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Matador Production Company

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Kyle Perkins
Operations and Regulatory Counsel

February 12, 2020

Kathleen Murphy
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Itemized Schedule of Estimated Costs
Case No. 20690
Order No. R-20881

Dear Ms. Murphy:

Pursuant to Paragraph 10 of Order No. R-20881, Matador Production Company hereby submits the following itemized schedule of estimated costs for its Hazel Inez #203H:

	Intangible	Tangible
Drilling	\$2,656,404	\$848,133
Completion	\$3,689,671	\$89,400
Production	\$734,696	\$612,955
Total Intangible	\$7,080,771	
Total Tangible		\$1,550,488
Total	\$8,631,259	

Thank you, and please contact me with any questions.

Sincerely,



Kyle Perkins

cc:florene.davidson@state.nm.us

MATADOR PRODUCTION COMPANY

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ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	January 22, 2020	AFE NO.:	500001.671.01.001 R1
WELL NAME:	Hazel Inez Com 29&30-22S-27E RB 203H	FIELD:	Purple Sage
LOCATION:	Section 29&30-22S-27E	MD/TVD:	16482'/8921'
COUNTY/STATE:	Eddy, NM	LATERAL LENGTH:	About 7100'
MRC WI:			
GEOLOGIC TARGET:	Wolfcamp A-XY		
REMARKS:	Drill and complete a horizontal 1.5 mile Wolfcamp A well with about 34 stages		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Land / Legal / Regulatory	\$ 180,000	\$ -	\$ 50,000	\$ 10,000	\$ 240,000
Location, Surveys & Damages	150,000	13,000	25,000	60,000	248,000
Drilling	683,917	-	-	-	683,917
Cementing & Float Equip	204,000	-	-	-	204,000
Logging / Formation Evaluation	-	6,500	3,000	-	9,500
Flowback - Labor	-	-	23,040	-	23,040
Flowback - Surface Rentals	-	-	163,775	-	163,775
Flowback - Rental Living Quarters	-	-	-	-	-
Mud Logging	19,500	-	-	-	19,500
Mud Circulation System	51,870	-	-	-	51,870
Mud & Chemicals	108,825	45,000	6,000	-	159,825
Mud / Wastewater Disposal	135,000	-	-	-	135,000
Freight / Transportation	18,450	22,500	-	-	40,950
Rig Supervision / Engineering	122,400	95,040	15,000	7,200	239,640
Drill Bits	87,500	-	-	-	87,500
Drill Bit Purchase	-	-	-	-	-
Fuel & Power	90,405	-	-	-	90,405
Water	43,750	625,225	2,000	-	670,975
Drig & Completion Overhead	10,250	-	-	-	10,250
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	215,284	-	-	-	215,284
Completion Unit, Swab, CTU	-	120,000	20,000	-	140,000
Perforating, Wireline, Slickline	-	199,500	-	-	199,500
High Pressure Pump Truck	-	65,600	6,000	-	71,600
Stimulation	-	1,928,575	-	-	1,928,575
Stimulation Flowback & Disp	-	10,000	260,000	-	270,000
Insurance	29,668	-	-	-	29,668
Labor	151,500	57,950	15,000	-	224,450
Rental - Surface Equipment	78,413	252,190	10,000	7,500	348,103
Rental - Downhole Equipment	74,778	55,000	3,000	-	132,778
Rental - Living Quarters	52,363	33,491	-	-	85,854
Contingency	126,495	160,100	48,182	-	334,777
MaxCom	22,038	-	-	-	22,038
TOTAL INTANGIBLES >	2,656,404	3,689,671	649,997	84,700	7,080,771
TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	\$ 15,721	\$ -	\$ -	\$ -	\$ 15,721
Intermediate Casing	75,381	-	-	-	75,381
Drilling Liner	297,949	-	-	-	297,949
Production Casing	363,682	-	-	-	363,682
Production Liner	-	-	-	-	-
Tubing	-	-	110,000	-	110,000
Wellhead	95,000	-	25,000	-	120,000
Packers, Liner Hangers	-	89,400	6,000	-	95,400
Tanks	-	-	-	22,000	22,000
Production Vessels	-	-	-	13,100	13,100
Flow Lines	-	-	-	-	-
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	30,000	-	30,000
Compressor	-	-	-	12,500	12,500
Installation Costs	-	-	-	24,000	24,000
Surface Pumps	-	-	5,000	10,833	15,833
Non-controllable Surface	400	-	-	-	400
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	10,000	74,333	84,333
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	181,521	181,521
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	2,000	-	2,000
Tank / Facility Containment	-	-	-	5,833	5,833
Flare Stack	-	-	-	5,833	5,833
Electrical / Grbundng	-	-	2,000	3,500	5,500
Communications / SCADA	-	-	12,000	1,667	13,667
Instrumentation / Safety	-	-	-	55,833	55,833
TOTAL TANGIBLES >	848,133	89,400	202,000	410,955	1,550,488
TOTAL COSTS >	3,504,537	3,779,071	851,997	495,655	8,631,259

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer: Jordan Ellington
 Completions Engineer: Garrett Hunt

Team Lead - WTE
 WTE