



Kaitlyn A. Luck
Associate
Phone (505) 954-7286
kaluck@hollandhart.com

September 3, 2020

VIA E-MAIL

Dean McClure
Petroleum Engineer
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505
Dean.McClure@state.nm.us

Re: Request to Amend Administrative Order No. PLC-682 Pursuant to September 2, 2020 Notice Regarding Surface Commingling Orders.

Dear Mr. McClure:

Pursuant to the Division's Notice Regarding Surface Commingling Orders issued on September 2, 2020, Matador Production Company requests that Administrative Order No. PLC-682 for the Boros Fed West Tank Battery be amended to conform to the new order language to allow Matador to add infill wells within the approved spacing units in the existing surface commingling order. Enclosed please find a copy of the administrative application for the Boros Fed West Tank Battery showing that Matador's notice to all interest owners indicated that Matador sought authority to commingle future wells producing from the spacing units approved under Administrative Order PLC-682.

If you have any questions regarding this request or require anything further, please let me know. Thank you for your attention to this matter.

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**

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

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



ADMINISTRATIVE APPLICATION CHECKLIST

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

Applicant: Matador Production Company**OGRID Number:** 228937**Well Name:** Boros Fed Com No. 121H well, et al.**API:** 30-015-46734**Pool:** Jennings; Bone Spring, West & Purple Sage; Wolfcamp**Pool Code:** 97860, 98220

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 holdersB. ☒ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☒ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☒ For all of the above, proof of notification or publication is attached, and/or,H. ☐ No notice required**FOR OCD ONLY**☐

Notice Complete

☐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

06/16/2020

Date

505-954-7286

Phone Number

kaluck@hollandhart.com

e-mail Address



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

June 16, 2020

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 authorize pool and lease commingling, off-lease storage, off lease measurement, and off-lease marketing at the Boros Fed West Tank Battery located in the N/2 NW/4 (Units C & D) of Section 15, Township 26 South, Range 31 East, NMPM, Eddy County, New Mexico.

Dear Ms. Sandoval:

Pursuant to 19.15.12.7 NMAC, individual spacing units are considered separate “leases” for surface commingling purposes. Accordingly, Matador Production Company (OGRID No. 228937) seeks administrative approval for pool and lease commingling, off-lease storage, off-lease measurement, and off-lease marketing at the **Boros Fed West Tank Battery** of production from the Jennings; Bone Spring, West (97860); and the Purple Sage; Wolfcamp (98220) pools from *all existing and future wells drilled in the following “leases”*:

(a) The 320-acre, more or less, spacing unit in the Jennings; Bone Spring, West Pool (97860) underlying the W/2 W/2 of Sections 15 and 22. The spacing unit is currently dedicated to the **Boros Fed Com #121H well** (API No. 30-015-46734);

(b) The 640-acre, more or less, spacing unit in the Purple Sage; Wolfcamp Pool (98220) underlying the W/2 of Sections 15 and 22. The spacing unit is currently dedicated to the **Boros Fed Com #201H well** (API No. 30-015-46735), the **Boros Fed Com #216H well** (API No. 30-015-46747), the **Boros Fed Com #221H well** (API No. 30-015-46512), the **Boros Fed Com #222H well** (API No. 30-015-46595);

(c) The 320-acre, more or less, spacing unit in the Jennings; Bone Spring, West Pool (97860) underlying the E/2 W/2 of Sections 15 and 22. The spacing unit is currently dedicated to the **Boros Federal #122H well** (API No. 30-015-46736); and

(d) 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 Boros Fed West Tank Battery located in the N/2 NW/4 (Units C & D) of Section 15. 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 1 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 N/2 NW/4 (Units C & D) of Section 15.

Exhibit 2 is a C-102 for each of the wells currently permitted or drilled within the existing spacing units.

Exhibit 3 is a completed Application for Surface Commingling (Diverse Ownership) Form C-107-B, that includes a statement from Omar Enriquez, 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 4 is a list of the interest owners (including any owners of royalty or overriding royalty interests) affected by this application, an example of the letters sent by certified mail advising the interest owners that any objections must be filed in writing with the Division within 20 days from the date the Division receives this application, and proof of mailing. A copy of this application has been provided to the Bureau of Land Management since federal lands are involved.

Finally, attached as **Exhibit 5** are the draft, proposed, or approved communitization agreements for the acreage subject to this application.

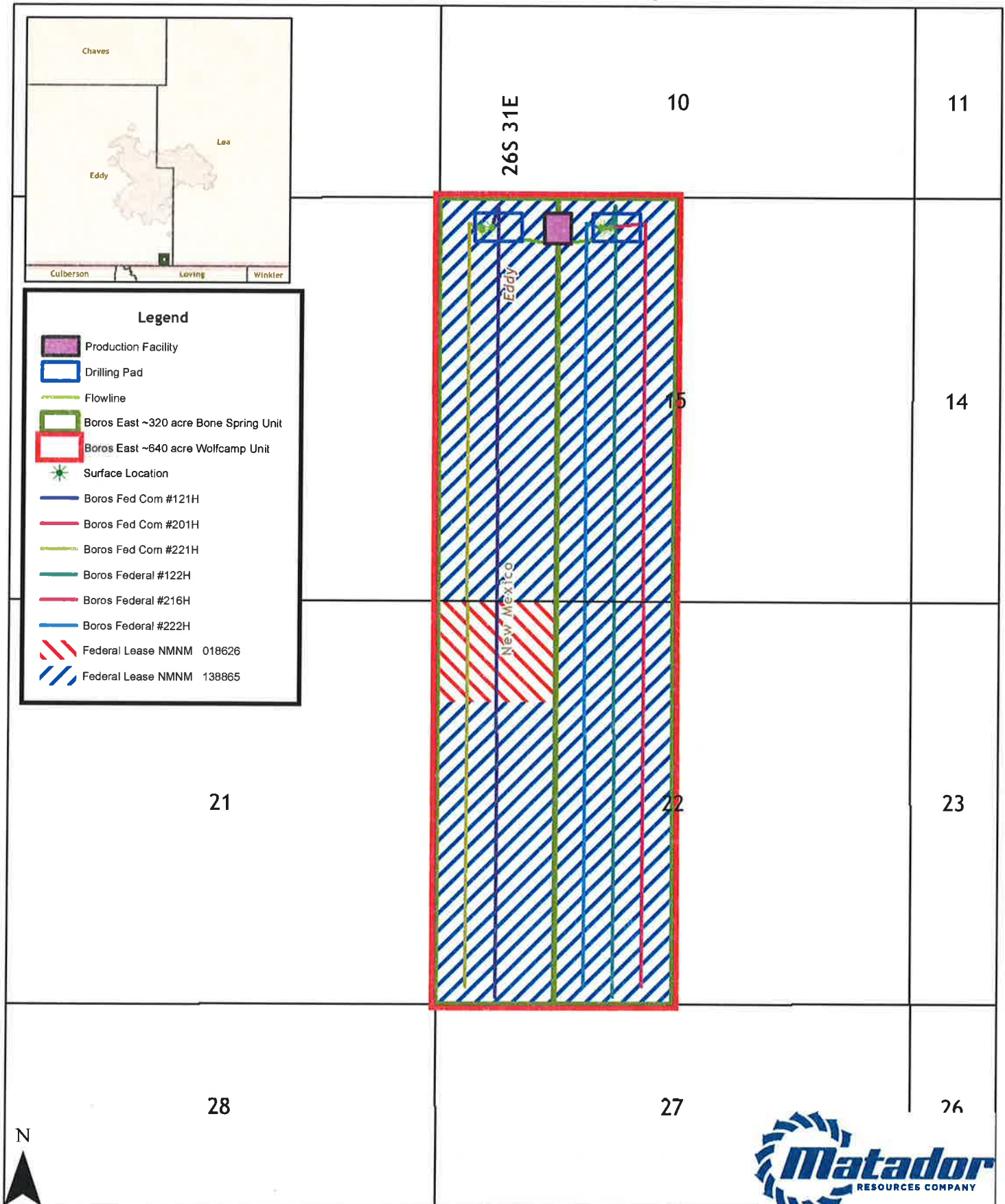
Thank you for your attention to this matter, and please feel free to call if you have any questions or require additional information.

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**

Boros West Land Plat



0 750 1,500 3,000 Feet

EXHIBIT
1



Southeast New Mexico

Date: 4/28/2020
Document Name: BorosWest_Commingling
Coordinate System: GCS WGS 1984

District I
1623 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
311 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

RECEIVED
State of New Mexico
Energy, Minerals & Natural Resources
Department
EDWARD G. ARTESIA
OIL CONSERVATION BOARD
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

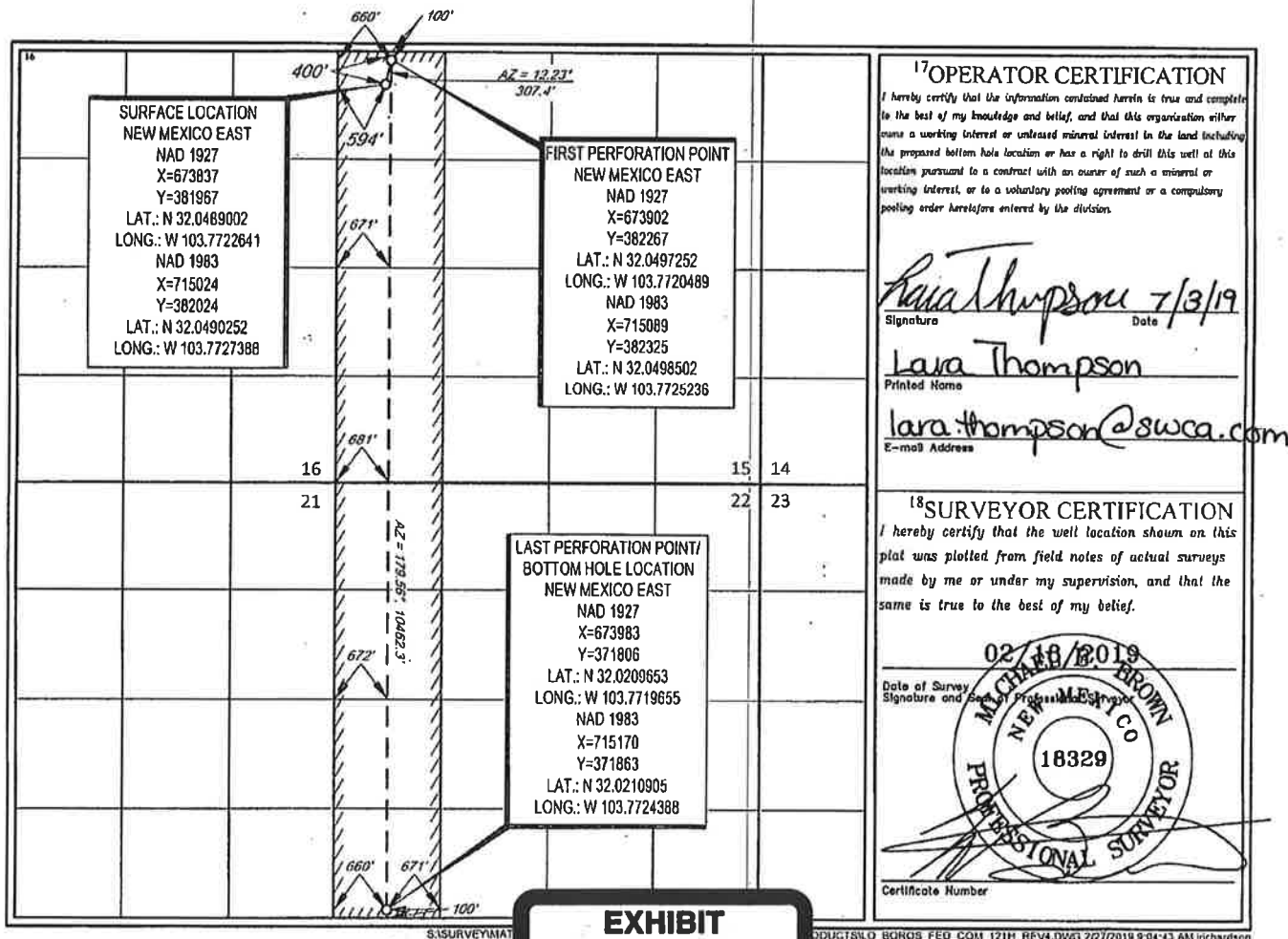
WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30 015 46734		² Pool Code 97860	³ Pool Name Jennings; Bonespring
⁴ Property Code 327154	⁵ Property Name BOROS FED COM		⁶ Well Number 121H
⁷ GRID No. 228937	⁸ Operator Name MATADOR PRODUCTION COMPANY		⁹ Elevation 3231'

¹⁰ Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	15	26-S	31-E	-	400'	NORTH	594'	WEST	EDDY

¹¹ Bottom 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	22	26-S	31-E	-	100'	SOUTH	660'	WEST	EDDY
¹² Dedicated Acres 320		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.



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.	
<i>Lara Thompson</i> Signature	7/3/19 Date
Lara Thompson Printed Name	
lara.thompson@swca.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.	
02/18/2019 MICHAEL BROWN NEW MEXICO 18329 PROFESSIONAL SURVEYOR	
Date of Survey Signature and Seal of Professional Surveyor	
Certificate Number	

EXHIBIT
2

KS 2-12-20

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

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Department
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OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

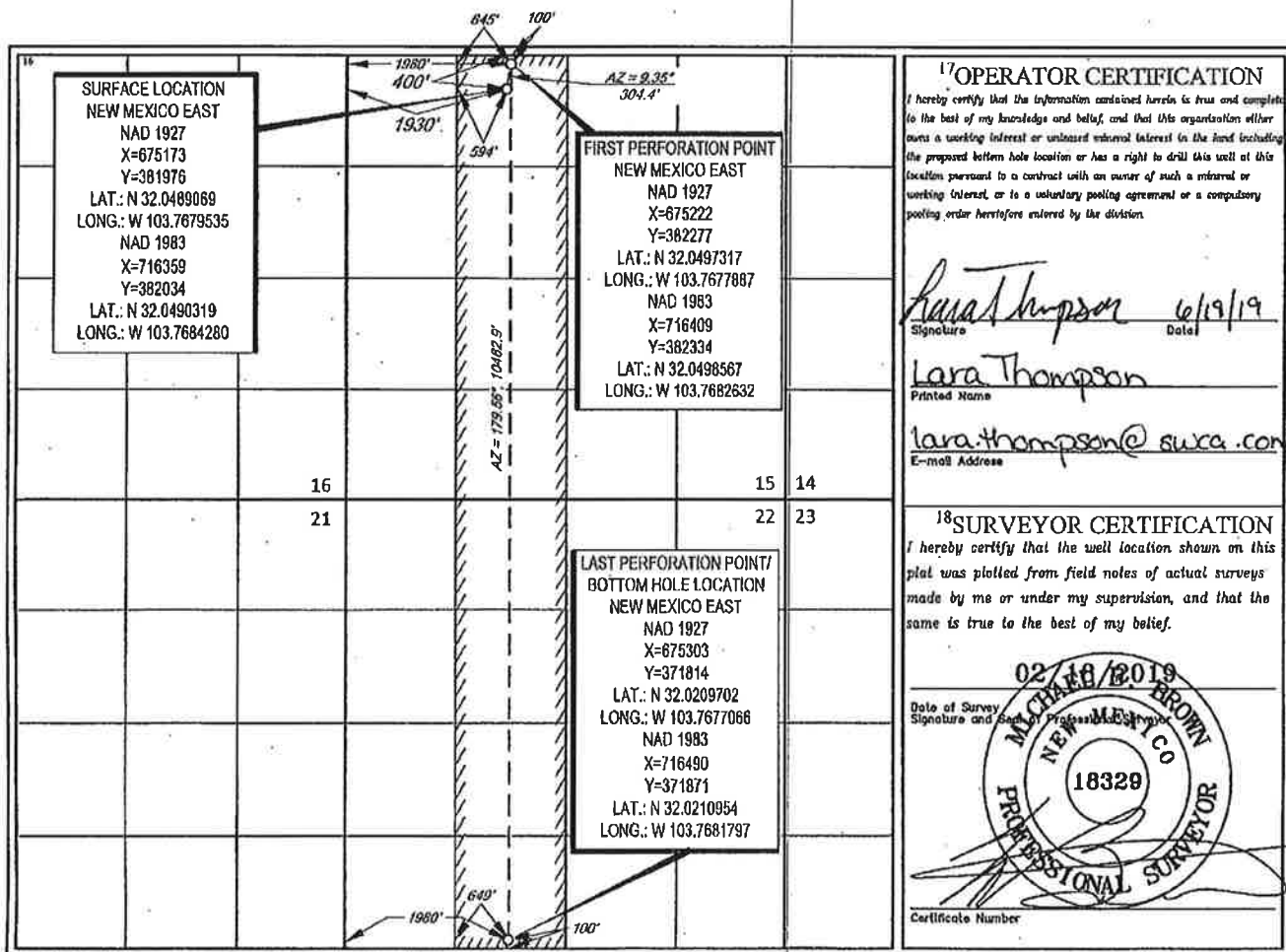
FORM C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-46736		² Pool Code 97860		³ Pool Name Jennings; Bonespring	
⁴ Property Code 326329		⁵ Property Name BOROS FEDERAL		⁶ Well Number 122H	
⁷ GRID No. 226931		⁸ Operator Name MATADOR PRODUCTION COMPANY		⁹ Elevation 3228'	
¹⁰ Surface Location					
UL or lot no. C	Section 15	Township 26-S	Range 31-E	Lot Idn -	Feet from the 400'
		North/South line NORTH		Feet from the 1930'	
		East/West line WEST		County EDDY	
¹¹ Bottom Hole Location If Different From Surface					
UL or lot no. N	Section 22	Township 26-S	Range 31-E	Lot Idn -	Feet from the 100'
		North/South line SOUTH		Feet from the 1980'	
		East/West line WEST		County EDDY	
¹² Dedicated Acres 320		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.



S:\SURVEY\MATADOR_RESOURCES\BOROS_1822-26S-31E\FINAL_PRODUCTS\SLO_BOROS_FEDERAL_122H_REV4.DWG 2/28/2019 6:25:31 AM hlgrey

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FORM C-102

Revised August 1, 2011

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District Office

☐ AMENDED REPORT

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1625 N. French Dr., Hobbs, NM 88240
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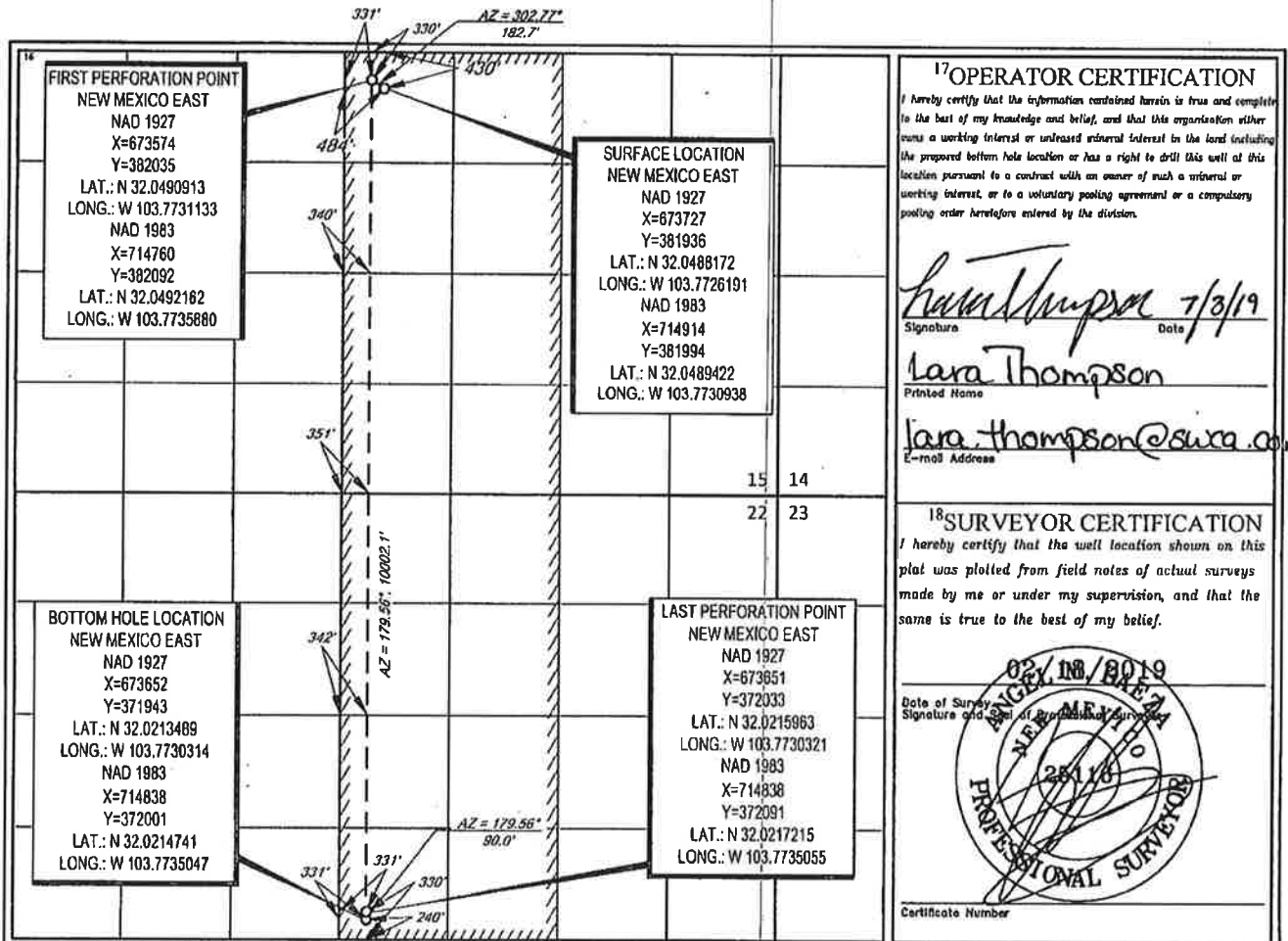
State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

EMNRD-UCD ARTESIA

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30 015 46735		² Pool Code 98220		³ Pool Name Purple Sage; Wolfcamp	
⁴ Property Code 327154		⁵ Property Name BOROS FED COM		⁶ Well Number 201H	
⁷ GRID No. 228937		⁸ Operator Name MATADOR PRODUCTION COMPANY		⁹ Elevation 3229'	
¹⁰ Surface Location					
UL or lot no. D	Section 15	Township 26-S	Range 31-E	Lot Idn -	Feet from the 430'
		North/South line NORTH		Feet from the 484'	East/West line WEST
				County EDDY	
¹¹ Bottom Hole Location If Different From Surface					
UL or lot no. M	Section 22	Township 26-S	Range 31-E	Lot Idn -	Feet from the 240'
		North/South line SOUTH		Feet from the 331'	East/West line WEST
				County EDDY	
¹² Dedicated Acres 640		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.



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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

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FORM C-102

Revised August 1, 2011

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District Office

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

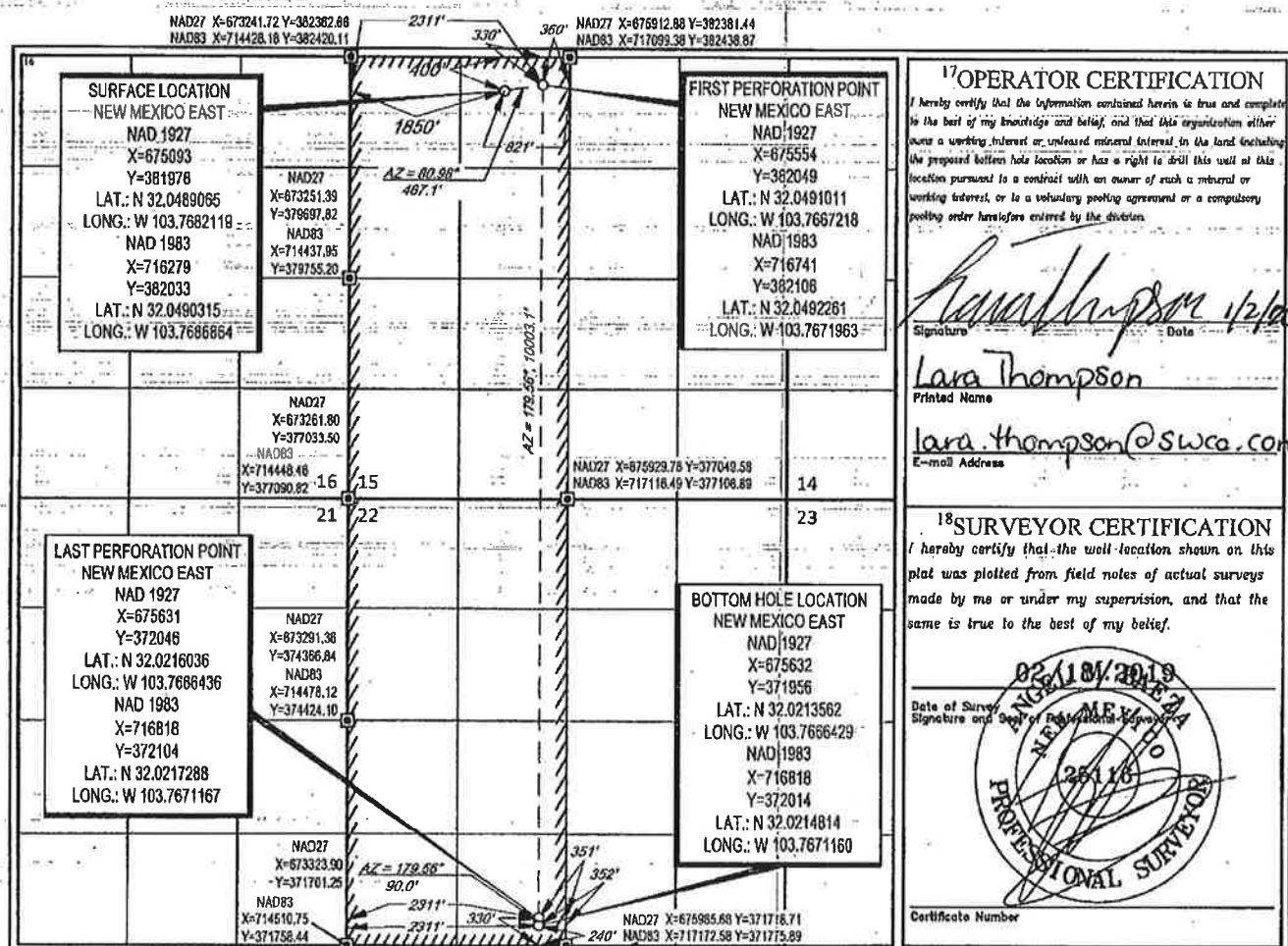
¹ API Number 30 015 46747		² Pool Code 98220		³ Pool Name Purple Sage, Wolfcamp	
⁴ Property Code 228937 321/34		⁵ Property Name BOROS FED COM		⁶ Well Number 216H	
⁷ GRID No. 228937		⁸ Operator Name MATADOR PRODUCTION COMPANY		⁹ Elevation 3226'	

¹⁰ Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	15	26-S	31-E	-	400'	NORTH	1850'	WEST	EDDY

¹¹ Bottom 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
N	22	26-S	31-E	-	240'	SOUTH	2311'	WEST	EDDY

¹² Dedicated Acres 640	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.



83SURVEYMATADOR_RESOURCESBOROS_15422-265-31FINAL_PRODUCTSILO_BOROS_FED_COM_216H_REV.DWG 3/29/2019 1:51:53 PM adisabell

KS 2-18-20

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District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
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Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources
Department
DISTRICT IV-ARTESIA O.C.D.
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 30-015-46512	² Pool Code 98220	³ Pool Name Purple SAGE Wolfcamp
⁴ Property Code 326329	⁵ Property Name BOROS FED COM	
⁶ GRID No. 228 937	⁷ Operator Name MATADOR PRODUCTION COMPANY	⁸ Well Number 221H
		⁹ Elevation 3231'

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	15	26-S	31-E	-	400'	NORTH	484'	WEST	EDDY

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	22	26-S	31-E	-	240'	SOUTH	331'	WEST	EDDY

¹² Dedicated Acres 640	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.

¹⁶ FIRST PERFORATION POINT NEW MEXICO EAST NAD 1927 X=673574 Y=382035 LAT.: N 32.0490813 LONG.: W 103.7731133 NAD 1983 X=714760 Y=382092 LAT.: N 32.0492162 LONG.: W 103.7735880		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. <i>Lara Thompson</i> 7/3/19 Signature Date Lara Thompson Printed Name lara.thompson@swca.com E-mail Address
¹⁸ BOTTOM HOLE LOCATION NEW MEXICO EAST NAD 1927 X=673652 Y=371943 LAT.: N 32.0213489 LONG.: W 103.7730314 NAD 1983 X=714838 Y=372001 LAT.: N 32.0214741 LONG.: W 103.7735047	¹⁹ LAST PERFORATION POINT NEW MEXICO EAST NAD 1927 X=673651 Y=372033 LAT.: N 32.0215963 LONG.: W 103.7730321 NAD 1983 X=714838 Y=372091 LAT.: N 32.0217215 LONG.: W 103.7735055	²⁰ 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. Date of Survey Signature and Seal of Professional Surveyor Certificate Number

S:\SURVEY\MATADOR_RESOURCES\BOROS_15422-26S-31E\FINAL_PRODUCT\5LO_BOROS_FED_COM_221H_REV5.DWG 3/13/2019 11:14:34 AM bgregory

Need GCP

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
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Phone: (505) 334-6178 Fax: (505) 334-6179
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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JAN 09 2020

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 30-015-46595		² Pool Code 78220		³ Pool Name Purple SAGE Wolfcamp.	
⁴ Property Code 326329		⁵ Property Name BOROS FED COM		⁶ Well Number 222H	
⁷ GRID No. 228937		⁸ Operator Name MATADOR PRODUCTION COMPANY		⁹ Elevation 3226'	
¹⁰ Surface Location					
UL or lot no. C	Section 15	Township 26-S	Range 31-E	Lot Idn -	Feet from the 400'
		North/South line NORTH		Feet from the 1820'	East/West line WEST
				County EDDY	
¹¹ Bottom Hole Location If Different From Surface					
UL or lot no. N	Section 22	Township 26-S	Range 31-E	Lot Idn -	Feet from the 240'
		North/South line SOUTH		Feet from the 1651'	East/West line WEST
				County EDDY	
¹² Dedicated Acres 640		¹³ Joint or Infill		¹⁴ Consolidation Code	
				¹⁵ Order No. 1652	

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=674894 Y=382044 LAT.: N 32.0490979 LONG.: W 103.7688519 NAD 1983 X=716081 Y=382102 LAT.: N 32.0492229 LONG.: W 103.7693265		¹⁷ SURFACE LOCATION NEW MEXICO EAST NAD 1927 X=675063 Y=381975 LAT.: N 32.0489062 LONG.: W 103.7683085 NAD 1983 X=716249 Y=382033 LAT.: N 32.0490312 LONG.: W 103.7687831	
¹⁸ LAST PERFORATION POINT NEW MEXICO EAST NAD 1927 X=674971 Y=372042 LAT.: N 32.0218012 LONG.: W 103.7687731 NAD 1983 X=716158 Y=372099 LAT.: N 32.0217264 LONG.: W 103.7692463		¹⁹ BOTTOM HOLE LOCATION NEW MEXICO EAST NAD 1927 X=674972 Y=371952 LAT.: N 32.0213538 LONG.: W 103.7687724 NAD 1983 X=716158 Y=372009 LAT.: N 32.0214790 LONG.: W 103.7692456	

1651' 1820' 330' 1020' 400' 851' 1622' 10002.8' 176.59' 10002.8' 176.59' 80.0' 1011' 1012' 1651' 1651' 240' 330'

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.

Lara Thompson 6/20/19
Signature Date

Lara Thompson
Printed Name

lara.thompson@swca.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.

02/11/2019
Date of Survey
Signature of Surveyor

NEW MEXICO
25116
PROFESSIONAL SURVEYOR

Certificate Number

3:53SURVEYMATADOR_RESOURCESBOROS_15422-265-31E\FINAL_PRODUCT\SLO_BOROS_FED_COM_222H_REV5.DWG 3/23/2019 1:53:45 PM adisabell

RwP 1-15-2020

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
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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 I Suite 1500 Dallas, TX 75240

APPLICATION TYPE:

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

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	Value of Non-Commingled Production	Calculated Value of Commingled Production	Volumes
Jennings; Bone Spring, West (97860)	46.9°	48.9° 1,240 BTU/scf	\$50.80/bbl	\$50.80/bbl \$2.698/mcf	2,200 bopd
Jennings; Bone Spring, West (97860)	1,186 BTU/scf		\$2.570/mcf		7,000 mcf/d
Purple Sage; Wolfcamp (Gas) (98220)	49.6°		\$50.80/bbl		5,400 bopd
Purple Sage; Wolfcamp (Gas) (98220)	1,254 BTU/scf		\$2.730/mcf		27,800 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-
(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 attach 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: Brian Fancher

TITLE: Regulatory Manager

DATE: 6/12/2020

TYPE OR PRINT NAME Brian Fancher

TELEPHONE NO.: (972) 371 5200

E-MAIL ADDRESS: bfanher@matadorresources.com

EXHIBIT

3

Matador Production Company

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

Voice 972.587.4638 • Fax 972.371.5201

oenriquez@matadorresources.com

Omar Enriquez
Senior Production Engineer

June 9, 2020

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

Re: Application of Matador Production Company for administrative approval to surface commingle (Pool and lease commingle) production from the spacing units comprising the W2 of Sections 15 and 22, Township 26 South, Range 31 East NMPM, Eddy 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 six 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 one gathering line, as depicted on **Exhibit A**, the Longwood RB Pipeline, LLC line. Each well on the Lands will have its own three-phase 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 exit 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 in accordance with industry specifications by a third party measurement company for accuracy. The gas is measured on a volume and MMBTU basis by an orifice meter and supporting EFM equipment in accordance with American Petroleum

Association (API) Chapter 21.1. The gas is then sent into a gathering line where it is commingled with each of the other wells' metered gas, as shown on **Exhibit A**. 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. Longwood RB Pipeline, LLC 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 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

**Omar
Enriquez**

Omar Enriquez
Production Engineer

Digitally signed by Omar Enriquez
DN: cn=Omar Enriquez, o, ou,
email=oenriquez@matadorresources.com, c=US
Date: 2020.06.10 15:04:10 -05'00'

OE/bkf
Enclosures

January 12, 2017

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

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

Sample: Mallon 27 Federal Com No. 1H
First Stage Separator
Spot Gas Sample @ 350 psig & 108 °F

Date Sampled: 12/28/2016

Job Number: 63963.021

CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286

COMPONENT	MOL%	GPM
Hydrogen Sulfide*	< 0.001	
Nitrogen	4.392	
Carbon Dioxide	0.101	
Methane	69.412	
Ethane	15.072	4.024
Propane	7.407	2.037
Isobutane	0.621	0.203
n-Butane	1.671	0.526
2-2 Dimethylpropane	0.004	0.002
Isopentane	0.305	0.111
n-Pentane	0.324	0.117
Hexanes	0.253	0.104
Heptanes Plus	<u>0.438</u>	<u>0.178</u>
Totals	100.000	7.302

Computed Real Characteristics Of Heptanes Plus:

Specific Gravity ----- 3.374 (Air=1)
Molecular Weight ----- 97.32
Gross Heating Value ----- 5032 BTU/CF

Computed Real Characteristics Of Total Sample:

Specific Gravity ----- 0.785 (Air=1)
Compressibility (Z) ----- 0.9960
Molecular Weight ----- 22.64
Gross Heating Value
Dry Basis ----- 1289 BTU/CF
Saturated Basis ----- 1268 BTU/CF

*Hydrogen Sulfide tested on location b Stain Tube Method (GPA 2377)
0.031 Gr/100 CF, 0.5 PPMV or <0.0001 Mol%

Base Conditions: 14.650 PSI & 60 Deg F

Sampled By: (16) EJ/Ronnie
Analyst: MR
Processor: NG
Cylinder ID: T-4511

Certified: FESCO, Ltd. - Alice, Texas

David Dannhaus 361-661-7015



CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286
TOTAL REPORT

COMPONENT	MOL %	GPM	WT %
Hydrogen Sulfide*	< 0.001		< 0.001
Nitrogen	4.392		5.434
Carbon Dioxide	0.101		0.196
Methane	69.412		49.182
Ethane	15.072	4.024	20.016
Propane	7.407	2.037	14.426
Isobutane	0.621	0.203	1.594
n-Butane	1.671	0.526	4.290
2,2 Dimethylpropane	0.004	0.002	0.013
Isopentane	0.305	0.111	0.972
n-Pentane	0.324	0.117	1.032
2,2 Dimethylbutane	0.003	0.001	0.011
Cyclopentane	0.000	0.000	0.000
2,3 Dimethylbutane	0.036	0.015	0.137
2 Methylpentane	0.075	0.031	0.285
3 Methylpentane	0.045	0.018	0.171
n-Hexane	0.094	0.039	0.358
Methylcyclopentane	0.070	0.024	0.260
Benzene	0.030	0.008	0.104
Cyclohexane	0.055	0.019	0.204
2-Methylhexane	0.012	0.006	0.053
3-Methylhexane	0.015	0.007	0.066
2,2,4 Trimethylpentane	0.000	0.000	0.000
Other C7's	0.056	0.024	0.245
n-Heptane	0.032	0.015	0.142
Methylcyclohexane	0.050	0.020	0.217
Toluene	0.017	0.006	0.069
Other C8's	0.048	0.022	0.234
n-Octane	0.014	0.007	0.071
Ethylbenzene	0.002	0.001	0.009
M & P Xylenes	0.004	0.002	0.019
O-Xylene	0.001	0.000	0.005
Other C9's	0.019	0.010	0.106
n-Nonane	0.004	0.002	0.023
Other C10's	0.007	0.004	0.044
n-Decane	0.001	0.001	0.006
Undecanes (11)	<u>0.001</u>	<u>0.001</u>	<u>0.006</u>
Totals	100.000	7.302	100.000

Computed Real Characteristics Of Total Sample:

Specific Gravity	0.785	(Air=1)
Compressibility (Z)	0.9960	
Molecular Weight	22.64	
Gross Heating Value		
Dry Basis	1289	BTU/CF
Saturated Basis	1268	BTU/CF

Name	Street	City	State	Zip
Occidental Permian Limited Partnership	580 Westlake Park Blvd.	Houston	Texas	77079
Gates Properties, Ltd.	P.O. Box 81119	Midland	Texas	79708
John W. Gates, LLC	706 West Grand Ave.	Artesia	New Mexico	88210
Halloran Family Joint Venture	927 Park Rd.	El Paso	Texas	79902
Chisos Minerals, LLC	1111 Bagby St., Suite 2150	Houston	Texas	77002
MRC Permian Company	5400 LBJ Fwy., Ste. 1500	Dallas	Texas	75240
Bureau of Land Management	301 Dinosaur trail	Santa	NM	87508





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

June 16, 2020

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PERSONS

Re: Application of Matador Production Company to authorize pool and lease commingling, off-lease storage, off lease measurement, and off-lease marketing at the Boros Fed West Tank Battery located in the N/2 NW/4 (Units C & D) of Section 15, Township 26 South, Range 31 East, NMPM, Eddy 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



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 - Boros C107B, 121H, 122H, 201H, 216H, 221H, 222H Wells
CM# 83379.0001

Shipment Date: 06/16/2020

Shipped From:

Name: HOLLAND & HART LLP (1)

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	7
Total	7

*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.

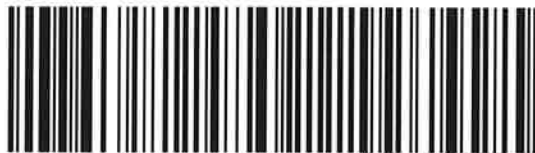
B. USPS Action

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 0022 4564 95



Firm Mailing Book For Accountable Mail

Name and Address of Sender Holland & Hart LLP (1) 110 N Guadalupe St # 1 Santa Fe NM 87501		Check type of mail or service <input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery (COD) <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 - If Registered and over \$50,000 in value		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 8314 6020 77		Occidental Permian Limited Partnership 550 Westlake Park Blvd Houston TX 77079		1.45		3.55																1.70							
2. 9214 8901 9403 8314 6020 84		Gates Properties Ltd PO BOX 81119 Midland TX 79708		1.45		3.55																1.70							
3. 9214 8901 9403 8314 6020 91		John W Gates LLC 706 West Grand Ave Artesia NM 88210		1.45		3.55																1.70							
4. 9214 8901 9403 8314 6021 07		Halloran Family Joint Venture 927 Park Rd El Paso TX 79902		1.45		3.55																1.70							
5. 9214 8901 9403 8314 6021 14		Chisos Minerals LLC 1111 Bagby St Suite 2150 Houston TX 77002		1.45		3.55																1.70							
6. 9214 8901 9403 8314 6021 21		MRC Permian Company 5400 LBJ Fwy Ste 1500 Dallas TX 75240		1.45		3.55																1.70							
7. 9214 8901 9403 8314 6021 38		Bureau of Land Management 301 Dinosaur Trail Santa NM 87508		1.45		3.55																1.70							
Total Number of Pieces Listed by Sender 7		Total Number of Pieces Received at Post Office		Postmaster, Per (Name of receiving employee)																									

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the 1st day of February 2020, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

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

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

The W2 of Sections 15 and 22, Township 26 South, Range 31 East, Eddy County, New Mexico

Containing **640.00** acres, and this agreement shall include only the Wolfcamp Formation underlying said lands and the crude oil, natural gas and associated liquid hydrocarbons, hereafter referred to as "communitized substances," producible from such formation.

Boros Fed Com
Wolfcamp Formation
W2 of Sections 15 and 22 -26S-31E
Eddy County, New Mexico



2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be Matador Production Company, 5400 Lyndon B. Johnson Fwy, Suite 1500, Dallas, Texas, 75240. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal lands included within the CA area are to be paid into the appropriate Unleased Lands Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day,

such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is February 1, 2020, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.

11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Operator: Matador Production Company

By: Craig N. Adams – Executive Vice President
Name & Title of Authorized Agent

Signature of Authorized Agent

Date

Boros Fed Com
Wolfcamp Formation
W2 of Sections 15 and 22 -26S-31E
Eddy County, New Mexico

ACKNOWLEDGEMENT

STATE OF TEXAS)

COUNTY OF DALLAS)

On this ____ day of _____, 20 __, before me, a Notary Public for the State of Texas, personally appeared Craig N. Adams, known to me to be the Executive Vice President of Matador Production Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

Boros Fed Com
Wolfcamp Formation
W2 of Sections 15 and 22 -26S-31E
Eddy County, New Mexico

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

I, the undersigned, hereby certify, on behalf of Matador Production Company, Operator of this Communitization Agreement, that all working interest owners (i.e., lessees of record and operating rights owners) shown on Exhibit B attached to this Agreement are, to the best of my knowledge, the working interest owners of the leases subject to this Agreement, and that the written consents of all of the named owners have been obtained and will be made available to the BLM immediately upon request.

By: Craig N. Adams – Executive Vice President
Name & Title of Authorized Agent

Signature of Authorized Agent

Date

ACKNOWLEDGEMENT

STATE OF TEXAS)

COUNTY OF DALLAS)

On this ____ day of _____, 20__, before me, a Notary Public for the State of Texas, personally appeared Craig N. Adams, known to me to be the Executive Vice President of Matador Production Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

Boros Fed Com
Wolfcamp Formation
W2 of Sections 15 and 22 -26S-31E
Eddy County, New Mexico

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

MRC Permian Company

By: _____

Craig N. Adams Executive Vice President
Print Name

Date: _____

ACKNOWLEDGEMENT

STATE OF TEXAS)

COUNTY OF DALLAS)

On this ____ day of _____, 20__, before me, a Notary Public for the State of Texas, personally appeared Craig N. Adams, known to me to be the Executive Vice President of MRC Permian Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

Boros Fed Com
Wolfcamp Formation
W2 of Sections 15 and 22 -26S-31E
Eddy County, New Mexico

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

MRC Permian LKE Company, LLC

By: _____

Craig N. Adams Executive Vice President
Print Name

Date: _____

ACKNOWLEDGEMENT

STATE OF TEXAS)

COUNTY OF DALLAS)

On this ____ day of _____, 20__, before me, a Notary Public for the State of Texas, personally appeared Craig N. Adams, known to me to be the Executive Vice President of MRC Permian Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL) .

My Commission Expires

Notary Public

Boros Fed Com
Wolfcamp Formation
W2 of Sections 15 and 22 -26S-31E
Eddy County, New Mexico

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

Occidental Permian LP

By: _____

Print Name

Date: _____

ACKNOWLEDGEMENT

STATE OF _____)
) ss.
COUNTY OF _____)

On this ____ day of _____, 20____, before me, a Notary Public for the State of _____, personally appeared _____, known to me to be the _____ of _____, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

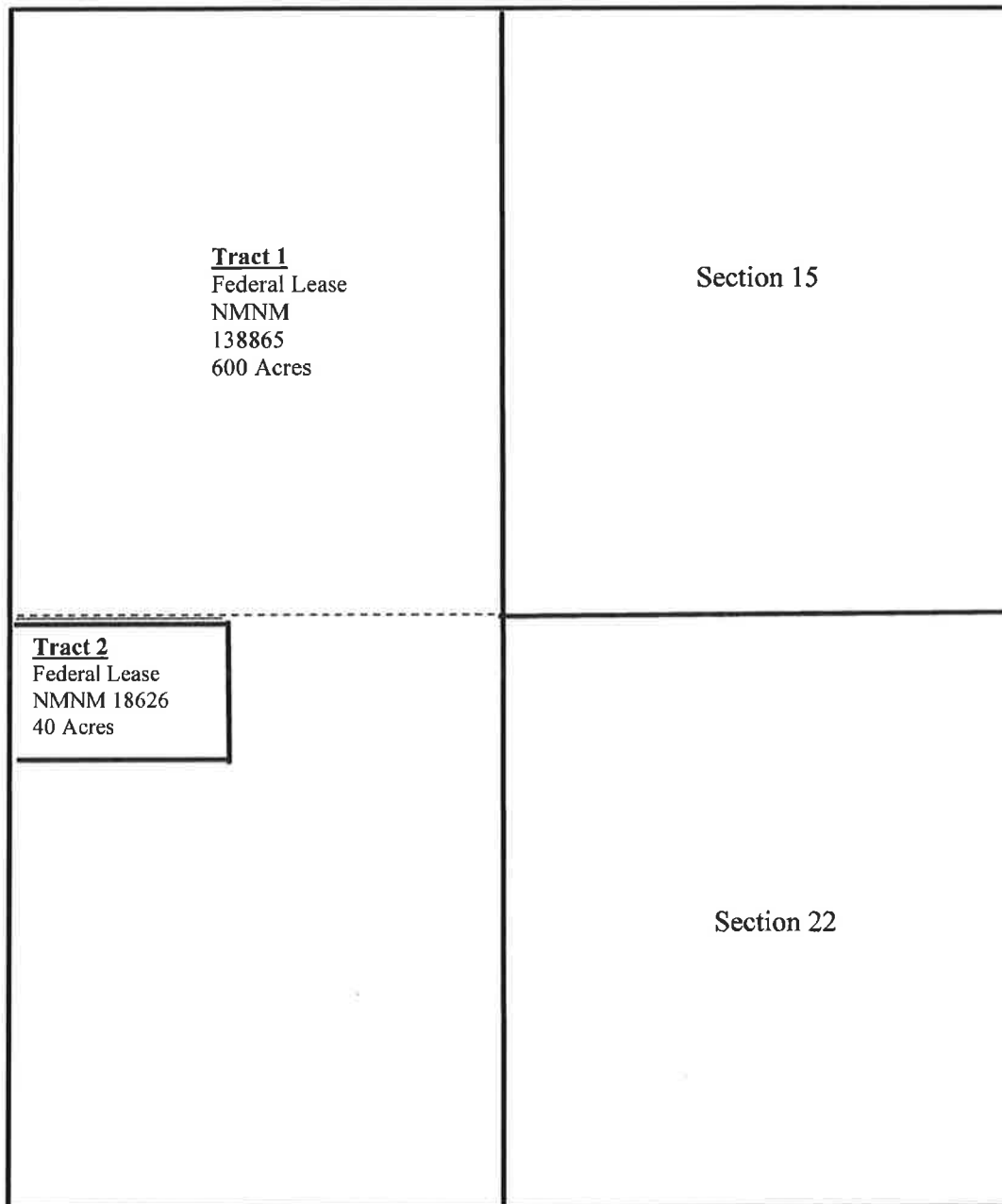
Boros Fed Com
Wolfcamp Formation
W2 of Sections 15 and 22 -26S-31E
Eddy County, New Mexico

EXHIBIT "A"

Plat of communitized area covering **640.00** acres in The W2 of Sections 15 and 22,
Township 26 South, Range 31 East, Eddy County, New Mexico.

Boros Fed Com Wells

#201H, #202H, #215H, 216H, #221H, #222H, #225H, #226H, #241H & #242H



Boros Fed Com
Wolfcamp Formation
W2 of Sections 15 and 22 -26S-31E
Eddy County, New Mexico

EXHIBIT “B”

To Communitization Agreement Dated February 1, 2020 embracing the following described land in the W2 of Sections 15 and 22, Township 26 South, Range 31 East, N.M.P.M, Eddy County, New Mexico

Operator of Communitized Area: Matador Production Company

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number:	NMNM 138865
Description of Land Committed:	W2 of Section 15, and NE4NW4, S2NW4, SW4 of Section 22, Township 26 South, Range 31 East, N.M.P.M., Eddy County, New Mexico
Number of Acres:	600
Current Lessee of Record:	MRC Permian Company
Name of Working Interest Owners:	MRC Permian Company

Boros Fed Com
Wolfcamp Formation
W2 of Sections 15 and 22 -26S-31E
Eddy County, New Mexico

Tract No. 2

Lease Serial Number: NMNM 18626

Description of Land Committed: NW4NW4 of Section 22, Township 26
South, Range 31 East, N.M.P., Eddy
County, New Mexico

Number of Acres: 40

Current Lessee of Record: Occidental Permian LP

Name of Working Interest Owners: MRC Permian Company
MRC Permian LKE Company, LLC

Overriding Royalty Interest Owners: John W. Gates, LLC
Halloran Family Joint Venture
Chisos Minerals, LLC
Gates Properties, LTD.

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	600.00	93.75%
2	40.00	6.25%
	640.00	100.00%

Boros Fed Com
Wolfcamp Formation
W2 of Sections 15 and 22 -26S-31E
Eddy County, New Mexico

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the 1st day of February 2020, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

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

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

The W2W2 of Sections 15 and 22, Township 26 South, Range 31 East, Eddy County, New Mexico

Containing **320.00** acres, and this agreement shall include only the Bone Spring Formation underlying said lands and the crude oil, natural gas and associated liquid hydrocarbons, hereafter referred to as "communitized substances," producible from such formation.

Boros Fed Com
Bone Spring Formation
W2W2 of Sections 15 and 22 -26S-31E
Eddy County, New Mexico

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be Matador Production Company, 5400 Lyndon B. Johnson Fwy, Suite 1500, Dallas, Texas, 75240. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal lands included within the CA area are to be paid into the appropriate Unleased Lands Account by the designated operator until the land is leased or ownership is established.
6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day,

such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is February 1, 2020, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.

11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Operator: Matador Production Company

By: Craig N. Adams – Executive Vice President
Name & Title of Authorized Agent

Signature of Authorized Agent

Date

Boros Fed Com
Bone Spring Formation
W2W2 of Sections 15 and 22 -26S-31E
Eddy County, New Mexico

ACKNOWLEDGEMENT

STATE OF TEXAS)

COUNTY OF DALLAS)

On this ____ day of _____, 20__, before me, a Notary Public for the State of Texas, personally appeared Craig N. Adams, known to me to be the Executive Vice President of Matador Production Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

Boros Fed Com
Bone Spring Formation
W2W2 of Sections 15 and 22 -26S-31E
Eddy County, New Mexico

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

I, the undersigned, hereby certify, on behalf of Matador Production Company, Operator of this Communitization Agreement, that all working interest owners (i.e., lessees of record and operating rights owners) shown on Exhibit B attached to this Agreement are, to the best of my knowledge, the working interest owners of the leases subject to this Agreement, and that the written consents of all of the named owners have been obtained and will be made available to the BLM immediately upon request.

By: Craig N. Adams – Executive Vice President
Name & Title of Authorized Agent

Signature of Authorized Agent

Date

ACKNOWLEDGEMENT

STATE OF TEXAS)

COUNTY OF DALLAS)

On this ____ day of _____, 20__, before me, a Notary Public for the State of Texas, personally appeared Craig N. Adams, known to me to be the Executive Vice President of Matador Production Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

Boros Fed Com
Bone Spring Formation
W2W2 of Sections 15 and 22 -26S-31E
Eddy County, New Mexico

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

MRC Permian Company

By: _____

Craig N. Adams Executive Vice President
Print Name

Date: _____

ACKNOWLEDGEMENT

STATE OF TEXAS)

COUNTY OF DALLAS)

On this ____ day of _____, 20__, before me, a Notary Public for the State of Texas, personally appeared Craig N. Adams, known to me to be the Executive Vice President of MRC Permian Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

Boros Fed Com
Bone Spring Formation
W2W2 of Sections 15 and 22 -26S-31E
Eddy County, New Mexico

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

MRC Permian LKE Company, LLC

By: _____

Craig N. Adams Executive Vice President
Print Name

Date: _____

ACKNOWLEDGEMENT

STATE OF TEXAS)

COUNTY OF DALLAS)

On this ____ day of _____, 20__, before me, a Notary Public for the State of Texas, personally appeared Craig N. Adams, known to me to be the Executive Vice President of MRC Permian Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

Boros Fed Com
Bone Spring Formation
W2W2 of Sections 15 and 22 -26S-31E
Eddy County, New Mexico

Occidental Permian LP

Print Name _____

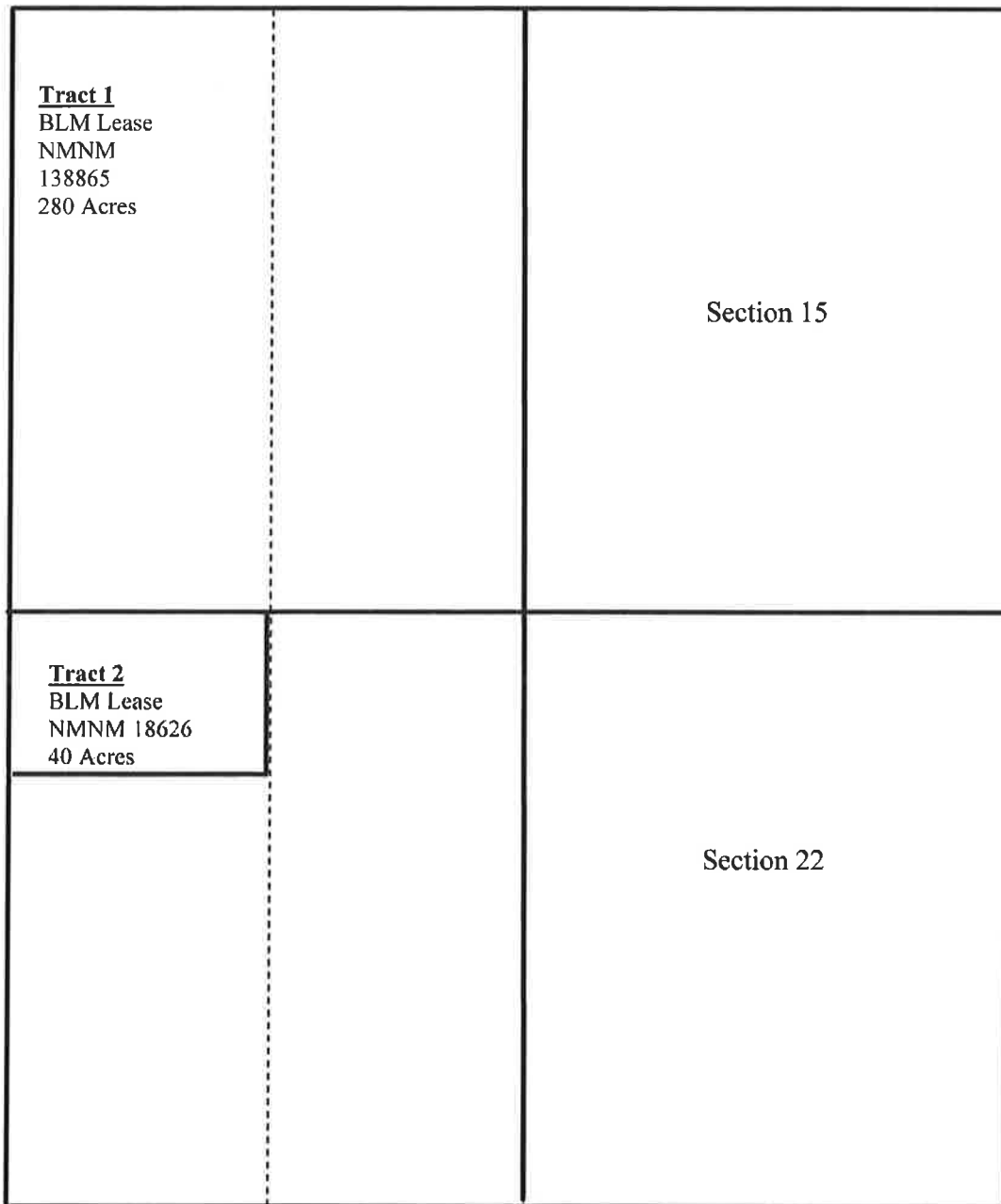
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Bone Spring Formation
W2W2 of Sections 15 and 22 -26S-31E
Eddy County, New Mexico

EXHIBIT "A"

Plat of communitized area covering **320.00** acres in The W2W2 of Sections 15 and 22,
Township 26 South, Range 31 East, Eddy County, New Mexico.

Boros Fed Com Wells

#101H, #105H, #111H, #131H, #121H



Boros Fed Com
Bone Spring Formation
W2W2 of Sections 15 and 22 -26S-31E
Eddy County, New Mexico

EXHIBIT "B"

To Communitization Agreement Dated February 1, 2020 embracing the following described land in the W2W2 of Sections 15 and 22, Township 26 South, Range 31 East, N.M.P.M, Eddy County, New Mexico.

Operator of Communitized Area: Matador Production Company

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number:	NMNM 138865
Description of Land Committed:	W2W2 of Section 15, and SW4NW4, W2SW4 of Section 22, Township 26 South, Range 31 East, N.M.P.M., Eddy County, New Mexico
Number of Acres:	280
Current Lessee of Record:	MRC Permian Company
Name of Working Interest Owners:	MRC Permian Company

Boros Fed Com
Bone Spring Formation
W2W2 of Sections 15 and 22 -26S-31E
Eddy County, New Mexico

Tract No. 2

Lease Serial Number: NMNM 18626

Description of Land Committed: NW4NW4 of Section 22, Township 26
South, Range 31 East, N.M.P., Eddy
County, New Mexico

Number of Acres: 40

Current Lessee of Record: Occidental Permian LP

Name of Working Interest Owners: MRC Permian Company
MRC Permian LKE Company, LLC

Overriding Royalty Interest Owners: John W. Gates, LLC
Halloran Family Joint Venture
Chisos Minerals, LLC
Gates Properties, LTD.

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	280.00	87.5%
2	40.00	12.5%
	320.00	100.00%

Boros Fed Com
Bone Spring Formation
W2W2 of Sections 15 and 22 -26S-31E
Eddy County, New Mexico