

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

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

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

Case No. 15710 (re-opened)

VERIFIED STATEMENT OF SARA HARTSFIELD

Sara Hartsfield, being duly sworn upon her oath, deposes and states:

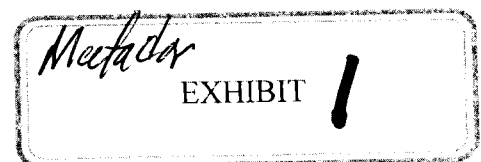
1. I am a landman for Matador Production Company ("Matador"), and I have personal knowledge of the matters stated herein. I previously testified before the Division, and was qualified as an expert petroleum landman.

2. The following information is submitted in support of the re-opened compulsory pooling application filed herein:

(a) No opposition is expected because the working interest owners being pooled received a copy of the well proposal when the well was initially proposed (as well as multiple other well proposals for subsequent wells in this unit) and they have not responded to inform Matador whether they decided to join in the well or to lease their interests.

(b) A Midland Map Co. plat outlining the unit being pooled is attached hereto as Exhibit A. Applicant seeks an order pooling all mineral interests in the Wolfcamp formation (Purple Sage-Wolfcamp Gas Pool) underlying the S/2 of Section 10, Township 24 South, Range 28 East, NMPM, to form a standard 320 acre gas spacing and proration unit. The unit is dedicated to the Tom Matthews 10-24S-28E RB Well No. 223H, which has been drilled and completed. The well unit is comprised of fee lands, and there are no depth severances in the Wolfcamp formation.

(c) The well is a horizontal well, with a surface location in the NE/4SE/4 of adjoining Section 9, Township 24 South, Range 28 East, NMPM. The first perforation is in the NW/4SW/4, and the last perforation is in the NE/4SE/4, of Section 10. The producing interval of the well is orthodox. The as-drilled Form C-102 describing the horizontal well path is attached hereto as Exhibit B.



(d) The parties being pooled and their working interests in the S/2 of Section 10 are as follows:

Helen D. Karnoski 1588 Sandinista Drive Las Vegas, Nevada 89123	0.020099%
BNSF Railway Company 2500 Lou Menk Drive AOB-3 Fort Worth, Texas 76131	0.353482%

These addresses are current and correct. These parties are unleased mineral owners. Although these mineral owners were identified and received a copy of the well proposal at the time the well was initially proposed, they were inadvertently left off the original application.

With the exception of these mineral owners, the remaining working interest owners have either voluntarily joined or have been pooled under Order No. R-14413.

(e) Copies of the proposal letters sent to the uncommitted working interest owners, including the green cards evidencing receipt of the proposal letters, are attached hereto as Exhibit C. Matador's field brokers have attempted follow up contact with Helen D. Karnoski. Matador will engage in further efforts to contact BNSF Railway Company

(f) Matador has made a good faith effort to obtain the voluntary joinder of the interest owners in the proposed well. If Matador reaches voluntary agreement with either of the interest owners we will notify the Division, and they will not be subject to pooling.

(g) Pursuant to Division rules, applicant requests that a 200% risk charge be assessed against any non-consenting working interest owner.

(h) A copy of the Authority for Expenditure for the well was submitted at the original hearing. A schedule of as-drilled costs is attached hereto as Exhibit D. The drilling and completion costs set forth therein are fair and reasonable, and are comparable to those of other horizontal wells of this depth drilled in this area of Eddy County.

(i) Overhead charges of \$7000/month for a drilling well, and \$700/month for a producing well, are requested. These rates are fair and reasonable, and are in line with rates charged by other operators in this area for wells of this depth. Applicant also requests that the order contain a provision adjusting the rates pursuant to the COPAS accounting procedure.

(j) Applicant requests that it be designated operator of the well.

VERIFICATION

STATE OF TEXAS)
) ss.
COUNTY OF DALLAS)

Sara Hartsfield, being duly sworn upon her oath, deposes and states that: She is a landman for Matador Production Company; she is authorized to make this verification on its behalf; she has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of her knowledge, information, and belief.

Sara Hartsfield
Sara Hartsfield

SUBSCRIBED AND SWORN TO before me this 20th day of February, 2018 by Sara Hartsfield.

My Commission Expires: 8-24-2021

Jaime Grainger
Notary Public

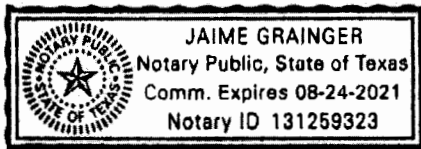
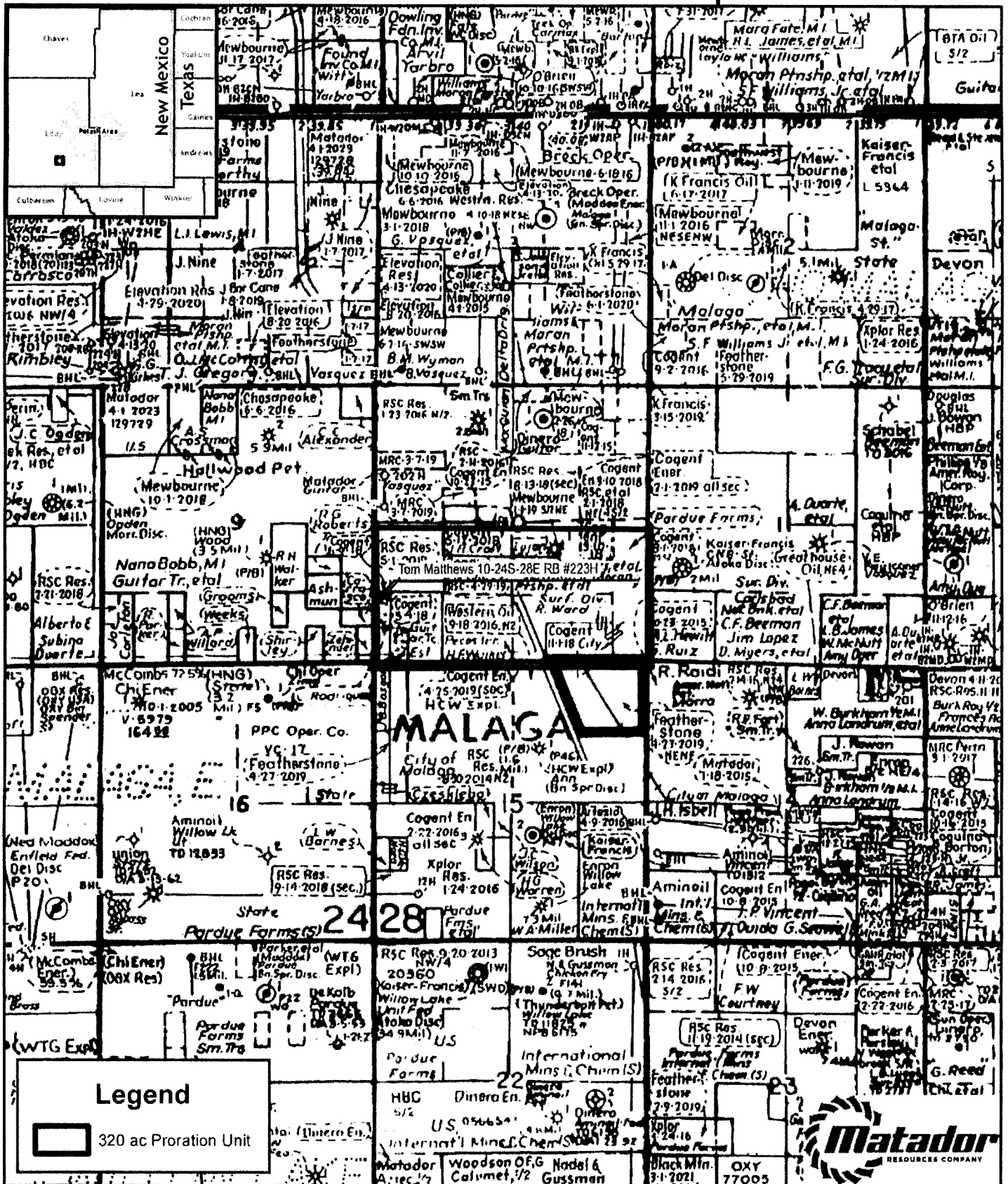


EXHIBIT A

10-24S-28E Midland Map



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

Southeast New Mexico

Date: May 10, 2017
Coordinate System: NAD 1927 StatePlane New Mexico East FIPS 3001
Projection: Transverse Mercator; Datum: North American 1927; Units: Foot US
Sources: IHS; ESRI

EXHIBIT B

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

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

ARTESIA DISTRICT
OCT 10 2017

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 30-015-44257		² Pool Code 98220	³ Pool Name PURPLE SAGE; WOLFCAMP(GAS)
⁴ Property Code 317853	⁵ Property Name TOM MATTHEWS 10-24S-28E RB		⁶ Well Number #223H
⁷ GRID No. 228937	⁸ Operator Name MATADOR PRODUCTION COMPANY		⁹ Elevation 3016'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	9	24-S	28-E	-	1690'	SOUTH	354'	EAST	EDDY

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	10	24-S	28-E	-	2277'	SOUTH	240'	EAST	EDDY

¹¹ Dedicated Acres 319.89	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.

<div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <p>SURFACE LOCATION NEW MEXICO EAST NAD 1983 X=618050 Y=447501 LAT.: N 32.2300135 LONG.: W 104.0852436 NAD 1927 X=576867 Y=447443 LAT.: N 32.2298921 LONG.: W 104.0847506 ELEV = 3016'</p> </div> <div style="width: 48%;"> <p>PENETRATION POINT NEW MEXICO EAST NAD 1983 X=618463 Y=448078 LAT.: N 32.2315956 LONG.: W 104.0839033 NAD 1927 X=577280 Y=448019 LAT.: N 32.2314743 LONG.: W 104.0834104 MD = 9408'</p> </div> <div style="width: 48%;"> <p>LAST TAKE POINT NEW MEXICO EAST NAD 1983 X=623327 Y=448103 LAT.: N 32.2316336 LONG.: W 104.0681726 NAD 1927 X=582144 Y=448044 LAT.: N 32.2315120 LONG.: W 104.0675803 MD = 15220'</p> </div> <div style="width: 48%;"> <p>BOTTOM HOLE LOCATION NEW MEXICO EAST NAD 1983 X=623469 Y=448112 LAT.: N 32.2316572 LONG.: W 104.0677141 NAD 1927 X=582285 Y=448053 LAT.: N 32.2315356 LONG.: W 104.0672218 MD = 15363'</p> </div> </div> <div style="margin-top: 20px;"> <p>FIRST TAKE POINT NEW MEXICO EAST NAD 1983 X=618803 Y=448027 LAT.: N 32.2314542 LONG.: W 104.0828050 NAD 1927 X=577619 Y=447968 LAT.: N 32.2313329 LONG.: W 104.0823121 MD = 10672'</p> </div>	<p>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.</p> <p><i>Sara Hartsfield</i> 10/9/17 Signature Date</p> <p>Sara Hartsfield Printed Name</p> <p>shartsfield@matadorresources.com E-mail Address</p> <p>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.</p> <p>08/14/2017 Date of Survey Signature of Professional Surveyor <i>Stan W. Lloyd</i> 19642 PROFESSIONAL SURVEYOR Certificate Number</p>
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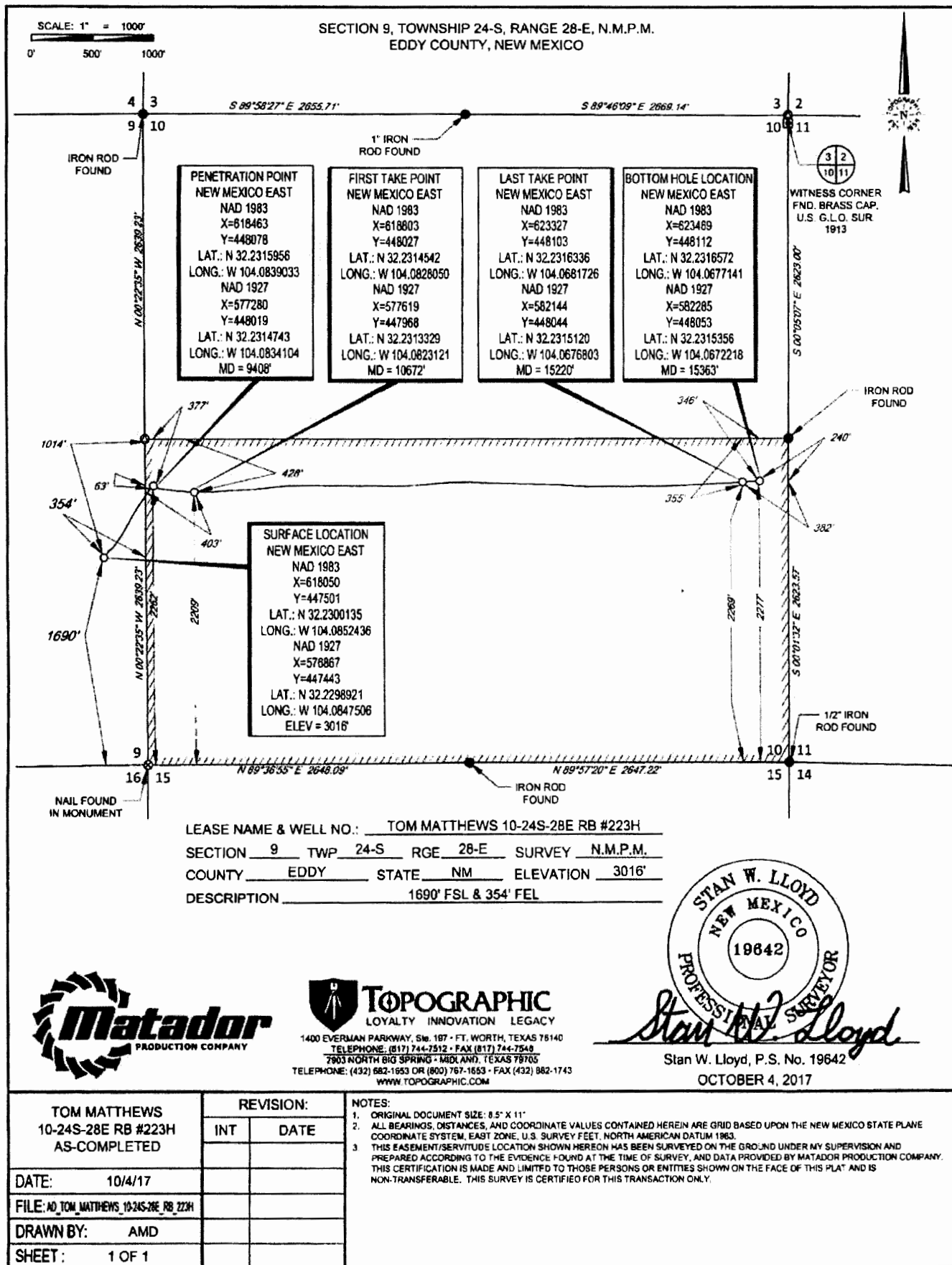


EXHIBIT C

MRC Permian Company

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

Sara Hartsfield
Associate Landman

March 16, 2017

VIA CERTIFIED RETURN RECEIPT MAIL

BNSF Railway Company
2500 Lou Menk Drive AOB-3
Fort Worth, TX 76131

Re: Matador Production Company – Tom Matthews 10-24S-28E RB #223H (the “Well”)
Participation Proposal
Section 10, Township 24 South, Range 28 East
Eddy County, New Mexico

Dear Sir/Madam:

MRC Permian Company (“MRC”) proposes the drilling of Matador Production Company’s Tom Matthews 10-24S-28E RB #223H well, located in Section 10, Township 24 South, Range 28 East, Eddy County, New Mexico, to the Wolfcamp formation.

In connection with the above, please note the following:

The estimated cost of drilling, testing, completing, and equipping the Well is \$7,405,819 as found on the enclosed AFE dated February 17, 2017.

The proposed surface location of the Well is approximately 1140’ FSL and 131’ FEL of Section 9, Township 24 South, Range 28 East, Eddy County, New Mexico. The proposed bottom hole location of the subject well is approximately 1657’ FSL and 240’ FEL of Section 10, Township 24 South, Range 28 East, Eddy County, New Mexico.

The Well will have a targeted interval within the Wolfcamp formation. We plan to drill the Well horizontally in the Wolfcamp (~10,800’ TVD) to a Total Measured Depth of approximately 15,600’ resulting in a productive lateral of approximately 4500’.

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

BNSF Railway Company, will own an approximate 0.00125 working interest in the Well, subject to title verification.

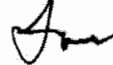
MRC requests that you indicate your election to participate in the drilling and completion of the Well in the space provided below, sign and return one (1) copy of this letter to the undersigned.

As an alternative to participation in the well, Matador is interested in leasing your mineral interest for \$1,500/acre, 1/5 royalty, and a 3 year primary term. Should you elect to lease your minerals, please sign the enclosed lease, in the presence of a notary public, and return it to my attention, along with the enclosed Form W-9.

If your election is to participate in the drilling and completion of the Well, please sign and return a copy of the enclosed AFE within thirty (30) days of receipt of this notice. Additionally, if your election is to participate, please accept this letter as an invoice notice and request for payment. Please remit payment for your proportionate share of costs in the amount of \$9,257.27 to Matador Production Company on or before thirty (30) days after receipt of this estimate and invoice. Please be aware that the enclosed AFE is only an estimate of costs to be incurred and by electing to participate in the Well, each working interest owner shall be responsible for their proportionate share of all costs incurred.

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

Sincerely,



Sara Hartsfield

Enclosure(s)

Please elect one of the following and return to sender.

_____ BNSF Railway Company hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Tom Matthews 10-24S-28E RB #223H well, located in Eddy County, New Mexico.

_____ BNSF Railway Company hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Tom Matthews 10-24S-28E RB #223H well, located in Eddy County, New Mexico.

_____ BNSF Railway Company elects to lease our minerals for \$1,500/acre, 1/5 royalty, and a 3 year term.

BNSF Railway Company

By: _____

Title: _____

Date: _____

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

BNSF Railway Company
2500 Lou Menk Drive AOB-3
Fort Worth, TX 76131



9590 9402 1922 6104 0022 07

2. Article Number (Transfer from service label)

7014 2120 0003 8662 3106

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature **BNSF HWY CO**
X AOB/GL MAILROOM Agent
Addressee

B. Received by (Printed Name), TX. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- | | |
|--|---|
| <input type="checkbox"/> Adult Signature | <input type="checkbox"/> Priority Mail Express® |
| <input type="checkbox"/> Adult Signature Restricted Delivery | <input type="checkbox"/> Registered Mail™ |
| <input type="checkbox"/> Certified Mail® | <input type="checkbox"/> Registered Mail Restricted Delivery |
| <input type="checkbox"/> Certified Mail Restricted Delivery | <input type="checkbox"/> Return Receipt for Merchandise |
| <input type="checkbox"/> Collect on Delivery | <input type="checkbox"/> Signature Confirmation™ |
| <input type="checkbox"/> Collect on Delivery Restricted Delivery | <input type="checkbox"/> Signature Confirmation Restricted Delivery |
| <input type="checkbox"/> Restricted Delivery | |

Domestic Return Receipt

USPS TRACKING#



9590 9402 1922 6104 0022 07

United States
Postal Service

* Sender: Please print your name, address, and ZIP+4® in this box*

MRC Permian Company
One Lincoln Centre
5400 LBJ Freeway, Ste 1500
Dallas, TX 75240

Attn: Sara Tom Matthews #223H prop

MAR 23 2017



U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Postage \$

Certified Fee

Return Receipt Fee
(Endorsement Required)Restricted Delivery Fee
(Endorsement Required)

Total Postage & Fees

Sent To

Street & Apt. No.
or PO Box No.
City, State, ZIP+4

BNSF Railway Company
2500 Lou Menk Drive AOB-3
Fort Worth, TX 76131
Tom Matthews # 223 Prop

Postmark
Here

SHIPPED MAR 16 2017

7014 2120 0003 8662 3106

PS Form 3800, July 2014

See Reverse for Instructions

MRC Permian Company

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

Sara Hartsfield
Associate Landman

March 16, 2017

VIA CERTIFIED RETURN RECEIPT MAIL

Helen D. Karnoski, a married woman, dealing in her separate property
1588 Sandinista Drive
Las Vegas, NV 89123

Re: Matador Production Company – Tom Matthews 10-24S-28E RB #223H (the “Well”)
Participation Proposal
Section 10, Township 24 South, Range 28 East
Eddy County, New Mexico

Dear Sir/Madam:

MRC Permian Company (“MRC”) proposes the drilling of Matador Production Company’s Tom Matthews 10-24S-28E RB #223H well, located in Section 10, Township 24 South, Range 28 East, Eddy County, New Mexico, to the Wolfcamp formation.

In connection with the above, please note the following:

The estimated cost of drilling, testing, completing, and equipping the Well is \$7,405,819 as found on the enclosed AFE dated February 17, 2017.

The proposed surface location of the Well is approximately 1140’ FSL and 131’ FEL of Section 9, Township 24 South, Range 28 East, Eddy County, New Mexico. The proposed bottom hole location of the subject well is approximately 1657’ FSL and 240’ FEL of Section 10, Township 24 South, Range 28 East, Eddy County, New Mexico.

The Well will have a targeted interval within the Wolfcamp formation. We plan to drill the Well horizontally in the Wolfcamp (~10,800’ TVD) to a Total Measured Depth of approximately 15,600’ resulting in a productive lateral of approximately 4500’.

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

Helen D. Karnoski, a married woman, dealing in her separate property, will own an approximate 0.00015087 working interest in the Well, subject to title verification.

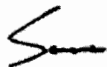
MRC requests that you indicate your election to participate in the drilling and completion of the Well in the space provided below, sign and return one (1) copy of this letter to the undersigned.

As an alternative to participation in the well, Matador is interested in leasing your mineral interest for \$1,500/acre, 1/5 royalty, and a 3 year primary term. Should you elect to lease your minerals, please sign the enclosed lease, in the presence of a notary public, and return it to my attention, along with the enclosed Form W-9.

If your election is to participate in the drilling and completion of the Well, please sign and return a copy of the enclosed AFE within thirty (30) days of receipt of this notice. Additionally, if your election is to participate, please accept this letter as an invoice notice and request for payment. Please remit payment for your proportionate share of costs in the amount of \$1,117.30 to Matador Production Company on or before thirty (30) days after receipt of this estimate and invoice. Please be aware that the enclosed AFE is only an estimate of costs to be incurred and by electing to participate in the Well, each working interest owner shall be responsible for their proportionate share of all costs incurred.

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

Sincerely,



Sara Hartsfield

Enclosure(s)

Please elect one of the following and return to sender.

_____ Helen D. Karnoski, a married woman, dealing in her separate property hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Tom Matthews 10-24S-28E RB #223H well, located in Eddy County, New Mexico.

_____ Helen D. Karnoski, a married woman, dealing in her separate property hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Tom Matthews 10-24S-28E RB #223H well, located in Eddy County, New Mexico.

_____ Helen D. Karnoski, a married woman, dealing in her separate property elects to lease our minerals for \$1,500/acre, 1/5 royalty, and a 3 year term.

Helen D. Karnoski, a married woman, dealing in her separate property

By: _____

Title: _____

Date: _____

SENDER: COMPLETE THIS SECTION

COMPLETE THIS SECTION ON DELIVERY

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Helen D. Karnoski, a married woman, dealing in her separate property
1588 Sandinista Drive
Las Vegas, NV 89123



9590 9402 1717 6074 5364 50

2. Article Number (Transfer from service label)

7014 2120 0003 8662 3403

PS Form 3811, July 2015 PSN 7530-02-000-9063

A. Signature

X

Helen D. Karnoski

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

3.28

D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below:

☐ No

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☐ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery

☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☐ Return Receipt for Merchandise☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery

USPS TRACKING#



9590 9402 1717 6074 5364 50

United States
Postal Service

* Sender: Please print your name, address, and ZIP+4® in this box*

MRC Permian Company
One Lincoln Centre
5400 LBJ Freeway, Ste 1500
Dallas, TX 75240
Attn:Sara Tom Matthews #223H prop

MAR 24 2017

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OFFICIAL USE

Postage \$

SHIPPED MAR 16 2017

Certified Fee

Return Receipt Fee
(Endorsement Required)Restricted Delivery Fee
(Endorsement Required)

Total Postage &

Helen D. Karnoski, a married woman,
dealing in her separate property
1588 Sandinista Drive
Las Vegas, NV 89123
Tom Matthews # 223 Prop

Sent To

Street & Apt. No.,
or PO Box No.

City, State, ZIP+4

PS Form 3800, July 2014

See Reverse for Instructions

7014 2120 0003 8662 3403

EXHIBIT D

Matador Production Company

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

Voice 972.371.5284 • Fax 214.866.4832

darnold@matadorresources.com

Dana R. Arnold
Operations and Regulatory Counsel

January 3, 2018

Michael A. McMillan
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Itemized Schedule of Estimated Costs
Case No. 15710
Order No. R-14413

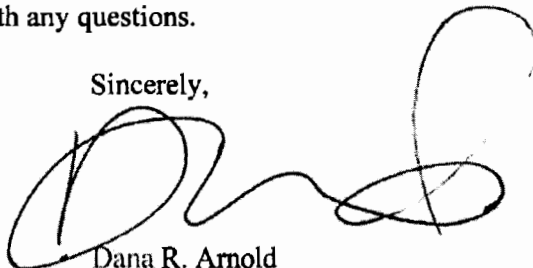
Dear Mr. McMillan:

Matador Production Company hereby submits notification that it has drilled and completed the Tom Matthews 10 24S 28E RB No. 223H pursuant to Order No. R-14413. As of today, the itemized schedule of actual costs is as follows:

	Intangible	Tangible
Drilling	\$2,966,999	\$767,573
Completion	\$4,041,477	\$34,588
Production	\$34,412	\$899,905
Total Intangible	\$7,042,888	
Total Tangible		\$1,702,066
Total	\$8,744,954	

Thank you, and please contact me with any questions.

Sincerely,



Dana R. Arnold

cc:florene.davidson@state.nm.us

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

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

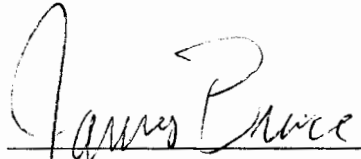
Case No. 15710 (re-opened)

AFFIDAVIT OF NOTICE

COUNTY OF SANTA FE)
) ss.
STATE OF NEW MEXICO)

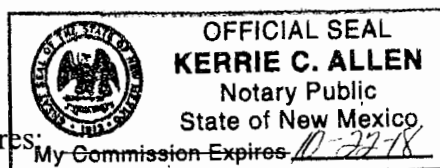
James Bruce, being duly sworn upon his oath, deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am an attorney for Matador Production Company.
3. Matador Production Company has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the application filed herein.
4. Notice of the application was provided to the interest owners, at their last known addresses, by certified mail. Copies of the notice letter and certified return receipts are attached hereto as Attachment A.
5. Applicant has complied with the notice provisions of Division Rules NMAC 19.15.4.9 and 19.15.4.12.C.


James Bruce

SUBSCRIBED AND SWORN TO before me this 20th day of February, 2018 by James Bruce.

My Commission Expires:



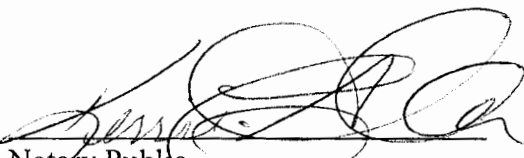

Notary Public

EXHIBIT **2**

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

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

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

jamesbruc@aol.com

January 30, 2018

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

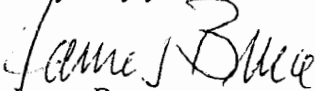
Ladies and gentlemen:

Enclosed is a copy of an application for compulsory pooling, filed with the New Mexico Oil Conservation Division by Matador Production Company, regarding a Wolfcamp well in the S½ of Section 10, Township 24 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, February 22, 2018, in Porter Hall at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting the matter at a later date.

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Wednesday, February 15, 2018. This statement must be filed with the Division's Santa Fe office at the above address, and should include: The names of the party and its attorney; a concise statement of the case; the names of the witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours,


James Bruce

Attorney for Matador Production Company



EXHIBIT A

Helen D. Karnoski
1588 Sandinista Drive
Las Vegas, Nevada 89123

BNSF Railway Company
2500 Lou Menk Drive AOB-3
Fort Worth, Texas 76131

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Fort Worth, Texas 76131



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PS Form 3811, July 2015 PSN 7530-02-000-9053

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City, State, Zip+4® Fort Worth, Texas 76131

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PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

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Street and Apt. No., or P.O. Box 1588 Sandinista Drive

City, State, Zip+4® Las Vegas, Nevada 89123

Postmark Here

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

February 8, 2018

NOTICE

To: Helen D. Karnoski and BNSF Railway Company, or your successors, heirs, devisees, or assigns: Matador Production Company has filed an application with the New Mexico Oil Conservation Division seeking an order pooling all mineral interests in the Wolfcamp formation underlying the S/2 of Section 10, Township 24 South, Range 28 East, NMPM, to form a standard 320 acre gas spacing and proration unit. The unit will be dedicated to the Tom Matthews 10-24S-28E RB Well No. 223H. The well is a horizontal well, with a surface location in the SE/4SE/4 of adjoining Section 9. The first perforation will be 1657 feet from the south line and 330 feet from the west line, and the last perforation will be 1657 feet from the south line and 330 feet from the east line, of Section 10. The producing interval of the well will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The application is scheduled to be heard at 8:15 a.m. on Thursday, February 22, 2018 at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. As an interest owner in the well unit, you have the right to enter an appearance and participate in the case. Failure to appear will preclude you from contesting this matter at a later date. The attorney for applicant is James Bruce, P.O. Box 1056, Santa Fe, New Mexico 87504. The unit is located approximately 3-1/2 miles southeast of Loving, New Mexico.

Affidavit of Publication

State of New Mexico,
County of Eddy, ss.

Danny Fletcher, being first duly sworn, on oath says:

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

February 8 2018

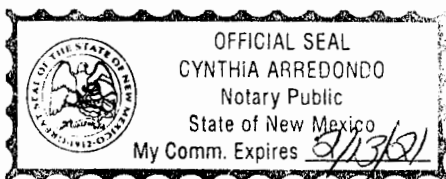
That the cost of publication is **\$98.24** and that payment thereof has been made and will be assessed as court costs.

Subscribed and sworn to before me this 13 day of February, 2018

Cynthia Arredondo

My commission Expires 2/13/21

Notary Public



EXHIBIT

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