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

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

Case Nos. 16451, 16452, 16453, and 16454

October 18, 2018

EXHIBIT NOTEBOOK

Larry Wolfish 1 & 12-23S-27E RB #121H, #122H, #123H, and #124H

Exhibit 1	C-102 Forms
Exhibit 2	Midland Map
Exhibit 3	Summary of Interests
Exhibit 4	Well Proposal Letters
Exhibit 5	Affidavit, notice letters, proof of mailing
Exhibit 6	Locator Map
Exhibit 7	Structure Map
Exhibit 8	Stratigraphic Cross Section A – A'
Exhibit 9	Draft Wellbore / Completion Diagram

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 R1o Brazos Road, Aztec, NM 87410 Phone: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462 State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

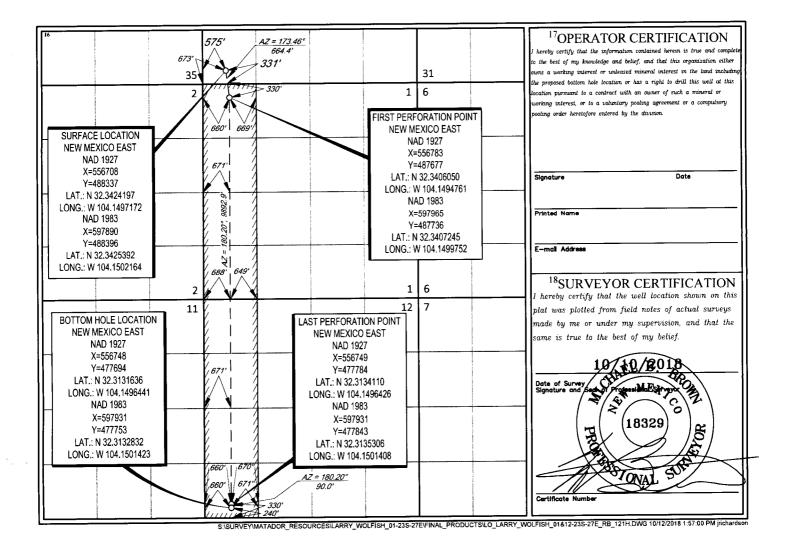
AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1	API Number			² Pool Code			³ Pool Nam	e	
			10380		Cass	Draw; Bone Sprin	ng		
⁴ Property C	ode		LAR	RY WOI	Property Na FISH 1 &	ame 12-23S-27I	E RB		ell Number 121H
OGRID N	io.	i.	M	ATADOF	8Operator N. R PRODUCT	ame TION COMPAN	Υ		Elevation 3076'
					¹⁰ Surface Lo	cation			
L or lot no.	Section 36	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the 575'	East/West line WEST	County EDDY

<u> </u>		<u> </u>	11	Bottom Ho	le Location If Di	fferent From Sur	face		
UL or lot no.	Section 12	Township 23-S	Range 27-E		Feet from the 240'	North/South line SOUTH	Feet from the 660'	East/West line WEST	EDDY
¹² Dedicated Acres 320.11	¹³ Joint or I	Infill 14Co	onsolidation Co	de ¹⁵ Ord	er No.				

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



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

State of New Mexico
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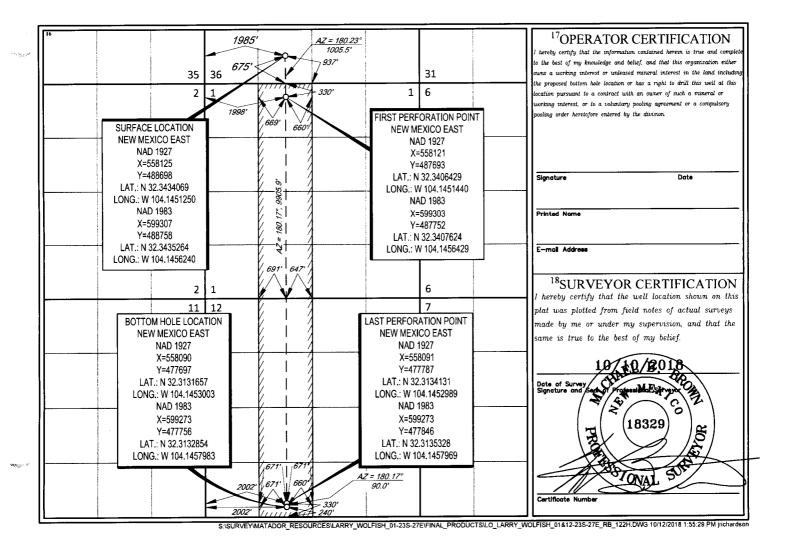
AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

	¹ API Numbe	r	10380	² Pool Code	Cass	s Draw; Bone Sp	Pool Na oring	me	
⁴ Property (Code		LAR	RY WOL	⁵ Property N FISH 1 &	ame 12-23S-27	E RB		Vell Number #122H
⁷ OGRID 228937	No.		М	IATADOR	*Operator N PRODUCT	ame FION COMPA	NY		Elevation 3073'
	•				¹⁰ Surface Lo	cation			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

N	36	22-5	27-E	_	679	SOUTH	1900	MESI	EDDI
			11]	Bottom Ho	ole Location If D	ifferent From Sui	rface		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	12	23-S	27-E	_	240'	SOUTH	2002'	WEST	EDDY
¹² Dedicated Acres	¹³ Joint or	Infill ¹⁴ Ce	onsolidation Co	de ¹⁵ Ord	ler No.				
320.08				İ					

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.



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 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

²Dedicated Acres 320.04

¹API Number

23-S | 27-E

Consolidation Code

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
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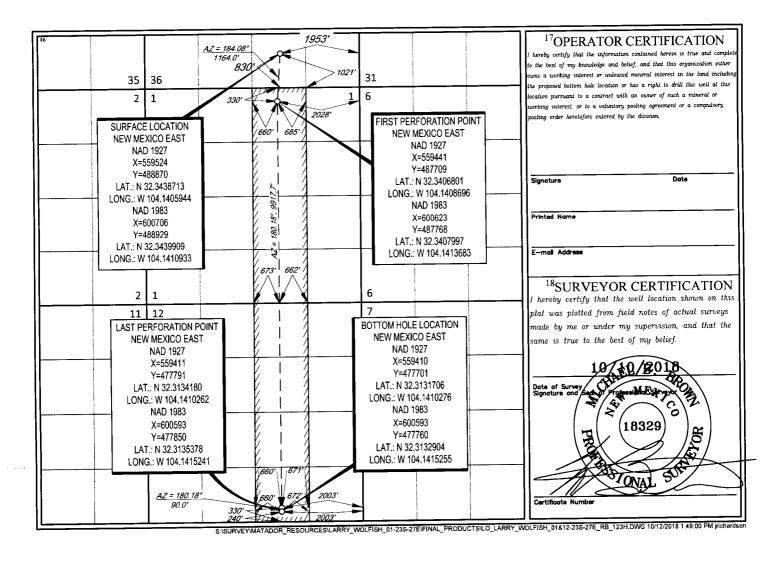
WELL LOCATION AND ACREAGE DEDICATION PLAT

			10380		Cass	Diaw, Boile Spi	mg		
⁴ Property	Code		LARI	RY WOL	⁵ Property Na FISH 1 &	12-23S-27	E RB		ell Number #123H
⁷ OGRID 228937	No.				⁸ Operator N				Elevation 3071
L					¹⁰ Surface Lo	cation			
UL or lot no.	Section 36	Township 22-S	Range 27-E	Lot Idn	Feet from the 830'	North/South line SOUTH	Feet from the 1953'	East/West line	EDDY
<u> </u>	<u> </u>	1	¹¹ Be	ottom Hole	Location If D	ifferent From Sui	rface		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line		East/West line	County
۱ ۵	12	23-S	27-E	_ \	240'	SOUTH	2003'	EAST	EDDY

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.

240'

⁵Order No.



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811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 <u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87410

Phone: (505) 334-6178 Fax: (505) 334-6170 <u>District IV</u> 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

320.01

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

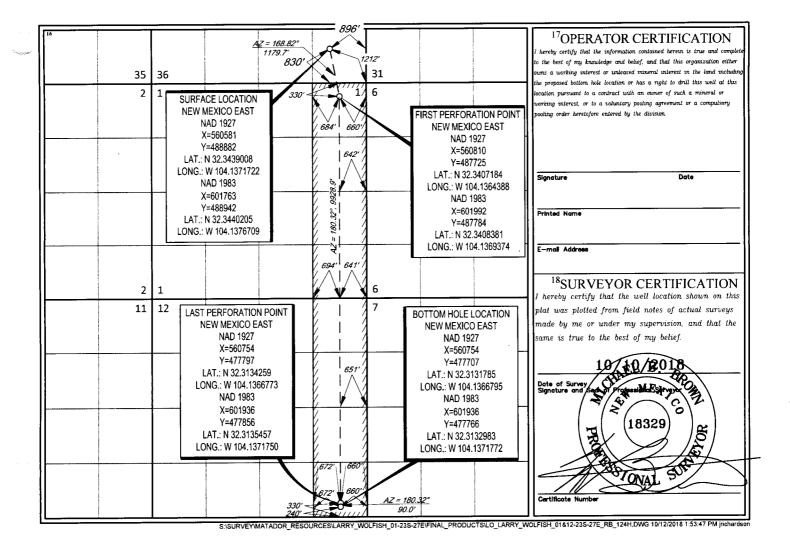
FORM C-102
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___ AMENDED REPORT

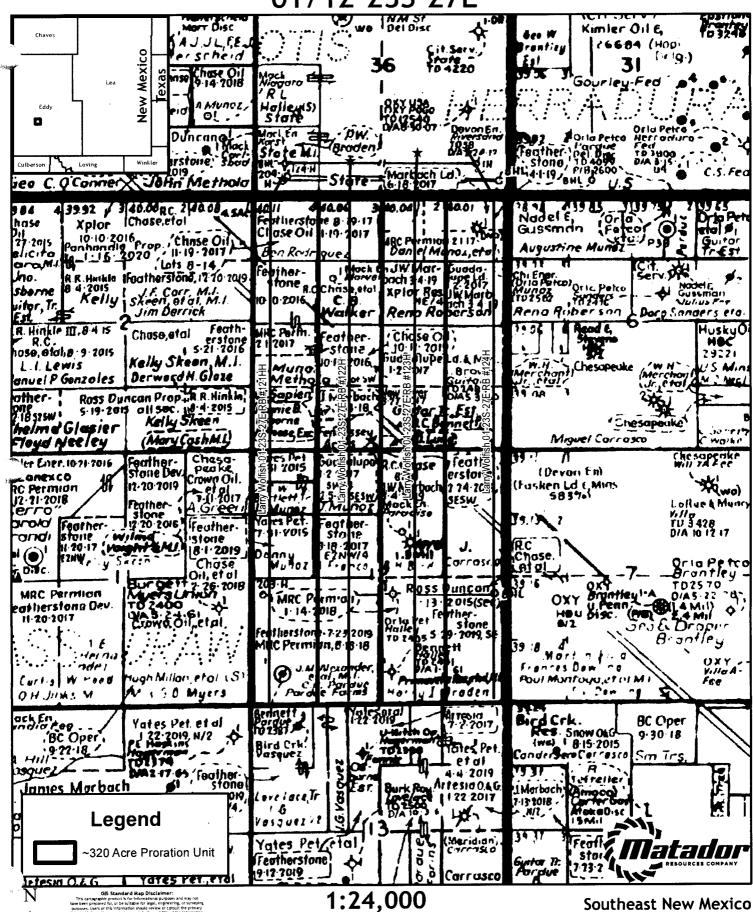
WELL LOCATION AND ACREAGE DEDICATION PLAT

	¹ API Number			² Pool Code			³ Pool Nam	e	
			10380		Ca	ss Draw; Bone S	pring		
⁴ Property	Code				⁵ Property Na	ame		6M	ell Number
			LAR	RY WOI	FISH 1 &	12-23S-27	E RB	 	124H
⁷ OGRID	No.	¥			⁸ Operator N	ame			Elevation
228937	Ì		M	ATADOR	R PRODUCT	TION COMPAN	ĪΥ	;	3069'
1.1	-	<u>.</u>			¹⁰ Surface Lo	cation			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	36	22-S	27-E	-	830'	SOUTH	896'	EAST	EDDY
			¹¹ B	ottom Hole	e Location If D	ifferent From Sur	face		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	12	23-S	27-E	-	240'	SOUTH	660'	EAST	EDDY
² Dadicated Acres	13 Joint or 1	n611 14Cc	nsolidation Code	15Order	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.



01/12-23S-27E



1 inch = 2,000 feet

6,000

2,000

4,000

1,000

■Feet

8.000

Date: October 11, 2018 Coordinate System: NAD 1983 StatePlane New Mexico East FIPS 3001 Feet Projection: Transverse Mercator; Datum: North American 1983; Units: Foot US Sources: IHS: ESRI:

MRC Permian Company: Voluntary Joinder:		73.6828475% 1.877425%
Compulsory Pool:		24.439734%
Interest Owner:	<u>Description:</u>	<u>Interest:</u>
RKI Exploration & Production, LLC	Working Interest Owner	20.026798%
Belen R. Hernandez	Unleased Mineral Interest Owner	1.530290%
Rachel G. Martin, Robert G. Rodriguez, Ruben G. Rodriguez, Rosemary G. Zapata, and Rodolfo G. Rodriguez Jr., all surviving joint tenants of Rodney G. Rodriguez, deceased	Unleased Mineral Interest Owner	1.352356%
Estate of Irene Ruiz	Unleased Mineral Interest Owner	1.530290%



MRC Permian Company:		75.624604%
Voluntary Joinder:		3.756546%
Compulsory Pool:		20.618855%
Interest Owner:	<u>Description:</u>	<u>Interest:</u>
RKI Exploration & Production, LLC	Working Interest Owner	17.115359%
Belen R. Hernandez	Unleased Mineral Interest Owner	1.532310%
	Unleased Mineral Interest Owner	0.121143%
Raul Arturo Gamboa and Valdrie Lara, as Joint Tenants		
The State Highway Commission of New Mexico	Unleased Mineral Interest Owner	0.531498%
Estate of Irene Ruiz	Unleased Mineral Interest Owner	1.313945%
Orphan Tract	Unleased Mineral Interest Owner	0.004600%



MRC Permian Company: Voluntary Joinder:		76.820496% 0.310960%
Compulsory Pool:		22.868547%
Interest Owner:	Description:	<u>Interest:</u>
Marathon Oil Permian, LLC	Working Interest Owner	21.771903%
DSD Energy Resources, LLC	Working Interest Owner	0.478306%
V-F Petroeum, Inc.	Working Interest Owner	0.327384%
Raul Rodriguez, Jr., as his separate property	Unleased Mineral Interest Owner	0.290954%



MRC Permian Company Compulsory Pool		73.880863%
Interest Owner:	<u>Description:</u>	<u>Interest:</u>
Marathon Oil Permian, LLC	Working Interest Owner	24.959573%
DSD Energy Resources, LLC	Working Interest Owner	0.498585%
V-F Petroeum, Inc.	Working Interest Owner	0.333289%
Estate of Isaac Espinoza, deceased	Unleased Mineral Interest Owner	0.327694%



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

Sara Hartsfield Landman

July 30, 2018

VIA CERTIFIED RETURN RECEIPT MAIL

RKI Exploration and Production, LLC 3500 One Williams Center, MD 35 Tulsa, OK 74172

Re: Matador Production Company – Larry Wolfish 1&12-23S-27E RB #121H (the "Well")

Participation Proposal

Sections 1&12, Township 23 South, Range 27 East

Eddy County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Larry Wolfish 1&12-23S-27E RB #121H well, located in the W2W2 of Sections 1 and 12, Township 23 South, Range 27 East, Eddy County, New Mexico to the Bone Spring formation.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping the Well is \$11,882,094 as found on the enclosed AFE dated July, 27, 2018.
- The proposed Well will be drilled from a legal location with a surface hole located in the SW/4SW/4 of Section 36, Township 22 South, Range 27 East, Eddy County, New Mexico. The proposed bottom hole of the subject Well will be a legal location in the SW/4SW/4 of Section 12, Township 23 South, Range 27 East, Eddy County, New Mexico.
- The Well will have a targeted interval within the Bone Spring formation. We plan to drill the Well horizontally in the Bone Spring (~7,660' TVD) to a Total Measured Depth of approximately 18,200' resulting in a productive lateral of approximately 9,900'.

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.

RKI Exploration and Production, LLC will own an approximate 0.200267975 working interest in the Well based on the JOA, 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.

MRC is proposing to drill the Well under the terms of the modified 1989 AAPL form of Operating Agreement which is enclosed for your review and approval. The enclosed Operating Agreement dated July 27, 2018, by and between Matador Production Company, as operator and MRC Permian Company et al as Non-Operators, covers the W/2 of Sections 1&12, Township 23 South, Range 27 East, Eddy County, New Mexico limited from the surface to the Base of the Bone Spring Formation, and has the following general provisions:

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

If your election is to participate in the drilling and completion of the 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 \$\$2,379,602.90 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.

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

		Phone (972)	371-5200 • Fax (972) 371-	5201		
		ESTIMATE OF COSTS A	ND AUTHORIZATION FOR	EXPENDITURE	***************************************	
DATE:	July 27, 2018			AFE NO.:		
WELL NAME:	Larry Wolfish 1&12-23S	-27E RB #121H		FIELD:	-	18200'/7660'
LOCATION:	Section 1&12-23S-27E			MD/TVD: LATERAL LENGTH:		9900 ft
COUNTY/STATE:	Eddy			LATERAL LENGTH.	-	00001
MRC WI: GEOLOGIC TARGET:	Second Bone Spring Sa	and				
REMARKS:	Drill and complete a 2 n		e Spring Sand target with	h 47 stages		
TEMPICIO.						
		DRILLING	COMPLETION	PRODUCTION COSTS	FACILITY COSTS	TOTAL
INTANGIBLE Land / Legal / Regulatory	COSTS	COSTS 56,700	COSTS \$		ş - \$	56,700
Location, Surveys & Dam		88,500	13,000	4,000	10,000	115,500
Drilling		833,750 201,500				833,750 201,500
Cementing & Float Equip Logging / Formation Evalu	uation	201,500	6,500			6,500
Mud Logging		30,000				30,000 59,250
Mud Circulation System		59,250 188,750	50,000			238,750
Mud & Chemicals Mud / Wastewater Dispos	al .	195,000	-		-	195,000
Freight / Transportation		20,000	18,000	7,200	18,000	38,000 275,500
Rig Supervision / Enginee Drill Bits	ering .	135,000 89,000	115,300	7,200	10,000	89,000
Fuel & Power	•	112,500	-		-	112,500
Water		60,000 12,500	838,500 31,000			898,500 43,500
Drig & Completion Overho Plugging & Abandonment		12,500	31,000			-
Directional Drilling, Surve		255,000				255,000
Completion Unit, Swab, C			147,000	24,000		171,000 361,900
Perforating, Wireline, Silo High Pressure Pump Truck		-	341,900 161,000	20,000	-	161,000
Stimulation		-	4,935,000			4,935,000 210,400
Stimulation Flowback & I	oisp	33,300	150,400	60,000		33,300
Insurance Labor		123,000	76,000	6,000		205,000
Rental - Surface Equipme	int	70,250	309,900	12,000	5,000	397,150
Rental - Downhole Equip	ment	105,000 49,700	58,000 53,860	10,000	10,000	173,000
Rental - Living Quarters Contingency		217,496	237,038	8,320	3,010	465,864
oon angency	TOTAL INTANGIBLES >	2,936,196	7,542,418	151,520	46,010	10,676,144
		DRILLING	COMPLETION	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
TANGIBLE Surface Casing	COSTS	COSTS 35,550	COSTS	\$	\$ 5	
Intermediate Casing	•	98,750	-			98,750
Drilling Liner						367,350
Production Casing Production Liner		367,350		****		-
Tubing				50,400		50,400 85,000
Wellhead		60,000	106,800	25,000 12,000		118,800
Packers, Liner Hangers Tanks					48,000	48,000
Production Vessels				57,000 60,000	28.750	85,750 60,000
Flow Lines				00.000		
Rod string Artificial Lift Equipment		-		25,000		25,000
Compressor					10,000 70,000	10,000 70,000
Installation Costs Surface Pumps				5,000	2,000	7.000
Non-controllable Surface	•	-				
Non-controllable Downh	ole					
Downhole Pumps Measurement & Meter in	stallation			12,500	30,000	42,500
Gas Conditioning / Dehy						40,000
Interconnecting Facility	Piping		******		40,000	40,000
Gathering / Bulk Lines Valves, Dumps, Controlls	ers			-	4,000	4,000
Tank / Facility Containm					13,200 11,550	13,200 11,550
Flare Stack Electrical / Grounding					6,600	6.600
Communications / SCAD	A				16 500	26,500
Instrumentation / Safety	TOTAL TANGIBLES >	561,650	106,800	10,000 256,900	16,500 280,600	1,205,950
	TOTAL COSTS >		7,649,218	408,420	326,610	11,882,094
REPARED BY MATADO	R PRODUCTION COMPAN	,				
Drilling Engin	eer: Blake Hermes	Team Lead - WTX/	INM LATE			
Completions Engir			WTE			
Production Engir	eer: Ben Peterson					
	00110111/ 400001/4:					
ATADOR RESOURCES	COMPANY APPROVAL:					
Executive VP, COO/	OFO	VP - Res Enginee	ring		VP - Drillin	ng
	DEL		BMR		VD Braditalia	
Executive VP, L	egal	Exec Dir - Explora	NLF		VP - Production	A1
D			2451			
Presi	MVH MVH					
ON OPERATING PARTN	ER APPROVAL:					
Company Na	ame:		Working Interest (%):		Tax II	D:
			-			
Signe	d by:		Date:			
	Title:		Approval:	Yes		No (mark one)

The contrain in the AFE are eliminate only and mon-rot be commissed as desiring on any security from an interval process of the problem. "Got" has been expected under the AFE may be delived up to a text all after the one has been compared in the AFE may be delived up to a text all after the one has been compared in the AFE may be delived up to a text all after the one has been compared in the AFE may be delived up to a text all after the AFE may be delived up to a text all afte

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shartsfield@matadorresources.com

Sara Hartsfield Landman

July 30, 2018

VIA CERTIFIED RETURN RECEIPT MAIL

Belen Hernandez, as her separate property 1905 Howard Rd. Carlsbad, NM 88220

Re:

Matador Production Company – Larry Wolfish 1&12-23S-27E RB #121H (the "Well") Participation Proposal/Offer to Lease Sections 1&12, Township 23 South, Range 27 East Eddy County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Larry Wolfish 1&12-23S-27E RB #121H well, located in the W2W2 of Sections 1 and 12, Township 23 South, Range 27 East, Eddy County, New Mexico, to the Bone Spring formation.

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.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping the Well is \$11,882,094 as found on the enclosed AFE dated July, 27, 2018.
- The proposed Well will be drilled from a legal location with a surface hole located in the SW/4SW/4 of Section 36, Township 22 South, Range 27 East, Eddy County, New Mexico. The proposed bottom hole of the subject Well will be a legal location in the SW/4SW/4 of Section 12, Township 23 South, Range 27 East, Eddy County, New Mexico.
- The Well will have a targeted interval within the Bone Spring formation. We plan to drill the Well horizontally in the Bone Spring (~7,660' TVD) to a Total Measured Depth of approximately 18,200' resulting in a productive lateral of approximately 9,900'.

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.

Belen Hernandez, as her separate property will own an approximate 0.0153029 working interest in the Well, subject to title verification.

As an alternative to participation in the well Matador is interested in leasing your mineral interest, subject to title verification, for \$1,500/acre, 1/5 royalty, and a 3 year term on the lease form enclosed. Should you elect to lease your minerals, please sign the enclosed lease, in the presence of a notary public, and return it to my attention, at the address listed above.

If your election is to participate in the drilling and completion of the Well, please sign and return a copy of the enclosed AFE within thirty (30) days of receipt of this notice. 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 \$181,830.50 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.

Sara Hartsueld

Please contact me if you have any questions.

	Sara Hartsfield 0
Enclos	ure(s)
Please	elect one of the following and return to sender.
	Belen Hernandez, as 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 Larry Wolfish 1&12-23S-27E RB #121H well, located in Eddy County, New Mexico. Belen Hernandez, as 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 Larry Wolfish 1&12-23S-27E RB #121H well, located in Eddy County, New Mexico.
	Belen Hernandez, as her separate property hereby elects to lease our minerals for \$1,500/acre, 1/5 royalty, and a 3-year term.
Belen]	Hernandez, as her separate property
Ву: _	
Title: _	

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

		ESTIMATE OF COSTS AN	D AUTHORIZATION FOR			
DATE:	July 27, 2018			AFE NO.:		
	Larry Wolfish 1&12-23S	-27E RB #121H		FIELD:		10000173001
	Section 1&12-23S-27E			MD/TVD:		18200'/7660'
COUNTY/STATE:	Eddy			LATERAL LENGTH:	-	9900 ft
MRC WI:		· · · · · · · · · · · · · · · · · · ·				
GEOLOGIC TARGET: REMARKS:	Second Bone Spring Sa Drill and complete a 2 n	nile horizontal 2nd Bone	Spring Sand target with	n 47 stages		
KENIARNS:	Ditti and complete o 2 ii					
		DRILLING	COMPLETION	PRODUCTION	FACILITY COSTS	TOTAL COSTS
INTANGIBLE Co	STSC	COSTS 56,700	COSTS	\$	\$ - \$	56,700
Land / Legal / Regulatory Location, Surveys & Damage	*.	88,500	13,000	4,000	10,000	115,500 833,750
Drilling		833,750				201,500
Cementing & Float Equip Logging / Formation Evaluat	ion .	201,500	6,500			6,500
Mud Logging		30,000				30,000 59,250
Mud Circulation System		59,250 188,750	50,000			238,750
Mud & Chemicals Mud / Wastewater Disposal		195,000			-	195,000
Freight / Transportation	•	20,000	18,000		40.000	38,000 275,500
Rig Supervision / Engineering	g	135,000 89,000	115,300	7,200	18,000	89,000
Drill Bits		112,500				112,500
Fuel & Power Water		60,000	838,500			898,500 43,500
Drig & Completion Overhead	1	12,500	31,000			45,500
Plugging & Abandonment Directional Drilling, Surveys		255,000				255,000
Completion Unit, Swab, CTL			147,000	24,000		171,000 361,900
Perforating, Wireline, Slickli			341,900 161,000	20,000		161,000
High Pressure Pump Truck Stimulation			4,935,000			4,935,000
Stimulation Flowback & Dis	9		150.400	60,000		210,400 33,300
Insurance		33,300	76,000	6,000		205,000
Labor		123,000 70,250	309,900	12,000	5,000	397,150
Rental - Surface Equipment Rental - Downhole Equipme		105,000	58,000		10,000	173,000 113,580
Rental - Living Quarters		49,700	53,880 237,038	10,000 8,320	3,010	465,864
Contingency		217,496	7,542,418	151,520	46,010	10,676,144
	TOTAL INTANGIBLES >	2,936,196 DRILLING	COMPLETION	PRODUCTION	FACILITY	TOTAL
TANGIBLE C	OSTS	COSTS	COSTS	costs	costs	COSTS \$ 35,550
Surface Casing	s		\$	\$	\$	98,750
Intermediate Casing		98,750				-
Drilling Liner Production Casing		367,350				367,350
Production Liner				50,400		50,400
Tubing		60,000		25,000		85,000
Weilhead Packers, Liner Hangers			106,800	12,000	48,000	118.800 48,000
Tanks				57,000	28,750	85,750
Production Vessels				60,000	-	60,000
Flow Lines Rod string		-		-		25,000
Artificial Lift Equipment				25,000	10,000	10,000
Compressor					70,000	70,000
Installation Costs Surface Pumps				5,000	2,000	7.000
Non-controllable Surface					*	-
Non-controllable Downhole			and the second s		A CONTRACTOR OF THE PART OF TH	
Downhole Pumps Measurement & Meter Insta	allation			12,500	30,000	42,500
Gas Conditioning / Dehydr					40,000	40,000
Interconnecting Facility Pig	oing				40,000	40,000
Gathering / Bulk Lines Valves, Dumps, Controllers				-	4,000	4,000
Tank / Facility Containmen					13,200 11,550	13,200 11,550
Flare Stack					6,600	6,600
Electrical / Grounding Communications / SCADA						
Instrumentation / Safety				10,000	16,500	26,500 1,205,950
	TOTAL TANGIBLES		106,800	256,900 408,420	280,600 326,610	11,882,094
	TOTAL COSTS	> 3,497,846	7,649,218	408,420	320,010	
REPARED BY MATADOR I	PRODUCTION COMPAI	NY:				
		Team Lead - WTX/	u GoTE			
Drilling Enginee		ream Lead - WIA	WITE WITE			
Completions Enginee Production Enginee						
Production Enginee	a, perrecessor					
ATADOR RESOURCES CO	OMPANY APPROVAL:					
AIADONNES					VP - Drilli	na
Executive VP, COO/CF	DEL	VP - Res Engineer	ring		Vr - Ditti	8G
- 17 . 18 7 1		Exec Dir - Explora			VP - Producti	on
Executive VP, Leg	gal	Evec Dit - Exhini	NI F			
Preside						
, , , , , ,	MVH					
ON OPERATING PARTNE	R APPROVAL:					
Company Narr	ie:		Working Interest (%):		Tax	ID:
			Detc			
Signed t	ру:		Date: _	 		
Ти	te:		Approval:	Yes		No (mark one)
						A second control control control

The custion on the ACTE are definitional striply and differ med to the controlled to determine the custion of t

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

Sara Hartsfield Landman

July 30, 2018

VIA CERTIFIED RETURN RECEIPT MAIL

RKI Exploration & Production, LLC 3500 One Williams Center, MD 35 Tulsa, OK 74172

Re: Matador Production Company – Larry Wolfish 1&12-23S-27E RB #122H (the "Well")
Participation Proposal
Sections 1&12, Township 23 South, Range 27 East
Eddy County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Larry Wolfish 1&12-23S-27E RB #122H well, located in the E2W2 of Sections 1 and 12, Township 23 South, Range 27 East, Eddy County, New Mexico to the Bone Spring formation.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping the Well is \$11,882,094 as found on the enclosed AFE dated July, 27, 2018.
- The proposed Well will be drilled from a legal location with a surface hole located in the SE/4SW/4 of Section 36, Township 22 South, Range 27 East, Eddy County, New Mexico. The proposed bottom hole of the subject Well will be a legal location in the SE/4SW/4 of Section 12, Township 23 South, Range 27 East, Eddy County, New Mexico.
- The Well will have a targeted interval within the Bone Spring formation. We plan to drill the Well horizontally in the Bone Spring (~7,693' TVD) to a Total Measured Depth of approximately 18,300' resulting in a productive lateral of approximately 9,900'.

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.

RKI Exploration & Production, LLC will own an approximate 0.17115359 working interest in the Well based on the JOA, 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.

MRC is proposing to drill the Well under the terms of the modified 1989 AAPL form of Operating Agreement which is enclosed for your review and approval. The enclosed Operating Agreement dated July 27, 2018, by and between Matador Production Company, as operator and MRC Permian Company et al as Non-Operators, covers the W/2 of Sections 1&12, Township 23 South, Range 27 East, Eddy County, New Mexico, limited from the surface to the Base of the Bone Spring Formation, and has the following general provisions:

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

If your election is to participate in the drilling and completion of the 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 \$2,033,663.04 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.

Enclosure(s)

Please elect one of the following and return to sender.

RKI Exploration & Production, LLC hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Larry Wolfish 1&12-23S-27E RB #122H well, located in Eddy County, New Mexico.

RKI Exploration & Production, LLC hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Larry Wolfish 1&12-23S-27E RB #122H well, located in Eddy County, New Mexico.

RKI Exploration & Production, LLC is interested in selling its interest in this unit, please contact us to discuss.

RKI Exploration & Production, LLC

By:

Title:

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

			371-5200 • Fax (972) 371 ND AUTHORIZATION FO			
DATE:	July 27, 2018			AFE NO.:		
WELL NAME:	Larry Wolfish 1&12-235	S-27E RB #122H	FIELD:			
LOCATION:	Section 1&12-23S-27E		MD/TVD:			18300'/7693'
COUNTY/STATE:	Eddy		LATERAL LENGTH: 9900 ft			9900 ft
MRC WI:						
GEOLOGIC TARGET:	Second Bone Spring S			Ib. 47 -4		
REMARKS:	Drill and complete a 2 r	nile horizontal 2nd Bon	e Spring Sand target wi	th 47 stages		
		DRILLING	COMPLETION	PRODUCTION	FACILITY	TOTAL
INTANGIBLE		COSTS	costs	COSTS	COSTS	COSTS
Land / Legal / Regulatory	\$	56,700 88,500	13,000	4,000	10,000	56,700 115,500
Location, Surveys & Damag Drilling	ges	833,750	10,000	4,000	75,555	833,750
Cementing & Float Equip		201,500				201,500
Logging / Formation Evalua	ation	30,000	6,500			6,500 30,000
Mud Logging Mud Circulation System	•	59,250				59,250
Mud & Chemicals		188,750	50,000			238,750 195,000
Mud / Wastewater Disposal Freight / Transportation	I ,	195,000 20,000	18,000			38,000
Rig Supervision / Engineer	ing	135,000	115,300	7,200	18,000	275,500
Drill Bits		89,000				89,000 112,500
Fuel & Power Water		112,500	838,500			898,500
Drig & Completion Overhea	ad	12,500	31,000			43,500
Plugging & Abandonment		255 050				255,000
Directional Drilling, Survey Completion Unit, Swab, CT		255,000	147,000	24,000		171,000
Perforating, Wireline, Slick		*	341,900	20,000		361,900
High Pressure Pump Truck		-	161,000		-	161,000 4,935,000
Stimulation	en		4,935,000 150,400	60,000		210,400
Stimulation Flowback & Dis Insurance	- r	33,300	.50,400		·	33,300
Labor		123,000	76,000	6,000	C 000	205,000
Rental - Surface Equipmen		70,250 105,000	309,900 58,000	12,000	5.000	397,150 173,000
Rental - Downhole Equipm Rental - Living Quarters	lent	49,700	53,880	10,000	10,000	113,580
Contingency		217,496	237,038	8,320	3,010	465,864
	TOTAL INTANGIBLES >	2,936,196	7,542,418	151,520	46,010	10,676,144
		DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
TANGIBLE C Surface Casing	SOSTS	35,550	\$	\$	\$ 5	35,550
Intermediate Casing	·	98,750				98,750
Drilling Liner						367,350
Production Casing Production Liner		367,350				301,330
Tubing		-		50,400		50,400
Wellhead		60,000		25,000		85,000 118,800
Packers, Liner Hangers			106,800	12,000	48,000	48,000
Tanks Production Vessels		-		57,000	28,750	85,750
Flow Lines		-		60,000		60,000
Rod string				25,000		25,000
Artificial Lift Equipment Compressor					10.000	10,000
Installation Costs					70,000	70,000
Surface Pumps Non-controllable Surface				5,000	2,000	7,000
Non-controllable Downhol	e	-		*		
Downhole Pumps		-			22.000	42,500
Measurement & Meter Inst		-		12,500	30,000	42,500
Gas Conditioning / Dehydo Interconnecting Facility Pi				*	40,000	40,000
Gathering / Bulk Lines	F9					
Vaives, Dumps, Controller				-	4,000 13,200	4,000 13.200
Tank / Facility Containmer Flare Stack	nt				11,550	11,550
Electrical / Grounding					6,600	6,600
Communications / SCADA	•			10,000	16,500	26,500
Instrumentation / Safety	TOTAL TANGIBLES >	561,650	106,800	256,900	280,600	1,205,950
	TOTAL COSTS >		7,649,218	408,420	326,610	11,882,094
REPARED BY MATADOR						
Dritting Engine	er: Blake Hermes	Team Lead - WTX/	NM WIE			
Completions Engine			WTE			
Production Engine	er: Ben Peterson					
ATADOR RESOURCES C	OMPANY APPROVAL:					
Executive VP. COO/CF	•o	VP - Res Enginee	ring		VP - Drilling	9
EXECUTIVE VF. COOPER	DEL		BMR			BG
Executive VP, Leg		Exec Dir - Explora	tion		VP - Production	1
	CA		NLF			
Preside	ent					
ON OPERATING PARTNE	R APPROVAL:					
Company Nan	ne:		Working Interest (%):		Tax ID	
			Det:			
Signed	by:		Date: _			
Ti	tie:		Approval:	Yes	***	No (mark one)
						numberary energy of actual costs and cost

The season with a FT2 are continued only and imprired the continued my calling can any states from or the labs costs of the property continued and a system of the property can be a your and the continued means are not expectated as a continued mean and a system of the property can be a your and the continued means are not expectated as a continued mean and a system of the continued means are not expectated as a continued mean and a system of the continued means are not expectated as a continued mean and a system of the continued means are not expectated as a continued mean and a system of the continued means are not expectated as a continued mean and a system of the continued means are not expectated as a continued mean and a system of the continued means are not expectated means are not expectated as a continued mean and a system of the continued means are not expectated means are n

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shartsfield@matadorresources.com

Sara Hartsfield Landman

July 27, 2018

VIA CERTIFIED RETURN RECEIPT MAIL

Belen R. Hernandez 1905 Howard Rd. Carlsbad, NM 88220

Re: Matador Production Company – Larry Wolfish 1&12-23S-27E RB #122H (the "Well")
Participation Proposal/Offer to Lease

Sections 1&12, Township 23 South, Range 27 East

Eddy County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Larry Wolfish 1&12-23S-27E RB #122H well, located in the E2W2 of Sections 1 and 12, Township 23 South, Range 27 East, Eddy County, New Mexico, to the Bone Spring formation.

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.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping the Well is \$11,882,094 as found on the enclosed AFE dated July, 27, 2018.
- The proposed Well will be drilled from a legal location with a surface hole located in the SE/4SW/4 of Section 36, Township 22 South, Range 27 East, Eddy County, New Mexico. The proposed bottom hole of the subject Well will be a legal location in the SE/4SW/4 of Section 12, Township 23 South, Range 27 East, Eddy County, New Mexico.
- The Well will have a targeted interval within the Bone Spring formation. We plan to drill the Well horizontally in the Bone Spring (~7,693' TVD) to a Total Measured Depth of approximately 18,300' resulting in a productive lateral of approximately 9,900'.

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.

Belen R. Hernandez will own an approximate 0.0153231 working interest in the Well, subject to title verification.

As an alternative to participation in the well Matador is interested in leasing your mineral interest, subject to title verification, for \$1,500/acre, 1/5 royalty, and a 3 year term on the lease form enclosed. Should you elect to lease your minerals, please sign the enclosed lease, in the presence of a notary public, and return it to my attention, at the address listed above.

If your election is to participate in the drilling and completion of the Well, please sign and return a copy of the enclosed AFE within thirty (30) days of receipt of this notice. 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 \$182,070.51 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.

Sincerely,

SaraHartsteld

Please contact me if you have any questions.

	Sala Haitsheid
Enclosu	are(s)
Please 6	elect one of the following and return to sender.
	Belen R. Hernandez hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Larry Wolfish 1&12-23S-27E RB #122H well, located in Eddy County, New Mexico.
	Belen R. Hernandez hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Larry Wolfish 1&12-23S-27E RB #122H well, located in Eddy County, New Mexico.
	Belen R. Hernandez hereby elects to lease our minerals for \$1,500/acre, 1/5 royalty, and a 3-year term.
Belen F	R. Hernandez
By: _	
Title: _	

ONE LINCOLN CENTRE • 5400 LBJ FREEWAY • SUITE 1500 • DALLAS, TEXAS 75240 Phone (972) 371-5200 • Fax (972) 371-5201

		ESTIMATE OF COSTS A	ND AUTHORIZATION FOR	EXPENDITURE		
DATE:	July 27, 2018			AFE NO.:		
WELL NAME:	Larry Wolfish 1&12-23S	-27E RB #122H		FIELD:		
LOCATION:	Section 1&12-23S-27E			MO/TVD:		18300'/7693'
COUNTY/STATE:	Eddy			LATERAL LENGTH:		9900 ft
MRC WI:						
GEOLOGIC TARGET:	Second Bone Spring Sa			L 47 star		
REMARKS:	Drill and complete a 2 n	ile horizontal 2nd Bone	Spring Sand target wit	h 47 stages		
			COMPLETION	PRODUCTION	FACILITY	TOTAL
		DRILLING COSTS	COMPLETION	COSTS	COSTS	COSTS
INTANGIBLE Land / Legal / Regulatory	COSTS \$	56,700	\$	\$	\$ - \$	56,700
Location, Surveys & Dam	_	88,500	13,000	4,000	10,000	115,500 833,750
Drilling		833,750 201,500				201,500
Cementing & Float Equip Logging / Formation Eval	unation .	201,500	6.500	···		6,500
Mud Logging	-	30,000				30,000 59,250
Mud Circulation System		59,250	50,000			238,750
Mud & Chemicals		188,750 195,000			•	195,000
Mud / Wastewater Dispos Freight / Transportation	şaı .	20,000	18,000			38,000
Rig Supervision / Engine	ering	135,000	115,300	7,200	18,000	275,500 89,000
Drill Bits	,	89,000				112,500
Fuel & Power	•	112,500 60,000	838,500			898,500
Water Drig & Completion Overh	ead .	12,500	31,000			43,500
Plugging & Abandonmen	it .	-				255,000
Directional Drilling, Survey		255,000	147,000	24,000		171,000
Completion Unit, Swab, C Perforating, Wireline, Slice			341,900	20,000		361,900
High Pressure Pump Tru			161,000		+	161,000 4,935,000
Stimulation		•	4,935,000 150,400	60,000		210,400
Stimulation Flowback & I	Disp	33,300	150,400			33,300
insurance Labor		123,000	76,000	6,000		205,000
Rental - Surface Equipme	ent	70,250	309,900	12,000	5,000 10,000	397,150 173,000
Rental - Downhole Equip		105,000 49,700	58,000 53,880	10,000	10.000	113,580
Rental - Living Quarters		217,496	237,038	8,320	3,010	465,864
Contingency	TOTAL INTANGIBLES >	2,936,196	7,542,418	151,520	46,010	10,676,144
	101/12 (01/10/10/10/10/10/10/10/10/10/10/10/10/1	DRILLING	COMPLETION	PRODUCTION	FACILITY	TOTAL COSTS
TANGIBLE		COSTS	ÇOSTS	COSTS	COSTS \$	35,550
Surface Casing	\$	35,550 98,750	\$	\$	*	98,750
Intermediate Casing		30,730		<u></u>		
Drilling Liner Production Casing		367,350				367,350
Production Liner				50.400		50,400
Tubing		60,000		25.000		85,000
Wellhead Packers, Liner Hangers			106,800	12,000		118,800
Tanks		-			48,000	48,000 85,750
Production Vessels				57,000 60,000	28,750	60,000
Flow Lines				50,000		
Rod string Artificial Lift Equipment				25,000		25,000
Compressor					10.000 70,000	10,000 70,000
Installation Costs				5,000	2,000	7,000
Surface Pumps	٥			-	-	*
Non-controllable Surfac Non-controllable Downt		-		-		
Downhole Pumps				12.500	30,000	42,500
Measurement & Meter Ir	nstallation			12,500	30,000	
Gas Conditioning / Dehy	ydration Pining			-	40,000	40,000
Interconnecting Facility Gathering / Bulk Lines	Libing			*	1.000	4 200
Valves, Dumps, Control				-	4,000 13,200	4,000 13,200
Tank / Facility Containm					11,550	11,550
Flare Stack Electrical / Grounding			***		6,600	6,600
Communications / SCA	DA			40.000	16,500	26,500
Instrumentation / Safety	<i>t</i>		106,800	10,000 256,900	280,600	1,205,950
	TOTAL TANGIBLES		7,649,218	408,420	326,610	11,882,094
	TOTAL COSTS	3,497,846	7,040,1	400,740		
REPAREN RY MATARO	R PRODUCTION COMPA	NY:				
VELAVED DE MATADO			15.77			
Drilling Engi		Team Lead - WTX	NM COIL			
Completions Engi			WIF			
Production Engi	neer: Ben Peterson					
	004040740000077					
IATADOR RESOURCES	COMPANY APPROVAL:					
Executive VP. COO	CFO	VP - Res Engine	ering		VP - Drillin	g
	DEL		BMR		UD Destrution	
Executive VP,	Legal	Exec Dir - Explor	ation		VP - Productio	п
	CA		NLF			
Pres	sident					
	MVH					
ON OPERATING PART	NER APPROVAL:					
Company N	Name:		Working Interest (%):		Tax 10	J
			Date:			
Sign	ed by:		Date:			
	Title:		Approval:	Yes	-	No (mark one)
			•			

The costs or the AFE are currently only not may real be considered as a surrough on the published on the desired cost of the production of the published and the published are supported under the AFE may be deleged us to a your after the well-but some desired of the real-but some desired of the published are supported under the AFE may be deleged us to a your after the well-but some desired of the real-but some desired of the real-but some deleged up to the first of the actual cost of the real-but some deleged up to the first of the actual cost of the real-but some deleged up to the real-but some deleged up to the first of the actual cost of the real-but some deleged up to the real-but some del

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

Sara Hartsfield Landman

July 27, 2018

VIA CERTIFIED RETURN RECEIPT MAIL

Marathon Oil Permian, LLC 5555 San Felipe Street Houston, TX 77056

Re: Matador Production Company – Larry Wolfish 1&12-23S-27E RB #123H (the "Well")
Participation Proposal
Sections 1&12, Township 23 South, Range 27 East
Eddy County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Larry Wolfish 1&12-23S-27E RB #123H well, located in the W2E2 of Sections 1 & 12, Township 23 South, Range 27 East, Eddy County, New Mexico to the Bone Spring formation.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping the Well is \$11,882,094 as found on the enclosed AFE dated July, 27, 2018.
- The proposed Well will be drilled from a legal location with a surface hole located in the SW/4SE/4 of Section 36, Township 22 South, Range 27 East, Eddy County, New Mexico. The proposed bottom hole of the subject Well will be a legal location in the SW/4SE/4 of Section 12, Township 23 South, Range 27 East, Eddy County, New Mexico.
- The Well will have a targeted interval within the Bone Spring formation. We plan to drill the Well horizontally in the Bone Spring (~7,727' TVD) to a Total Measured Depth of approximately 18,300' resulting in a productive lateral of approximately 9,900'.

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.

Marathon Oil Permian, LLC will own an approximate 0.21771903 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.

MRC is proposing to drill the Well under the terms of the modified 1989 AAPL form of Operating Agreement which is enclosed for your review and approval. The Operating Agreement dated July 27, 2018, by and between Matador Production Company, as Operator and MRC Permian Company et al as Non-Operators, covers the E/2 of Sections 1 & 12, Township 23 South, Range 27 East, Eddy County, New Mexico and has the following general provisions:

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

If your election is to participate in the drilling and completion of the 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 \$2,586,957.98 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.

Enclosure(s)

Please elect one of the following and return to sender.

Marathon Oil Permian, LLC hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Larry Wolfish 1&12-23S-27E RB #123H well, located in Eddy County, New Mexico.

Marathon Oil Permian, LLC hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Larry Wolfish 1&12-23S-27E RB #123H well, located in Eddy County, New Mexico.

Marathon Oil Permian, LLC is interested in selling its interest in this unit, please contact us to discuss.

Marathon Oil Permian, LLC

By:

Title:

Date:

ONE LINCOLN CENTRE • 5400 LBJ FREEWAY • SUITE 1500 • DALLAS, TEXAS 75240 Phone (972) 371-5200 • Fax (972) 371-5201

		ESTIMATE OF COSTS AN	D AUTHORIZATION FOR			
	July 27, 2018			AFE NO.:		
WELL NAME:	Larry Wolfish 1&12-239	5-27E RB #123H		FIELD: MD/TVD:		18300'/7727'
	Section 1&12-23S-27E			LATERAL LENGTH:		9900 ft
COUNTY/STATE:	Eddy					
GEOLOGIC TARGET:	Second Bone Spring S	and				
REMARKS:	Drill and complete a 2 r	mile horizontal 2nd Bone	Spring Sand target wit	h 47 stages		
		DRILLING	COMPLETION	PRODUCTION	FACILITY	TOTAL
INTANGIBLE CO	osts	COSTS	COSTS	COSTS	COSTS	COSTS 56,700
Land / Legal / Regulatory	\$		13,000	4,000	\$\$_ 10,000	115,500
Location, Surveys & Damage Drilling	S	88,500 833,750	10,000	.,		833,750 201,500
Cementing & Float Equip		201,500	2.500			6,500
Logging / Formation Evaluati	on	30,000	6,500			30,000
Mud Logging Mud Circulation System		59,250				59,250 238,750
Mud & Chemicals		188,750 195,000	50,000			195,000
Mud / Wastewater Disposal Freight / Transportation		20,000	18,000	7 000	19,000	38,000 275,500
Rig Supervision / Engineerin	g	135,000 89,000	115,300	7,200	18,000	89,000
Drill Bits Fuel & Power		112,500				112,500
Water		60,000	838,500 31,000			898,500 43,500
Drig & Completion Overhead	l	12,500	31,000			•
Plugging & Abandonment Directional Drilling, Surveys		255,000		04.000		255,000 171,000
Completion Unit, Swab, CTU			147,000 341,900	24,000		361,900
Perforating, Wireline, Slicklin High Pressure Pump Truck	ne		161,000			161,000 4,935,000
Stimulation			4,935,000	60,000		210,400
Stimulation Flowback & Disp	p	33,300	150,400			33,300
Insurance Labor		123,000	76,000	6,000	6,000	205,000 397,150
Rental - Surface Equipment		70,250 105,000	309,900 58,000	12,000	5,000	173,000
Rental - Downhole Equipme Rental - Living Quarters	nt	49,700	53,880	10,000	4	113,580
Contingency		217,496	237,038	8,320	3,010 46,010	465,864 10,676,144
	TOTAL INTANGIBLES	> 2,936,196 DRILLING	7,542,418 COMPLETION	151,520 PRODUCTION	FACILITY	TOTAL
TANGIBLE CO	OSTS	COSTS	COSTS	COSTS	COSTS	COSTS
Surface Casing		\$ 35,550	\$	\$	ss	35,550 98,750
Intermediate Casing		98,750	· · · · · · · · · · · · · · · · · · ·			
Drilling Liner Production Casing		367,350				367,350
Production Liner				50,400		50,400
Tubing Wellhead		60,000		25,000		85,000
Packers, Liner Hangers			106,800	12,000	48,000	118,800
Tanks				57,000	28,750	85,750
Production Vessels Flow Lines		-		60,000		60,000
Rod string		•		25,000		25,000
Artificial Lift Equipment Compressor					10,000	10,000
Installation Costs				5,000	70,000	70,000
Surface Pumps				5,000		
Non-controllable Surface Non-controllable Downhole	•	-				
Downhole Pumps				12,500	30,000	42,500
Measurement & Meter Insta Gas Conditioning / Dehydra				-		40,000
Interconnecting Facility Pip	ping				40,000	40,000
Gathering / Bulk Lines					4,000	4,000
Valves, Dumps, Controllers Tank / Facility Containment	t				13,200 11,550	13,200 11,550
Flare Stack					6,600	6,600
Electrical / Grounding Communications / SCADA					46.500	26,500
Instrumentation / Safety		501.650	106,600	10,000	16,500 280,600	1,205,950
	TOTAL TANGIBLES		7,649,218	408,420	326,610	11,882,094
	TOTAL COSTS	3,491,040	1,040,210	THE CONTRACT OF THE PARTY OF TH		
REPARED BY MATADOR	PRODUCTION COMPA	NY:				
Drilling Enginee	er: Blake Hermes	Team Lead - WTX	INM WIE			
Completions Enginee			WTE			
Production Enginee						
MATADOR RESOURCES CO	OMPANY APPROVAL:					
Executive VP, COO/CP	ю.	VP - Res Enginee			VP - Drillin	g
	DEL		BMR		VP - Productio	
Executive VP, Leg	pal	Exec Dir - Explor	NLF NLF		***************************************	
Droeide	۵,		-			
Preside	MVH					
NON OPERATING PARTNE	R APPROVAL:					
Company Nam	ne:		Working Interest (%):		Tax II	D:
Or 41			Date:			
Signed t	.y			Vor		No (mark one)
Tit	le:		Approval:	Yes	using this AFE it a Participant agreed to provide or	<u> </u>
		income end of the supper Trains incomes on a	oppred under the AFE may be delayed up to	year ofter the wirli this been completed in exce	uting this AFE the Participant symbol to provide at	equation tens process or cutting costs are entitled

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
Voice 972.371.5446 • Fax 214.866.4946

shartsfield@matadorresources.com

Sara Hartsfield Landman

July 27, 2018

VIA CERTIFIED RETURN RECEIPT MAIL

Raul Rodriquez, Jr., as his separate property 6011 Ruiz Road Carlsbad, NM 88220

Re: Matador Production Company – Larry Wolfish 1&12-23S-27E RB #123H (the "Well")
Participation Proposal/Offer to Lease
Sections 1&12, Township 23 South, Range 27 East
Eddy County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Larry Wolfish 1&12-23S-27E RB #123H well, located in Sections 1&12, Township 23 South, Range 27 East, Eddy County, New Mexico, to the Bone Spring formation.

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.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping the Well is \$11,882,094 as found on the enclosed AFE dated July, 27, 2018.
- The proposed Well will be drilled from a legal location with a surface hole located in the SW/4SE/4 of Section 36, Township 22 South, Range 27 East, Eddy County, New Mexico. The proposed bottom hole of the subject Well will be a legal location in the SW/4SE/4 of Section 12, Township 23 South, Range 27 East, Eddy County, New Mexico.
- The Well will have a targeted interval within the Bone Spring formation. We plan to drill the Well horizontally in the Bone Spring (~7,727' TVD) to a Total Measured Depth of approximately 18,300' resulting in a productive lateral of approximately 9,900'.

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.

Raul Rodriquez, Jr., as his separate property will own an approximate 0.00290954 working interest in the Well, subject to title verification.

As an alternative to participation in the well Matador is interested in leasing your mineral interest, subject to title verification, for \$1,500/acre, 1/5 royalty, and a 3 year term on the lease form enclosed. Should you elect to lease your minerals, please sign the enclosed lease, in the presence of a notary public, and return it to my attention, at the address listed above.

If your election is to participate in the drilling and completion of the Well, please sign and return a copy of the enclosed AFE within thirty (30) days of receipt of this notice. 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 \$34,571.43 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.

Sincerely, Sara Hartsfield

Please contact me if you have any questions.

·
Enclosure(s)
Please elect one of the following and return to sender.
Raul Rodriquez, Jr., as his 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 Larry Wolfish 1&12-23S-27E RB #123H well, located in Eddy County, New Mexico.
Raul Rodriquez, Jr., as his 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 Larry Wolfish 1&12-23S-27E RB #123H well, located in Eddy County, New Mexico.
Raul Rodriquez, Jr., as his separate property hereby elects to lease our minerals for \$1,500/acre 1/5 royalty, and a 3-year term.
Raul Rodriquez, Jr., as his separate property
By:
Title:

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

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

		ESTIMATE OF COSTS AND	AUTHORIZATION FOR	EXPENDITURE		
	July 27, 2018			AFE NO.:		
DATE:	Larry Wolfish 1&12-23S	-27F RR #123H		FIELD:		
WELL NAME:		-271 (10 # 1201)		MD/TVD:		18300'/7727'
LOCATION:	Section 1&12-23S-27E			LATERAL LENGTH:		9900 ft
COUNTY/STATE:	Eddy					
MRC WI:						
GEOLOGIC TARGET:	Second Bone Spring Sa	and nile horizontal 2nd Bone S	Spring Sand target with	47 stages		
REMARKS:	Drill and complete a 2 h	nile nonzontal zna bone v	opining during tangen			
		DRILLING	COMPLETION	PRODUCTION	FACILITY	TOTAL
INTANGIBLE C	osts	COSTS	COSTS	costs	costs	COSTS 56,700
Land / Legal / Regulatory	\$	56,700 \$		4,000	10,000	115.500
Location, Surveys & Damag	es	88,500	13,000	4,000	70,000	833,750
Drilling		833,750 201,500				201,500
Cementing & Float Equip	tion	201,300	6,500			6,500
Logging / Formation Evalua Mud Logging	uon ,	30,000				30,000 59,250
Mud Circulation System	•	59.250				238,750
Mud & Chemicals		188,750	50,000		-	195,000
Mud / Wastewater Disposal		195,000 20,000	18,000	A.,.		38,000
Freight / Transportation		135,000	115,300	7,200	18,000	275,500
Rig Supervision / Engineeri	ng	89,000				89,000
Drill Bits Fuel & Power		112.500	-			112,500 898,500
Water		60,000	838,500			43,500
Drig & Completion Overhea	d	12,500	31,000		-	-10,000
Plugging & Abandonment		355 000				255,000
Directional Drilling, Surveys		255,000	147,000	24,000		171,000
Completion Unit, Swab, CT			341,900	20,000		361,900
Perforating, Wireline, Slicki High Pressure Pump Truck		•	161,000			161,000 4,935,000
Stimulation			4,935,000	60.000	<u></u>	210,400
Stimulation Flowback & Dis	ар		150,400	60,000		33,300
Insurance		33,300	76,000	6,000		205,000
Labor		123,000 70,250	309,900	12,000	5,000	397,150
Rental - Surface Equipmen		105,000	58,000		10,000	173,000
Rental - Downhole Equipm Rental - Living Quarters	ent	49,700	53,880	10,000		113,580
Contingency		217,496	237,038	8,320	3,010	465,864
Contangency	TOTAL INTANGIBLES >	2,936,196	7,542,418	151,520	46,010	10,676,144
, , , , , , , , , , , , , , , , , , , 	, , , , , , , , , , , , , , , , , , , ,	DRILLING	COMPLETION	PRODUCTION	FACILITY	TOTAL
TANGIBLE C	OSTS	COSTS	COSTS	COSTS	COSTS \$	\$ 35,550
Surface Casing			\$	\$	J	98,750
Intermediate Casing		98,750				
Drilling Liner		367,350				367,350
Production Casing		007,100				
Production Liner				50,400		50,400
Tubing Weilhead		60,000		25,000		85,000 118,800
Packers, Liner Hangers			106,800	12,000	48,000	48,000
Tanks				57,000	28,750	85,750
Production Vessels				60,000		60,000
Flow Lines				-		
Rod string				25,000		25,000
Artificial Lift Equipment Compressor					10,000	10,000
Installation Costs		-			70,000	70,000
Surface Pumps				5,000	2,000	
Non-controllable Surface						
Non-controllable Downho	le					-
Downhole Pumps				12,500	30,000	42,500
Measurement & Meter Inst Gas Conditioning / Dehyd	ration					
Interconnecting Facility P	inina			-	40,000	40,000
Gathering / Bulk Lines	·F9				4 000	4,000
Valves, Dumps, Controlle					4,000 13,200	13,200
Tank / Facility Containme					11,550	11,550
Flare Stack					6,600	6,600
Electrical / Grounding				-	-	
Communications / SCADA Instrumentation / Safety	•			10,000	16,500	26,500
Instrumentation / Salety	TOTAL TANGIBLES	> 561,650	106,800	256,900	280,600	1,205,950
	TOTAL COSTS		7,649,218	408,420	326,610	11,882,094
	##					-
REPARED BY MATADOR	PRODUCTION COMPA					
Drilling Engine	er: Blake Hermes	Team Lead - WTX/I	NM with			
Completions Engine			WTE			
Production Engine						
						
MATADOR RESOURCES	OMPANY APPROVAL:				.,	
		UD Des Casinoni	ring		VP - Dril	
Executive VP, COO/C	FO	VP - Res Engineer	BMR BMR			BG
	011	Even Dir Evelore			VP - Produc	tion
Executive VP, Le	egal	Exec Dir - Explora	NLF			
Presid						
	MVH					
	ED ADDDOVAL					
NON OPERATING PARTN	EK APPROVAL:				Tar	c ID:
Company Na	me:		vvorking interest (%):			
•			Date:			
Signed	by:		- Jaile			
-	"itle:		Approval:	Yes	_	No (mark one)
'	itle:				out time this ACE the Party man borner to pay	is property the sharp of actual costs weathed

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

Sara Hartsfield Landman

July 27, 2018

VIA CERTIFIED RETURN RECEIPT MAIL

Marathon Oil Permian 5555 San Felipe St Houston, TX 77056

Re: Matador Production Company - Larry Wolfish 1&12-23S-27E RB #124H (the "Well")

Participation Proposal

Sections 1&12, Township 23 South, Range 27 East

Eddy County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Larry Wolfish 1&12-23S-27E RB #124H well, located in Sections 1&12, Township 23 South, Range 27 East, Eddy County, New Mexico to the Bone Spring formation.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping the Well is \$11,882,094 as found on the enclosed AFE dated July, 27, 2018.
- The proposed Well will be drilled from a legal location with a surface hole located in the SE/4SE/4 of Section 36, Township 22 South, Range 27 East, Eddy County, New Mexico. The proposed bottom hole of the subject Well will be a legal location in the SE/4SE/4 of Section 12, Township 23 South, Range 27 East, Eddy County, New Mexico.
- The Well will have a targeted interval within the Bone Spring formation. We plan to drill the Well horizontally in the Bone Spring (~7,760' TVD) to a Total Measured Depth of approximately 18,300' resulting in a productive lateral of approximately 9,900'.

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.

Marathon Oil Permian will own an approximate 0.24959573 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.

MRC is proposing to drill the Well under the terms of the modified 1989 AAPL form of Operating Agreement which is enclosed for your review and approval. The enclosed Operating Agreement dated July 27, 2018, by and between Matador Production Company, as Operator and MRC Permian Company et al as Non-Operators, covers the E/2 of Sections 1&12, Township 23 South, Range 27 East, Eddy County, New Mexico and has the following general provisions:

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

If your election is to participate in the drilling and completion of the 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 \$2,965,719.93 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.

Enclosure(s)

Please elect one of the following and return to sender.

Marathon Oil Permian hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Larry Wolfish 1&12-23S-27E RB #124H well, located in Eddy County, New Mexico.

Marathon Oil Permian hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Larry Wolfish 1&12-23S-27E RB #124H well, located in Eddy County, New Mexico.

Marathon Oil Permian is interested in selling its interest in this unit, please contact us to discuss.

Marathon Oil Permian

By:

Title:

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

	ES	STIMATE OF COSTS AND	AUTHORIZATION FOR			
	ıly 27, 2018			AFE NO.:		
WELL NAME:	arry Wolfish 1&12-23S-2	7E RB #124H		FIELD: MD/TVD:		18300'/7760'
LOCATION: S	ection 1&12-23S-27E					9900 ft
COUNTY/STATE: E	ddy			LATERAL LENGTH:		3300 K
MRC WI:						
GEOLOGIC TARGET: S	econd Bone Spring Sand rill and complete a 2 mile	d Bann i	Coring Sand target with	47 staces		
REMARKS: D	rill and complete a 2 mil	e nonzontal zno bone .	Spring Sand tenger with	TT Diagoo		
		DRILLING	COMPLETION	PRODUCTION	FACILITY	TOTAL
INTANGIBLE COS	STS.	COSTS	COSTS	COSTS	COSTS	COSTS 56,700
Land / Legal / Regulatory	\$	56,700 \$	13,000	4,000	10,000	115,500
Location, Surveys & Damages		88,500 833,750	13,000	4,000		833,750
Drilling Cementing & Float Equip		201,500				201,500
Logging / Formation Evaluatio	n	•	6,500			6,500 30,000
Mud Logging		30,000				59,250
Mud Circulation System		59,250 188,750	50,000			238,750
Mud & Chemicals Mud / Wastewater Disposal		195,000				195,000
Freight / Transportation		20,000	18,000	7,200	18,000	275,500
Rig Supervision / Engineering	_	135,000	115,300	7,200	10,000	89,000
Drill Bits		89,000 112,500				112,500
Fuel & Power Water	_	60,000	838,500			898,500 43,500
Drig & Completion Overhead		12,500	31,000			43,300
Plugging & Abandonment		255,000				255,000
Directional Drilling, Surveys		255,000	147,000	24,000		171,000
Completion Unit, Swab, CTU Perforating, Wireline, Slickline			341,900	20,000		361,900 161,000
High Pressure Pump Truck			161,000			4,935,000
Stimulation		-	4,935,000 150,400	60,000		210,400
Stimulation Flowback & Disp	-	33,300	130.400			33,300
Insurance Labor	-	123,000	76,000	6,000		205,000 397,150
Rental - Surface Equipment	=	70,250	309,900	12,000	5,000 10,000	173,000
Rental - Downhole Equipmen	t	105,000	58,000 53,880	10,000	-	113,580
Rental - Living Quarters	-	49,700 217,496	237,038	8,320	3,010	465,864
Contingency	TOTAL INTANGIBLES >	2,936,196	7,542,418	151,520	46,010	10,676,144
	TO AL INTANGIBLES	DRILLING	COMPLETION	PRODUCTION	FACILITY	TOTAL
TANGIBLE CO	STS	COSTS	COSTS	COSTS	COSTS	COSTS \$ 35,550
Surface Casing	\$_	35,550	\$	\$	\$	98,750
Intermediate Casing	_	98,750				-
Drilling Liner Production Casing	-	367,350				367,350
Production Liner	-			CO (00		50,400
Tubing	-			50,400 25,000		85,000
Wellhead	-	60,000	106,800	12,000		118,800
Packers, Liner Hangers Tanks	-				48,000	48,000
Production Vessels	-			57,000	28,750	85,750 50,000
Flow Lines				60,000		
Rod string	-	<u> </u>		25,000		25,000
Artificial Lift Equipment Compressor	-	•		•	10,000	10,000 70,000
Installation Costs	•			5,000	70,000	7,000
Surface Pumps				5,000		
Non-controllable Surface				-		-
Non-controllable Downhole Downhole Pumps	•					42,500
Measurement & Meter Install	ation			12,500	30,000	42,300
Gas Conditioning / Dehydrat	ion				40,000	40,000
Interconnecting Facility Pipi	ng .				*	
Gathering / Bulk Lines Valves, Dumps, Controllers	•			-	4,000	4,000 13,200
Tank / Facility Containment	•				13,200	11,550
Flare Stack					6,600	6,600
Electrical / Grounding Communications / SCADA						20 500
Instrumentation / Safety				10,000	16,500 280,600	26,500 1,205,850
mos smonas a service a ser	TOTAL TANGIBLES >	561,650	106,800	256,900		11,882,094
	TOTAL COSTS >	3,497,846	7,649,218	408,420	326,610	11,002,034
	PODLICTION COMPAN	γ.				
REPARED BY MATADOR P	RODUCTION COMPAN		. 1			
Drilling Engineer	Blake Hermes	Team Lead - WTX/	NM WIE			
Completions Engineer	Waylon Wolf		WTE			
Production Engineer	Ben Peterson					
ATADOR RESOURCES CO	MPANY APPROVAL:					
Everative VP 000/000	1	VP - Res Engineer	ring		VP - Drill	ing
Executive VP, COO/CFC	DEL		BMR			BG
Executive VP, Lega		Exec Dir - Explora	tion		VP - Produc	tion
Excounte vi , Lago	CA		NLF			
Presiden	t					
	MVH					
ON OPERATING PARTNER	APPROVAL:					
Company Name			Working Interest (%):		Tax	ID:
Company Name			•			
Signed by	r:		Date:			
			Approval:	Yes		No (mark one)
Title			, ipprovan.		and this AFE, the Participant agrees to day to	properties of action costs recurred.

The control of the co

Sara Hartsfield Landman

July 27, 2018

VIA CERTIFIED RETURN RECEIPT MAIL

Estate of Isaac Espinoza, deceased 4425 East Derrick Road Carlsbad, NM 88220

Re: Matador Production Company – Larry Wolfish 1&12-23S-27E RB #124H (the "Well")
Participation Proposal/Offer to Lease
Sections 1&12, Township 23 South, Range 27 East

Eddy County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Larry Wolfisch 1&12-23S-27E RB #124H well, located in Sections 1&12, Township 23 South, Range 27 East, Eddy County, New Mexico, to the Bone Spring formation.

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.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping the Well is \$11,882,094 as found on the enclosed AFE dated July, 27, 2018.
- The proposed Well will be drilled from a legal location with a surface hole located in the SE/4SE/4 of Section 36, Township 22 South, Range 27 East, Eddy County, New Mexico. The proposed bottom hole of the subject Well will be a legal location in the SE/4SE/4 of Section 12, Township 23 South, Range 27 East, Eddy County, New Mexico.
- The Well will have a targeted interval within the Bone Spring formation. We plan to drill the Well horizontally in the Bone Spring (~7,760' TVD) to a Total Measured Depth of approximately 18,300' resulting in a productive lateral of approximately 9,900'.

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.

Estate of Isaac Espinoza, deceased will own an approximate 0.00327694 working interest in the Well, subject to title verification.

As an alternative to participation in the well Matador is interested in leasing your mineral interest, subject to title verification, for \$1,500/acre, 1/5 royalty, and a 3 year term on the lease form enclosed. Should you elect to lease your minerals, please sign the enclosed lease, in the presence of a notary public, and return it to my attention, at the address listed above.

If your election is to participate in the drilling and completion of the Well, please sign and return a copy of the enclosed AFE within thirty (30) days of receipt of this notice. 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 \$38,936.91 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.

Please contact me if you have any questions.

Sincerely, Sara Hautsqueld Sara Hartsfield Enclosure(s) Please elect one of the following and return to sender. Estate of Isaac Espinoza, deceased hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Larry Wolfish 1&12-23S-27E RB #124H well, located in Eddy County, New Mexico. Estate of Isaac Espinoza, deceased hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Larry Wolfish 1&12-23S-27E RB #124H well, located in Eddy County, New Mexico. Estate of Isaac Espinoza, deceased hereby elects to lease our minerals for \$1,500/acre, 1/5 royalty, and a 3-year term. Estate of Isaac Espinoza, deceased Title:

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

	E		71-5200 • Fax (972) 371-52 CAUTHORIZATION FOR E			
BATE: 1	uly 27, 2018			AFE NO.:		
	arry Wolfish 1&12-23S-	27E RB #124H		FIELD:		
	ection 1&12-23S-27E		MD/TVD: 18300'/7760'			
LOOKHON.			LATERAL LENGTH: 9900 ft			9900 ft
_	ddy	···				
MRC WI:	Name Order Co.	nd				
	Second Bone Spring Sal	ile horizontal 2nd Bone	Spring Sand target with	47 stages		
REMARKS:	Jilli and complete a 2 m				FACILITY	TOTAL
		DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	COSTS	COSTS
INTANGIBLE CO Land / Legal / Regulatory	STS .	56,700	\$		\$ - \$_	56,700 115,500
Location, Surveys & Damages		88,500	13,000	4,000	10,000	833,750
Drilling	_	833,750				201,500
Cementing & Float Equip	_	201,500	6,500			6,500
Logging / Formation Evaluation	on _	30,000	0,000			30,000
Mud Logging	-	59,250				59,250
Mud Circulation System	-	188,750	50,000			238,750 195,000
Mud & Chemicals Mud / Wastewater Disposal	-	195,000	-			38,000
Freight / Transportation	_	20,000	18,000	7,200	18,000	275,500
Rig Supervision / Engineering	ı	135,000	115,300	7,200	10,000	89,000
Drill Bits	-	89,000				112,500
Fuel & Power	-	112,500 60,000	838,500			898,500
Water	-	12,500	31,000			43,500
Drig & Completion Overhead		72,000				255,000
Plugging & Abandonment Directional Drilling, Surveys	•	255,000				171,000
Completion Unit, Swab, CTU	•		147,000	24,000		361,900
Perforating, Wireline, Slicklin	e .		341,900 161,000	20,000		161,000
High Pressure Pump Truck		-	4,935,000			4.935,000
Stimulation			150,400	60,000		210,400
Stimulation Flowback & Disp	'	33,300				33,300
Insurance		123,000	76,000	6,000		205,000 397,150
Labor Rental - Surface Equipment		70,250	309,900	12,000	5,000	173,000
Rental - Downhole Equipmen	nt .	105,000	58,000	10,000	10,000	113,580
Rental - Living Quarters	•	49,700	53,880	8,320	3,010	465,864
Contingency		217,496	237,038		46,010	10,676,144
	TOTAL INTANGIBLES >	2,936,196	7,542,418	151,520 PRODUCTION	FACILITY	TOTAL
		DRILLING	COMPLETION	COSTS	COSTS	COSTS
TANGIBLE CO	STS \$	35,550	\$	\$	\$\$	35,550
Surface Casing Intermediate Casing	*	98,750				98,750
Drilling Liner		•				367,350
Production Casing		367,350				- 307,000
Production Liner				50,400		50,400
Tubing				25,000		85,000
Wellhead		60,000	106,800	12,000		118,800
Packers, Liner Hangers					48,000	48,000
Tanks				57,000	28,750	85,750 60,000
Production Vessels Flow Lines				60,000		80,000
Rod string				25.020		25,000
Artificial Lift Equipment				25,000	10,000	10,000
Compressor					70,000	70.000
Installation Costs				5,000	2.000	7,000
Surface Pumps					-	
Non-controllable Surface						
Non-controllable Downhole Downhole Pumps						42,500
Measurement & Meter Insta	llation			12,500	30,000	42,300
Gas Conditioning / Dehydra	ition				40,000	40,000
Interconnecting Facility Pip						
Gathering / Bulk Lines				-	4,000	4,000
Valves, Dumps, Controllers	i •				13,200	13,200
Tank / Facility Containment	•				11,550	11,550 6,600
Flare Stack Electrical / Grounding					6,600	- 0,000
Communications / SCADA				10,000	16,500	26,500
Instrumentation / Safety			106,800	256,900	280,600	1,205,950
	TOTAL TANGIBLES		7,649,218	408,420	326,610	11,882,094
	TOTAL COSTS	> 3,497,846	7,043,210	,		
REPARED BY MATADOR F	PODLICTION COMPA	NY:				
REPARED BY MATADOR F	-RODUCTION COM		, 1t			
Drilling Enginee	r: Blake Hermes	Team Lead - WTX	NM WIF			
Completions Enginee			WTE			
Production Enginee						
MATADOR RESOURCES CO	MPANY APPROVAL:					
					VP - Drillin	ng
Executive VP, COO/CF	0	VP - Res Enginee	ering BMR			BG
	DEL		_		VP - Production	on
Executive VP, Leg	al	Exec Dir - Explore	ation			
	CA		NLF			
Preside						
	MVH					
NON OPERATING PARTNE	R APPROVAL:					
			Working Interest (%):		Tax	D:
Company Nam	ie:					
Signed b	ov:		Date: _			
Oligited 1			*	Voc		No (mark one)
Tit	le:		Approval:	Yes		
			named when the AFE may be defined us to a	MER SHAFTING WHE SON DOWN CONSIDERED. IN FINE	CLENG THE AFE THE PARTICULAR AGRESS TO DAY NO	preparative share of actual costs excured

The counts on the AFE are extension only and may not be consisted an extension process. The country of the contract of the country of the country of the country of the contract of the country of the contract of the country of the c

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. 16454

AFFIDAVIT OF NOTICE

COUNTY OF SANTA FE)
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 fine 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 letters and certified return receipts are attached hereto as Attachment A.
5. Applicant has complied with the notice provisions of Division Regulations.
James Buy
James Bruce
SUBSCRIBED AND SWORN TO before me this day of October, 2018 by
OFFICIAL SEAL KERRIE C. ALLEN Notary Public State of New Mexico My Commission Expires 2222
141 COMMINSSION EXPENDED IN SOLUTION OF THE PROPERTY OF THE PR

EXHIBIT

JAMES BRUCE ATTORNEY AT LAW

POST OFFICE BOX 1056 SANTA FE, NEW MEXICO 87504

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

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

jamesbruc@aol.com

September 28, 2018

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

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 Bone Spring well in the E/2E/2 of Section 1, Township 23 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, October 18, 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, October 11, 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.

ATTACHMENT

Very truly yours,

Attorney for Matador Production Company

Marathon Oil Permian LLC 5555 San Felipe Street Houston, Texas 77056

DSD Energy Resources, LLC P.O. Box 229 Fort Worth, Texas 76101

V-F Petroleum, Inc. P.O. Box 1889 Midland, Texas 79702

Anne Boyd Newtown 1920 Addison Road Houston, TX 77030

Estate of Isaac Archuleta 4425 East Derrick Road Carlsbad, NM 88220

U.S. Postal Service" CERTIFIED MAIL® RECEIFT Domestic Mail Only	Certified Mail Fee Certified Mail Fee Extra Services & Fees lobeck box, add fee as appropriate) Stransport Services and fee as appropriate Services & Fees lobeck box.	selvery S	Sent To Sent To Sireet and Apt. No., of Houston, TX 77030 City, State, ZiP+4* PS Form 3800, April 2015 psiv 7530-200-3047 See Reverse	
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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, the part of the pack of the mailpiece. 	1. Article Addressed to: Estate of Isaac Archuleta 4425 East Derrick Road Carlsbad, NM 88220	9590 9402 3866 8060 2328 57 2. Article 7018 0350 000 000 02188	

S Poetal Couries	SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVER	74
CERTIFIED MAII® BECEIPT	■ Complete items 1, 2, and 3.	A. Signature	☐ Agent
Domestic Mai	■ Print your name and address on the reverse	×	☐ Addressee
For delivery information, visit our website at www.usps.come.	so that we can return the card to you. Attach this card to the back of the mailpiece,	B. Received by (Printed Name) C. I	C. Date of Delivery
	1. Article Addressed to:	D. Is delivery address different from item 1? If YES, enter delivery address below:	% ₽ □ □
	Anne Boyd Newtown 1920 Addison Road Houston, TX 77030		
Postage			
Total Postage and Fees		Service Type Adult Signature Adult Signature Restricted Delivery Begist Adult Signature Restricted Delivery Delivery Delivery Delivery Delivery Delivery Delivery Delivery	☐ Priority Mail Express® ☐ Registered Mail™ ☐ Registered Mail Restricted Delivery
Sent To Estate of Isaac Archuleta	9590 9402 3452 7275 9725 11	estricted Delivery ery	☐ Return Receipt for Merchandise ☐ Signature Confirmation™
City State: 21P-44*	2.4 7018 0360 0000 2188 0022	ery nesticited Delivery	Signature Confirmation Restricted Delivery
		13.1	Description Becaint
PS Form 3800, April 2015 PSN 7539-02-000-6047 See Reverse for Instructions	PS Form 3811, July 2015 PSN 7530-02-000-9053	The second secon	to Detail it is confirm

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Sent To

COMPLETE THIS SECTION ON DELIVERY A. Signature X \(\lambda \limit(V) \subseteq \limit(V) \limit(V) \subseteq \limit(V) \limit(V) \subseteq \lim		3. Service Type 1. Adult Signature Restricted Delivery 2. Certified Mail Restricted Delivery 1. Certified Mail Restricted Delivery 1. Cocilect on Delivery 1. Coollect on Delivery 2. Certified Mail Restricted Delivery 3. Certified Mail Restricted Delivery 4. Delivery 5. Signature Confirmation 6. Collect on Delivery 6. Signature Confirmation 7. Restricted Delivery 7. Cover 350U) 7. The Domestic Return Receipt	
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. Article Addressed to:	Marathon Oil Permian LLC 5555 San Felipe Street Houston, Texas 77056	2. Article 701.8 0350 900 2188	U.S. Postal Service" CERTIFIED MAIL® RECEVET Domestic Mail Only

0-9053 MX	www.usps.com®.	Postmark Here	J.C. See Reverse for Instructions
PS Form 3811, July 2015 PSN 7530-02-000-9053	CERTIFIED MAIL® RECEINT CERTIFIED MAIL® RECEINT Domestic Mail Only For delivery information, visit our website at www.usps.com stifled Mail Fee	Skita Services & K. Hesis (ratex box, and reas appropriate) Return Receipt (hardcopy) \$	Total Postage and Fees Marathon Oil Permian LLC Sent To Houston, Texas 77056 City, State, 219+4* PERMISSIONAL NOTIFICATION TEXAS 77056
PS Form 381	CERTIFIED Domestic Mail Only For delivery informatic		

•	For delivery information, visit our website	at www.usps.com®.	
	\$ Extra Services & Fees (check box, add fee as appropriate) Return Receipt (hardcopy) \$ Return Receipt (electronic) \$ Cortified Mail Rostricted Delivory \$ Adult Signature Required \$	Posimark Here	
	Adult Signature Restricted Delivery \$ Postage Total Postage and Fees \$ Sent To V-F Petroleum, Inc.		
	Sireet and Apr. No., or P.O. Box 1889 Midland, Texas 79702 City, State, 2IP+4* PS Form 3800, April 2015 PSN7530-02-000-9047	See Reverse for Instructions	

1 1	U.S. Postal Service™ CERTIFIED MAIL® RECEIR® Domestic Mail Only
00 8	For delivery information, visit our website at www.usps.com®.
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7018	Sent To P.O. Box 229 Street and Apt. No., or P Fort Worth, Texas 76101
·	City, State, 2IP+4* PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

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. 16453

AFFIDAVIT OF NOTICE

COUNTY O	F SANTA FE)
STATE OF N) ss. JEW 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. the names a application fil	Matador Production Company has conducted a good faith, diligent effort to find nd correct addresses of the interest owners entitled to receive notice of the led herein.
4. addresses, by hereto as Atta	Notice of the application was provided to the interest owners, at their last known certified mail. Copies of the notice letters and certified return receipts are attached chment A.
5.	Applicant has complied with the notice provisions of Division Regulations.
	James Bruce
SUBS James Bruce. My Commissi	OFFICIAL SEAL. KERRIE C. ALLEN Notary Public State of New Mexico on Expires: Notary Public Notary Public
	. Troday I done

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

September 28, 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 Bone Spring well in the W/2E/2 of Section 1, Township 23 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, October 18, 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.

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ery truly yours,

James Bruce

Attorney for Matador Production Company

ATTACHMENT

Roadrunner Oil & Gas, LLC P.O. Box 101415 Fort Worth, TX 76185

New Mexico Department of Transportation P.O. Box 1149 Santa Fe, NM 87504

Marathon Oil Permian LLC 5555 San Felipe Street Houston, TX 77056

DSD Energy Resources, LLC P.O. Box 229 Fort Worth, Texas 76101

V-F Petroleum, Inc. P.O. Box 1889 Midland, TX 79702

Panhandle Properties, LLC P.O. Box 647 Artesia, NM 88211

Raul Rodriguez, Jr. 6011 Ruiz Road Carlsbad, NM 88220

Anne Boyd Newtown 1920 Addison Road Houston, TX 77030

U.S. Postal Service CERTIFIED MAIL® RECEIFY Domestic Mail Only For delivery information, visit our website at www.usps.com® Certified Mail Fee Belivery S	Sent To Raul Rodriguez, Jr. Street and Apt. No., or PO Box Carlsbad, NM 88220 Carlsbad, NM 88220	PS Form 3800, April 2015 PSN 7830-02,000-8047 See Reverse for Instruction		
COMPLETE THIS SECTION ON DELIVERY A. Signature X. The control of Addressee B. Received by (Printed Name) A. Signature C. Date of Delivery A. I.	2 Conjugation	Restricted Delivery	tricted Delivery	
SENDER: COMPLETEITHIS 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.	Roadrunner Oil & Gas, LLC P.O. Box 101415 Fort Worth, TX 76185	87		PS Form 3811, July 2015 PSN 7530-02-000-9053

Court ETE THIS SECTION ON DELIVERY Signature of Marie of Marie of Paint of	2. Service Type Adult Signature Registered Mail and Express®	
 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: 	Raul Rodriguer Jr. Raul Rodriguer Jr. Carlsbad, NM 88220 3. Service Type Daduk Signature DAd	_

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0360 0000 2168

Roadrunner Oil & Gas, LLC P.O. Box 101415 Fort Worth, TX 76185

Street and Apt. No., or POB City, State, ZIP+4*

BIOL

Total Postage and Fees

PS Form 3800, April 2015 PSN 7530-02-000-9047

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

T960

Certified Mail Fee

CERTIFIED MAIL® RECEIPT

U.S. Postal Service" CERTIFIED MAIL® RECEIPT Pornestic Mail Only For delivery information, visit our website at www.usps.com*. Certified Mail Fee Exita Services & Fees (check box, add fee as appropriate) Certified Mail Restricted Delivery \$ Services of the service	Sent To Sent To 5555 San Felipe Street Street and Apit No., or PC Houston, TX 77056 City, State, Zip+4* PS Form 3800, April 2015 PSN 7230-02-000-9047 See Reverse for Instructions	Se X MOV(L) (R.M. C. Date of Delivery C. Bi Received by (Printed Name) C. Date of Delivery D. Is delivery address below: D. Is delivery address below: D. No	3. Service Type Adult Signature Restricted Delivery Begistered Mail Restricted Delivery Deli
Date of Delivery Date o	Priority Mail Express® Express® Express® Express® Express® Express® Express® Express® Express Ex	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: Marathon Oil Permian LLC 5555 San Felipe Street Houston, TX 77056	2. Art 7018 0350 0100 21
ENDER: COMPLETE THIS SECTION Complete items 1, 2, and 3. 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. Article Addressed to: B. Received by (Printed Name) C. Is delivery address different from item 1? if YES, enter delivery address below: 1920 Addison Road 1920 Addison TX 71030	3. Service Type Adult Signature Certified Mailie Collect on Delivery Collec		Postage

Domestic-Return Referent

Insured Mail Restricted Delivery (over \$500)

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

PS Form 3800, April 2015 PSN 7530-02-000-9047

U.S. Postal Service" CERTIFIED MAIL® RESE Domestic Mail Only	For delivery information, visit our website at	Cartier Services & Fees (check box, add fee as appropriate) Extra Services & Fees (check box, add fee as appropriate) Cartier Receipt (fearchonic) Same Cartier Receipt (electronic) Cartier Mail Restricted Delivery Same Cartier Restricted Delivery Same Cartier Restricted Delivery Same Cartier Restricted Delivery Cartier Restricted Delivery Same Cartier Restricted Delivery Cartier Restricted Delivery Same Carti		City, Siate, 21P+4* PS Form 3800, April 2015 Pén 7530-02-000-9047	
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SENDER: COMPLETE THIS SECTION Complete Items 1, 2, and 3.	 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. 	Article Addressed to: New Mexico Department of Transportation P.O. Box 1149 Santa Fe, NM 87504	3 94	1.88	PS Form 3811, July 2015 PSN 7530-02-000-9053

www.usps.com[®].

Postmark Here

COMPLETE THIS SECTION ON DELIVERY	A. Signature	X C C C Addressee	B. Received by (Printed Name) C. Da	Ap. Ap. Melivery address different from item 1? \(\text{TS}\) Yes		2002.6-100	Sico Control	Adult Signature Restricted Delivery Certified Mail® Certified Mail Restricted Delivery	75
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:	Panhandle Properties, LLC P.O. Box 647	Artesia, NM 88211		9590 9402 4079 8092 0249 31	2.7 7018 0360 0000 2188

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

Domestic Return Receipt

CERTIFIED MAIL® RECENDE Domestic Mail Only

For delivery information, visit our website at www.usps.com®. Postmark Here New Mexico Department of Transportation P.O. Box 1149 Santa Fe, NM 87504 | Strate Services & Fees (check box, add fee as appropriate) | Extra Services & Fees (check box, add fee as appropriate) | Cheuur Receipt (feet ronn) | Strate | Centified Mail Restricted Delivery | Strate | Centified Mail Restricted Delivery | Strate | Centified Mail Restricted Delivery | Strate | Centified Mail Signature Restricted Delivery | Strategy | Centified Mail Signature Restricted Delivery | Centified Mail Signatur \$ Total Postage and Fees City, State, ZIP+4* Street and Apt. No Certified Mail Fee

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•	For delivery information, visit our website at www.usps.com®.	
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	Total Postage and Fees S V-F Petroleum, Inc. Sent To P.O. Box 1889 Sireel and Apt. No., or P(City, State, ZIP44*	

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only
For delivery information, visit our website at www.usps.com
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Postage \$ Total Postage and Fees
Sent To DSD Energy Resources, LLC P.O. Box 229 Street and Apt. No., or P Fort Worth, Texas 76101

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. 16452

AFFIDAVIT OF NOTICE

COUNTY OF	
STATE OF NE) ss. SW MEXICO)
James H	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. the names and application file	Matador Production Company has conducted a good faith, diligent effort to find discorrect addresses of the interest owners entitled to receive notice of the different.
4. addresses, by chereto as Attach	Notice of the application was provided to the interest owners, at their last known ertified mail. Copies of the notice letters and certified return receipts are attached hment A.
5.	Applicant has complied with the notice provisions of Division Regulations.
	James Bruce
SUBSC James Bruce.	RIBED AND SWORN TO before me this // day of October, 2018 by
	OFFICIAL SEAL KERRIE C. ALLEN Notary Public State of New Mexico State of New Mexico Notary Public Notary Public

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)

iamesbruc@aol.com

September 28, 2018

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To: Persons on Exhibit A

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Very truly yours,

ames Bruce

Attorney for Matador Production Company

ATTACHMENT

Belen Hernandez 1905 Howard Road Carlsbad, NM 88220

Estate of Irene Ruiz 8253 Avenue 304 Visalia, CA 93277

RKI Exploration & Production, LLC 3500 Williams Center, MD 35 Tulsa, OK 74172

Chi Energy, Inc. P.O. Box 1799 Midland, TX 79702

Roadrunner Oil & Gas, LLC P.O. Box 101415 Fort Worth, TX 76185

Raul Arturo Gamboa & Valerie Lara 6011 Ruiz Road Carlsbad, NM 88220

New Mexico Department of Transportation P.O. Box 1149 Santa Fe, NM 87504

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P.O. Box 1056 Santa Fe, New Mexico 87504 James Bruce

Estate of Irene Ruiz Visalia, CA 93277 8253 Avenue 304

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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. 16451

AFFIDAVIT OF NOTICE

COUNTY OF SANTA FE)
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 letters and certified return receipts are attached hereto as Attachment A.
5. Applicant has complied with the notice provisions of Division Regulations.
James Bruce
SUBSCRIBED AND SWORN TO before me this day of October, 2018 by James Bruce.
OFFICIAL SEAL KERRIE C. ALLEN Notary Public State of New Mexico My Commission Expires 10-23-22
TVI COMMINISSION EXPINESSION EXPINES THE

Notary Public

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)

iamesbruc@aol.com

September 28, 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 Bone Spring well in the W/2W/2 of Section 1, Township 23 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, October 18, 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, October 11, 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.

1

Attorney for Matador Production Company

ATTACHMENT

EXHIBIT A

Belen Hernandez 1905 Howard Road Carlsbad, NM 88220

Estate of Irene Ruiz 8253 Avenue 304 Visalia, CA 93277

Rachel G. Martin 207 Polk Street Whiteface, TX 79379

Robert G. Rodriguez Apartment 33 210 West Riverside Carlsbad, NM 88220

Ruben G. Rodriguez 4203 East Derrick Road Carlsbad, NM 88220

Rosemary G. Zapata 4312 Hillshire Court Plano, TX 75023

Rodolfo G. Rodriguez 816 Caballo Road Carlsbad, NM 88220

RKI Exploration & Production, LLC 3500 Williams Center, MD 35 Tulsa, OK 74172

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James Bruce P.O. Box 1056 Santa Fe, New Mexico 87504



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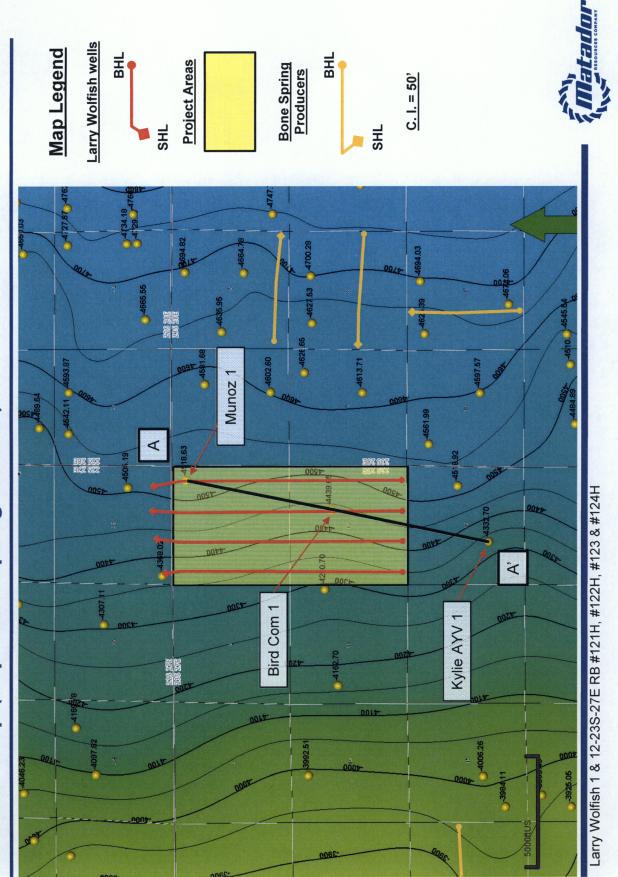
Matador Exhibit 6

Cass Draw; Bone Spring (Oil) (Pool Code 40380) Locator Map

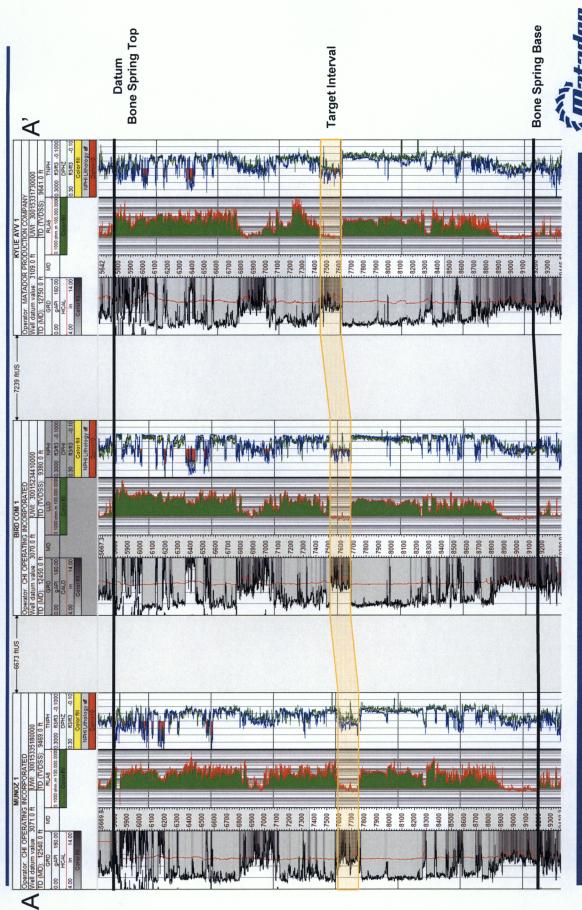
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Cass Draw; Bone Spring (Oil) (Pool Code 10380) Structure Map (Top Bone Spring Subsea)



Cass Draw; Bone Spring (Oil) (Pool Code 10380) Stratigraphic Cross Section A - A'



Matador Exhibit 9-A

Cass Draw; Bone Spring (Oil) (Pool Code 10380) Larry Wolfish 1 & 12-23S-27E RB #121H Completion

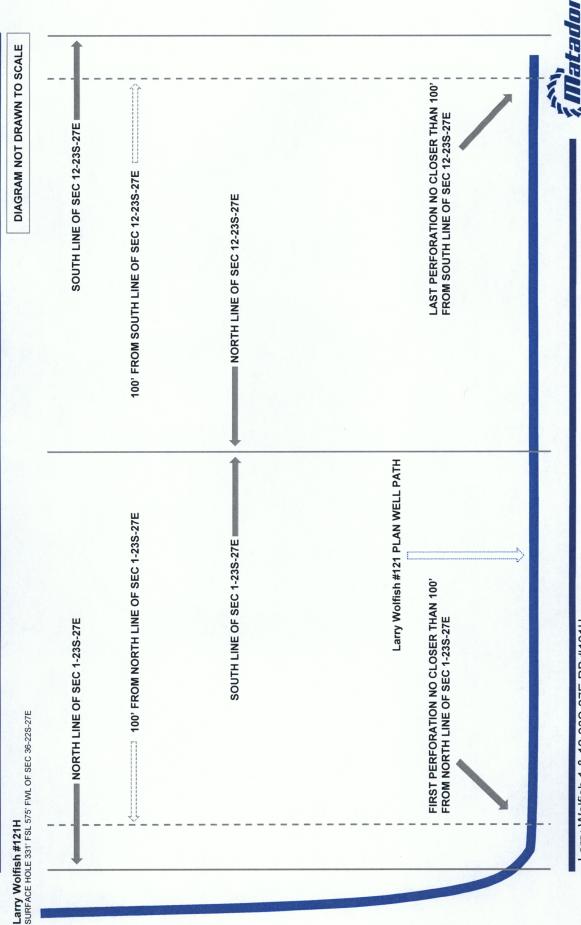


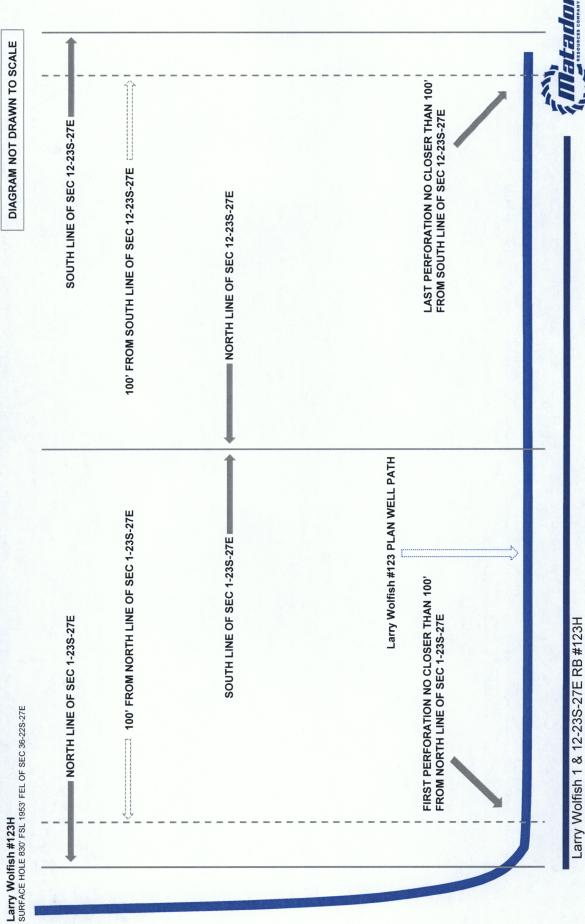
Exhibit 9-B Matador

Cass Draw; Bone Spring (Oil) (Pool Code 10380) Larry Wolfish 1 & 12-23S-27E RB #122H Completion

DIAGRAM NOT DRAWN TO SCALE LAST PERFORATION NO CLOSER THAN 100' FROM SOUTH LINE OF SEC 12-23S-27E SOUTH LINE OF SEC 12-23S-27E ■ 100' FROM SOUTH LINE OF SEC 12-23S-27E ■ NORTH LINE OF SEC 12-23S-27E Larry Wolfish #122 PLAN WELL PATH 100' FROM NORTH LINE OF SEC 1-23S-27E SOUTH LINE OF SEC 1-23S-27E FIRST PERFORATION NO CLOSER THAN 100' FROM NORTH LINE OF SEC 1-23S-27E **NORTH LINE OF SEC 1-23S-27E Larry Wolfish #122H** SURFACE HOLE 675' FSL 1985' FWL OF SEC 36-22S-27E

Exhibit 9-C Matador

Cass Draw; Bone Spring (Oil) (Pool Code 10380) Larry Wolfish 1 & 12-23S-27E RB #123H Completion



Matador

Cass Draw; Bone Spring (Oil) (Pool Code 10380) Larry Wolfish 1 & 12-23S-27E RB #124H Completion

Exhibit 9-D DIAGRAM NOT DRAWN TO SCALE LAST PERFORATION NO CLOSER THAN 100' FROM SOUTH LINE OF SEC 12-23S-27E SOUTH LINE OF SEC 12-23S-27E 100' FROM SOUTH LINE OF SEC 12-23S-27E **NORTH LINE OF SEC 12-23S-27E** Larry Wolfish #124 PLAN WELL PATH 100' FROM NORTH LINE OF SEC 1-23S-27E SOUTH LINE OF SEC 1-23S-27E FIRST PERFORATION NO CLOSER THAN 100' FROM NORTH LINE OF SEC 1-23S-27E ■ NORTH LINE OF SEC 1-23S-27E Larry Wolfish #124H SURFACE HOLE 830' FSL 896' FEL OF SEC 36-22S-27E

Larry Wolfish 1 & 12-23S-27E RB #124H