# MRC Permian Company

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chahn@matadorresources.com

Cassie Hahn Landman

November 21, 2018

### VIA CERTIFIED RETURN RECEIPT MAIL

Occidental Permian LP 5 E. Greenway Plaza #110 Houston, TX 77046

Re; Boros Fed Com #101H, #102H, #103H, #104H, #121H, #122H, #123H, #124H, #201H, #202H, #203H, #204H, #221H, #222H, #223H, #224H (the "Wells")

Participation Proposal

Sections 15 & 22, Township 26 South, Range 31 East

Eddy County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of the following Matador Production Company's Wells, located in Sections 15 and 22, Township 26 South, Range 31 East, Eddy County, New Mexico. Accordingly, enclosed are the AFE's dated on October 2018 and November 2018 for the following:

In connection with the above, please note the following:

- Boros Fed Com #101H to be drilled from SHL in the SW/4SW/4 of Section 10-26S-31E to a BHL in the SW/4SW/4 of Section 22-26S-31E. The proposed well will be drilled to an approximate TVD of 8475<sup>3</sup> subsurface in the Avalon Formation. The proposed well will have a MD of approximately 18642<sup>3</sup>.
- Boros Fed Com #102H to be drilled from SHL in the SE/4SW/4 of Section 10-26S-31E to a BHL in the SE/4SW/4 of Section 22-26S-31E. The proposed well will be drilled to an approximate TVD of 8475' subsurface in the Avalon Formation. The proposed well will have a MD of approximately 18642'.
- Boros Fed Com #103H to be drilled from SHL in the SW/4SE/4 of Section 10-26S-31E to a BHL in the SW/4SE/4 of Section 22-26S-31E. The proposed well will be drilled to an approximate TVD of 8475<sup>7</sup> subsurface in the Avalon Formation. The proposed well will have a MD of approximately 18642<sup>7</sup>.
- Boros Fed Com #104H to be drilled from SHL in the SE/4SE/4 of Section 10-26S-31E to a BHL in the SE/4SE/4 of Section 22-26S-31E. The proposed well will be drilled to an

Exhibit No. 5A
Submitted by: MATADOR RESOURCES
Hearing Date: April 4, 2019
Case Nos. 20365 & 20366

- approximate TVD of 8475' subsurface in the Avalon Formation. The proposed well will have a MD of approximately 18642'.
- Boros Fed Com #121II to be drilled from SHL in the SW/4SW/4 of Section 10-26S-31E to a BHL in the SW/4SW/4 of Section 22-26S-31E. The proposed well will be drilled to an approximate TVD of 10,075' subsurface in the Bone Spring Formation. The proposed well will have a MD of approximately 20,242'.
- Boros Fed Com #122H to be drilled from SHL in the SE/4SW/4 of Section 10-26S-31E to a BHL in the SE/4SW/4 of Section 22-26S-31E. The proposed well will be drilled to an approximate TVD of 10,075' subsurface in the Bone Spring Formation. The proposed well will have a MD of approximately 20,242'.
- Boros Fed Com #123H to be drilled from SHL in the SW/4SE/4 of Section 10-26S-31E to a BHL in the SW/4SE/4 of Section 22-26S-31E. The proposed well will be drilled to an approximate TVD of 10,075' subsurface in the Bone Spring Formation. The proposed well will have a MD of approximately 20,242'.
- Boros Fed Com #124H to be drilled from SHL in the SE/4SE/4 of Section 10-26S-31E to a BHL in the SE/4SE/4 of Section 22-26S-31E. The proposed well will be drilled to an approximate TVD of 10,075' subsurface in the Bone Spring Formation. The proposed well will have a MD of approximately 20,242'.
- Borros Fed Com #201H to be drilled from a SHL in the SW/4SW/4 of Section 10-26S-31E to a BHL in the SW/4SW/4 of Section 22-26S-31E. The proposed well will be drilled to an approximate TVD of 11,480' subsurface in the Wolfcamp Formation. The proposed well will have a MD of approximately 21,547'.
- Boros Fed Com #202H to be drilled from SHL in the SE/4SW/4 of Section 10-26S-31E to a BHL in the SE/4SW/4 of Section 22-26S-31E. The proposed well will be drilled to an approximate TVID of 11,480' subsurface in the Wolfcamp Formation. The proposed well will have a MD of approximately 21,547'.
- Boros Fed Com #203H to be drilled from SHL in the SW/4SE/4 of Section 10-26S-31E to a BHL in the SW/4SE/4 of Section 22-26S-31E. The proposed well will be drilled to an approximate TVD of 11,480° subsurface in the Wolfcamp Formation. The proposed well will have a MD of approximately 21,547°.
- Boros Fed Com #204H to be drilled from SHL in the SE/4SE/4 of Section 10-26S-31E to a BHL in the SE/4SE/4 of Section 22-26S-31E. The proposed well will be drilled to an approximate TVD of 11,480' subsurface in the Wolfcamp Formation. The proposed well will have a MD of approximately 21,547'.
- Boros Fed Com #221H to be drilled from a SHL in the SW/4SW/4 of Section 10-26S-31E to a BHL in the SW/4SW/4 of Section 22-26S-31E. The proposed well will be drilled to an approximate TVD of 12,600' subsurface in the Wolfcamp Formation. The proposed well will have a MD of approximately 22,667'.
- Boros Fed Com #222H to be drilled from SHL in the SE/4SW/4 of Section 10-26S-31E to a BHL in the SE/4SW/4 of Section 22-26S-31E. The proposed well will be drilled to an approximate TVD of 12,600' subsurface in the Wolfcamp Formation. The proposed well will have a MD of approximately 22,667'.
- Boros Fed Com #223H to be drilled from SHL in the SW/4SE/4 of Section 10-26S-31E to a BHL in the SW/4SE/4 of Section 22-26S-31E. The proposed well will be drilled to

- an approximate TVD of 12,600' subsurface in the Wolfcamp Formation. The proposed well will have a MD of approximately 22,667'.
- Boros Fed Com #224H to be drilled from SHL in the SE/4SE/4 of Section 10-26S-31E to a BHL in the SE/4SE/4 of Section 22-26S-31E. The proposed well will be drilled to an approximate TVD of 12,600' subsurface in the Wolfcamp Formation. The proposed well will have a MD of approximately 22,667'.

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.

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 October 31, 2018, by and between Matador Production Company, as operator and MRC Permian Company et al as Non-Operators covers all of Section 15 and Section 22, Township 22 South, Range 31 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. 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 its proportionate share of all costs incurred.

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

Sincerely,

MRC PERMIAN COMPANY
Cassic Hahn

Occidental Permian LP hereby elects to:

 Participate in the Boros Fed Com #101H
 Not to participate in the Boros Fed Com #101H
 Participate in the Boros Fed Com #102H
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Occidental Permian LP
Ву:
Title:
Date:
Contact Number:

ONE LINCOLN CENTRE • 6400 LBJ FREEWAY • SUITE 1500 • DALLAS, TEXAS 75240
Phone (872) 371-5200 • Fax (872) 371-5201

		ESTIMATE OF COSTS AP	TO AUTHURIZATION FOR			000 007 01 001
ATE:	October 18, 2018			AFE NO.:	500	000 627 01 001
ELL NAME:	Boros Fed Com #101H			FIELD:		
DCATION:	Section 15822-26S-31E			MD/TVD:		18542'/8475'
OUNTY/STATE:	Eddy, NM			LATERAL LENGTH:	-	about 9700'
ARC WI:						
GEOLOGIC TARGET: REMARKS:	Avalon Onll and complete a hor	rizonial Avalon target w	th 46 stages			
LEMARKS.	pilli dric comprete a no					
INTANGIBLE	COSTR	DRILLING	COMPLETION COSTS	PRODUCTION	FACILITY COSTS	COSTS
and / Legal / Regulatory	\$	61.500	\$	\$	5 5	61,500
ocation, Surveys & Dame	iges	103,000	13,000	10.000	5,000	131,000
Idling Sementing & Float Equip		219,000			•)	215,000
ogging / Formation Evalu	ation		6.500			5,500
lud Logging		36,000				35,000 56,000
Aud Circulation System Aud & Chemicals		113 000	67,000			178,000
Mud / Wastowater Disposi	<b>3</b> 1	195,000	9.			195,000
Freight / Transportation	dan 3	16,000	43,500 126,600	7,200	5,400	51,500 307,200
Rig Supervision / Enginee Drill Bits	nng	113,600	124.500	1,200		113,000
uel & Power	: 40	156 000			• 0	156,000
Water		15,000	402,500 42,000	180,000		57.000
Drig & Completion Overho Plugging & Abandonment		23,000	-12,000			t and a second state
Directional Drilling, Surve		307.000				302,000
Completion Unit, Swab, C		71	144,000	20,000		794,000 294,000
Periorating, Wireline, Silc High Pressure Pump Truc		-	175,700	<del></del>	-	175,700
Stimulation			4.186.000			4,186,000
Stimulation Flowback & D	isp	33 556	200,000			206,000 33,556
insurance Labor		165 500	102,000	30,000	1,000	298 500
Rental - Surface Equipme	nt	90,000	490,500	60,000	3,000	657,500 215,000
Rental - Downhole Equips	ment	130,000	85,000 56,260	5.000	2 000	127,210
Rental - Living Quarters Contingency		242.660	225,656	2000		469,516
Operations Center		37,250				52,255
	TOTAL INTANGIBLES >	3,289,416	8,668,216	PRODUCTION	16,400	10,287,232 TOTAL
*********	DOCTO	COSTS	COMPLETION	COSTS	FACILITY COSTS	COSTS
TANGIBLE Surface Casing	1	55,000	1	1	\$ \$	53,000
Intermediate Casing		140,300	V			140,390
Drilling Liner		583,581				563,581
Production Casing Production Liner		2008.04				
Tubing				52,000		52,000 105,000
Wellhead		65,000	109.600	10,000		118,500
Packers, Liner Hangers Tanks		<del> </del>	103,003		16,000	16,000
Production Vessels				66,000	13,025	73,025 50,000
Flow Lines		-		50,900		30,000
Rod string Artificial Lift Equipment				270,600		270,000
Compressor					2,000	2,000
Installation Costs				5,000	S-	5,000
Surface Pumps Non-controllable Surface		1				
Non-controllable Downh						
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2475	Colobor 40 page	ESTIMATE OF COSTS A	NO AUTHORIZATION FO	TO SHOULD BE A		
DATE:	October 18 2018			AFE NO :	-	500000 635 01 001
WELL NAME:	Boros Fed Com #121			FIELD:	-	
LOCATION:	Section 15&22-26S-3	16		MD/TVD:	-	202427100751
COUNTY/STATE: MRC WI:	Eddy, NM			LATERAL LENGTH:	-	about 9700'
MRC WI: GEOLOGIC TARGET:	2nd Bone Spring					
REMARKS:		niizonta 2rd Bone Spor	o target with 46 ethics			
NEMPONS.	Drii and Complete a n	mizorta zi di done Stirit	tarue, willi co stadu-			
		DRULLING	COMPLETION	PRODUCTION		TOTAL
INTANGIBLE C	OSTS	COSTS	'costs	COSTS	FACILITY COSTS	COSTS
Land / Legal / Regulatory Location, Surveys & Damag	04.	103,000	15 000	10,000	5,000	131,000
Dritting		688,000				868,000
Comenting & Float Equip		218.600	- Interior of			216,650
ogging / Formation Evaluat	on		6.500			6,500
Mud Logging Mud Circulation System		36,000				36,600
Mud & Chemicals		111,000	47,000			158,000
Aud / Westewater Disposal		195,000			- 3	165,000
reight / Transportation		16 065	46 506 119 400			55,500
Rig Supervision / Engineerin Drill Bits		169,000	119,400	7,200	5,400	113,600
uel & Power		156 000			-	156 600
Water		90,000	392,865	189 600		662.565
Orig & Completion Overbeau Plugging & Abandonment		15 000	40.000			55,000
Directional Drilling, Surveys		302,000				302,000
Completion Unit, Swab, C7U			240,000	20,000		260,000
Perforating, Wireline, Stickli	ne ·		294,000			294,000
High Pressure Pump Truck Stimulation			126,500 4 370,000			* 370 605
Stimulation Flowback & Dis	×	-	203,000			208 002
Insurance		36,435				36,436
Labor Rental - Surface Equipment		165,600	90,000 441,500	35 000	1,000	206,800
Rental - Surface Equipment Rental - Downhole Equipme	nt .	150,000	50,000	80,000	2,000	602 300 185,660
Rental - Living Quarters		62.550	51 500	1/1XX	2,000	182 450
Contingency		243.891	216,620		- 1	450,911
Operations Center	EUTO MESONIANE	32.250	100000000		275-000	32.750
	TOTAL INTANGIBLES	3,292,526 DRILLING	6,746,220 COMPLETION	PRODUCTION	16,400	10,368,346 TOTAL
TANGIBLE CO	515	COSTS	COSTS	COSTS	FACILITY COSTS	COSTS
Surface Gasing		53,000	1	3	1	\$ 55,005
ntermediate Casing		140,300				140 300
Ortiling Liner Production Casing		632.381	$\overline{}$		-	632,381
Production Liner						
Tubing				101,200		101,200
Weilhead Packers, Liner Hangers		65,000	182,000	20,000		95,000
Tanks			102100	10,000	16,000	16,000
Production Vessels				90 (00	15,025	(65,025
flow Lines		, , , , , , , , , , , , , , , , , , ,		50,000	300	50,000
Rod string Artificial Lift Equipment				30,000		30,000
Compressor					2 660	7,000
nstallation Costs					2<,000	24,000
Surface Pumps				5,000	1	5,000
Non-controllable Surface Non-controllable Downhole						
Downhole Pumps						
dessurement & Moter Instal		1.		12,500	5,500	16,000
Gas Conditioning / Dehydrat					15,000	15,000
Interconnecting Facility Pipi Gathering / Bulk Lines	ng				12,360	10,000
Valves, Dumps, Controllers				2.000	1,000	3.000
Fank / Facility Containment					2 000	2.000
Flare Stack					2,000	2,000
Electrical / Grounding Communications / SCADA					1 000	1 000
Instrumentation / Safety				5,000	5,000	10,000
	TOTAL TANGIBLES		105,000	335,700	87,023	1,418,406
	TOTAL GOSTS	4,163,207	6,651,220	648,500	103,425	11,786,752
PARED BY MATADOR P	RODUCTION COMPAN	NY:				
			. ~			
Diffreg Engineer:		Team Lead - W1X/N	IN WTE			
Completions Engineer	May 1980					
Finduction Engineer	Contribution					
ADOR RESOURCES CO	ADANY APPONIAL					
Executive VP, COO/CFG		VP - Res Engineeri	nq		VP - DN	PG PG
	Citi		DAS			PG
Executive VP, Lega		Exec Dir = Explirate	COD.			
Determine						
H.GRIGELI	N/V-d					
OPERATING PARTNER	APPROVAL					
OPERATING PARTIES.	P. T. S.					
			Working Interest (%)		Ens	· ID
Company Name			Working Interest (%)		Tax	ID

MATADOR PRODUCTION COMPANY
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	REXPENDITURE		
DATE:	October 18, 2018			AFE NO.:		
WELL NAME:	Boros Fed Com #201H			FIELD:	0	
LOCATION:	Section 15822-26S-31E			MD/TVD:		21547'/11480'
COUNTY/STATE:	Eddy, NM			LATERAL LENGTH:	22	about 9600'
MRC WI:						
GEOLOGIC TARGET:	Wolfcamp		-16 4 10- 40			
REMARKS:	Drill, complete and equip	a nonzontal tower vvi	oircamp targer with 45 s	lages		
		DRILLING	COMPLETION	PRODUCTION		TOTAL
INTANGIBLE C	0815	COSTS	COSTS	COSTS	FACILITY COSTS	COSTS
Land / Legal / Regulatory	\$	85,500	10.000	\$	£	5 64,500
Location, Surveys & Damage Orilling	96	100,500	13,000	10,000	5,000	178,500 997,000
Cementing & Float Equip	- 3	535,000				232,000
Logging / Formalion Evaluat	Hon		6,500			6,500
Mud Logging Mud Circulation System		34,800 89,525				34,600 89,625
Mud & Chemicals		151,000	47.000			198,000
Mud / Wastewater Disposal	- 1	195.000	·		-	195,000
Freight / Transportation Rig Supervision / Engineering	· ·	30 000 192 000	115,400	7,200	5,400	70,500 324,000
Drill Bits	72	131,200	113,400	7,200	5,400	131,200
Fuei & Power	3	182 000				162,000
Water		60,000 17,500	392,500 40,000			452,500 57,500
Drig & Completion Overhead Plugging & Abandonment	' -	17,300				97,000
Directional Orllling, Surveys	39	340 000	- 5-3			340,000
Completion Unit, Swab, CTU			240,000	20,000		250.000
Perforating, Wireline, Slicklik High Pressure Pump Truck	ne		126,500		2	294,000 126,500
Stimulation	-	•	4,692,000			4,692,000
Stimulation Flowback & Disp	p 🦉		206,000	100.000		388,000
tneurance Labor	-	38,765 183,000	90,000	30,000		38,785 303,000
Rental - Surface Equipment	3	108,750	441,300	60,000	1,000	511,050
Rental - Downhole Equipme	nt 🥞	105,000	50,000		3,000	158,000
Rental - Living Quarters	§	72,700 270,751	51,500 216,020	5,000	2,000	131,700 485,771
Contingency Operations Center	15	37,625	210,020			37,625
	TOTAL INTANGIBLES >	3,655,135	7,065,220	313,200	16,400	11,052,955
		DRILLING	COMPLETION	PRODUCTION		TOTAL
TANGIBLE CO	2515	COSTS	COSTS	COSTS	FACILITY COSTS	COSTS 53,000
Surface Casing Intermediate Casing	٠.	53,000 140,300	·	•——		140,300
Drilling Liner		386,975				386,975
Production Casing		445,166				445,186
Production Liner Tubing	G	<u>-</u>		116,600		116,600
Wellhead	-	90,000		25,000		115,000
Packers, Liner Hangers			105,000	10,000		115,000
Tanks		14		90,000	16,000	16,000
Production Vessels Flow Lines				50,000	13,025	50,000
Rod string		-		-		
Artificial Lift Equipment				30,000		30,000
Compressor					2,000	2,000
Installation Costs Surface Pumps		- 5		5,000		5,000
Non-controllable Surface		•		-		
Non-controllable Downhole		-				<del></del>
Downhole Pumps Magagrement & Meter Instal	listion	<del></del>		12,500	5,500	18,000
Gas Conditioning / Dehydra					-	
Interconnecting Facility Pip				-	15.000	15,000
Gathering / Bulk Lines Valves, Dumps, Controllers				2,000	1,000	3,000
Tank / Facility Containment	•			2,000	2,000	2,000
Flare Stack					2,000	2,000
Electrical / Grounding	1	-		· ·	1,000	1,000
Instrumentation / Safety				5,600	5,000	10,000
,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	TOTAL TANGIBLES >	1,115,461	105,000	346,100	87,025	1,653,586
	TOTAL COSTS >	4,770,595	7,173,220	659,000	103,425	12,706,541
EPARED BY MATADOR P	RODUCTION COMPANY	<u></u>				
Drilling Engineer	Blass Hormes	Team Lead - WTX/I	NM LITE			
Completions Engineer			WIE			
Production Engineer	ohli Etimano					
	Zerowanie					
TADOR RESOURCES CO	MPANY APPROVAL:					
Evandare VIII DOCIDER	)	VP - Res Enginéei	rine		VP - Dr	lilon
Executive VP_COO/CFS	DEL	At Lies Elifalis6	6MR		VF - UI	DG.
Executive VP, Lega	ıl	Exec Dir - Explorai				
	CA		NLF			
Presiden	1					
	NVH					
	research and a					
N OPERATING PARTNER	APPROVAL					
Company Name	-		Working Interest (%):		Ta	x ID
			Date		*	
Signed by			2016			
			Approval	Yeş		No (mark one)

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

			371-5200 • Fax (972) 371			
DATE:	october 18 2018	ESTIMATE OF COSTS A	ND AUTHORIZATION FO	AFE NO.:	- 5	00000 646 01 001
	loros Federal #202H			FIELD:		
LOCATION:	ection 15&22-26S-31E			MO/TVD:		21547'/11480'
	ddy, NM			LATERAL LENGTH:	_	about 9600'
MRC WI:						
	Volfcamp Vill complete and equi	in a horizontal lower W	olfcamp target with 46	stages		
REMARKS.	mii, complete and equi	ip a nonzontar lower vv	olicamp target with 40	outges		
INTANGIBLE CO		COSTS	COMPLETION -COSTS	PRODUCTION	FACILITY COSTS	TOTAL
Land / Legal / Regulatory	\$	86,500	\$	\$	\$	\$ 66,500
Location, Surveys & Damages		100.500	13,000	10,000	5,000	128,500 997,000
Drilling Cementing & Float Equip		232,000		-		232,000
Logging / Formation Evaluation	n		6,500			6,500 34,800
Mud Logging Mud Circulation System		34,600 89,526				89.525
Mud & Chemicals		151,000	47,000			106 000
Mud / Wastewater Disposal Freight / Transportation		195,000 38,000	40 500			195,000 70,600
Rig Supervision / Engineering		192,000	115.400	7,200	5,400	324,000
Drill Bits		131,200				131,200
Fuel & Power	,	167,000	392,500		<del></del>	182,000 452,500
Water Drig & Completion Overhead		17,500	40 000			57,500
Plugging & Allendonment		constan				340,000
Directional Drilling, Surveys		340,000	240 000	20,000		260,000
Completion Unit, Swab, CTU Perforating, Wireline, Slickline		<del>-</del>	294,000	20,000		294,000
High Pressure Pump Truck			126,500			126,500
Stimulation			4,692,000 206,000	180,000		4,692,090 388,000
Stimulation Flowback & Disp Insurance		38,785	230,003			38,785
Lebor		183,000	\$0,000	30,000		303,000
Rental - Surface Equipment		108,750	441,300 50,000	60,000	1,000	611,050 156,000
Rental - Downhole Equipment Rental - Living Quarters		72,200	51,500	6,000	2,000	131,700
Contingency		270,751	216,020		-	486,771
Operations Center		37,625	(2) (2) (2)		47.00	37,626 11,052,955
	TOTAL INTANGIBLES >	3,655,135 DRILLING	7,668,228 COMPLETION	PRODUCTION	16,400	TOTAL
TANGIBLE COS	TS.	COSTS	COSTS	COSTS	FACILITY COSTS	COSTS
Surface Casing	5	50,000	257	\$		\$ 53,000
Intermediate Casing		140,300 386,975				140 300 366 975
Orliling Liner Production Casing		445,156				445 188
Production Lines						
Tubing				116.600 25,000		116,600 115,000
Wellhead		00,000	105,090	10,000		115,000
Peckers, Liner Hangers Tonks			No. of the last of		15,000	16,000
Production Vessels				90,000	13,025	103,025
Flow Lines				60,000	· ·	- 50,000
Rod string Artificial Lift Equipment		<del></del>		30,000		30,000
Compressor					2,000	2,000
Installation Costs				5,000	24,000	5,000
Surface Pumps  Non-controllable Surface						-
Non-controllable Downhole						· ·
Downhole Pumps	ere-			12,500	5,500	10,000
Measurement & Meter Installa Gas Conditioning / Dehydrati				12,300	` `	-
Interconnecting Facility Pipin					15,000	15,000
Gathering / Bulk Lines				7,000	1,000	3,000
Valves, Dumps, Controllers Tank / Facility Containment				- 2,000	2,000	2.000
Flare Black					2,000	2,000
Electrical / Grounding				<del></del>	1.000	1,000
Communications / SCADA				5,000	\$.000	10,000
matining manual i density	TOTAL TANGIBLES	1,115,461	105,000	346,100	87,025	1,653,586
	TOTAL COSTS		7,173,220	659,300	103,425	12,705,541
EPARED BY MATADOR PR	COMPAN					
ELIOCO DI MATADONTO						
Drilling Engineer.	Bako Hermes	Team Lead - WTX	WTE WTE			
Completions Engineer.	Waylon Wolf		WIE			
Production Engineer.	John Romanc					
TADOR RESOURCES COM	APANY APPROVAL:					
		100 D T 11			VP - Dril	llion
Executive VP, COO/CFO	DEL	VP - Res Engine	Ening BMR		F 21	1GG
Even dive VD Least		Exec Dir - Exploi				
Executive VP, Legal	CA	CARO OII - CADIOI	YLF.			
President						
	MVH					
98 Yo. 540 M Profes	O ERRESTANDO DE LA COMPANSIONA DE LA C					
ON OPERATING PARTNER	APPROVAL:					
Company Name:			Working Interest (%):		Ta	(10:
M			Unte:		*	
Signed by:						
Title:			Approval:	Yes	-	No (mark one)

			371-5200 • Fax (972) 371-				
DATE:	October 18, 2018		AFE NO.:				
WELL NAME:	Boros Fed Com #221	Н		-			
LOCATION:	Section 158-22-265-3			****	22667'/12600'		
COUNTY/STATE:	Eddy, NM			MD/TVD:		about 9600'	
MRC WI;	Cody, 14th			EN IENAL LENGIN	_	20001 3000	
	Malfanana						
GEOLOGIC TARGET:	Wolfcamp						
REMARKS:	Drill, complete and eq	uip a horizontal lower W	offcamp target with 46 st	tages			
		DRILLING	COMPLETION	PRODUCTION		TOTAL	
INTANGIBLE C	0515	COSTS	COSTS	COSTS	FACILITY COSTS	COSTS	
Land I Legal / Regulatory		85,500	\$	1	\$ 6	\$ 85,500	
ocation, Surveys & Damage	15	100,500	13,000	10,000	5,000	126,500	
Orilling		1,116,500				1 118,500	
Comenting & Float Equip Logging / Formstion Evaluat	lon	237,000	6.500			5.500	
Mud Logging	ion.	45,600	6.000			45,800	
Mud Circulation System		192,850				102,650	
Aud & Chemicale		167,500	47,000	\=		214,500	
Mud / Wastewater Disposal		195,000			1,1	195,000	
reight / Transportation		30,000	40,500		\$-	70,500	
Rig Supervision / Engineerin	0	215,000	119,400	7,200	5,400	348,000	
OriN Bits		131,200				131,200	
uel & Power		206,000	392,500		\$	452,500	
Water Orig & Completion Overhead		20,000	40,000			60,000	
Plugging & Abandonment		20,000	-9,000				
Directional Drilling, Surveys		395,000				395,000	
Completion Unit, Swab, CTU			240,000	20,000		260,000	
Perforating, Wireline, Sticklin			294,000	1		294,000	
High Pressure Pump Truck			126,500		597	126,500	
Stimulation			4,835,000			4,830,000	
Stimulation Flowback & Disp	<b>5</b> 0.		208,900	160,000		388,000	
Insurance		40,801	DA 444	No.200		40,601	
Lebor		183,000	96,000	50,000	1,000	303,000 625,300	
Rental - Surface Equipment Rental - Downhole Equipme		105,000	50,000	DO WOO	3.000	158,000	
Rental - Living Quarters		79,700	51,500	6.000	2,000	139,200	
Contingency		367,776	216.020	-	5	583,798	
Operations Center		37,625		-		37,625	
	TOTAL INTANGIBLES	4,045,553	7,206,220	313,200	16,400	11,581,37	
		DRILLING	COMPLETION	PRODUCTION	E 1 00 150 00000	TOTAL	
TANGIBLE CO	ests	COSTS 53,000	COSTS	COSTS	FACILITY COSTS	COSTS 53,000	
Surface Casing Intermediate Casing	51	140,300	•——	•		140,300	
Drilling Liner		425,675				475.075	
Production Casing		470,506				470,506	
Production Uner		(4)					
Tubing		/*,		121,000		121,000	
Welihead		90,000	405.000	30,000		115,000	
Packers, Liner Hangers			105,000	10,000	16,000	16,000	
Tenks Production Vessels		-		90,000	13,025	103,025	
Flow Lines				50,000	\$-	50,000	
Rod string				-			
Artificial Lift Equipment				30,000		30,000	
Compressor					2,000	2,000	
Installation Costs					24,000	24,000	
Surface Pumps				5,000	\$-	5.000	
Non-controllable Surface		*		<del></del>	\$-		
Non-controllable Downhole				15			
Downhole Pumps Measurement & Meter Instal	Intion			12,500	5,500	18,000	
Measurement & Meter Install Gas Conditioning / Dehydra		- 13		12,500	\$		
Interconnecting Facility Pip			-	-	15.000	15,000	
Gathering / Bulk Lines	-			-		F2	
Valvas, Dumps, Controllars				2,000	1,000	3.00	
Tank / Fecility Containment					2,000	2,001	
Flare Stack					2,000	2,000	
Electrical / Grounding				2	500	500	
Communications / SCADA				5,000	1,000 5,000	1,000	
Instrumentation / Safety	TOTAL TANGEDLES	> 1,178,891	105,000	355,500	B7,025	1,726,40	
	TOTAL TANGIBLES		7,311,220	668,700	103,425	13 307.77	
	TOTAL COSTS	9,664,444	r at Leed	990,700			
PARED BY MATADOR P	RODUCTION COMPA	NY:					
Drilling Engineer	Blake Hermes	Team Lead - WTX	NN WILL				
Completions Engineer	Waylon Wal!		WITE				
Production Engineer	Jahn Romano						
ADOR RESOURCES CO	MPANY APPROVAL:						
Executive VP COO/CFC		VP - Res Enginee	лп9		VP - Drill	ing	
	DEL		BMR			BG	
Executive VP, Lega		Exec Dir - Explora	ilian				
	CA CA		NLF				
Presiden							
	NA4						
Presiden	NVH						
Presiden	NVH						
Presiden	APPROVAL:		Working Interest (%):		Tax	ID:	
	APPROVAL:		Working Interest (%).		Tax	ID:	
Presiden	APPROVAL:		_		Tax	ID:	

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

		Phone (972) ESTIMATE OF COSTS A	371-5200 • FAR (972) 3714 ND AUTHORIZATION FOR			
DATE:	October 18, 2018			AFE NO.:	50	0000 654 01 001
WELL NAME:	Boros Federal #222H			FIELD:		
LOCATION:	Section 15&22-265-31E				22667'/12600'	
COUNTY/STATE:	Eddy, NM			-	about 9600'	
MRC WI:	Wolfcamp					
GEOLOGIC TARGET: REMARKS:		ip a horizontal lower Wo	offcamp target with 46 st	tages		
INTANGIBLE	COSTS	COSTS	COMPLETION	COSTS	FACILITY COSTS	COSTS
Land / Legal / Regulatory	5	86,500	5	5	3 . 1	88,500
Location, Surveys & Dam Drilling	ages .	1,118,500	13,000	10,000	5,000	178,500
Comenting & Float Equip		232,000				232,000
Logging / Formation Eval Mud Logging	notten	45,800	6,500			6,500 45,600
Mud Girculation Bystom		102,650	- NOOAN NA			102,850
Mud & Chemicals		167,500	47,000			214,500
Mud / Wasteweith Dispos Freight / Transportation	al .	30,060	40,500		3	70,500
Rig Supervision / Engine	ering	216,000	119,400	7,700	5,400	345,000
Drill Bits Fuel & Power		131,200	-		-\$-	131,200
Water		60,000	392,500		,	452,500
Drig & Completion Overto Plugging & Abandonmen	ead I	20,000	40,000		+	60,000
Directional Orilling, Surve	iya:	395,000				395,000
Completion Unit, Swab, C Perforating, Wireline, Silo		· ·	240,000	20,000		260,000 294,000
High Pressure Pump Trus		1.1	126,500		· ·	126,500
Stimulation			4,630,000 208,000	160,000		4,630,000 388,000
Stimulation Flowback & I Insurance	жер	40,801	208,000	160,000		40,801
Labor		183,000	90,000	30,000	4.000	303,000 625,300
Rental - Surface Equipme Rental - Downhole Equip		105,000	441,300 50,000	60,000	1,000	158,000
Rental - Living Quarters		79,700	51,500	6,000	2,000	139,200
Contingency		397,776 37,825	216,020		\$-	583,798 37,825
Operations Center	TOTAL INTANGIBLES >	4,045,553	7,206,220	313,200	16,400	11,561,373
52061W-9600		DRILLING	COMPLETION	PRODUCTION	EACH ITY COCTE	TOTAL
TANGIBLE Surface Casing	COSTS	COSTS 53,000	costs	COSTS	FACILITY COSTS	83,000
Intermediate Casing	O.	140,360	<u> </u>			140,300
Orlifing Liner Production Casing		425,075 470,506				425,075
Production Liner						
Tubing		\$0,000		121,000		121,000
Wellhead Peckers, Liner Hangers		90,000	105,000	10,000		115,000
Tanka				90,000	16,000	16,000
Production Vessels Flow Lines				50,000	\$-	50,000
Red string						
Artificial Lift Equipment Compressor				30,000	2,000	30,000
Installation Costs		(8)			24,000	24,000
Surface Pumps		14		5,000	<del>- \$</del>	5,000
Non-controllable Surface Non-controllable Downh		- 9		107		
Downhole Pumps				12,500	5,500	18,000
Measurement & Meter In: Gas Conditioning / Dehys				12,500	3-	
Interconnecting Facility (					15,000	15,000
Gathering / Bulk Lines Valves, Dumps, Controlls	v3			2,000	1,000	3,000
Tank / Facility Containme				¥:	2,000	2,000
Flare Stack Electrical / Grounding					2,000	2,000
Communications / SCAD	A				1,000	1,000
Instrumentation / Safety			105,000	5,000 365,600	5,000 87,025	10,000
	TOTAL TANGIBLES >		7,311,220	668,700	103,425	13,307,779
EPARED BY MATADOF	PRODUCTION COMPAN					
Drilling Engin	eer: Blake Harmes	Team Load - WTK/	W LITE			
Completions Engin			Wite			
Production Engin						
**************************************	DOMESTAL ASSOCIATION					
TADOR RESOURCES					200	
Executive VP, COO/0	DEL DEL	VP - Res Engineer	ing		VP - Onitin	9
Europalia Maria		Exec Dir - Explorer				-
Executive VP, Li	CA CA	Ever Dil - Exhibisi	NLF			
Presi	dent					
	MVH					
N OPERATING PARTN	ER APPROVAL:					
			Working Interest (%)		Taxl	D:
Company Na	mie.		-		.*	
Signed	by:		Date			
1	itle.		Approval	Yes		No (mark one)
	transport of the same of the s	martiani lanenter m			mg = 4.0/1, = 4.7 a.5. mar agreem as 10.00 pm	

The parties provided the provided provided by the prov