

Application

Received: 10/29/2019

This application is placed in file for record. It MAY or MAY NOT have been reviewed to be determined Administratively Complete

GSCMI-191029-C-107B 622

Revised March 23, 2017

RECEIVED: 10/29/19	REVIEWER: DM	TYPE: PLC	APP NO: pDM1931237230
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

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

**ADMINISTRATIVE APPLICATION CHECKLIST**

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

Applicant: Matador Production Company **OGRID Number:** 228937
Well Name: Leo Thorsness 13-24S-33E AR #135H, #221H **API:** 30-025-46282, 46154
Pool: Red Hills; Bone Spring, North; WC-025 G-09 S243310P; Wolfcamp **Pool Code:** 96434; 98135

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

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
 A. Location – Spacing Unit – Simultaneous Dedication
☐ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD

- B. Check one only for [I] or [II]
 [I] Commingling – Storage – Measurement
☐ DHC ☒ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
 [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.

- A. ☒ Offset operators or lease holders
 B. ☒ Royalty, overriding royalty owners, revenue owners
 C. ☐ Application requires published notice
 D. ☐ Notification and/or concurrent approval by SLO
 E. ☐ Notification and/or concurrent approval by BLM
 F. ☐ Surface owner
 G. ☒ For all of the above, proof of notification or publication is attached, and/or,
 H. ☐ No notice required

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

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

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

Kaitlyn A. Luck

Print or Type Name

Signature

10/29/19

Date

505-954-7286

Phone Number

KALuck@hollandhart.com

e-mail Address



October 29, 2019

VIA ONLINE FILING

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

Re: Application of Matador Production Company to Amend Administrative Order CTB-854 to Include Additional Diversely Owned Well, Lease, and Pool to the Leo Thorsness Central Tank Battery Located in the NW/4 NW/4 (Unit D) of Section 13, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico.

Dear Ms. Sandoval:

Matador Production Company (OGRID No. 228937) ("Matador") seeks to amend Administrative Order CTB-854 as provided in this letter.

First, Matador requests the following well be **added** to Administrative Order CTB-854 (attached as **Exhibit 1**): **Leo Thorsness 13-24S-33E AR #221H well** (API No. 30-025-46154), which is located in the 160-acre, more or less, pacing unit in W/2 W/2 of Section 13 and is producing in the WC-025 G-09 S243310P; Upper Wolfcamp Pool (98135) previously approved by Order CTB-854. As provided in Order CTB-854, Matador will also submit a Sundry Notice to the Engineering Bureau of the Division reflecting this additional well that will produce from the subject pool within the spacing unit approved by Order CTB-854.

Second, pursuant to 19.15.12.10(C)(4)(g) NMAC, Matador seeks to amend the terms of Order CTB-854 to obtain administrative approval for pool and lease commingling at the Leo Thorsness Central Tank Battery of production from the Red Hills; Bone Spring, North (96434) pool from *all existing and future wells drilled in the following "leases"*:

(a) The 160-acre, more or less, spacing unit in the Bone Spring formation underlying the W/2 W/2 of Section 13. The spacing unit is currently dedicated to the **Leo Thorsness 13-24S-33E AR #135H well** (API No. 30-025-46282).

(b) Pursuant to 19.15.12.10.C(4)(g), *future spacing units connected to this central tank battery* with notice provided only to the interest owners within these future "leases."

Oil and gas production from these "leases" will be commingled and sold at the Leo Thorsness Central Tank Battery located in the NW/4 NW/4 (Unit D) of Section 13. Prior to commingling,

gas production from each “lease” will be separately metered using individual test separators with calibrated orifice meters that are manufactured to AGA specifications. Oil production from each “lease” will also be separately metered using turbine meters.

Exhibit 2 is a land plat showing Matador’s current development plan, flow lines, and central tank battery (“production facility”) in the subject area. The plat identifies the wellbores, the existing spacing units, and the common surface facilities located in the **NW/4 NW/4 (Unit D) of Section 13**.

Exhibit 3 is a C-102 for each of the wells that are currently permitted or drilled within the existing spacing units approved under Order CTB-854, as well as the C-102 for the **Leo Thorsness 13-24S-33E AR #135H well** and the **Leo Thorsness 13-24S-33E AR #221H well**, together with the available six-month production reports.

Exhibit 4 is a completed Application for Surface Commingling (Diverse Ownership) Form C-107-B, that includes a statement from Benjamin D. Peterson, P.E., Senior Production Engineer with Matador, identifying the facilities and the measurement devices to be utilized, a detailed schematic of the surface facilities (attachment A to the statement) and a referenced gas sample (attachment B to the statement).

Exhibit 5 is a list of the interest owners (including any owners of royalty or overriding royalty interests) affected by this application, an example of the letters sent by certified mail advising the interest owners that any objections must be filed in writing with the Division within 20 days from the date the Division receives this application, and proof of mailing.

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

Sincerely,



Kaitlyn A. Luck
**ATTORNEY FOR MATADOR PRODUCTION
COMPANY**



Kaitlyn A. Luck
Phone (505) 954-7286
Fax (505) 819-5579
kaluck@hollandhart.com

October 29, 2019

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PARTIES

Re: Application of Matador Production Company to Amend Administrative Order CTB-854 to Include Additional Diversely Owned Well, Lease, and Pool to the Leo Thorsness Central Tank Battery Located in the NW/4 NW/4 (Unit D) of Section 13, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application, which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date at the Division's Santa Fe office located at 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Brian Fancher
Matador Production Company
972-371-5242
bfancher@matadorresources.com

Sincerely,

A handwritten signature in blue ink, appearing to read "Kaitlyn Luck", written over a horizontal line.

Kaitlyn A. Luck
ATTORNEY FOR
MATADOR PRODUCTION COMPANY

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley, Division Director
Oil Conservation Division



April 12, 2018

MATADOR PRODUCTION COMPANY
Attention: Mr. Michael Feldewert

CENTRAL TANK BATTERY

Administrative Order CTB-854
Administrative Application Reference No. pMAM1808139394

Reference your application of March 21, 2018

The Oil Conservation Division (Division) authorizes Matador Production Company (OGRID 228937) (Matador) for off-lease storage and off-lease marketing for surface commingled oil and gas production from the WC-025 G-09 S243310P; Upper Wolfcamp pool (pool code 98135) from the following diversely-owned leases located in Township 24 South, Range 33 East, Lea County, New Mexico.

Lease: Leo Thorsness AR 13 24 33 Well No. 211H Lease
Description: W/2 W/2 of Section 13
Well: Leo Thorsness 13 24 33 Well No. 211H API No. 30-025-43532

Lease: Strong 24 24 33 AR Well No. 214H
Description: E/2 E/2 of Section 14
Well: Strong 14 24 33 AR Well No. 214H API No. 30-025-44442

The commingled oil and gas production from the wells detailed above shall be measured and sold at the Leo Thorsness AR 13 24 33 Well No. 211H Central Tank Battery (CTB), in D-13-24S-33E.

Production from the subject wells shall be determined as follows.

1. The oil and gas production from each of the diversely-owned leases shall be measured with allocation meters.
2. The oil and gas production from each well will flow into a dedicated 3-phase separator. The production stream will be separated into three independent streams and each stream will be measured individually after it exits the separator, before commingling.
3. The allocation meters shall be calibrated quarterly in per Paragraph (2) of Subsection C of 19.15.12.10 NMAC.

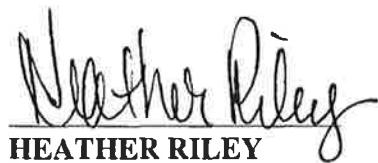


For future additions of wells, leases, and pools to this commingling operation, Matador shall notify to those interest owners in the wells, leases or pools to be added, per Subparagraph (g) of Paragraph (4) of Subsection C of 19.15.12.10 NMAC.

Matador may add future wells that produce from the subject pool within the project areas approved by this order to this commingling authority by submitting of a Sundry Notice to the Engineering Bureau of the Division in Santa Fe.

Matador shall be install and operate these facilities per Division rules. Matador shall notify the transporter of this commingling authority.

Matador shall notify the Hobbs District Office of the Division prior to starting commingling operations.

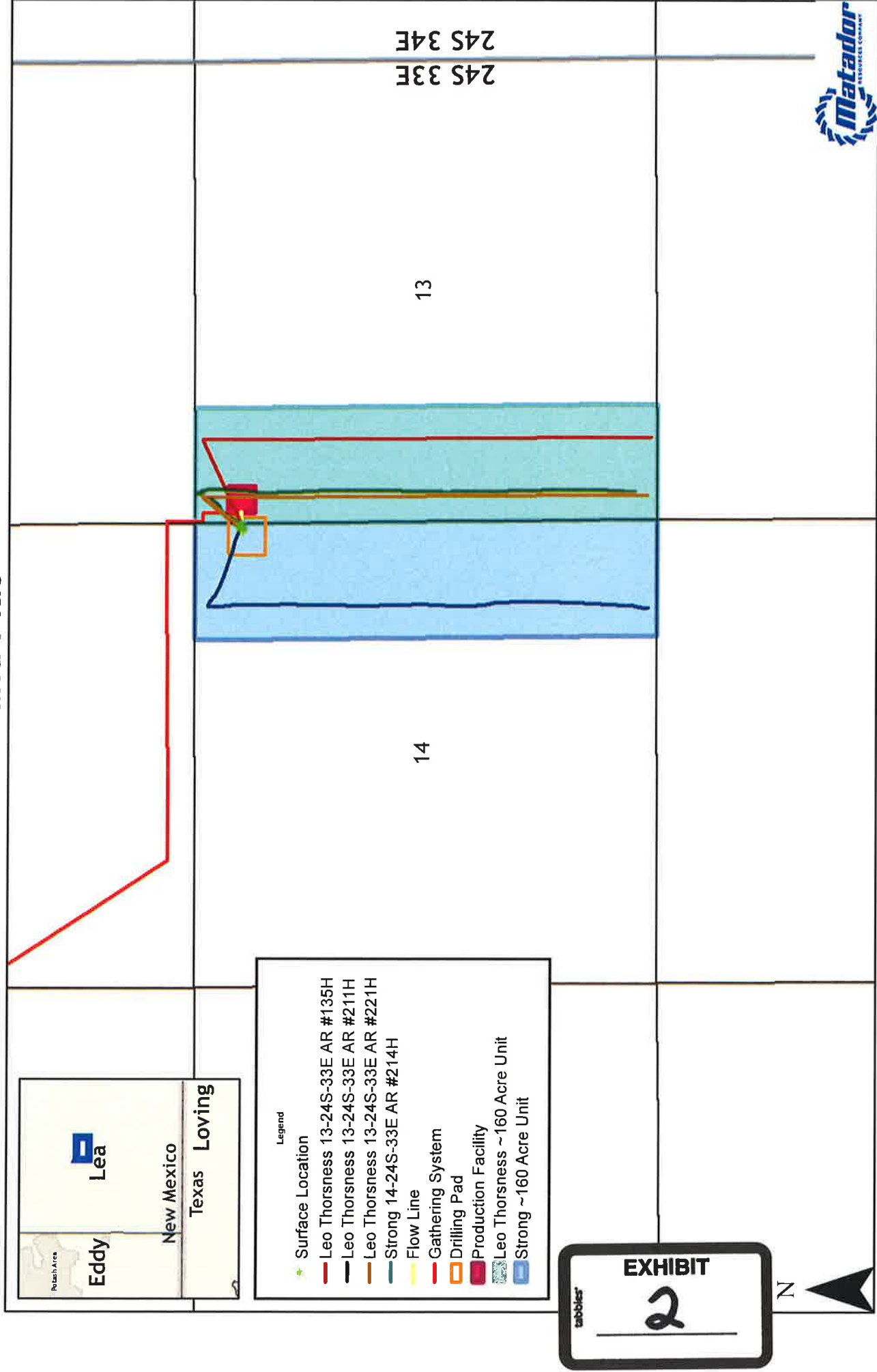


HEATHER RILEY
Director

HR/mam/rbb

cc: Oil Conservation Division – Hobbs

Strong / Leo Thorsness Land Plat



Southeast New Mexico

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) 748-0720
District III
1000 Rio Higos 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

OCD - HOBBS
08/05/2019
RECEIVED

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-46282	² Pool Code 96434	³ Pool Name Red Hills; Bone Spring, North
⁴ Property Code 326014	⁵ Property Name LEO THORSNESS 13-24S-33E AR	
⁶ GRID No. 228937	⁷ Operator Name MATADOR PRODUCTION COMPANY	⁸ Well Number #135H
		⁹ Elevation 3602'

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	33-E	-	569'	NORTH	35'	EAST	LEA

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
M	13	24-S	33-E	-	60'	SOUTH	990'	WEST	LEA

¹² Dedicated Acres 160	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.

	FIRST PERFORATION POINT NEW MEXICO EAST NAD 1927 X=748138 Y=446300 LAT.: N 32.2244499 LONG.: W 103.5309247 NAD 1983 X=789322 Y=446359 LAT.: N 32.2245738 LONG.: W 103.5314019	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature Date 7/23/19 Chris Carleton Printed Name ccarleton@matadorresources.com E-mail Address
	SURFACE LOCATION NEW MEXICO EAST NAD 1927 X=747117 Y=445826 LAT.: N 32.2231675 LONG.: W 103.5342384 NAD 1983 X=788301 Y=445885 LAT.: N 32.2232914 LONG.: W 103.5347156	18 SURVEYOR CERTIFICATION 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. 07/18/2019 Date of Survey Signature and Seal of Professional Surveyor Certificate Number
LAST PERFORATION POINT NEW MEXICO EAST NAD 1927 X=748178 Y=441228 LAT.: N 32.2105069 LONG.: W 103.5309172 NAD 1983 X=789363 Y=441287 LAT.: N 32.2106309 LONG.: W 103.5313935	BOTTOM HOLE LOCATION NEW MEXICO EAST NAD 1927 X=747969 Y=441187 LAT.: N 32.2103990 LONG.: W 103.5315961 NAD 1983 X=789363 Y=441247 LAT.: N 32.2105209 LONG.: W 103.5313934	

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S:\SURVEY\MATADOR_RESOURCE\LEO_THORSNESS_13-24S-33E\FINAL_PRODUCT\BLO_LEO_THORSNESS_13-24S-33E_AR_135H.DWG

EXHIBIT

3

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

HOBBES OCD
MAR 13 2018
RECEIVED

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 30-025-43532	² Pool Code 98135	³ Pool Name WC-025 G-09 S243310P; UPPER WOLFCAMP
⁴ Property Code 320069	⁵ Property Name LEO THORSNESS 13-24S-33E AR	⁶ Well Number #211H
⁷ GRID No. 228937	⁸ Operator Name MATADOR PRODUCTION COMPANY	⁹ Elevation 3601'

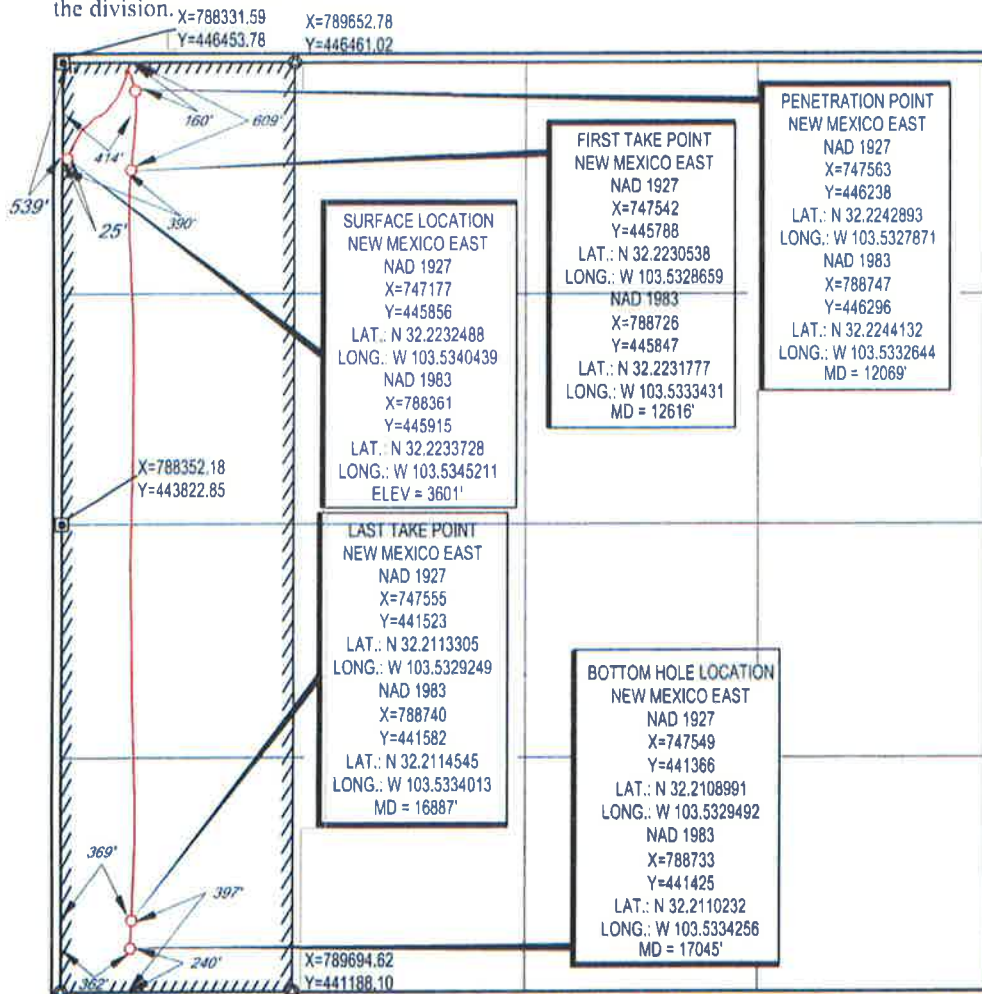
¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	13	24-S	33-E	-	539'	NORTH	25'	WEST	LEA

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	13	24-S	33-E	-	240'	SOUTH	362'	WEST	LEA

¹¹ Dedicated Acres 160	¹² Joint or Infill	¹³ Consolidation Code	¹⁴ 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.



¹⁷OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *Chris Carleton* Date: 03/09/18

Chris Carleton
Printed Name

c.carleton@matadorresources.com
E-mail Address

¹⁸SURVEYOR CERTIFICATION

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.

Date of Survey: 06/12/2017
Signature and Seal of Professional Surveyor: *Michael Brown*
Certificate Number: 18329

X=788373.62
Y=441183.12

Production Summary Report API: 30-025-43532 LEO THORNESS 13 24 33 #211H Printed On: Monday, October 28 2019												
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Injection				Other	Pressure
2018	[98135] WC-025 G-09 S243310P;UPPER WOLFCAMP	Feb	2294	4993	9904	28					0	0
2018	[98135] WC-025 G-09 S243310P;UPPER WOLFCAMP	Mar	50827	105303	57004	31					0	0
2018	[98135] WC-025 G-09 S243310P;UPPER WOLFCAMP	Apr	32676	72083	29643	30					0	0
2018	[98135] WC-025 G-09 S243310P;UPPER WOLFCAMP	May	26679	60949	23420	31					0	0
2018	[98135] WC-025 G-09 S243310P;UPPER WOLFCAMP	Jun	20725	48160	18040	30					0	0
2018	[98135] WC-025 G-09 S243310P;UPPER WOLFCAMP	Jul	18950	43070	17212	31					0	0
2018	[98135] WC-025 G-09 S243310P;UPPER WOLFCAMP	Aug	16760	39226	15689	31					0	0
2018	[98135] WC-025 G-09 S243310P;UPPER WOLFCAMP	Sep	14098	32552	12649	29					0	0
2018	[98135] WC-025 G-09 S243310P;UPPER WOLFCAMP	Oct	10108	23804	14978	22					0	0
2018	[98135] WC-025 G-09 S243310P;UPPER WOLFCAMP	Nov	12982	29389	13794	30					0	0
2018	[98135] WC-025 G-09 S243310P;UPPER WOLFCAMP	Dec	13995	35086	20868	31					0	0
2019	[98135] WC-025 G-09 S243310P;UPPER WOLFCAMP	Jan	12171	32672	15070	31					0	0
2019	[98135] WC-025 G-09 S243310P;UPPER WOLFCAMP	Feb	9732	26546	12252	28					0	0

2019	[98135] WC-025 G-09 S243310P;UPPER WOLFCAMP	Mar	7556	18411	8139	20		0	0	0	0	0
2019	[98135] WC-025 G-09 S243310P;UPPER WOLFCAMP	Apr	11905	31255	17966	29		0	0	0	0	0
2019	[98135] WC-025 G-09 S243310P;UPPER WOLFCAMP	May	10096	27849	11995	31		0	0	0	0	0
2019	[98135] WC-025 G-09 S243310P;UPPER WOLFCAMP	Jun	8692	24445	11114	30		0	0	0	0	0
2019	[98135] WC-025 G-09 S243310P;UPPER WOLFCAMP	Jul	7603	22306	8873	31		0	0	0	0	0
2019	[98135] WC-025 G-09 S243310P;UPPER WOLFCAMP	Aug	7926	20458	9719	31		0	0	0	0	0

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

NM OIL CONSERVATION

ARTESIA DISTRICT

FORM C-102

Revised August 1, 2011

DEC 10 2018 Submit one copy to appropriate

District Office

RECEIVED

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-44442	² Pool Code 98135	³ Pool Name WC-025 G-09 S243310P; UPPER WOLFCAMP
⁴ Property Code 320710	⁵ Property Name STRONG 14-24S-33E AR	
⁶ GRID No. 228937	⁷ Operator Name MATADOR PRODUCTION COMPANY	⁸ Well Number #214H ⁹ Elevation 3603'

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	33-E	-	539'	NORTH	5'	EAST	LEA

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	14	24-S	33-E	-	103'	SOUTH	974'	EAST	LEA

¹¹ Dedicated Acres 160	¹² Joint or Infill	¹³ Consolidation Code	¹⁴ 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.

<p>¹⁶</p> <p>DETAIL VIEW A SCALE: 1" = 20'</p> <p>DETAIL VIEW B SCALE: 1" = 200'</p>	<p>KICK OFF POINT NEW MEXICO EAST NAD 1927 X=746229 Y=446238 LAT.: N 32.2243165 LONG.: W 103.5371007 NAD 1983 X=787413 Y=446296 LAT.: N 32.2244404 LONG.: W 103.5375780 MD = 11768'</p> <p>PENETRATION POINT NEW MEXICO EAST NAD 1927 X=746226 Y=446126 LAT.: N 32.2240084 LONG.: W 103.5371128 NAD 1983 X=787410 Y=446184 LAT.: N 32.2241323 LONG.: W 103.5375901 MD = 12194'</p> <p>FIRST TAKE POINT NEW MEXICO EAST NAD 1927 X=746226 Y=446120 LAT.: N 32.2239917 LONG.: W 103.5371127 NAD 1983 X=787410 Y=446178 LAT.: N 32.2241157 LONG.: W 103.5375900 MD = 12204'</p> <p>LAST TAKE POINT NEW MEXICO EAST NAD 1927 X=746233 Y=441374 LAT.: N 32.2109485 LONG.: W 103.5372019 NAD 1983 X=787418 Y=441433 LAT.: N 32.2110725 LONG.: W 103.5376784 MD = 17034'</p>	<p>SURFACE LOCATION NEW MEXICO EAST NAD 1927 X=747147 Y=445856 LAT.: N 32.2232496 LONG.: W 103.5341409 NAD 1983 X=788331 Y=445915 LAT.: N 32.2233735 LONG.: W 103.5346180</p> <p>BOTTOM HOLE LOCATION NEW MEXICO EAST NAD 1927 X=746214 Y=441219 LAT.: N 32.2105224 LONG.: W 103.5372664 NAD 1983 X=787399 Y=441278 LAT.: N 32.2106464 LONG.: W 103.5377429 MD = 17191'</p>	<p>¹⁷OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Chris Carleton</i> 10/24/18 Signature Date</p> <p>Chris Carleton Printed Name</p> <p>ccarleton@matadorresources.com E-mail Address</p> <p>¹⁸SURVEYOR CERTIFICATION</p> <p>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.</p> <p>02/04/2018 Date of Survey Signature and Seal of Professional Surveyor MICHAEL E. BROWN NEW MEXICO 18329 PROFESSIONAL SURVEYOR</p> <p>Certificate Number</p>
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Production Summary Report API: 30-025-44442 STRONG 14 24 33 AR #214H Printed On: Monday, October 28 2019												
Year	Pool	Month	Production				Days P/I	Injection				
			Oil(BBLS)	Gas(MCF)	Water(BBLS)			Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure
2018	[98135] WC-025 G-09 S243310P;UPPER WOLFCAMP	Oct	47822	94291	61034	31			0	0	0	0
2018	[98135] WC-025 G-09 S243310P;UPPER WOLFCAMP	Nov	48034	90392	40586	30			0	0	0	0
2018	[98135] WC-025 G-09 S243310P;UPPER WOLFCAMP	Dec	39172	74963	31479	31			0	0	0	0
2019	[98135] WC-025 G-09 S243310P;UPPER WOLFCAMP	Jan	29943	56793	24336	31			0	0	0	0
2019	[98135] WC-025 G-09 S243310P;UPPER WOLFCAMP	Feb	22733	46141	19440	28			0	0	0	0
2019	[98135] WC-025 G-09 S243310P;UPPER WOLFCAMP	Mar	21387	46482	18762	31			0	0	0	0
2019	[98135] WC-025 G-09 S243310P;UPPER WOLFCAMP	Apr	18018	41100	15407	30			0	0	0	0
2019	[98135] WC-025 G-09 S243310P;UPPER WOLFCAMP	May	16371	38413	13213	31			0	0	0	0
2019	[98135] WC-025 G-09 S243310P;UPPER WOLFCAMP	Jun	14124	33666	12225	30			0	0	0	0
2019	[98135] WC-025 G-09 S243310P;UPPER WOLFCAMP	Jul	11923	27512	9732	28			0	0	0	0
2019	[98135] WC-025 G-09 S243310P;UPPER WOLFCAMP	Aug	15363	40946	15359	31			0	0	0	0

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 70-025-46164	² Pool Code 98135	³ Pool Name WC-025 G-09 S2433310P; Upper Wolfcamp
⁴ Property Code 720069	⁵ Property Name LEO THORSNESS 13-24S-33E AR	⁶ Well Number 221H
⁷ GRID No. 228937	⁸ Operator Name MATADOR PRODUCTION COMPANY	⁹ Elevation 3602'

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	33-E	-	539'	NORTH	35'	EAST	LEA

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
M	13	24-S	33-E	-	60'	SOUTH	780'	WEST	LEA

¹² Dedicated Acres 160	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.

	¹⁶ FIRST PERFORATION POINT NEW MEXICO EAST NAD 1927 X=747928 Y=446299 LAT.: N 32.2244510 LONG.: W 103.5316038 NAD 1983 X=789112 Y=446358 LAT.: N 32.2245750 LONG.: W 103.5320810	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature Date 6/5/19 Chris Carleton Printed Name ccarleton@matadorresources.com E-mail Address
	¹⁸ BOTTOM HOLE LOCATION NEW MEXICO EAST NAD 1927 X=747968 Y=441227 LAT.: N 32.2105090 LONG.: W 103.5315961 NAD 1983 X=789153 Y=441286 LAT.: N 32.2106330 LONG.: W 103.5320725	

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised August 1, 2011

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

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

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

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

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

LEASE TYPE: ☒ Fee ☐ State ☐ Federal

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

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

(1) Pool Names and Codes	Gravities / BTU of Non- Commingled Production	Calculated Gravities / BTU of Commingled Production	Calculated Value of Commingled Production	Volumes
Red Hills; Bone Spring North (96434)	42 °	44.7 ° oil	\$53.83/bbl oil (July '19 realized price)	985 bopd
Red Hills; Bone Spring North (96434)	1250 BTU/CF			1880 mcf/d
WC-025 G-09 S243310P; Upper Wolfcamp (98135)	46.4°	1,250 BTU/CF	\$1.26/Mcf (May '19 realized price)	1530 bopd
WC-025 G-09 S243310P; Upper Wolfcamp (98135)	1250 BTU/CF			3950 mcf/d

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

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

- (1) Pool Name and Code- Red Hills; Bone Spring North (96434), WC-025 G-09 S243310P; Upper Wolfcamp (Gas) Code: 98135
(2) Is all production from same source of supply? ☐ Yes ☒ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No
(4) Measurement type: ☒ Metering ☐ Other (Specify)

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

- (1) Complete Sections A and E.

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

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

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

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

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

SIGNATURE: Ben Peterson TITLE: Senior Production Engineer DATE: 10/28/19

TYPE OR PRINT NAME Ben Peterson TELEPHONE NO.: (972) 371-5427

E-MAIL ADDRESS: bpeterson@matadorresources.com

EXHIBIT

4

Matador Production Company

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

Voice 972.371.5427 • Fax 972.371.5201

bpeterson@matadorresources.com

Benjamin D. Peterson, P.E.
Senior Production Engineer

October 25, 2019

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

Re: Application of Matador Production Company for administrative approval for off-lease measurement and approval to surface commingle (lease and pool commingle) production from the spacing units comprising the E/4 of Section 14 and the W/4 of Section 13, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico (the “Lands”)

To Whom This May Concern,

Matador Production Company (“Matador”), OGRID: 228937, requests to commingle current oil and gas production from four distinct wells located on the Lands and future production from the Lands as described herein. All wells will be metered through individual three-phase separators with an oil turbine meter and gas orifice meter. The gas commingling will occur after individual measurement at each well. Gas exiting each separator flows into the Agave Gathering Line (Agave), as depicted on **Exhibit A**. Each well on the Lands will have its own test separator with an orifice meter manufactured and assembled in accordance with American Gas Association (AGA) specifications. All primary and secondary Electronic Flow Measurement (EFM) equipment is tested and calibrated by a reputable third party measurement company in accordance with industry specifications.

The orifice meter is the preferred measurement device utilized by midstream and E&P companies in natural gas measurement. The gas samples are obtained at the time of the meter testing/calibration and the composition and heating value are determined by a laboratory in accordance with American Petroleum Institute (API) specifications to ensure accurate volume and Energy (MMBTU) determinations. See example from Fesco Laboratory attached as **Exhibit B** hereto.

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

sent into a gathering line where it is commingled with each of the other wells' metered gas. The gathering line gas is then metered by another orifice meter at the tank battery check to show the total volume of gas leaving the tank battery. This meter is tested and calibrated in accordance with industry specifications and volume and energy are determined on an hourly, daily, and monthly basis. Once the gas exits this final tank battery sales check it travels directly into a third party sales connect meter. Agave has its own orifice meter that measures the gas for custody transfer. These meters are also calibrated periodically to ensure the measurement accuracy.

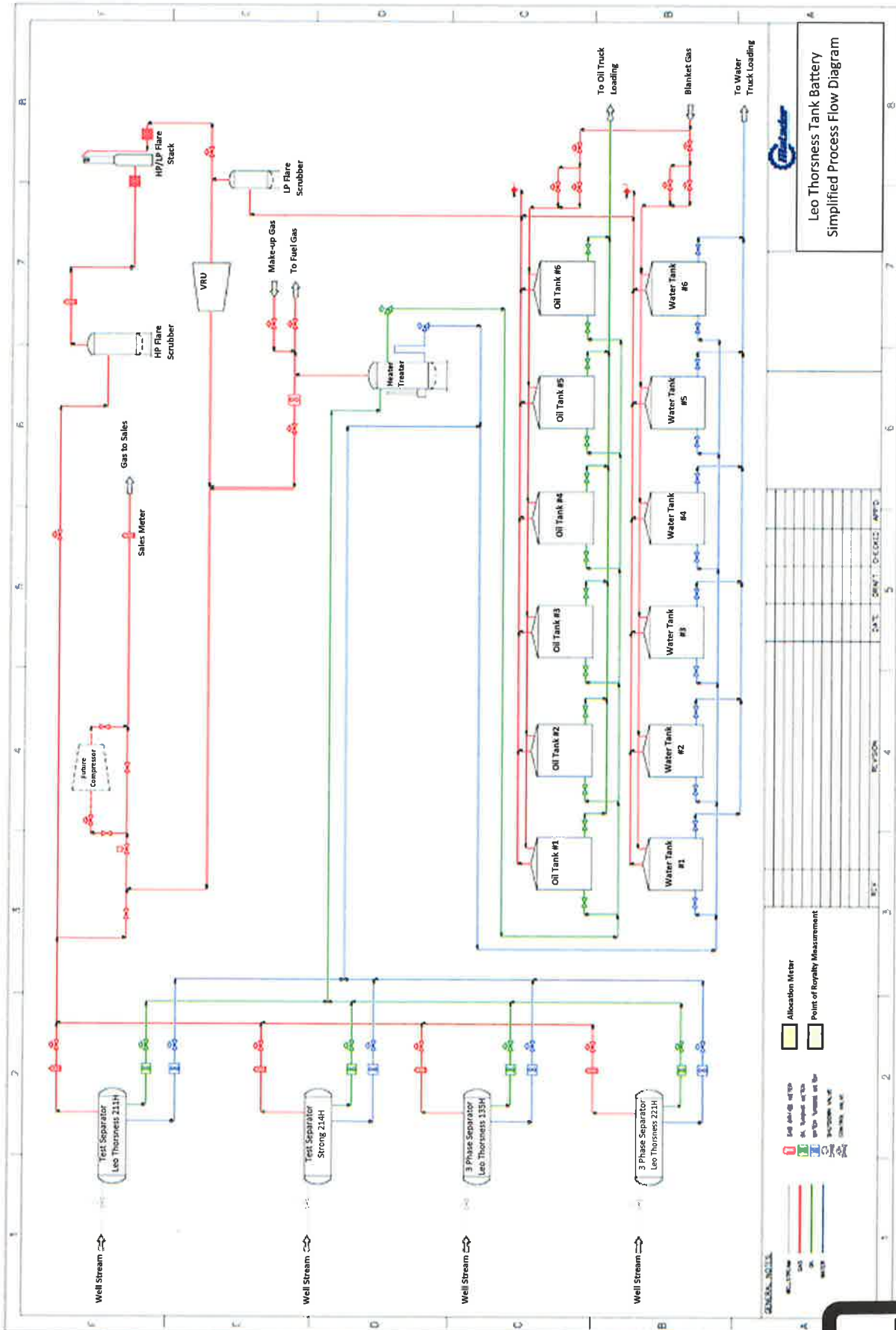
In conclusion, all the oil and gas produced on the Lands is and will be metered at each wellhead and allocated correctly using the same measurement equipment as the pipeline sales measurement specifications accepted by API as industry standard.

Very truly yours,

MATADOR PRODUCTION COMPANY

A handwritten signature in black ink, appearing to read "Ben Peterson", written in a cursive style.

Benjamin D. Peterson, P.E.
Sr. Production Engineer



Leo Thorsness Tank Battery
Simplified Process Flow Diagram

April 2, 2018



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

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

REPORT OF ASTM D-86 DISTILLATION

Oil/Condensate Sample: Leo Thorsness 13 24 33 No. 211H

Date Sampled: 3/13/2018

API Gravity @ 60 °F: 46.3°

Color: Dark Straw

Observed Initial Boiling Point: 91 °F

Percent Recovered	Temperature °F
10	202
20	249
30	302
40	374
50	464
60	546
70	637
80	716
90	---
95	---
End Point	728
Recovery:	85.0 %
Residue + Loss	15.0 %
Totals:	100.0 %

Thermal Decomposition at 85.0% Recovery and 728 Deg. F.

Certified: FESCO, Ltd. - Alice, Texas

A handwritten signature in black ink, appearing to read "David Dannhaus".

David Dannhaus (361) 661-7015

Lab Job No.: 81845.003



ADDR1	ADDR2	ADDR3	ADDR4	ADDR5
A Gene Lenamond	2105 Kipling	Baytown	Texas	77520
Alexander Castro	2723 Wagonwheel Dr	Carrollton	Texas	75006-4792
Ben Smith	2301 Autumn Oaks Trl	Arlington	Texas	76012
Betty Jean Holland and Horace Holland	PO Box 1806	Florence	Alabama	35631-1806
Breck Marshall	77 County Rd 4171	Pittsburg	Texas	75686-4427
Brian Arnold Jr. and Amanda Black Arnold	PO Box 50820	Midland	Texas	79710
Brili, LLC	109008 N 98th Way	Scottsdale	Arizona	85255
CrownRock Minerals, L.P.	PO Box 51933	Midland	Texas	79710
Daniel Castro	292 Pintail Pl	Gilmer	Texas	75645-7466
Edward Castro	292 Pintail Pl	Gilmer	Texas	75645-7466
Franklin Resources LP	1110 E Layton Ave	Englewood	Colorado	80113-7036
Gordon McMinn	1000 Amanda Drive	Mansfield	Texas	76063
IITGWI LLC	292 Pintail Pl	Gilmer	Texas	75645-7466
Jack Mauldin Jr	288 LCR 404	Groesbeck	Texas	76642-2658
Joe and Lela Williams 2001 Family Trust	1602 Mission Ave	Carlsbad	New Mexico	88220
Justin and Sara Nine	1900 Larkspur Dr.	Golden	Colorado	80401
Madison M Hinkle	PO Box 2292	Roswell	New Mexico	88202-2292
Martin G Nusser	PO Box 1925	Garden City	Kansas	67846-8945
McMullen Minerals LLC	PO Box 470857	Fort Worth	Texas	76147
Pegasus Resources LLC	PO Box 470698	Fort Worth	Texas	76147
Pitt Hunting Club LLC	292 Pintail Pl	Gilmer	Texas	75645-7466
Rolla R Hinkle III	PO Box 2292	Roswell	New Mexico	88202-2292
TRJ Investments LLC	PO Box 1003	Gilmer	Texas	75644-1033
Westco Family Limited Ptnrship, Stephanie Lynn				
Henson Bunn, President	PO Box 1888	Gilmer	Texas	75644-4888





Shipment Confirmation Acceptance Notice

A. Mailer Action

Note to Mailer: The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

MRC - Leo Thorsness 13-24S-33E AR 135H, 221H
CM# 83379.0001

Shipment Date: 10/29/2019

Shipped From:

Name: HOLLAND & HART LLP

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	24
Total	24

*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0018 0302 03



Firm Mailing Book For Accountable Mail

Name and Address of Sender		Check type of mail or service		Affix Stamp Here (If issued as an international certificate of mailing or for additional copies of this receipt). Postmark with Date of Receipt.													
USPS Tracking/Article Number		Addressee (Name, Street, City, State, & ZIP Code™)		Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee	
1.	9214 8901 9403 8397 3115 45	A Gene Lenamond 2105 Kipling Baytown TX 77520		0.65	3.50	Handling Charge - if Registered and over \$50.00 in value							1.60				
2.	9214 8901 9403 8397 3115 52	Alexander Castro 2723 Wagonwheel Dr Carrollton TX 75006-4792		0.65	3.50									1.60			
3.	9214 8901 9403 8397 3115 59	Ben Smith 2301 Autumn Oaks Trl Arlington TX 76012		0.65	3.50									1.60			
4.	9214 8901 9403 8397 3115 76	Betty Jean Holland and Horace Holland PO BOX 1606 Florence AL 35631-1606		0.65	3.50						Adult Signature Required	Adult Signature Restricted Delivery	Restricted Delivery	Return Receipt	Signature Confirmation	Signature Confirmation Restricted Delivery	Special Handling
5.	9214 8901 9403 8397 3115 83	Black Marshall 77 County Rd 4171 Pittsburg TX 75686-4427		0.65	3.50									1.60			
6.	9214 8901 9403 8397 3115 90	Brian Arnold Jr and Amanda Black Arnold PO BOX 50820 Midland TX 79710		0.65	3.50									1.60			
7.	9214 8901 9403 8397 3116 06	BRLI LLC 109008 N 98th Way Scottsdale AZ 85256		0.65	3.50									1.60			
8.	9214 8901 9403 8397 3116 13	CrowRock Minerals L P PO BOX 51933 Midland TX 79710		0.65	3.50									1.60			
Total Number of Pieces Listed by Sender 24		Total Number of Pieces Received at Post Office		Postmaster, Per (Name of receiving employee)													



Firm Mailing Book For Accountable Mail

Name and Address of Sender Holland & Hart LLP 110 N Guadalupe St # 1 Santa Fe NM 87501		Check type of mail or service <input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Priority Mail Express <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Priority Mail		Affix Stamp Here (If issued as an international certificate of mailing or for additional copies of this receipt). Postmark with Date of Receipt.													
USPS Tracking/Article Number		Addressee (Name, Street, City, State, & ZIP Code™)		Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee	
9.	9214 8901 9403 8397 3116 20	Daniel Castro 292 Petal Pl Gilmer TX 75645-7466		0.65	3.50	Handling Charge - if Registered and over \$50,000 in value							1.60				
10.	9214 8901 9403 8397 3116 37	Edward Castro 292 Petal Pl Gilmer TX 75645-7466		0.65	3.50								1.60				
11.	9214 8901 9403 8397 3116 44	Franklin Resources LP 1110 E Layton Ave Englewood CO 80113-7036		0.65	3.50								1.60				
12.	9214 8901 9403 8397 3116 51	Gordon McMinn 1000 Amanda Drive Mansfield TX 76063		0.65	3.50						Adult Signature Required	Adult Signature Restricted Delivery	Restricted Delivery	Return Receipt	Signature Confirmation	Signature Confirmation Restricted Delivery	Special Handling
13.	9214 8901 9403 8397 3116 68	BTGW LLC 292 Petal Pl Gilmer TX 75645-7466		0.65	3.50								1.60				
14.	9214 8901 9403 8397 3116 75	Jack Moulton Jr 288 LCR 404 Groesbeck TX 76642-2658		0.65	3.50								1.60				
15.	9214 8901 9403 8397 3116 82	Joe and Lela Williams 2001 Family Trust 1602 Mission Ave Carlsbad NM 88220		0.65	3.50								1.60				
16.	9214 8901 9403 8397 3116 99	Justin and Sara Hine 1900 Larkspur Dr Golden CO 80401		0.65	3.50							1.60					
Total Number of Pieces Listed by Sender 24		Total Number of Pieces Received at Post Office		Postmaster, Per (Name of receiving employee)													

**Firm Mailing Book For Accountable Mail**

Name and Address of Sender Holland & Hart LLP 110 N Guadalupe St # 1 Santa Fe NM 87501		Check type of mail or service <input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Priority Mail Express <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Insured Mail <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Priority Mail		Affix Stamp Here (If issued as an international certificate of mailing or for additional copies of this receipt). Postmark with Date of Receipt.												
USPS Tracking/Article Number		Addressee (Name, Street, City, State, & ZIP Code™)		Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee
17.	9214 8901 9403 8397 3117 05	Madison M Hinkle PO BOX 2292 Roswell NM 88202-2292		0.65	3.50	Handling Charge - if Registered and over \$50,000 in value							1.60			
18.	9214 8901 9403 8397 3117 12	Martin G Nusser PO BOX 1925 Garden City KS 67846-8945		0.65	3.50								1.60			
19.	9214 8901 9403 8397 3117 29	McMullen Minerals LLC PO BOX 470857 Fort Worth TX 76147		0.65	3.50								1.60			
20.	9214 8901 9403 8397 3117 36	Pegasus Resources LLC PO BOX 470856 Fort Worth TX 76147		0.65	3.50								1.60			
21.	9214 8901 9403 8397 3117 43	Pitt Hunting Club LLC 292 Petal Pk Gilmer TX 75645-7455		0.65	3.50								1.60			
22.	9214 8901 9403 8397 3117 50	Rotta R Hinkle III PO BOX 2292 Roswell NM 88202-2292		0.65	3.50								1.60			
23.	9214 8901 9403 8397 3117 67	TRJ Investments LLC PO BOX 1003 Gilmer TX 75644-1033		0.65	3.50								1.60			
24.	9214 8901 9403 8397 3117 74	Wescoe Family Limited Partnership Stephanie Lynn Henson Bush President PO BOX 1888 Gilmer TX 75644-4888		0.65	3.50								1.60			
Total Number of Pieces Listed by Sender 24		Total Number of Pieces Received at Post Office		Postmaster, Per (Name of receiving employee)												