizontal well rules
Quarter-quarter sections/40 acres
Horizontal
320 acres
40 acres
South-North
E/2E/2 §10 and E/2E/2 §3-22S-32E, NMPM, Lea County
Yes
No
No
Exhibits C-2 and C-3
lina Cortell Fed. Com. Well No. 134H, API No. Pending HL: 274 FSL and 1340 FEL §10 HL: 60 feet FNL and 330 feet FEL TP: 100 FSL & 330 FEL §10 TP: 100 FNL & 330 FEL §3 one Spring Sand/TVD 10900 feet/MD 22000 feet

Received by OCD: 7/5/2022 8:18:32 PM	Page 36 of
Horizontal Well First and Last Take Points	See above
Completion Target (Formation, TVD and MD)	See above
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit C, page 4
Requested Risk Charge	Cost + 200%/Exhibit A, Case No. 21796
Notice of Hearing	Cost i 20070/ Eximple A, case No. 21750
Proposed Notice of Hearing	Exhibit A
Proof of Mailed Notice of Hearing (20	EXHIBICA
days before hearing)	Exhibit B
Proof of Published Notice of Hearing (10	EXHIBIT B
days before hearing)	Not necessary
Ownership Determination	Not necessary
Land Ownership Schematic of the	
Spacing Unit	Exhibits C-2 and C-3
Tract List (including lease numbers and	. A .
owners)	Exhibit C-2
Pooled Parties (including ownership	
type)	Exhibit C-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including	
percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit C-4
List of Interest Owners (i.e. Exhibit A of	
JOA)	Exhibit C-3
Chronology of Contact with Non-Joined Working Interests	Exhibit C-4
Overhead Rates In Proposal Letter	\$8000/\$800
Cost Estimate to Drill and Complete	Exhibit C-5
Cost Estimate to Brill and Complete	Exhibit C-5
Cost Estimate for Production Facilities	Exhibit C-5
Geology	EXHIBIT C-5
Summary (including special	
considerations)	Exhibit C
Spacing Unit Schematic	Exhibits C-1 and C-2
Gunbarrel/Lateral Trajectory Schematic	Exhibits C-1 and C-2 Exhibits D-2 and D-3
Well Orientation (with rationale)	Standup/Exhibit D
Target Formation	·
HSU Cross Section	Bone Spring Exhibit D-3
Depth Severance Discussion	
Forms, Figures and Tables	Not Applicable
C-102	Fubilitie C 4
C-102	Exhibit C-1

Tr Refer ived by OCD: 7/5/2022 8:18:32 PM	Exhibit C-1 and C-2 Page 37 of 5
Summary of Interests, Unit	
Recapitulation (Tracts)	Exhibits C-1 and C-3
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit C-1
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including	
wells)	Exhibit D-3
Cross Section (including Landing Zone)	Exhibit D-3
Additional Information	
CERTIFICATION: I hereby certify that the	
information provided in this checklist is	
complete and accurate.	
Printed Name (Attorney or Party	
Representative):	James Bruce
Signed Name (Attorney or Party	1dense
Representative):	James Burn
Date:	July 5, 2022

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

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

CASE NOS. 22848 and 22849

AFFIDAVIT OF ANDREW PARKER

Andrew Parker, of lawful age and being first duly sworn, declares as follows:

- 1. My name is Andrew Parker and I am employed by MRC Energy Company, an affiliate of Matador Production Company ("Matador"), as a Vice President of Geology.
- 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 Third 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'.

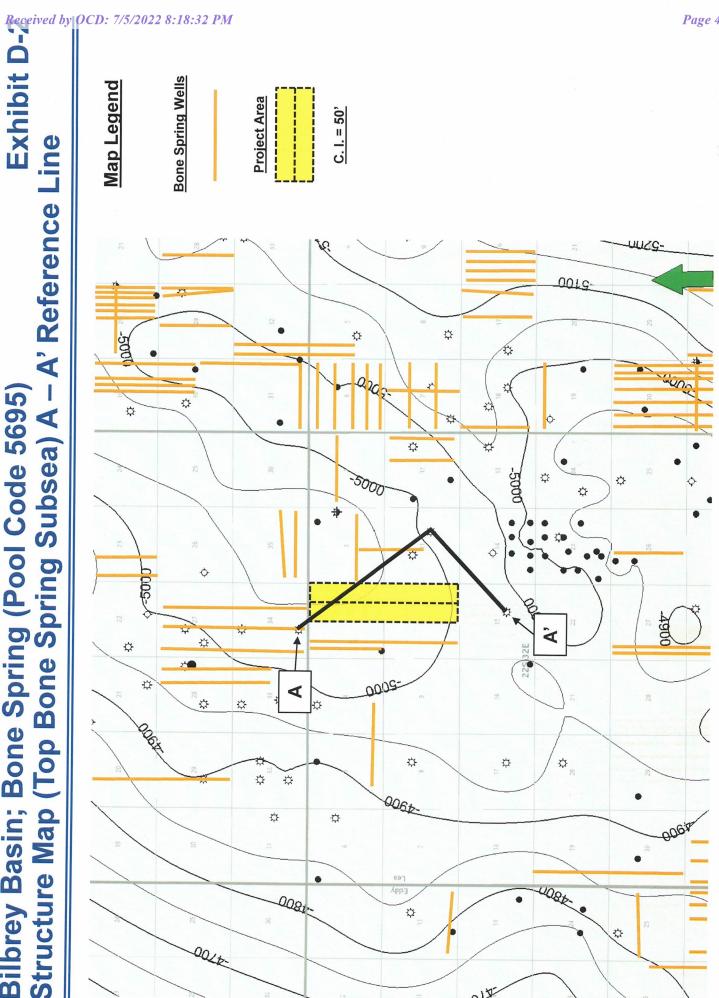
EXHIBIT D

- 7. **Matador Exhibit D-3** is a structural cross-section that I prepared displaying openhole 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 moreor-less equally to production from each respective horizontal spacing unit.
- 10. 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.
- 11. Approving Matador's applications will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.
- 12. **Matador Exhibits D-1 through 3** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT

ANDREW PARKER

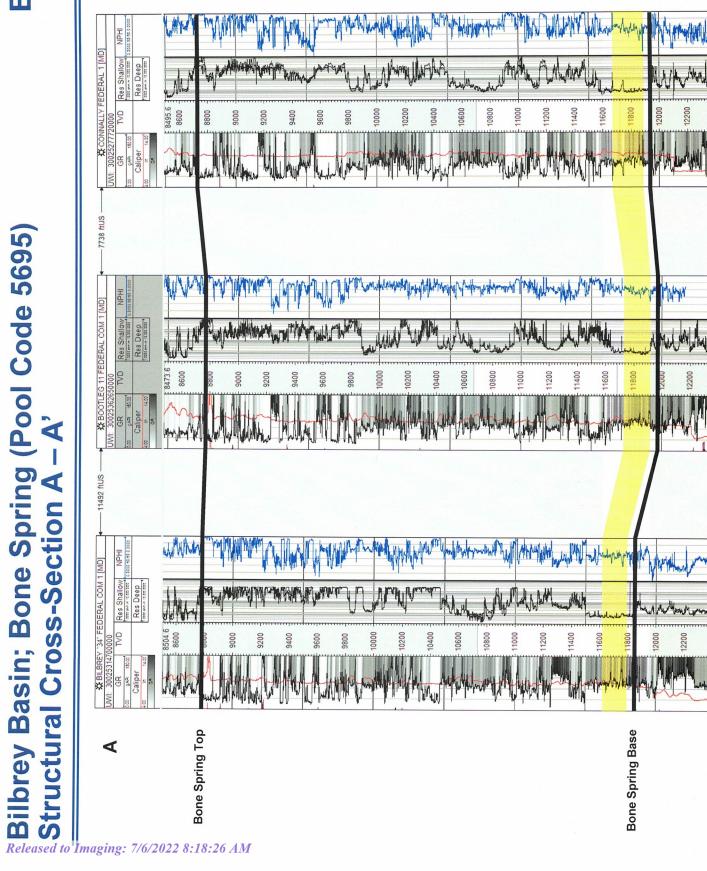
Structure Map (Top Bone Spring Subsea) A – A' Reference Line Bilbrey Basin; Bone Spring (Pool Code 5695)



Released to Imaging: 7/6/2022 8:18:26 AM

Nina Cortell #133H and #134H Target

Received by OCD: 7/5/2022 8:18:32 PM



Nina Cortell #133H and #134H

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

APPLICATIONS OF MATADOR PRODUCTION COMPANY TO AMEND ORDERS FOR COMPULSORY POOLING LEA COUNTY, NEW MEXICO.

Case No. 22848 - 22849

COUNTY OF SANTA FE)
STATE OF NEW MEXICO)
James Bruce deposes and states:
1. I am over the age of 18, and have personal knowledge of the matters stated herein
2. I am an attorney for Matador Production Company.
3. Matador Production Company has conducted a good faith, diligent effort to fin the name and correct addresses of the interest owners entitled to receive notice of the applications filed herein.
4. Notice of the applications was provided to the interest owner, at its last know address, by certified mail. Copies of the notice letter and certified return receipt are attache hereto as Attachment A.
5. Matador Production has complied with the notice provisions of Division Rules.
6. I understand that this Self-Affirmed Statement will be used as written testimon in this case. I affirm that my testimony in paragraphs 1 through 5 above is true and correct and i made under penalty of perjury under the laws of the State of New Mexico. My testimony is mad as of the date handwritten next to my signature below. Date: Date: James Bruce
EXHIBIT

JAMES BRUCE ATTORNEY AT LAW

POST OFFICE BOX 1056 SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213 SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone) (505) 660-6612 (Cell) (505) 982-2151 (Fax)

jamesbruc@aol.com

June 16, 2022

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

ConocoPhillips Company 925 North Eldridge Parkway Houston, Texas 77079

Ladies and gentlemen:

Enclosed is a copy of an application filed with the New Mexico Oil Conservation Division by Matador Production Company (Case No. 22848) seeking an order amending Order No. R-21666 to change the initial well to be drilled from the Nina Cortell Fed. Com. Well No. 127H to the Nina Cortell Fed. Com. Well No. 133H. Order No. R-21666 pooled mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2E/2 of Section 3 and the W/2E/2 of Section 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico

This matter is scheduled for hearing at 8:15 a.m. on Thursday, July 7, 2022. During the COVID-19 Public Health Emergency, state buildings are closed to the public and the hearing will be conducted remotely. To determine the location of the hearing or to participate in an electronic hearing, go to emnrd.state.nm.us/OCD/hearings or see the instructions posted on the Division's website, http://emnrd.state.nm.us/OCD/announcements.html. You are not required to attend this hearing, but as an owner of an interest who may be affected by the application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting this matter at a later date. A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement five business days before the hearing date. This statement may be filed online with the Division at ocd.hearings@state.nm.us, and should include: The name of the party and his or her attorney; a concise statement of the case; the name of the witness(es) the party will call to testify at the hearing; the approximate time the party will need to present his or her case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours,

James Bruce

Attorney for Matador Production Company

SENDER: COMPLETE THIS SECTION Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the address on the reverse so that we can return daddress on the reverse or on the front if space permits. A. Signature A. Signature X. U. O. B. B. Received by (Printed Name) B. Received by (Printed Name) Concoor Print is space permits. 1. Article Addressed to: 1. Article Addressed to: Concoor Print is space permits. Concoor Print is delivery address below: S. Service Type Adult Signature Contrider Main Restricted Delivery Concord Delivery Concoor Print is delivery address below: Concoor Print is delivery address below: S. Service Type Adult Signature Contrider Main Restricted Delivery Concord Delivery Concoor Print is delivery Concoor Print is pace permits. Concoor	A. Signature A. Signature B. Received by (Printed Name) C. Date of Delivery C. Date of De
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JAMES BRUCE ATTORNEY AT LAW

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jamesbruc@aol.com

June 16, 2022

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

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed is a copy of an application filed with the New Mexico Oil Conservation Division by Matador Production Company (Case No. 2284) seeking an order amending Order No. R-21667 to change the initial well to be drilled from the Nina Cortell Fed. Com. Well No. 128H to the Nina Cortell Fed. Com. Well No. 134H. Order No. R-21667 pooled mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2E/2 of Section 3 and the E/2E/2 of Section 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico This matter is scheduled for hearing at 8:15 a.m. on Thursday, July 7, 2022. During the COVID-19 Public Health Emergency, state buildings are closed to the public and the hearing will be conducted remotely. To determine the location of the hearing or to participate in an electronic hearing, go to emnrd.state.nm.us/OCD/hearings or see the instructions posted the Division's website. http://emnrd.state.nm.us/OCD/announcements.html. You are not required to attend this hearing, but as an owner of an interest who may be affected by the application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting this matter at a later date. A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement five business days before the hearing date. This statement may be filed online with the Division at ocd.hearings@state.nm.us, and should include: The name of the party and his or her attorney; a concise statement of the case; the name of the witness(es) the party will call to testify at the hearing; the approximate time the party will need to present his or her case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours,

Attorney for Matador Production Company

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WPX Energy Permian, LLC 3500 One Williams Center Tulsa, OK 74172

Fortson Oil Company 301 Commerce St., Suite 3301 Fort Worth, Texas 76102

J. Hiram Moore, Ltd. 16400 Dallas Pkwy., Suite 400 Dallas, Texas 75248

MHM Resources, LP P.O. Box 51570 Midland, TX 79710

Pheasant Energy, LLC
P.O. Box 2487
Fort Worth, TX 76113

Robert G. Hooper
P.O. Box 733
Roswell, New Mexico 88202

Curtis A. and Edna I. Anderson 3807 S. County Road 1135 Midland, TX 79706 Daniel E. Gonzalez
P.O. Box 2475
Santa Fe, NM 87504

ConocoPhillips Company 925 North Eldridge Parkway Houston, Texas 77079

EXHIBIT \bigwedge

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JAMES BRUCE ATTORNEY AT LAW

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jamesbruc@aol.com

June 16, 2022

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

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed is a copy of an application filed with the New Mexico Oil Conservation Division by Matador Production Company (Case No. 22849) seeking an order amending Order No. R-21667 to change the initial well to be drilled from the Nina Cortell Fed. Com. Well No. 128H to the Nina Cortell Fed. Com. Well No. 134H. Order No. R-21667 pooled mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2E/2 of Section 3 and the E/2E/2 of Section 10, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico This matter is scheduled for hearing at 8:15 a.m. on Thursday, July 7, 2022. During the COVID-19 Public Health Emergency, state buildings are closed to the public and the hearing will be conducted remotely. To determine the location of the hearing or to participate in an electronic hearing, go to emnrd.state.nm.us/OCD/hearings or see the instructions posted the Division's website. http://emnrd.state.nm.us/OCD/announcements.html. You are not required to attend this hearing, but as an owner of an interest who may be affected by the application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting this matter at a later date. A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement five business days before the hearing date. This statement may be filed online with the Division at ocd.hearings@state.nm.us, and should include: The name of the party and his or her attorney; a concise statement of the case; the name of the witness(es) the party will call to testify at the hearing; the approximate time the party will need to present his or her case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours,

James Bruce

Attorney for Matador Production Company

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WPX Energy Permian, LLC

333 West Sheridan Avenue

Oklahoma City, Oklahoma 73102

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