

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING AUGUST 22, 2019**

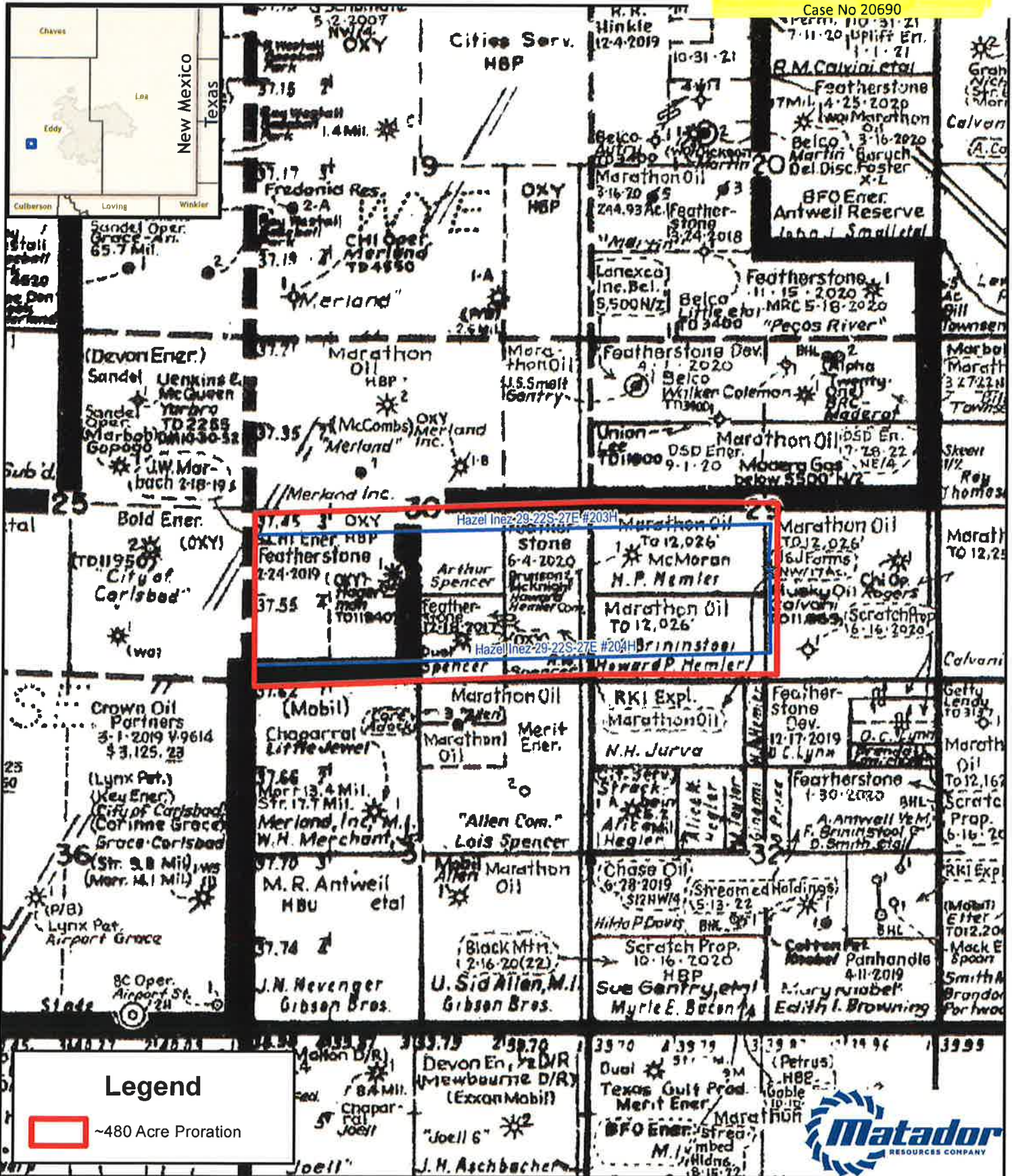
CASE No. 20690

HAZEL INEZ 203H
HAZEL INEZ 204H

EDDY COUNTY, NEW MEXICO



29/30-22S-27E



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

Southeast New Mexico

Date: August 19, 2019
 Coordinate System: NAD 1983 StatePlane New Mexico East FIPS 3001 Feet
 Projection: Transverse Mercator; Datum: North American 1983; Units: Foot US
 Sources: IHS; ESRI;

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

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name					
⁴ Property Code		⁵ Property Name HAZEL INEZ 29-22S-27E RB						⁶ Well Number 203H	
⁷ GRID No.		⁸ Operator Name MATADOR PRODUCTION COMPANY						⁹ Elevation 3155'	
¹⁰ Surface Location									
UL or lot no. K	Section 29	Township 22-S	Range 27-E	Lot Idn -	Feet from the 1639'	North/South line SOUTH	Feet from the 2507'	East/West line WEST	County EDDY
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. L	Section 30	Township 22-S	Range 27-E	Lot Idn -	Feet from the 2322'	North/South line SOUTH	Feet from the 240'	East/West line WEST	County EDDY
¹² Dedicated Acres 476.60		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

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

<p>16 LAST PERF. POINT NEW MEXICO EAST NAD 1983 X=571211 Y=495480 LAT.: N 32.3621077 LONG.: W 104.2365807 NAD 1927 X=530030 Y=495421 LAT.: N 32.3619896 LONG.: W 104.2360778</p>		<p>30 29 FIRST PERF. POINT NEW MEXICO EAST NAD 1983 X=578607 Y=495672 LAT.: N 32.3626136 LONG.: W 104.2126278 NAD 1927 X=537425 Y=495612 LAT.: N 32.3624952 LONG.: W 104.2121258</p>		<p>17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>	
<p>31 32 BOTTOM HOLE LOCATION NEW MEXICO EAST NAD 1983 X=571121 Y=495478 LAT.: N 32.3621016 LONG.: W 104.2368721 NAD 1927 X=529940 Y=495418 LAT.: N 32.3619834 LONG.: W 104.2363693</p>		<p>SURFACE LOCATION NEW MEXICO EAST NAD 1983 X=578796 Y=494988 LAT.: N 32.3607337 LONG.: W 104.2120182 NAD 1927 X=537614 Y=494929 LAT.: N 32.3606152 LONG.: W 104.2115163</p>		<p>18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.</p> <p>Date of Survey _____ Signature and Seal of Surveyor _____</p> <p>2019/08/22 NEW MEXICO PROFESSIONAL SURVEYOR 26418</p> <p>Certificate Number _____</p>	

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State of New Mexico
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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 Name		
⁴ Property Code		⁵ Property Name HAZEL INEZ 29-22S-27E RB				⁶ Well Number 204H
⁷ GRID No.		⁸ Operator Name MATADOR PRODUCTION COMPANY				⁹ Elevation 3155'

¹⁰ Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	29	22-S	27-E	-	1609'	SOUTH	2537'	WEST	EDDY

¹¹ Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	30	22-S	27-E	-	387'	SOUTH	240'	WEST	EDDY

¹² Dedicated Acres 476.60	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p>LAST PERF. POINT NEW MEXICO EAST NAD 1983 X=571213 Y=493544 LAT.: N 32.3567858 LONG.: W 104.2365820 NAD 1927 X=530031 Y=493485 LAT.: N 32.3566676 LONG.: W 104.2360794</p>	<p>SURFACE LOCATION NEW MEXICO EAST NAD 1983 X=578826 Y=494958 LAT.: N 32.3606522 LONG.: W 104.2119201 NAD 1927 X=537644 Y=494899 LAT.: N 32.3605337 LONG.: W 104.2114182</p>	<p>¹⁷OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>
<p>BOTTOM HOLE LOCATION NEW MEXICO EAST NAD 1983 X=571123 Y=493542 LAT.: N 32.3567797 LONG.: W 104.2368735 NAD 1927 X=529941 Y=493482 LAT.: N 32.3566616 LONG.: W 104.2363708</p>	<p>FIRST PERF. POINT NEW MEXICO EAST NAD 1983 X=578611 Y=493731 LAT.: N 32.3572797 LONG.: W 104.2126226 NAD 1927 X=537429 Y=493672 LAT.: N 32.3571612 LONG.: W 104.2121207</p>	<p>¹⁸SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.</p> <p>Date of Survey _____ Signature and Seal of the Surveyor _____</p> <p>07/26/2019 ANGELA M. BRYAN 28116 PROFESSIONAL SURVEYOR</p> <p>Certificate Number _____</p>

Summary of Interests

MRC Permian Company:		44.469263%
Compulsory Pool:		38.273026%
Anticipated Voluntary Joinder:		17.257675%
Interest Owner:	Description:	Interest:
Marathon Oil Permian, LLC	Working Interest	38.273026%



HAZEL INEZ #203 and #204

Overriding Royalty Interest Owners

1. Camarie Oil and Gas, LLC
2. Ross Duncan Properties, LLC
3. Big Three Energy Group, LLC
4. Featherstone Development Corporation
5. Prospector, LLC
6. Xplor Resources, LLC
7. Chi Energy, Inc., f/b/o Chi Royalty Pool
8. McCombs Energy, Ltd.
9. Dave Shatzer
10. Gary Womack
11. Marathon Oil Permian, LLC
12. WPX Energy Permian, LLC

MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
Voice 972.629.2163 • Cell 469.371.2344
rhelbing@matadorresources.com

**Robert Helbing
Landman**

March 4, 2019

VIA CERTIFIED RETURN RECEIPT MAIL

Marathon Oil Company
5555 San Felipe Street
Houston, TX 77056

Re: Matador Production Company – Hazel Inez Com 29&30-22S-27E RB #203H (the “Well”)
Participation Proposal
Sections 29 & 30, Township 22 South, Range 27 East
Eddy County, New Mexico

Dear Sir/Madam:

MRC Permian Company (“MRC”) proposes the drilling of Matador Production Company’s Hazel Inez Com 29&30-22S-27E RB #203H, located in Sections 29 & 30, Township 22 South, Range 27 East, Eddy County, New Mexico, to the Wolfcamp 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 \$9,163,060 as found on the enclosed AFE dated February 27, 2019.
- The proposed Well will be drilled from a legal location with a surface hole located in the NE4/SW/4 of Section 29, 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 NW/4SW/4 of Section 30, Township 22 South, Range 27 East, Eddy County, New Mexico.
- The Well will have a targeted interval within the Wolfcamp formation. We plan to drill the Well horizontally in the Wolfcamp (~8,900’ TVD) to a Total Measured Depth of approximately 16,500’ resulting in a productive lateral of approximately 7,000’.

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.

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. 4

Submitted by: **Matador Production Company**

Hearing Date: August 22, 2019

Case No 20690

Marathon Oil Company will own an approximate 33.33333% working interest in the Well, subject to title verification.

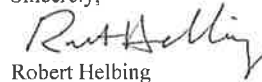
MRC is proposing to drill the Well under the terms of the modified 1989 AAPL form of Operating Agreement which is enclosed for your review and approval. The enclosed Operating Agreement dated February 27, 2019, by and between Matador Production Company, as operator and MRC Permian Company et al as Non-Operators covers the S/2 of Section 30 and SW/4 of Section 29, Township 22 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. Please be aware that the enclosed AFE is only an estimate of costs to be incurred and by electing to participate in the Well, each working interest owner shall be responsible for their proportionate share of all costs incurred.

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

Sincerely,



Robert Helbing

Enclosure(s)

Please elect one of the following and return to sender.

_____ Marathon Oil Company hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Hazel Inez Com 29&30-22S-27E RB #203H well, located in Eddy County, New Mexico.

_____ Marathon Oil Company hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Hazel Inez Com 29&30-22S-27E RB #203H well, located in Eddy County, New Mexico.

_____ Marathon Oil Company is interested in selling our interest in this unit, please contact us to discuss.

Marathon Oil Company

By: _____

Name: _____

Title: _____

Date: _____

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

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	February 27, 2019	AFE NO.:	
WELL NAME:	Hazel Inez Com 29&30-22S-27E RB 203H	FIELD:	Purple Sage
LOCATION:	Section 29&30-22S-27E	MD/ITVD:	16500'/8900'
COUNTY/STATE:	Eddy	LATERAL LENGTH:	about 7000'
MRC WI:			
GEOLOGIC TARGET:	Wolfcamp		
REMARKS:	Drill and complete a horizontal upper Wolfcamp with 34 stages		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Land / Legal / Regulatory	\$ 185,000	\$ -	\$ -	\$ -	\$ 185,000
Location, Surveys & Damages	155,500	13,000	4,000	35,000	207,500
Drilling	734,000	-	-	-	734,000
Cementing & Float Equip	204,000	-	-	-	204,000
Logging / Formation Evaluation	-	6,500	-	-	6,500
Mud Logging	16,500	-	-	-	16,500
Mud Circulation System	58,625	-	-	-	58,625
Mud & Chemicals	114,825	50,000	-	-	164,825
Mud / Wastewater Disposal	155,000	-	-	-	155,000
Freight / Transportation	20,000	30,000	-	\$-	50,000
Rig Supervision / Engineering	132,000	92,400	5,400	18,000	247,800
Drill Bits	82,050	-	-	-	82,050
Fuel & Power	117,000	-	-	\$-	117,000
Water	40,000	506,000	-	-	546,000
Drig & Completion Overhead	11,250	19,000	-	-	30,250
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	192,000	-	-	-	192,000
Completion Unit, Swab, CTU	-	141,000	15,000	-	156,000
Perforating, Wireline, Slickline	-	232,500	-	-	232,500
High Pressure Pump Truck	-	92,000	-	-	92,000
Stimulation	-	2,482,000	-	-	2,482,000
Stimulation Flowback & Disp	-	12,400	270,000	-	282,400
Insurance	30,060	-	-	-	30,060
Labor	132,000	33,250	25,000	-	190,250
Rental - Surface Equipment	58,725	239,650	120,000	-	418,375
Rental - Downhole Equipment	52,000	55,000	-	-	107,000
Rental - Living Quarters	56,750	34,430	12,000	\$-	103,180
Contingency	127,354	155,713	16,940	-	300,007
Operations Center	24,188	-	-	-	24,188
TOTAL INTANGIBLES >	2,698,627	4,194,843	468,340	53,000	7,414,810

TOTAL INTANGIBLES	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
TANGIBLE COSTS					
Surface Casing	\$ 28,500	\$ -	\$ -	\$ -	\$ 28,500
Intermediate Casing	99,450	-	-	-	99,450
Drilling Liner	337,650	-	-	-	337,650
Production Casing	308,850	-	-	-	308,850
Production Liner	-	-	-	-	-
Tubing	-	-	53,400	-	53,400
Wellhead	80,000	-	30,000	-	110,000
Packers, Liner Hangers	-	80,400	10,000	-	90,400
Tanks	-	-	-	96,000	96,000
Production Vessels	-	-	57,000	27,000	84,000
Flow Lines	-	-	100,000	\$-	100,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	20,000	-	20,000
Compressor	-	-	-	30,000	30,000
Installation Costs	-	-	-	70,000	70,000
Surface Pumps	-	-	-	2,500	2,500
Non-controllable Surface	-	-	-	\$-	-
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	12,500	84,500	97,000
Gas Conditioning / Dehydration	-	-	-	\$-	-
Interconnecting Facility Piping	-	-	-	95,000	95,000
Gathering / Bulk Lines	-	-	-	\$-	-
Valves, Dumps, Controllers	-	-	4,000	6,000	10,000
Tank / Facility Containment	-	-	-	10,000	10,000
Flare Stack	-	-	-	20,500	20,500
Electrical / Grounding	-	-	-	10,000	10,000
Communications / SCADA	-	-	-	\$-	-
Instrumentation / Safety	-	-	15,000	60,000	75,000
TOTAL TANGIBLES >	854,450	80,400	301,900	511,500	1,748,250
TOTAL COSTS >	3,553,077	4,275,243	770,240	564,500	9,163,060

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Blake Hermes
Completions Engineer:	Garrett Hunt
Production Engineer:	Jan Mosnes

Assel Manager - WTX/NM

WIE

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, COO/CFO _____ DEL

Executive VP, Legal _____ CA

President _____ MVH

VP - Res Engineering EMR

Exec Dir - Exploration NLF

VP - Drilling _____ BG

NON OPERATING PARTNER APPROVAL:

Company Name: _____ Working Interest (%): _____ Tax ID: _____

Signed by: _____ Date: _____

Title: _____ Approval: Yes _____ No _____ (mark one)

[illegible]

MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
Voice 972.629.2163 • Cell 469.371.2344
rhelbing@matadorresources.com

**Robert Helbing
Landman**

March 4, 2019

VIA CERTIFIED RETURN RECEIPT MAIL

Marathon Oil Company
5555 San Felipe Street
Houston, TX 77056

Re: Matador Production Company – Hazel Inez Com 29&30-22S-27E RB #204H (the “Well”)
Participation Proposal
Sections 29 & 30, Township 22 South, Range 27 East
Eddy County, New Mexico

Dear Sir/Madam:

MRC Permian Company (“MRC”) proposes the drilling of Matador Production Company’s Hazel Inez Com 29&30-22S-27E RB #204H, located in Sections 29 & 30, Township 22 South, Range 27 East, Eddy County, New Mexico, to the Wolfcamp 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 \$9,163,060 as found on the enclosed AFE dated February 27, 2019.
- The proposed Well will be drilled from a legal location with a surface hole located in the SE/4SW/4 of Section 29, 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/4NW/4 of Section 30, Township 22 South, Range 27 East, Eddy County, New Mexico.
- The Well will have a targeted interval within the Wolfcamp formation. We plan to drill the Well horizontally in the Wolfcamp (~8,900’ TVD) to a Total Measured Depth of approximately 16,500’ resulting in a productive lateral of approximately 7,000’.

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 Company will own an approximate 33.33333% working interest in the Well, subject to title verification.

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 February 27, 2019, by and between Matador Production Company, as operator and MRC Permian Company et al as Non-Operators covers the S2 of Section 30 and SW4 of Section 29, Township 22 South, Range 27 East, Eddy County, New Mexico and has the following general provisions:

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

Sincerely,


Robert Helbing

Enclosure(s)

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_____ Marathon Oil Company is interested in selling our interest in this unit, please contact us to discuss.

Marathon Oil Company

By: _____

Name: _____

Title: _____

Date: _____

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

DATE:	February 27, 2019	AFE NO.:	
WELL NAME:	Hazel Inez Corn 29&30-22S-27E RB 204H	FIELD:	Purple Sage
LOCATION:	Section 29&30-22S-27E	MD/TVD:	16500'/8900'
COUNTY/STATE:	Eddy	LATERAL LENGTH:	about 7000'
MRC WI:			
GEOLOGIC TARGET:	Wolfcamp		
REMARKS:	Drill and complete a horizontal upper Wolfcamp with 34 stages		

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Blake Hernes
Completions Engineer:	Garrell Hunt
Production Engineer:	Jan Mosnes

Assel Manager - WTX/NM WTE
WTE

Executive VP, COO/CFO	VP - Res Engineering	VP - Drilling
DEL	BMR	BG
Executive VP, Legal	Exec Dir - Exploration	
CA	NLF	
President		
MVH		

Company Name: _____ Working Interest (%): _____ Tax ID: _____

Signed by: _____ Date: _____

Title: _____ Approval: Yes _____ No (mark one) _____

[illegible]

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 5
Submitted by: **Matador Production Company**
Hearing Date: August 22, 2019
Case No 20690



July 17, 2019

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

**Re: Application of Matador Production Company for compulsory pooling, Eddy
County, New Mexico.**
Hazel Inez #203H Well
Hazel Inez #204H Well

Ladies & Gentlemen:

This letter is to advise you that Matador Production Company has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on August 8, 2019 and the status of the hearing can be monitored through the Division's website at <http://www.emnrd.state.nm.us/ocd/>. Division hearings will commence at 8:15 a.m. in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint 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 challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all 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 are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Robert Helbing at (972) 629-2163 or rhelbing@matadorresources.com.

Sincerely,

Adam G. Rankin

**ATTORNEY FOR MATADOR PRODUCTION
COMPANY**

Tracking Number	Recipient	Status
9214890194038386375398	Marathon Oil Permian LLC 555 San Felipe St Houston TX 77056	Delivered Signature Received
9214890194038386375404	Chi Energy Inc PO BOX 1799 Midland TX 79702	Delivered Signature Received
9214890194038386375411	McCombs Energy Ltd 755 E Mulberry Ave Suite 600 San Antonio TX 78212	In-Transit
9214890194038386375428	Dave Shatzer 35-5 Wookhaven Midland TX 79707	Return To Sender
9214890194038386375435	Gary Womack PO BOX 1799 Midland TX 79707	In-Transit
9214890194038386375442	WPX Energy Permian LLC 3500 One Williams Center Tulsa OK 74172	Delivered Signature Received
9214890194038386375459	Camarie Oil & Gas LLC 2502 Camarie Midland TX 79705	Delivered Signature Received
9214890194038386375466	Ross Duncan Properties LLC PO BOX 647 Artesia NM 88211	Delivered Signature Received
9214890194038386375473	Big Three Energy Group LLC PO BOX 429 Roswell NM 88202	Delivered Signature Received
9214890194038386375480	Featherstone Development Corporation PO BOX 429 Roswell NM 88202	Delivered Signature Received
9214890194038386375497	Prospector LLC PO BOX 429 Roswell NM 88202	Delivered Signature Received
9214890194038386375503	Xplor Resources LLC 1104 N Shore Dr Carlsbad NM 88220	Delivered Signature Received

**A. Mailer Action**

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

MRC/Hazel Inez #203H & 204H
Case No. 20690
CM# 83379.0001

**Shipment Confirmation
Acceptance Notice**

Shipment Date: 07/17/2019

Shipped From:

Name: HOLLAND & HART LLP

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	12
Total	12

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

B. USPS Action

Note to RSS Clerk:

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

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

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0015 7361 60





Firm Mailing Book For Accountable Mail

Name and Address of Sender Holland & Hart LLP 110 N Guadalupe St # 1 Santa Fe NM 87501		Check type of mail or service <input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Insured Mail <input type="checkbox"/> Priority Mail <input type="checkbox"/> Priority Mail Express <input type="checkbox"/> Registered Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Signature Confirmation Restricted Delivery		Affix Stamp Here <i>(if issued as an international certificate of mailing or for additional copies of this receipt).</i> Postmark with Date of Receipt.												
USPS Tracking/Article Number		Addressee (Name, Street, City, State, & ZIP Code™)		Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee
1. 9214 8901 9403 8386 3753 98		Marathon Oil Permian LLC 555 San Felipe St Houston TX 77056		0.50	3.50								1.60			
2. 9214 8901 9403 8386 3754 04		Chi Energy Inc PO BOX 1799 Midland TX 79702		0.50	3.50								1.60			
3. 9214 8901 9403 8386 3754 11		McCombs Energy Ltd 755 E Mulberry Ave Suite 600 San Antonio TX 78212		0.50	3.50								1.60			
4. 9214 8901 9403 8386 3754 28		Dave Shatzer 35-5 Wookhavan Midland TX 79707		0.50	3.50								1.60			
5. 9214 8901 9403 8386 3754 35		Gary Womack PO BOX 1799 Midland TX 79707		0.50	3.50								1.60			
6. 9214 8901 9403 8386 3754 42		WPX Energy Permian LLC 3500 One Williams Center Tulsa OK 74172		0.50	3.50								1.60			
7. 9214 8901 9403 8386 3754 59		Carnarie Oil & Gas LLC 2502 Carnarie Midland TX 79705		0.50	3.50								1.60			
8. 9214 8901 9403 8386 3754 66		Ross Duncan Properties LLC PO BOX 647 Artesia NM 88211		0.50	3.50								1.60			
Total Number of Pieces Listed by Sender 12		Total Number of Pieces Received at Post Office 12		Postmaster, Per (Name of receiving employee)												



Firm Mailing Book For Accountable Mail

Name and Address of Sender	USPS Tracking/Article Number	Check type of mail or service <input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Priority Mail Express <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Insured Mail <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Priority Mail	Affix Stamp Here <i>(if issued as an international certificate of mailing or for additional copies of this receipt).</i> Postmark with Date of Receipt.												
			Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee
Holland & Hart LLP 110 N Guadalupe St # 1 Santa Fe NM 87501	9.	9214 8901 9403 8386 3754 73	Big Three Energy Group LLC PO BOX 429 Roswell NM 88202	0.50	3.50							1.60			
10.	9214 8901 9403 8386 3754 80	Featherstone Development Corporation PO BOX 429 Roswell NM 88202	0.50	3.50								1.60			
11.	9214 8901 9403 8386 3754 97	Prospector LLC PO BOX 429 Roswell NM 88202	0.50	3.50								1.60			
12.	9214 8901 9403 8386 3755 03	Xplor Resources LLC 1104 N Shore Dr Carlsbad NM 88220	0.50	3.50								Return Receipt	Signature Confirmation	Signature Confirmation Restricted Delivery	Special Handling
												Restricted Delivery			
												Adult Signature Restricted Delivery			
												Adult Signature Required			
Total Number of Pieces Listed by Sender	12	Total Number of Pieces Received at Post Office	Postmaster, Per (Name of receiving employee)												

CARLSBAD CURRENT-ARGUS

AFFIDAVIT OF PUBLICATION

Ad No.
0001291855

HOLLAND & HART
PO BOX 2208

SANTA FE NM 87504

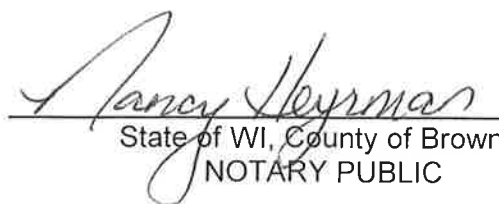
I, a legal clerk of the **Carlsbad Current-Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements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

07/21/19



Legal Clerk

Subscribed and sworn before me this
22nd of July 2019.



State of WI, County of Brown
NOTARY PUBLIC

5 15 23

My Commission Expires

Ad#:0001291855
P O : Case No. 20690
of Affidavits :0.00

NANCY HEYRMAN
Notary Public
State of Wisconsin

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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on **August 8, 2019**, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by **July 29, 2019**. Public documents, including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

STATE OF NEW MEXICO TO:
All named parties and persons
having any right, title, interest
or claim in the following case
and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All overriding royalty interest owners and pooled parties, including: Marathon Oil Permian, LLC; McCombs Energy, Ltd.; Chi Energy, Inc., f/b/o Chi Royalty Pool; Dave Shatzer, his heirs and devisees; Gary Womack, his heirs and devisees; WPX Energy Permian, LLC Camarie Oil & Gas, LLC; Ross Duncan Properties, LLC; Big Three Energy Group, LLC Featherstone Development Corporation; Prospector, LLC; Xplor Resources, LLC.

Case No. 20690: Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Wolfcamp formation underlying a standard 480-acre horizontal spacing unit comprised of the SW/4 of Section 29 and the S/2 of Section 30, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico. The above-referenced unit will be dedicated to the following proposed initial wells:

- o The **Hazel Inez #203H Well** to be horizontally drilled from a surface location in the NE/4 SW/4 (Unit K) of Section 29 to bottom hole location in the NW/4 SW/4 (Unit L) of Section 30.
- o The **Hazel Inez #204H Well** to be horizontally

drilled from a surface location in the NE/4 SW/4 (Unit K) of Section 29 to bottom hole location in the SW/4 SW/4 (Unit M) of Section 30.

The completed interval for each well will comply with the 330-foot setback requirement contained in the Special Rules for the Wolfcamp Purple Sage Gas Pool. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing the wells. Said area is located approximately 2 miles east of Carlsbad, New Mexico.

July 21, 2019

Purple Sage; Wolfcamp (Gas) (Pool Code 98220) Locator Map

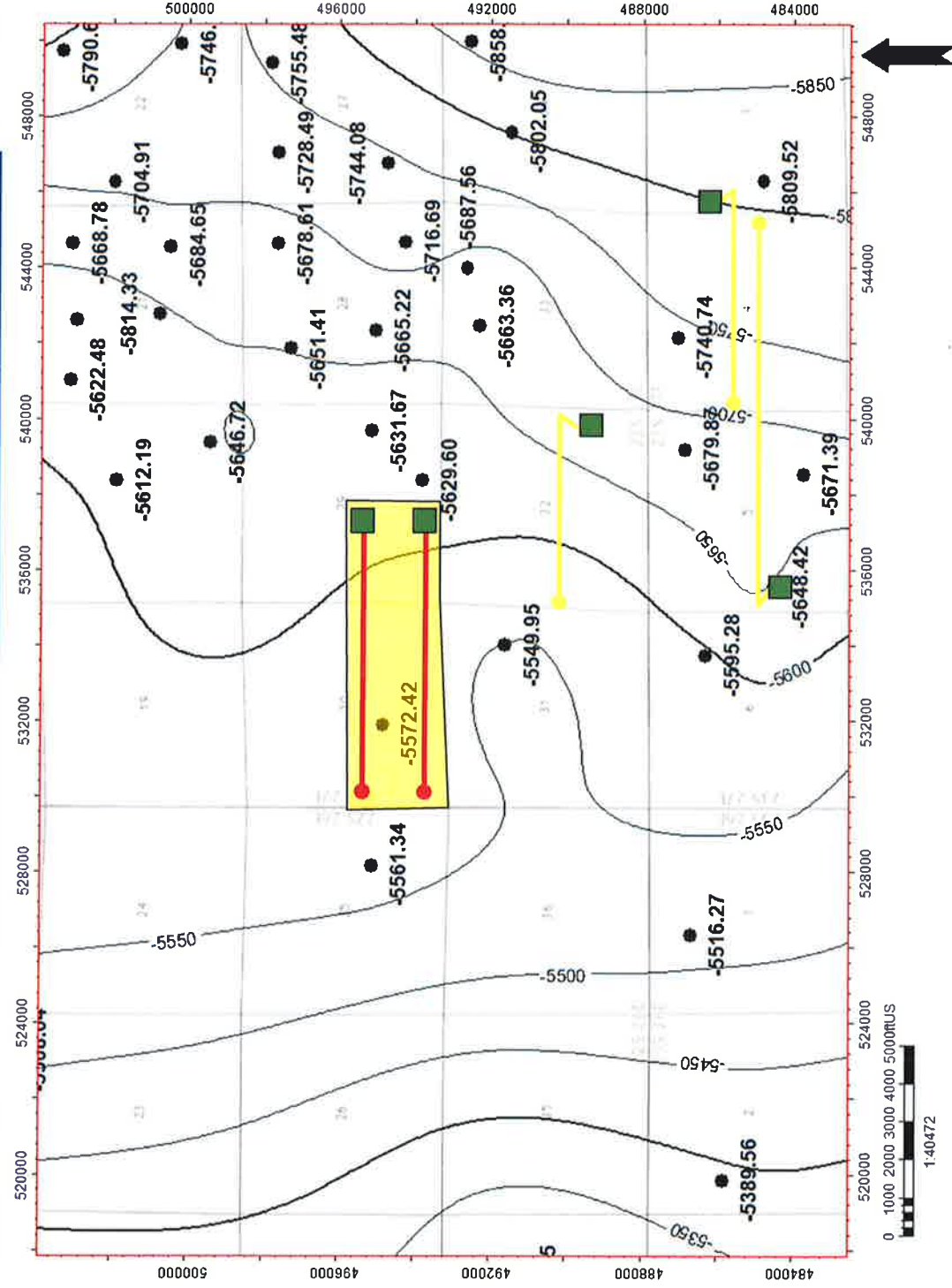
BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 6
Submitted by: Matador Production Company
Hearing Date: August 22, 2019
Case No 20690



Hazel Inez #203H & #204H

Purple Sage; Wolfcamp (Gas) (Pool Code 98220) Structure Map (Top Wolfcamp Subsea)

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 7
Submitted by: Matador Production Company
Hearing Date: August 22, 2019
Case No 20690



Map Legend

Hazel Inez #203H and
#204H



Project Area



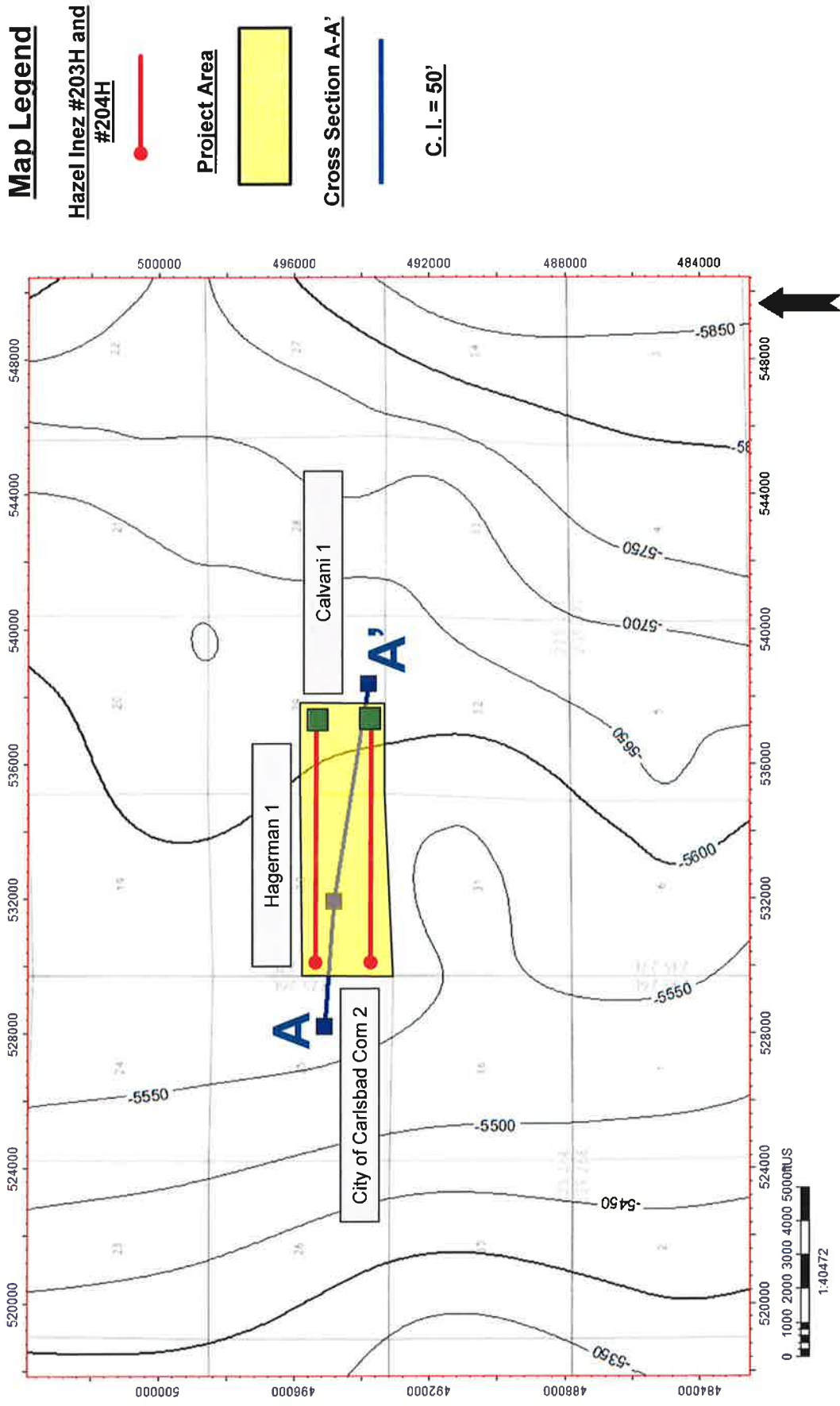
Wolfcamp
Producers



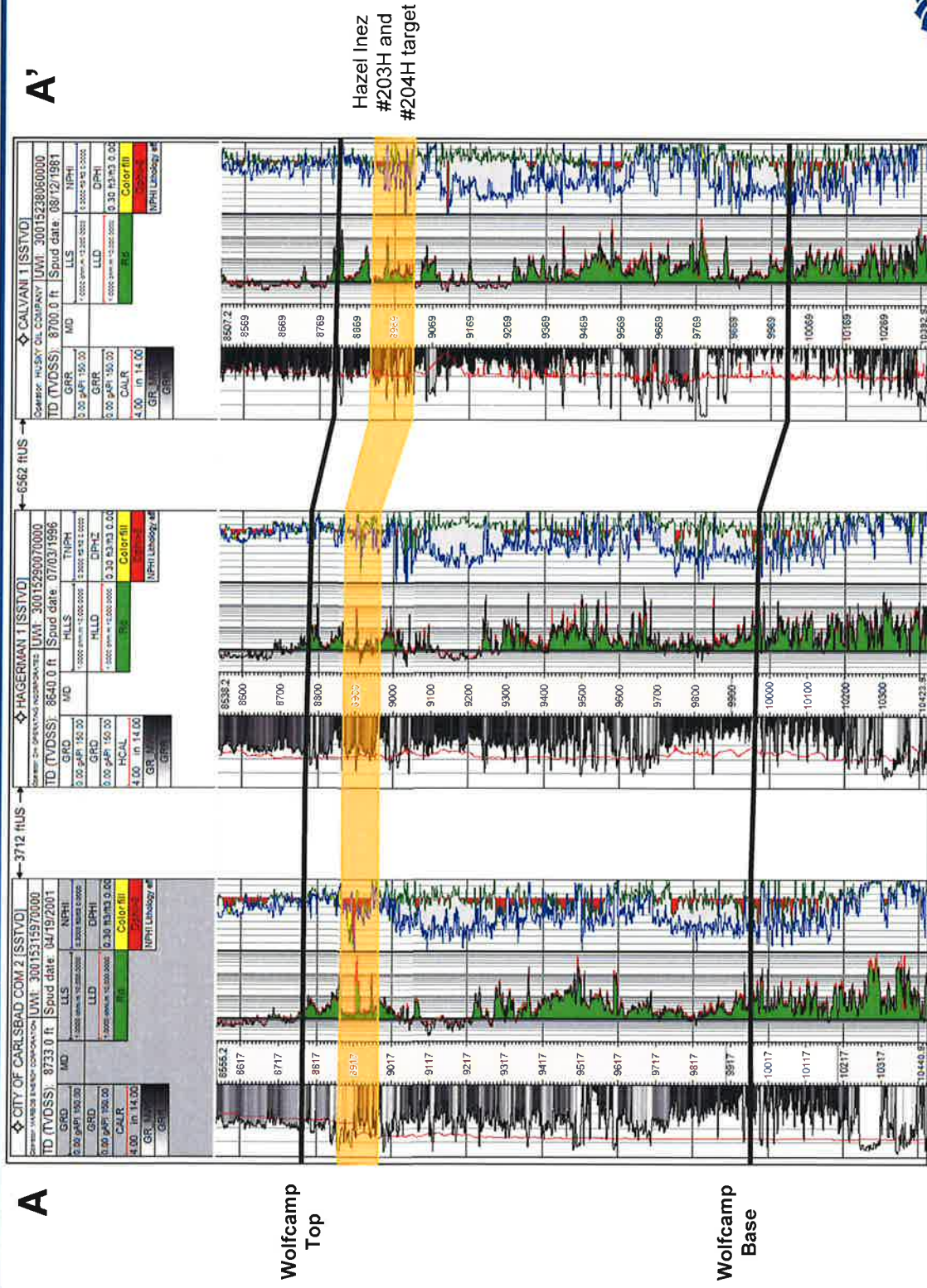
C. I. = 50'



Purple Sage; Wolfcamp (Gas) (Pool Code 98220) Cross-Section Reference Line A – A’



Purple Sage; Wolfcamp (Gas) (Pool Code 98220) Structural Cross Section A - A'



Hazel Inez #203H and #204H

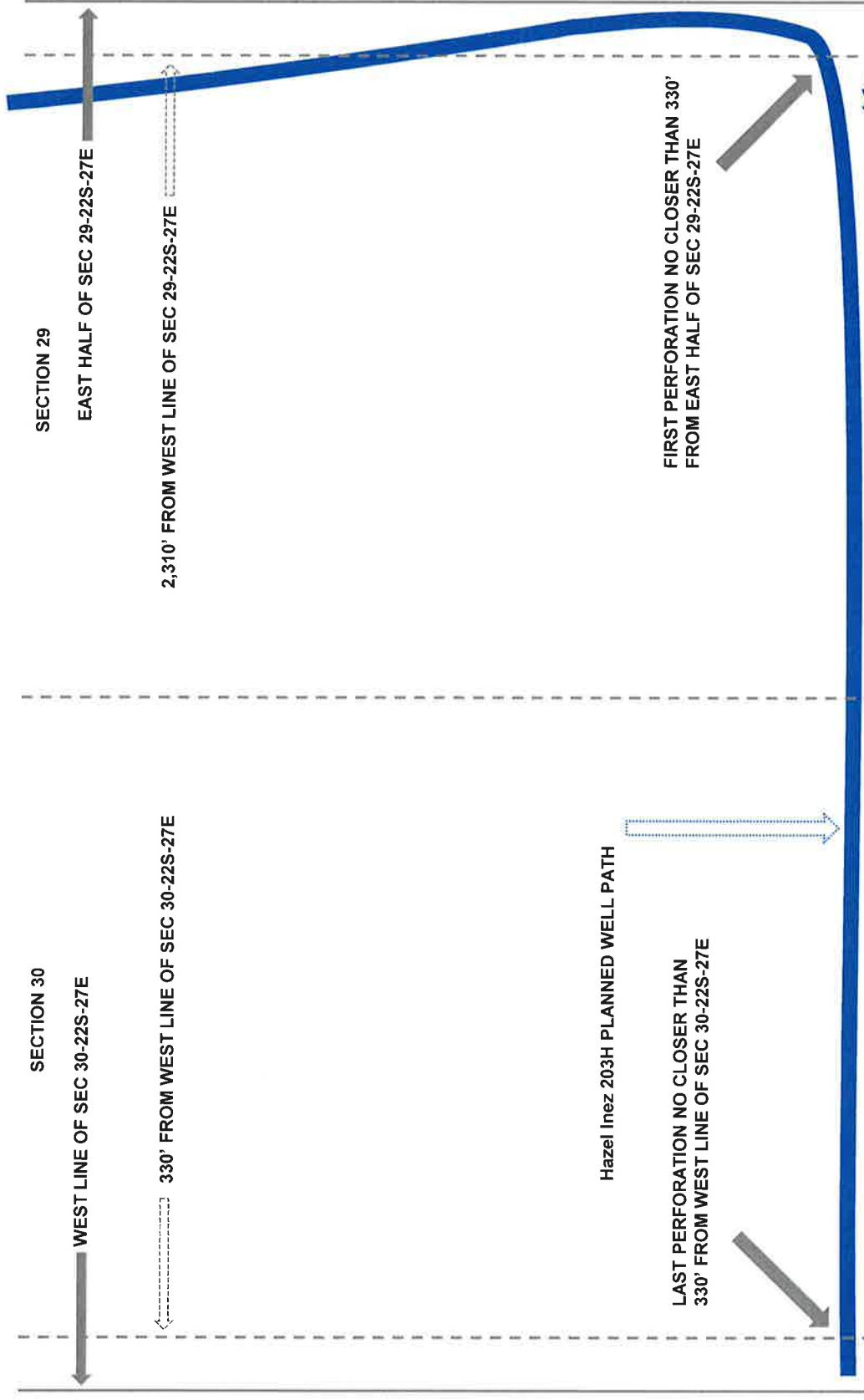
Purple Sage; Wolfcamp (Gas) (Pool Code 98220)

Hazel Inez #203H

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 10
Submitted by: Matador Production Company
Hearing Date: August 22, 2019
Case No 20690

Hazel Inez #203H
SURFACE HOLE 1,628' FSL 2,499' FWL OF SEC 29-22S-27E

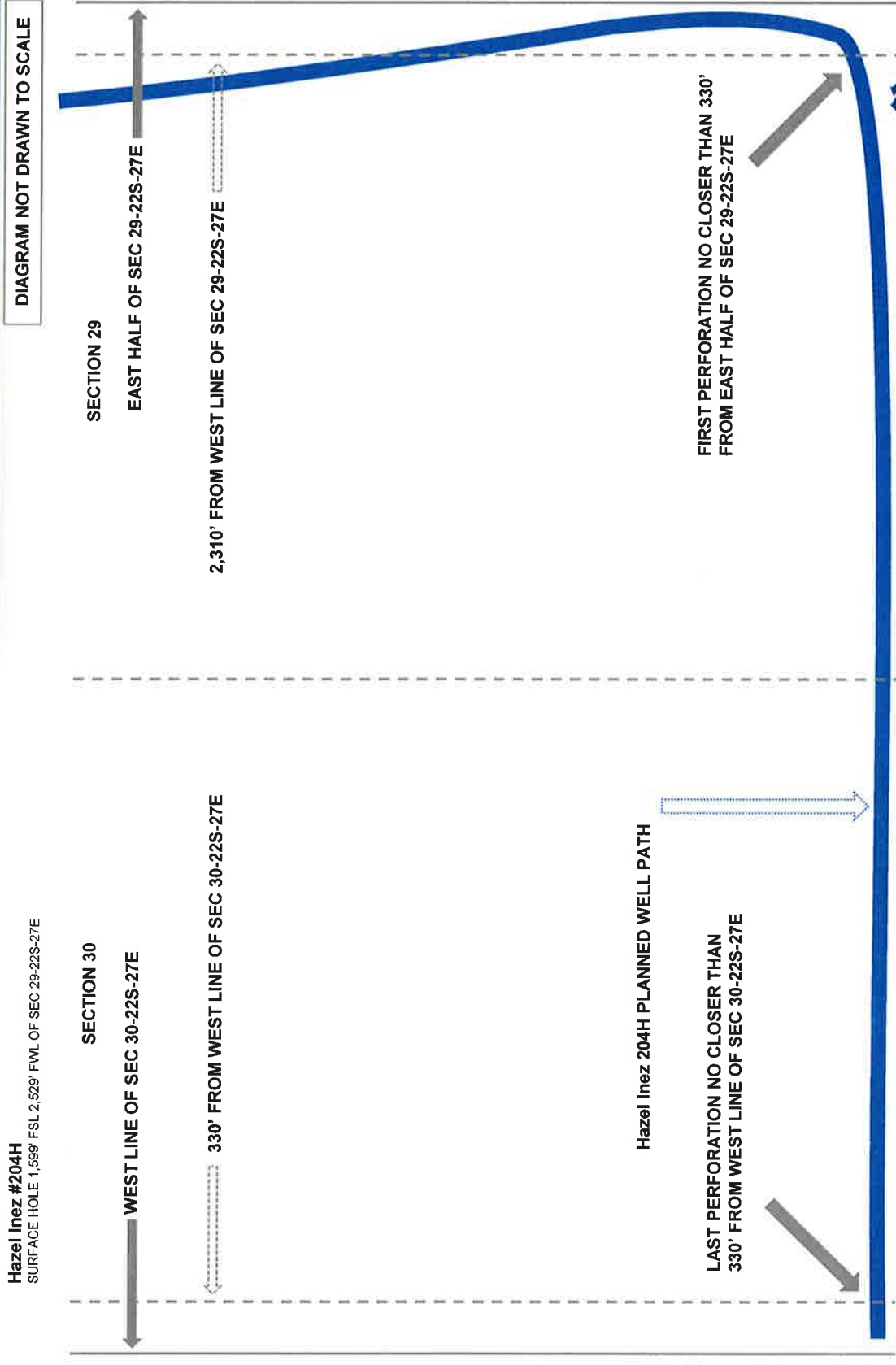
DIAGRAM NOT DRAWN TO SCALE



Hazel Inez #203H

Purple Sage; Wolfcamp (Gas) (Pool Code 98220)

Hazel Inez #204H



Hazel Inez #204H