CASE NOS. 21069 and 21070

APPLICATIONS OF MATADOR PRODUCTION COMPANY FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

EXHIBITS

- 1. Applications and Proposed Ads
- 2. Landman's Affidavit (Cassie Hahn) with Original Land Testimony
- 3. Original Geologist's Testimony (Clark Collier)
- 4. Geologist's Affidavit for Wolfbone Pool (Clark Collier)
- 5. Affidavit of Notice
- 6. Affidavits of Publication

7A and 7B. Pooling Checklists

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF MATADOR PRODUCTION COMPANY FOR COMPULSOR POOLING, LEA COUNTY, NEW MEXICO.

Case No. 2 1069

APPLICATION

Matador Production Company applies for an order pooling all mineral interests in the Wolfbone formation underlying a horizontal spacing unit comprised of the E/2E/2 of Section 18, Township 25 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

- 1. Applicant is an operator in the E/2E/2 of Section 18, and has the right to drill a well thereon.
- 2. Applicant has drilled the Biggers Fed. Com. Well No. 214H to a depth sufficient to test the Wolfbone formation. Applicant seeks to dedicate the E/2E/2 of Section 18 to the well in the Wolfbone formation, with a first take point in the SE/4SE/4 and a last take point in the NE/4NE/4 of Section 18.
- 3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the E/2E/2 of Section 18 for the purposes set forth herein.
- 4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Wolfbone formation underlying the E/2E/2 of Section 18, pursuant to NMSA 1978 §70-2-17.

EXHIBIT

5. Approval of the non-standard unit, and the pooling of all mineral interests in the Wolfbone formation underlying the E/2E/2 of Section 18, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interests in the Wolfbone formation underlying the E/2E/2 of Section 18;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the costs among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

jamesbruc@aol.com

Attorney for Matador Production Company

PROPOSED ADVERTISEMENT

Case	No		
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Application of Matador Production Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order the pooling all mineral interests in the Wolfbone formation underlying in a horizontal spacing unit comprised of the E/2E/2 of Section 18, Township 25 South, Range 35 East, NMPM. The unit is to be dedicated to the Biggers Fed. Com. Well No. 214H, with a first take point in the SE/4SE/4 and a last take point in NE/4NE/4 of Section 18. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 12 miles west of Jal, New Mexico.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF MATADOR PRODUCTION COMPANY FOR COMPULSOR POOLING, LEA COUNTY, NEW MEXICO.

Case No. 2-1070

APPLICATION

Matador Production Company applies for an order pooling all mineral interests in the Wolfbone formation underlying a horizontal spacing unit comprised of the W/2E/2 of Section 18, Township 25 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

- 1. Applicant is an operator in the W/2E/2 of Section 18, and has the right to drill a well thereon.
- 2. Applicant has drilled or proposes to drill the Biggers Fed. Com. Well Nos. 203H and 217H to a depth sufficient to test the Wolfbone formation. Applicant seeks to dedicate the W/2E/2 of Section 18 to the wells in the Wolfbone formation, with first take points in the SW/4SE/4 and last take points in the NW/4NE/4 of Section 18.
- 3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the W/2E/2 of Section 18 for the purposes set forth herein.
- 4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the wells or to otherwise commit their interests to the wells, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Wolfbone formation underlying the W/2E/2 of Section 18, pursuant to NMSA 1978 §70-2-17.

5. Approval of the non-standard unit, and the pooling of all mineral interests in the Wolfbone formation underlying the EW2E/2 of Section 18, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interests in the Wolfbone formation underlying the W/2E/2 of Section 18;
- B. Designating applicant as operator of the wells;
- C. Considering the cost of drilling and completing the wells, and allocating the costs among the wells' working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

jamesbruc@aol.com

Attorney for Matador Production Company

PROPOSED ADVERTISEMENT

Case	No.	
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Application of Matador Production Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order the pooling all mineral interests in the Wolfbone formation underlying in a horizontal spacing unit comprised of the W/2E/2 of Section 18, Township 25 South, Range 35 East, NMPM. The unit is to be dedicated to the Biggers Fed. Com. Well Nos. 203H and 217H, with first take point in the SW/4SE/4 and last take points in NW/4NE/4 of Section 18. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 12 miles west of Jal, New Mexico.

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

APPLICATIONS OF MATADOR PRODUCTION COMPANY FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NOS. 21069 & 21070

AFFIDAVIT OF CASSIE HAHN

Cassie Hahn, of lawful age and being first duly sworn, declares as follows:

- 1. My name is Cassie Hahn. I work for MRC Energy Company, an affiliate of Matador Production Company ("Matador"), as a Landman.
- 2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of record.
- 3. I am familiar with the applications filed by Matador in these consolidated cases and the status of the lands in the subject area.
- 4. The purpose of Matador's applications is to change the pool under the original Orders of the Division in Case Nos. 16178 (Order R-14825), 16179 (Order R-14826) and 16180 (Order R-14827) from the original Dogie Draw; Wolfcamp Pool (Pool Code 1790) to the WC-025 G-09 S243532M; Wolfbone Pool (Pool Code 98098).
 - 5. In its previous cases, Matador pooled the following spacing units:
 - a. In Case No. 16178 and 16180, a 160-acre, more or less, horizontal spacing unit in the Wolfcamp formation comprised of the W/2 E/2 of Section 18, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico, which was dedicated to the Matador's Biggers Fed Com Well #203H and Biggers Fed Com Well #217H.
 Separate cases were filed for these wells despite being in the same spacing unit



because Matador also sought approval of a non-standard location for its Biggers
Fed Com Well #217H.

- b. In Case No. 16179, a 160-acre, more or less, horizontal spacing unit in the Wolfcamp formation comprised of the E/2 E/2 of Section 18, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico, which was dedicated to the Matador's Biggers Fed Com Well #214H.
- 6. Matador has now drilled and completed all three of the above-referenced initial wells.
- 7. The reason for the requested change in pool is that while completing the **Biggers** Fed Com Well #214 and Biggers Fed Com Well #217H, Matador inadvertently completed a small portion of well that was believed to be in the lower Third Bone Spring formation. After Matador discussed the issue with Mr. Paul Kautz, the three wells referenced above were moved to a Wolfbone pool (WC-025 G-09 S243532M; Wolfbone Pool (Pool Code 98098)).
- 8. Matador filed these applications to amend the pool in the Division's previous orders to align with the current pool for these wells.
- 9. Attached as **Exhibit A** is a copy of the transcript that includes my previous testimony before the Division in Case Nos. 16178, 16179 and 16180 for these spacing units.
- 10. The working interest ownership and breakdown, as referenced in Exhibit 3 of my previous testimony, is the same in the Bone Spring formation and Wolfcamp formation for both spacing units.
- 11. Similarly, there are no depth severances in the overriding royalty interests between the Bone Spring formation and Wolfcamp formation in both spacing units.

	12.	As a result, there is no change in the allocation of production between any interest
owners	as a re	sult of the requested pool change.
FURTI	HER AI	FFIANT SAYETH NOT.

STATE OF TEXAS

COUNTY OF

SUBSCRIBED and SWORN to before me this _____ day of May 2020 by

Cassie Hahn.

NOTARY PUBLIC

My Commission Expires:

4/10/2021

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

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

APPLICATION OF MATADOR PRODUCTION COMPANY FOR A NONSTANDARD OIL SPACING AND PRORATION UNIT, AN UNORTHODOX WELL LOCATION, AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NOs. 16178, 16179, 16180

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

May 31, 2018

inta Fe, New Mexico

EXHIBIT

BEFORE: WILLIAM V. JONES, CHIEF EXAMINER LEONARD LOWE, TECHNICAL EXAMINER DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, William V. Jones, Chief Examiner, Leonard Lowe, Technical Examiner, and David K. Brooks, Legal Examiner, on Thursday, May 31, 2018, at the New Mexico Energy, Minerals and Natural Resources Department, Wendell Chino Building, 1220 South St. Francis Drive, Porter Hall, Room 102, Santa Fe, New Mexico.

REPORTED BY: Mary C. Hankins, CCR, RPR

New Mexico CCR #20

Paul Baca Professional Court Reporters 500 4th Street, Northwest, Suite 105

Albuquerque, New Mexico 87102

(505) 843-9241

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1	APPEARANCES							
2	FOR APPLICANT MATADOR PRODUCTION COMPANY:	×						
3	JAMES G. BRUCE, ESQ.							
4	Post Office Box 1056 Santa Fe, New Mexico 87504							
5	(505) 982-2043 jamesbruc@aol.com							
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	$\overline{\mathbf{v}}$							

- 1 (10:17 a.m.)
- 2 EXAMINER JONES: Let's call Case Number
- 3 16178, application of Matador Production Company for a
- 4 nonstandard oil spacing and proration unit, an
- 5 unorthodox well location, and compulsory pooling in Lea
- 6 County, New Mexico.
- 7 And let's also call Case Number 16179.
- 8 EXAMINER BROOKS: Is this Lea County or
- 9 Eddy County? It is Lea County. There is a mistake in
- 10 here, in the exhibit; is that right?
- 11 EXAMINER JONES: It's the Jal area.
- 12 EXAMINER BROOKS: Okay. I'm sorry.
- 13 EXAMINER JONES: West of Jal.
- 14 EXAMINER BROOKS: Go ahead. Call the
- 15 cases, and I'll look and see what I was looking at.
- 16 EXAMINER JONES: Okay. The second one was
- 17 Case Number 16179, application of Matador Production
- 18 Company for a nonstandard oil spacing and proration unit
- 19 and compulsory pooling, Lea County, New Mexico.
- And let's call also Case Number 16180,
- 21 application of Matador Production Company for a
- 22 nonstandard oil spacing and proration unit and
- 23 compulsory pooling, Lea County, New Mexico.
- Call for appearances in these three cases.
- MR. BRUCE: Mr. Examiner, Jim Bruce of

- 1 Santa Fe representing the Applicant. I have two
- 2 witnesses.
- 3 EXAMINER JONES: Any other appearances in
- 4 these cases?
- 5 Will the witnesses stand and the court
- 6 reporter swear the witnesses?
- 7 (Ms. Hahn and Mr. Collier sworn.)
- 8 EXAMINER BROOKS: For the record, the error
- 9 I was referring to is in the Table of Contents with
- 10 Mr. Bruce's exhibit notebook. It says "Eddy County."
- 11 I'm not sure if it should be Lea County.
- MR. BRUCE: I hope so.
- MS. HAHN: Yes. It should be Lea County.
- 14 EXAMINER BROOKS: I'm going to make the
- 15 change.
- 16 EXAMINER JONES: What exhibit?
- 17 EXAMINER BROOKS: Table of Contents of the
- 18 exhibit notebook preceding Exhibit 1.
- 19 CASSIE HAHN,
- after having been previously sworn under oath, was
- 21 questioned and testified as follows:
- 22 DIRECT EXAMINATION
- 23 BY MR. BRUCE:
- Q. Would you please state your name and city of
- 25 residence for the record?

- 1 A. Cassie Hahn, Dallas, Texas.
- 2 EXAMINER BROOKS: I'm sorry. Is it Hahn?
- THE WITNESS: Yes, sir.
- 4 EXAMINER BROOKS: H-A-H-N?
- 5 THE WITNESS: Yes, sir.
- Q. (BY MR. BRUCE) Who are you employed by and in
- 7 what capacity?
- 8 A. Matador Resources as a landman.
- Q. And have you testified before the Division?
- 10 A. Yes, I have.
- Q. And were your credentials as an expert
- 12 petroleum landman accepted as a matter of record?
- 13 A. Yes.
- Q. And are you familiar with the land matters
- 15 involved in this application?
- 16 A. Yes, I am.
- Q. And does your area of responsibility at Matador
- 18 include this portion of southeast New Mexico?
- 19 A. Yes, it does.
- MR. BRUCE: Mr. Examiner, I tender Ms. Hahn
- 21 as an expert petroleum landman.
- 22 EXAMINER JONES: She's qualified as an
- 23 expert in petroleum land matters.
- Q. (BY MR. BRUCE) Let's move on to Exhibit 1.
- There is 1A, B and C. Would you briefly identify those

- 1 for the Examiner?
- 2 A. Sure. Tabs A, B and C are the C-102s for the
- 3 proposed wells. Tab A is the Biggers Fed Com 203. Tab
- 4 B is the Biggers Fed Com 214, and then Tab C is the
- 5 Biggers Fed Com 217. These exhibits also show the API
- 6 numbers, pool codes and pool names for these wells.
- 7 Q. Exhibit 1B, the last digits of the API numbers
- 8 are missing. Do you have those available?
- 9 A. 1B? Yes, I do. So do you want me to go ahead?
- 10 It's 30-025-44483.
- Q. And is the 203 well, which is 1A, and the 217H
- 12 well, which is 1C -- is the well unit for those two
- wells both the west half of the east half of Section 17?
- 14 A. Yes, they are. They're the same proration
- 15 unit.
- 16 Q. Or excuse me. 18. 18.
- And, again, the township is 25 South, 35
- 18 East?
- 19 A. Correct.
- Q. And the well unit for the 214H is the east
- 21 half-east half of Section 18?
- A. Yes, that's correct.
- Q. Which formation does Matador seek to force pool
- 24 in these applications?
- A. The Wolfcamp Formation.

Q. And looking at Exhibit 1A, that well is at an

- 2 unorthodox location; is it not?
- 3 A. Correct. Yes.
- Q. And we do request approval for that unorthodox
- 5 location?
- 6 A. Right.
- O. Will the next witness discuss the reason for
- 8 the location?
- 9 A. Yes, he will.
- 10 Q. And looking at the C-102s, other than the
- 11 unorthodox location being the center of the east half of
- 12 Section 18, will the end setbacks comply with state
- 13 rules?
- 14 A. Yes, they will.
- 15 Q. Is there any depth severance in the Wolfcamp?
- A. No, there's not.
- Q. Looking at Exhibit 2, can you identify this and
- 18 identify what types of land are involved?
- 19 A. Sure. This is a Midland Map and it shows the
- 20 leasehold ownership. You can see -- so there are two
- 21 federal leases. One is in the north half of the
- 22 northeast quarter, and the second one is the entire
- 23 southeast quarter, and then the middle, southeast, all
- 24 fee.
- Q. So that the south half of the northeast quarter

- is one -- one tract; is that correct?
- 2 A. Correct. But it's a few different fee leases.
- 3 Q. So as a result, the unorthodox location will
- 4 not adversely affect any interest owner?
- 5 A. Right.
- 6 Q. Even though you're encroaching on it, it's all
- 7 the same people?
- 8 A. Right, all the same owner.
- 9 Q. What is Exhibit 3?
- 10 A. This is our summary of interest for all three
- 11 wells, and it shows we are seeking to pool 10.57 percent
- 12 interest. And it will show our uncommitted working
- 13 interest owners, as well as our unleased mineral
- 14 interest owners.
- 15 Q. Have any of these parties indicated they might
- 16 join in the well?
- 17 A. Yes. COG, we've talked to a few times. They
- 18 are still just running it up the chain. And Energen, I
- 19 have talked to recently as well and same thing with
- 20 them. Marathon, I think, is just still on the fence.
- 21 And then the unleased mineral owners, we have located
- 22 and spoken to everyone there.
- Q. So there is no unlocatable owner?
- 24 A. Correct.
- Q. Again, the interests are common in each well?

- 1 A. Yes.
- Q. Are there any overriding royalty interests?
- 3 A. Yes, there are.
- Q. Do any of them require pooling?
- 5 A. No, they don't. They're all -- pooling.
- Q. And if you subsequently come to terms,
- 7 voluntary agreements with any of these interest owners,
- 8 will you notify the Division?
- 9 A. Yes, we will.
- 10 O. What is Exhibit 4?
- 11 A. Exhibit 4, these are our proposal letters we
- 12 sent out February 1st, 2018. And Tab A is for the
- 13 Biggers Fed Com 203. Tab B is for the Biggers Fed Com
- 14 214, and Tab C is for the Biggers Fed Com 217.
- Q. Were slightly different letters sent to the
- unleased mineral owners as opposed to the lessees?
- 17 A. Yes.
- 18 Q. But they all propose the drilling of the well
- and gave the location and AFEs were attached?
- 20 A. Right, and the option to participate or lease
- 21 or sell.
- Q. Now, besides these letters, have you had
- 23 follow-up contacts with them?
- A. I have, yes.
- Q. Okay. And phone calls and emails, the usual?

- 1 A. Correct.
- Q. And are you continuing to work with these
- 3 parties even after this hearing?
- 4 A. Yes, I am.
- 5 Q. In your opinion, has Matador undertaken a
- 6 good-faith effort to obtain the voluntary joinder of
- 7 these interest owners in the proposed wells?
- 8 A. Yes.
- 9 Q. Looking at Exhibit 4A -- go three pages back --
- is one of the -- is that one of the -- the AFEs for that
- 11 particular well?
- 12 A. Yes, it is.
- Q. What is the completed well costs of that? This
- 14 is the 203H well.
- 15 A. Yes. This one is a little over 8 million.
- Q. And were the remaining AFEs submitted as part
- of the Exhibit 4 all approximately just slightly over
- 18 \$8 million?
- 19 A. Yes, they are.
- 20 Q. And are these well costs fair and reasonable
- 21 and in line with the cost of similar wells drilled in
- 22 this area of New Mexico?
- 23 A. Yes.
- Q. What overhead rates do you request?
- A. We're requesting 7,000 a month while drilling

- and 700 a month while producing.
- Q. And are these costs similar to what Matador and
- 3 other operators are charging for other wells in this
- 4 area?
- 5 A. Yes, they are.
- Q. And are these the rates set forth in your JOA?
- 7 A. Yes, they are.
- 8 Q. Do you request that these overhead rates be
- 9 adjusted periodically as provided by the COPAS
- 10 accounting procedure?
- 11 A. Yes.
- 12 Q. Moving to Exhibit 5, did Matador, in
- 13 preparation for this hearing, identify the interest
- 14 owners in all three of these wells?
- 15 A. Yes.
- Q. And, again, everyone was locatable who you
- 17 needed to pool?
- 18 A. Correct.
- 19 Q. Did you also identify the offset operators or
- 20 working interest owners to these proposed wells?
- 21 A. Yes, we did.
- Q. Was notice given to all the parties being
- 23 pooled?
- 24 A. Yes.
- Q. And is that reflected by the letter behind Tab

- 1 5?
- 2 A. Yes, it is.
- MR. BRUCE: Mr. Examiner, the green cards
- 4 were received from everyone except Ohio State
- 5 University. I guess they're maybe unlocatable. I don't
- 6 know.
- 7 EXAMINER JONES: Aren't you from Ohio?
- 8 (Laughter.)
- 9 MR. BRUCE: No. No, I'm not.
- 10 EXAMINER BROOKS: Michigan.
- 11 EXAMINER JONES: Oh, sorry. I insulted you
- 12 there.
- 13 EXAMINER BROOKS: Yeah. I think that is a
- 14 considerable insult.
- 15 EXAMINER JONES: I'm sorry, Mr. Bruce.
- Q. (BY MR. BRUCE) Mr. Hahn, have you had telephone
- 17 conversations with the people in the legal department of
- 18 Ohio State University?
- 19 A. Yes. Yes.
- Q. What did they say about that? They're an
- 21 unleased mineral owner?
- 22 A. They are.
- They said that they had a policy against
- leasing or participating in any wells, oil and gas
- 25 operations (laughter).

1 EXAMINER BROOKS: Was this Ohio State

- 2 University?
- 3 EXAMINER JONES: They make enough off of
- 4 football (laughter).
- 5 Q. (BY MR. BRUCE) And then the last page of
- 6 Exhibit 5, does that list the offset operators or
- 7 working interests to the three wells?
- 8 A. Yes, it does.
- 9 MR. BRUCE: Mr. Examiner, I had to publish
- 10 notice. I don't have that yet. And I actually
- 11 misplaced my notice letter to the offsets, but I'll dig
- 12 that up. And so as a result, this matter will have to
- 13 be continued two weeks to finalize the notice matters --
- 14 EXAMINER JONES: Okay.
- 15 MR. BRUCE: -- for these wells.
- Q. (BY MR. BRUCE) Ms. Hahn, were Exhibits 1
- 17 through 5 prepared by you or under your supervision or
- 18 compiled from company business records?
- 19 A. Yes, they were.
- Q. And in your opinion, is the granting of these
- 21 three applications in the interest of conservation and
- 22 the prevention of waste?
- 23 A. Yes.
- Q. One final matter: Do you request the cost plus
- 25 200 percent risk charge be assessed against any interest

- 1 owner who does not consent in the well?
- 2 A. Yes, we do.
- MR. BRUCE: Mr. Examiner, I move the
- 4 admission of Exhibits 1 through 5.
- 5 EXAMINER JONES: Exhibits 1 through 5 are
- 6 admitted.
- 7 (Matador Production Company Exhibit Numbers
- 8 1 through 5 are offered and admitted into
- 9 evidence.)
- 10 EXAMINER JONES: So you're not admitting,
- 11 obviously, 6?
- MR. BRUCE: Not yet. The rest are
- 13 geologic.
- 14 EXAMINER LOWE: I had a question.
- 15 CROSS-EXAMINATION
- 16 BY EXAMINER LOWE:
- Q. What are your dimensions for the first take
- 18 point and the last take point, just to clarify?
- 19 A. All three of them?
- 20 **Q.** For your --
- 21 A. The unorthodox?
- 22 O. -- 203H.
- 23 A. Okay. Let's see. So the issue is on the
- 24 eastern boundary. It's right in the middle of the
- 25 section. And that is -- it's not giving the dimensions.

1 It's just to the end of the section line, which is

- 2 1,346, so we are the 330 from the south line of the
- 3 section.
- Q. So where are you unorthodox?
- 5 A. Because the -- it's right in the middle of the
- 6 east half of the section, so we're right on the
- 7 leaseline, basically.
- MR. BRUCE: Only about 25 feet off the --
- 9 THE WITNESS: The middle of the --
- 10 MR. BRUCE: -- quarter-quarter section
- 11 lines.
- 12 EXAMINER LOWE: Twenty-five feet on the
- 13 bottom first perf and 30 feet from the last perf.
- MR. BRUCE: Roughly.
- EXAMINER LOWE: Roughly.
- Did you also include your diagonal on all
- 17 this?
- MR. BRUCE: I'm not sure what you mean on
- 19 that.
- 20 EXAMINER LOWE: Well, from what I could
- 21 gather from your C-102, I don't know if it's 1,295 from
- 22 the west for your first perf and 990 feet from the south
- 23 line.
- 24 THE WITNESS: Oh, no. It's 330 from the
- 25 south line. It's kind of hard -- the arrow is just kind

- 1 of hard to see. Yeah, but --
- 2 MR. BRUCE: The first and last perforations
- 3 will be standard north and south. It's only -- they're
- 4 too far -- too close to the quarter-quarter section --
- 5 EXAMINER LOWE: To the east line.
- 6 MR. BRUCE: -- in the middle of the two
- 7 units.
- 8 THE WITNESS: It's basically too close to
- 9 the other spacing unit.
- 10 EXAMINER LOWE: What I could -- I wanted to
- 11 figure out how close you are to the east line, and then
- 12 from that point, the diagonal, how far you are off the
- 13 diagonal off of those, but I can't determine that from
- 14 what's given.
- MR. BRUCE: Well, it's 1,349 from the east
- 16 line at the terminus and 1,346 from the east line at the
- 17 beginning point. If you look in the northeast-northeast
- 18 and the southeast-southeast, those are the distances
- 19 there.
- 20 EXAMINER LOWE: I just want you guys to
- 21 make sure you account for the diagonal in all this. I
- 22 can't determine it from what's given here.
- 23 THE WITNESS: Okay.
- 24 EXAMINER LOWE: That's all I've got for
- 25 now. Thank you.

1 EXAMINER JONES: Mr. Brooks?

- 2 CROSS-EXAMINATION
- 3 BY EXAMINER BROOKS:
- Q. The ownership in these two section -- these two
- 5 units -- proposed units is identical?
- 6 A. Correct. Yes.
- 7 Q. That's the working interest ownership?
- 8 A. Right.
- Q. All other interests are also identical?
- 10 A. Right. Correct.
- Q. Okay. Are there any overrides?
- 12 A. There are.
- 13 Q. There are not?
- 14 A. There are overrides. Yes.
- 15 Q. There are overrides?
- 16 A. Right.
- Q. Okay. I didn't see any mention of the
- 18 overrides.
- These are state leases?
- 20 A. These are -- there are two federal and fee
- 21 leases so a mix.
- Q. I'm sorry. Two federal and --
- 23 A. Fee.
- MR. BRUCE: One fee.
- EXAMINER BROOKS: One fee. Okay.

Q. (BY EXAMINER BROOKS) On the overrides, under

- 2 the federal leases, are they -- are you satisfied that
- 3 they are bound by -- you've got -- Matador has the power
- 4 to pool these?
- 5 A. Yes, sir. I examined all of instruments that
- 6 created the overrides, and they all allow for it.
- 7 Q. Now, you said all the interests -- everybody
- 8 was located except Ohio State University?
- 9 A. They were located. They were locatable because
- 10 I did talk to a guy there, and he tried to persuade us
- 11 to --
- 12 Q. Now, one of the parties listed is West Texas
- 13 A & M University. Where is that located?
- 14 A. I am actually -- I have to look at the green
- 15 card to see where it's actually located at.
- Q. It's funny because I'm from West Texas and I've
- 17 never heard of it.
- MR. BRUCE: The name changed. It's Canyon.
- 19 THE WITNESS: Okay.
- 20 EXAMINER BROOKS: Oh. It used to be West
- 21 Texas State University so I assume, then, it's part of
- 22 the Texas A & M University system.
- THE WITNESS: Yes.
- 24 EXAMINER BROOKS: I'm very familiar with
- 25 that.

- 1 THE WITNESS: Okay.
- Q. (BY EXAMINER BROOKS) What about the heirs of
- 3 John Sparling?
- A. So we sent them proposals. We sent them
- 5 letters in the mail. We had our brokers contact the
- 6 heirs. And we finally, in the last few days, have
- 7 gotten a phone call from one of the heirs, so we've been
- 8 in contact with them.
- 9 Q. Okay. You're comfortable you know who the
- 10 heirs are?
- 11 A. Yes. Well, from titles, we tracked them down.
- 12 Q. How did you get the address at which you served
- 13 them?
- 14 A. We had our brokers go through the title and
- 15 look up on the Internet, look at Accurint, our special
- 16 software system.
- Q. Now, I used to know a John Sparling in Dallas,
- 18 Texas. I wonder if it's the same person?
- 19 A. I know Mr. John Sparling has deceased.
- Q. Yeah. Well, I assumed he was --
- 21 A. Okay. The heirs.
- Q. -- since we had heirs of the estate?
- A. Right. I don't know. Maybe.
- Q. Well, this person was older than I, so -- he
- 25 ran for district attorney in Dallas County the same year

- I ran for district judge. And he lost and I won --
- A. There you go (laughter).
- 3 Q. -- that time.
- 4 Okay.
- 5 A. That's interesting.
- Q. You're confident you know who the heirs are?
- 7 A. Yeah.
- 8 Q. There are no unknown heirs?
- 9 A. Correct. As far as today stands, yes.
- Q. Okay. Now, what about the parties you're still
- 11 negotiating with?
- 12 A. That would be Concho.
- Q. Have they had notice of this proceeding?
- 14 A. Yes, they have. I actually noticed them this
- 15 last week.
- Q. This is an area we have some -- some issues
- 17 with because our order forms says "all uncommitted
- interests," whatever they may be. That obviates the
- 19 necessity to come back for another compulsory pooling
- 20 proceeding if your negotiations fail. We like to do it
- 21 that way, but we want to make sure that the notice is
- 22 proper.
- Okay. Thank you. That's all I have.
- A. Thank you very much.

25

MATADOR PRODUCTION COMPANY

Biggers Federal Nos. 203H, 214H and 217H

Cases 16178, 16179 and 16180

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

APPLICATIONS OF MATADOR
PRODUCTION COMPANY
FOR COMPULSORY POOLING
AND NONSTANDARD OIL SPACING
AND PRORATION UNITS
LEA COUNTY, NEW MEXICO

CASE NOS. 16178, 16179 & 16180

May 31, 2018

<u>EXHIBIT NOTEBOOK</u> Biggers Federal #203H, #214H & #217H

Exhibit I	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	Isopach Map
Exhibit 10	Biggers Federal Wells' Completions

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

State of New Mexico Energy, Minerals & Natural Resources OIL CONSERVATION DINGERS OCD 1220 South St. Francis Dr. APR 0 3 2018 Sante Fe, NM 87505 APR 0 3 2018

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

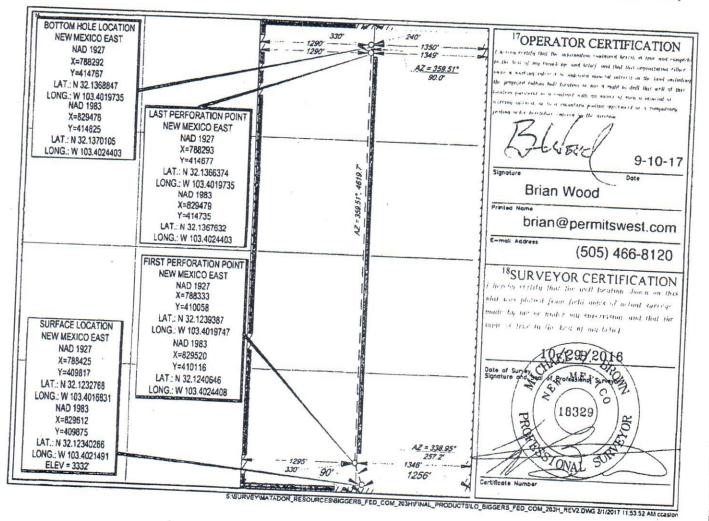
AMENDED REPORT

WELL LOCATION AND ACREAGE DEDIRATION PLAT

0-025- 44645 Property Code	Pool Code 17980	³ Pool Name Dogie Draw; Wolfcamp
OGRID No. 228937	BIGGERS FED C	COM #203H
220937	MATADOR PRODUCTION 10 Surface Location	COMPANY 3332'

P	18	25-S	35-E	Lot Idn	Fect from the 90°	North/South line SOUTH	Feet from the 1256'	Enst/West line EAST	LEA
B	Section 18	Township 25-S	Range 35-E	Lot Idn	Feet from the 240'	North/South line	Feet from the	East/West line	County
Dedicated Acres	13 Joint or 1	n fill 14Ce	onsolidation Code	15Order N		NORTH	1350'	EAST	LEA

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



District 1
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., Sante Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources OCD
Department

OIL CONSERVATION DIVISION 2 3 2019 1220 South St. Francis Dr. DEC 2 3 2019 FORM C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

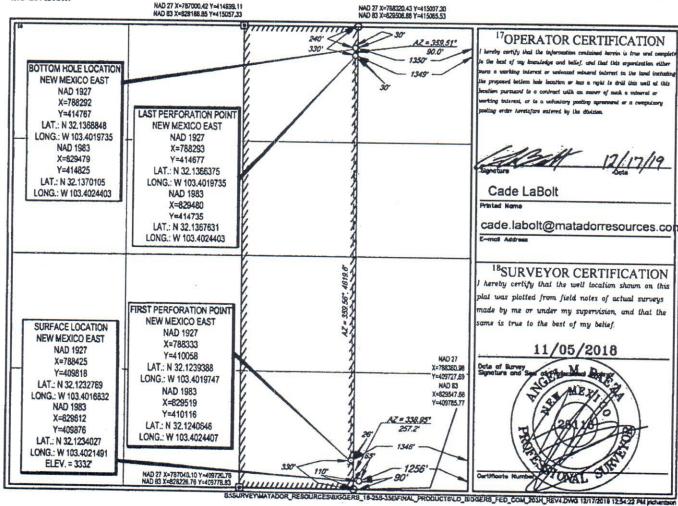
RECEIVED - AMENDED REPORT

		V	VELL LO	CATION	AND ACRE	EAGE DEDICA	TION PLAT		
30-025-44645 139			Pool Code	98		Pool Name	THE RESERVE THE PERSON NAMED IN COLUMN 2 IS NOT THE OWNER.	NE	
¹ Property C 320789		Property Name BIGGERS FED COM					°We	*Well Number	
OGRID N 228937	io.	MATADOR PRODUCTION COMPANY				"Elevation 3332"			
					10 Surface Loc	ation			
UL or lot no.	Section 18	Township 25-S	35-E	Lot Idn	Feet from the	North/South line SOUTH	Feet from the 1256'	East/West line EAST	LEA

Sante Fe, NM 87505

UL or lot no. Township Rang Feet from the North/South line Feet from the East/West line B 18 25-S 35-E 240' NORTH 1350' EAST LEA Dedicated Acre Joint or Infill Order No. 160

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.

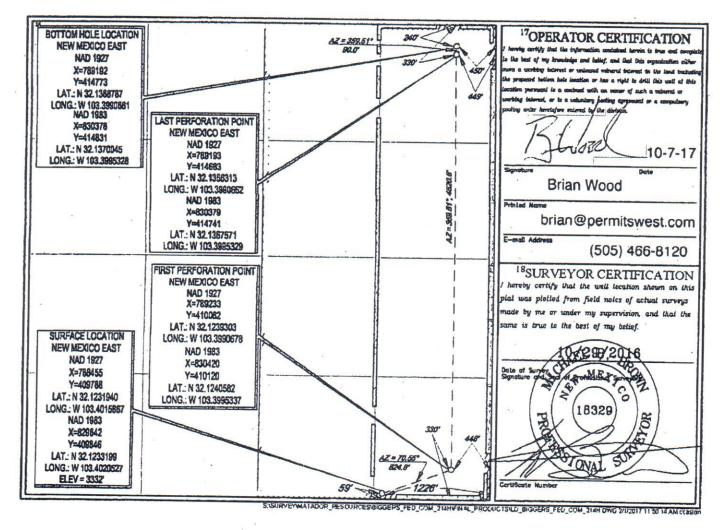


District 1
1623 N. French, Dr., Hobbs, NM 88240
Phone: (375) 393-6161 Fas: (375) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (375) 748-1283 Fas: (375) 748-9720
District III
1000 Rio Bruzoe Read, Aztee, NM 87410
Phone: (305) 334-6178 Fas: (305) 334-6170
District IV
1220 S. St. Francis Dr., Sante Fe, NM 87505
Phone: (305) 476-3460 Fax: (305) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Sante Fe, NM 87505
FORM C-102
Revised August 1, 2011
FEB 1 5 2018
Submit one copy to appropriate
District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT API Number Pool Cade 30-025-17980 Dogie Draw; Wolfcamp Property Code Property Name Well Number BIGGERS FED COM #214H OGRID No. Operator Name Elevation 228937 MATADOR PRODUCTION COMPANY 3332' ¹⁰Surface Location UL or lot no. Township Lot Ide Feet from the East/West Ila 25-S P 18 35-E 59' SOUTH 1226' EAST LEA UL or lot no. Lot Id Feet from th North/South I East/West I 18 25-S 35-E 240' NORTH 450' EAST LEA Dedlegted Acre John or Infill 160 C

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 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

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

AMENDED REPORT

Department
OIL CONSERVATION DIVISION S

1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

Pool Code
98098

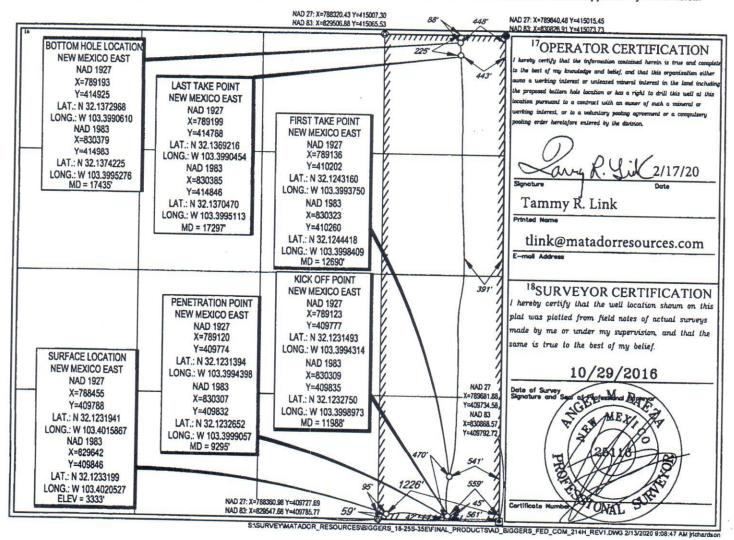
WC-025 API Number WC-025 G-09 S243532M; Wolfbone 30-025-44483 Property Code Property Name 320789 Well Numbe BIGGERS FED COM 214H OGRID No. Operator Name Elevation 228937 MATADOR PRODUCTION COMPANY 3333

UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line P 18 25-S 35-E 59' SOUTH 1226' EAST LEA 11 Bottom Hole Location If Different From Surface UL or lot no. Section Township

10 Surface Location

Range Feet from the North/South line East/West line A 18 25-S 35-E 88' NORTH 448' EAST LEA Dedicated Acres Joint or Infill Consolidation Code Order No. 160

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.



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30-025-

P

OGRID NO

State of New Mexico
Energy, Minerals & Natural Resource BBS Revised August 1, 2011
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Sante Fe, NM 87505

CATION AND ACCURATION ACCURATION AND ACCURATION ACCURATION ACCURATION AND ACCURATION AC

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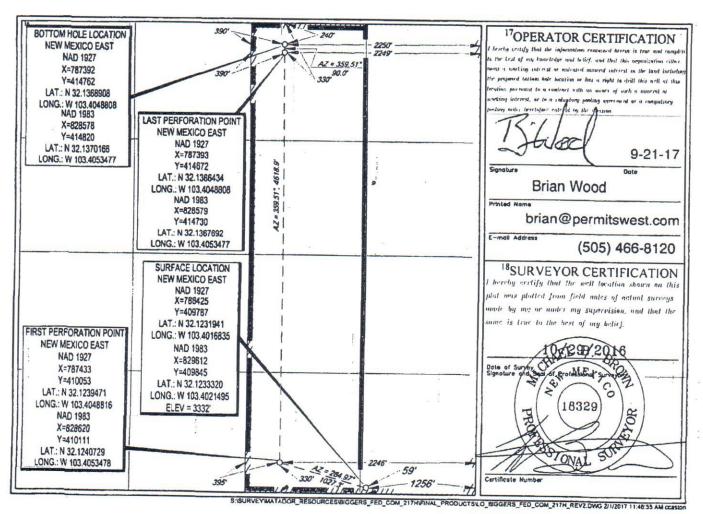
WELL LOCATION AND ACREAGE DEDICATION PLAT 17980 Dogie Draw; Wolfcamp Property Name Well Number BIGGERS FED COM #217H

228937 MATADOR PRODUCTION COMPANY 3332 ¹⁰Surface Location UL or lot no. Section Township Rong Lot Ide Feet from the North/South line Feet from the County 18 25-S 35-E 59' SOUTH

UL or lot no. Township Rang Feet from the North/South line Feet from the East/West line County B 25-S 18 35-E 240 NORTH 2250' EAST LEA ²Dedicated Acres Joint or Infill Consolidation Code Order No. 160 C

Operator Name

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.



State of New Mexico
Phone: (375) 393-6161 Fax: (575) 393-0720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (305) 334-6178 Fax: (505) 334-6170
District IV
220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3467

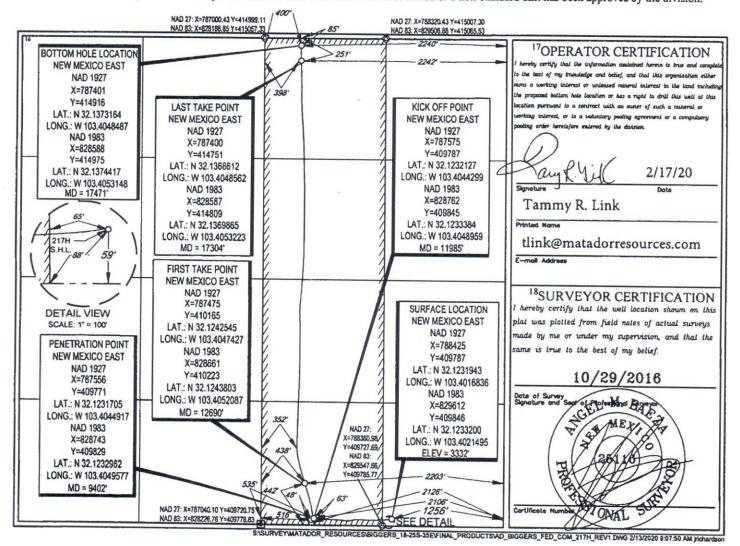
FORM C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

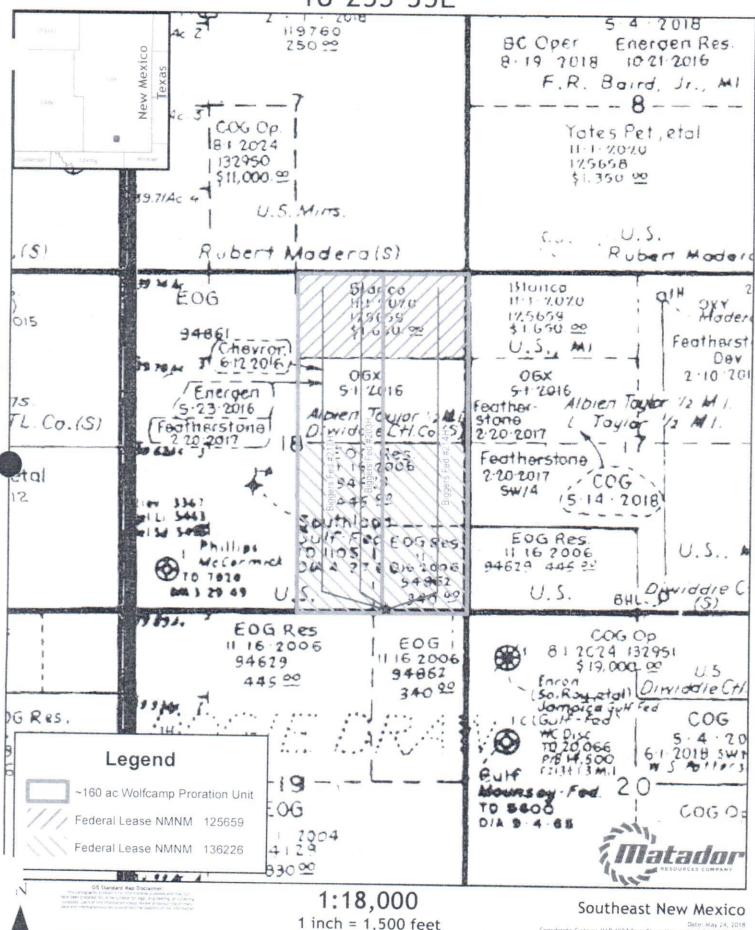
WELL LOCATION AND ACREAGE DEDICATION PLAT API Number Pool Code 30-025-44646 98098 WC-025 G-09 S243532M; Wolfbone **Property Code** Property Name Well Number 320789 BIGGERS FED COM 217H OGRID No. Operator Name Elevation 228937 MATADOR PRODUCTION COMPANY 3332

10 Surface Location UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the Enst/West line County P 18 25-S 35-E 59' SOUTH 1256 EAST LEA 11Bottom Hole Location If Different From Surface UL or lot no. Section Township Ronge Lot Ida Feet from the North/South line Feet from the East/West lin B 18 25-S 35-E 85' NORTH 2240' EAST LEA Dedicated Acres Joint or Infill Consolidation Code Order No. 160

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.



18-25S-35E



1,500

3.000

4,500

6.000

Date: May 24, 201
Coordinate System: NAD 1927 StatePlane New Mexico East FIPS 30C
Projection: Transverse Mercator; Datum; North American 1927; Units: Foot U
Sources: IHS: 6SR



Summary of Interests

MRC Permian Company Working Interest		77.453124%
Voluntary Joinder		11.979167%
Compulsory Pool Interest Total:		10.567709%
Interest Owner:	Description:	Interest:
COG Operating, LLC	Uncommitted Working Interest Owner	2.145834%
COG Acreage, LP	Uncommitted Working Interest Owner	1.250000%
Energen Resources Corporation	Uncommitted Working Interest Owner	3.578125%
Marathon Oil Permian, LLC	Uncommitted Working Interest Owner	1.562500%
GGM Exploration, Inc	Unleased Mineral Interest Owner	.068750%
TD Minerals LLC	Unleased Mineral Interest Owner	.275000%
Heirs/devisees of John C. Sparling	Unleased Mineral Interest Owner	1.562500%
Ohio State University	Unleased Mineral Interest Owner	062500
West Texas A&M University	Unleased Mineral Interest Owner	.062500%



MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240 Voice 972.371.5440 • Fax 214.866.4883 <u>chahn@matadorresources.com</u>

Cassie Hahn Landman

February 1, 2018

VIA CERTIFIED BETURN RECEIPT MAIL

COGAcreage LP 2208 West Main Street Artesia, NM 88210

Re: Matador Production Company - Biggers Fed Com #203H (the "Well")
Participation Proposal
Section 18, Township 25 South, Range 35 East
Lea County, New Mexico

Dear COGAcreage LP:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Biggers Fed Com #203H well, located in Section 18, Township 25 South, Range 35 East, Lea County, New Mexico to the Wolfcamp formation.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping the Well is \$8,091,999 as found
 on the enclosed AFE dated January 30, 2018.
- The proposed surface location of the Well is approximately 90' FSL and 1256' FEL of Section 18, Township 25 South, Range 35 East, Lea County, New Mexico. The proposed bottom hole location of the subject well is approximately 240' FNL and 1350' FWL of Section 18, Township 25 South, Range 35 East, Lea County, New Mexico.
- The Well will have a targeted interval within the Wolfcamp formation. We plan to drill the Well
 horizontally in the Wolfcamp (~12,588° TVD) to a Total Measured Depth of approximately 17,307°
 resulting in a productive lateral of approximately 4,500°.

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.

COGAcreage LP, will own an approximate 0.01250000 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 March 15, 2018, by and between Matador Production Company, as operator and MRC Permian Company et al as Non-Operators, covers the E2 of Section 18, Township 25 South, Range 35 East, Lea County, New Mexico and has the following general provisions:

- 100/300/300 Non-consenting penalty
- \$7,000/\$700 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 \$101,149.99 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.

______COGAcreage LP hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Biggers Fed Com #203H well, located in Lea County, New Mexico.

_____COGAcreage LP hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Biggers Fed Com #203H well, located in Lea County, New Mexico.

_____COGAcreage LP is interested in selling its interest in this unit, please contact us to discuss.

COGAcreage LP

By: ______

Title: ______

Date:

MATADOR PRODUCTION COMPANY

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

		ESTIMATE OF COSTS A	IND AUTHORIZATION FO			
DATE:	January 30, 2018			AFE NO.:	_ 3	00023.025.01.001
WELL NAME:	Biggers Fed Com 203	Н		FIELD:	10.00 Marie 11.00	
LOCATION:	Section 18-25S-35E			MO/TVD:	0	17307'/12588'
COUNTY/STATE:	Lea, NM			LATERAL LENGTH:	-	about 4500'
MRC WI:	COO, 14111				(
	Wolfcamp					
GEOLOGIC TARGET:		uip a horizontal upper V	Jolframa wall with 22 et	0000		
REMARKS:	Unii, comprete and eq	uip a nonzontal upper v	volicamp well with 22 st	нуез		
						TOTAL
N. VIII. S. VIIII. S. VIII. S. VIII. S. VIII. S. VIII. S. VIII. S. VIII. S. VIIII. S. VIII. S. VIII. S. VIII. S. VIII. S. VIII. S. VIII. S. VIIII. S. VIII. S. VIII. S. VIII. S. VIII. S. VIII. S. VIII. S. VIIII. S. VIII. S. VIII. S. VIII. S. VIII. S. VIII. S. VIII. S. VIIII. S. VIII. S. VIII. S. VIII. S. VIII. S. VIII. S. VIII. S. VIII	200 (200 (200 (200 (200 (200 (200 (200	DRILLING	COMPLETION	PRODUCTION	FACILITY COSTS	COSTS
INTANGIBLE C	COSTS	COSTS	COSTS	COSIS	S .	\$ 181,500
Land / Legal / Regulatory		181,500 200,500	8,000	4,000	20,000	232,500
Location, Surveys & Damag	89	766,000	0,000	4,000	20,000	766,000
Orilling Cementing & Float Equip		227,000				227,000
Logging / Formation Evalua	tion	-	6,000			6,000
Mud Logging		. 27,800				27,600
Mud Circulation System		56,160				56,160
Mud & Chemicals		141,000	30,000			171,000
Mud / Wastewater Disposal		155,000	•		-	155,000
Freight / Transportation		43,200	19,500		2,500	65,200
Rig Supervision / Engineer	ng	139,500	39,800	5,400	14,400	199,100
Drill Bits		111,200				111,200
Fuel & Power		126,000				126,000
Water		70,000	326,000		-	396,000 28,500
Brig & Completion Overhea	d	10,500	18,000			20,500
Plugging & Abandonment	4	230,000				230,000
Directional Drilling, Survey			70,000	15,000		85,000
Completion Unit, Swab, CT			102,300	13,000		102,300
Perforating, Wireline, Silcki High Pressure Pump Truck			38,500			38,500
Stimulation			2,156,000			2,156,000
Stimulation Flowback & Dis	in.		150,400	90,000	-	240,400
Insurance		31,320	100,100	50,000		31,320
Labor		149,000	16,500	4,000		169,500
Rental - Surface Equipment	1	71,500	123,350	3,000	5,000	202,850
Rental - Downhole Equipme		60,000	40,000	0,000	10,000	110,000
Rental - Living Quarters		61,200	24,300	1,000	-	76,500
Contingency		227,854	101,266	3,240		332,359
	TOTAL INTANGIBLES	The state of the s	3,269,916	125,640	51,900	6,523,489
-	TOTAL INTRACTOR	DRILLING	COMPLETION	PRODUCTION		TOTAL
TANGIBLE C	OCTO	COSTS	COSTS	COSTS	FACILITY COSTS	COSTS
Surface Casing	0313	\$ 56,675	3	\$	\$	\$ 56,675
Intermediate Casing		153,750	·	-		153,750
Drilling Liner		345,600				345,600
Production Casing		289,685				289,685
Production Liner						
Tubing				50,000		50,000
Wellhead		70,000		25,000		95,000
Packers, Liner Hangers			\$2,800	6,000		58.800
Tenics				-	60,000	60,000
Production Vessels				63,000	25,000	88,000
Flow Lines				50,000	•	50.000
Rod string						-
Artificial Lift Equipment		-		20,000		20,000
Compressor					10,000	10,000
Installation Costs		-		-	64,000	64,000
Surface Pumps		-		5,000		5,000
Non-controllable Surface					-	-
Non-controllable Downhok		-				-
Downhole Pumps						-
Measurement & Meter Insta		-		12,500	49,000	61,500
Gas Conditioning / Dehydro					80,000	80,000
Interconnecting Facility Pla Gathering / Bulk Lines	ang		***************************************		80,000	50,000
Valves, Dumps, Controllers				2.000	4,000	6,000
Tank / Facility Containment				2,000	12,500	12,500
Flare Stack					17,500	17,500
Electrical / Grounding				-	5,000	5,000
Communications / SCADA					7,500	7,500
Instrumentation / Safety				10,000	22,000	32,000
	TOTAL TANGIBLES	> 915,710	52,800	243,500	356,500	1,568,510
	TOTAL COSTS	The second secon	3,322,715	369,140	408,400	8,091,999
EPARED BY MATADOR F	PRODUCTION COMPA	NY:				
THE OF HEATTH OF THE	NO DOC NO.					
Drilling Enginee	r: Blake Hannes	Team Lead - WTX	INM ENTE			
Completions Enginee	T: Waylon Wolf		WTE			
Production Enginee						
ATADOR RESOURCES CO	MPANY APPROVAL:					
	_					
Executive VP. COO/CF		VP - Res Enginee			VP - Dril	
	DEL.		BMR			BG
Executive VP, Legi	ai	Exac Dir - Explora				
	CA		NLF			
Presider	nt					
Fidada	MVH					

IN OPERATING PARTNER	R APPROVAL:					
C			Minchiga Inter-1 (84)			ID:
Company Name	s		Working Interest (%):		Tax	10:
Olar - 4 b	4		0			
Signed by	7.		Date:			
714			Ammonitor	Vaa		No. (mark non)
Title			Approval:	Yes	_	No (mark one)
ests on the AFE are columnian only and over not be a	national parent on our wardle hours or the	lated meet of the market. Turking materialism was	mand and or the ARE was by debug on the co		on the ASS the Obstinional amount to one in	

MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
Voice 972.371.5440 • Fax 214.866.4883

chahn@matadorresources.com

Cassie Hahu Landman

February 1, 2018

VIA CERTIFIED RETURN RECEIPT MAIL

GGM Exploration, Inc 420 Throckmorton, Suite #200 Fort Worth, TX 76102

Re: Matador Production Company - Biggers Fed Com #203H (the "Well")
Participation Proposal
Section 18, Township 25 South, Range 35 East
Lea County, New Mexico

Dear GGM Exploration, Inc:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Biggers Fed Com #203H well, located in Section 18, Township 25 South, Range 35 East, Lea County, New Mexico to the Wolfcamp formation.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping the Well is \$8,091,999 as found on the enclosed AFE dated January 30, 2018.
- The proposed surface location of the Well is approximately 90' FSL and 1256' FEL of Section 18, Township 25 South, Range 35 East, Lea County, New Mexico. The proposed bottom hole location of the subject well is approximately 240' FNL and 1350' FWL of Section 18, Township 25 South, Range 35 East, Lea County, New Mexico.
- The Well will have a targeted interval within the Wolfcamp formation. We plan to drill the Well
 horizontally in the Wolfcamp (~12,588° TVD) to a Total Measured Depth of approximately 17,307'
 resulting in a productive lateral of approximately 4,500'.

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.

GGM Exploration, Inc , will own an approximate 0.00068750 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 March 15, 2018, by and between Matador Production Company, as operator and MRC Permian Company et al as Non-Operators, covers the E2 of Section 18, Township 25 South, Range 35 East, Lea County, New Mexico and has the following general provisions:

- 100/300/300 Non-consenting penalty
- \$7,000/\$700 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 \$5,563.25 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,
Carrie LW
Cassie Hahn

Enclosu	re(s)
Please e	lect one of the following and return to sender.
	GGM Exploration, Inc hereby elects to participate for its proportionate share of the costs detaile in the enclosed AFE associated with the Matador Production Company's Biggers Fed Com #2031 well, located in Lea County, New Mexico.
	GGM Exploration, Inc hereby elects not to participate for its proportionate share of the cost detailed in the enclosed AFE associated with the Matador Production Company's Biggers Fed Com#203H well, located in Lea County, New Mexico.
	GGM Exploration, Inc is interested in selling its interest in this unit, please contact us to discuss.
GGM E	xploration, Inc
Ву:	
Title:	
0	

MATADOR PRODUCTION COMPANY

ONE LINCOLN CENTRE - 5400 LBJ FREEWAY - SUITE 1500 - DALLAS, TEXAS 75240
Phone (972) 371,5200 - Fav (973) 373,5204

			2) 371-5200 • Fax (972) : AND AUTHORIZATION			
DATE:	January 30, 2018	ESTIMATE OF COSTS	AND AUTHORIZATION			
WELL NAME:	Biggers Fed Com 20	3H		AFE NO.: FIELD:	_	300023.025.01.001
LOCATION:	Section 18-25S-35E			MO/TVD:	4. 	17307'/12588'
COUNTY/STATE:	Lea, NM			LATERAL LENGTH:	-	about 4500'
MRC WI:					-	about 4000
GEOLOGIC TARGET:	Wolfcamp					
REMARKS:	Drill, complete and ed	uip a horizontal upper \	Nolfcamp well with 22	stages		
INTANGIBLE	COSTS	DRILLING	COMPLETION	PRODUCTION		TOTAL
Land / Legal / Regulatory		\$ 181,500	COSTS	COSTS	FACILITY COSTS	COSTS
Location, Surveys & Damag	pes	200,500	8,000	4,000	20,000	\$ 181,500 232,500
Orifling Comenting & Float Equip		766,000				766,000
Logging / Formation Evalua	rtion	227,000	6,000			227,000
Mud Logging		27,600	0,000			6,000 27,600
Mud Circulation System Mud & Chemicals		56,160 141,000				56,160
Mud / Wastewater Disposal		155,000	30,000			171,000
Freight / Transportation		43,200	19,500		2,500	155,000
Rig Supervision / Engineeri Drill Bits	ng	139,500 111,200	39,800	5,400	14,400	199,100
Fuel & Power		126,000	-			111,200
Water Drig & Completion Overhea		70,000	326,000			126,000 396,000
Plugging & Abandonment	a	10,500	18,000			28,500
Directional Drilling, Surveys		230,000				004.005
Completion Unit, Swab, CTL	J	-	70,000	15,000		230,000 85,000
Perforating, Wireline, Silckii High Pressure Pump Truck	ine		102,300			102,300
Stimulation			38,500 2,156,000		-	38,500
Stimulation Flowback & Dis Insurance	P		150,400	90,000		2,156,000
Labor		31,320				31,320
Rental - Surface Equipment		149,000 71,500	16,500 123,350	4,000 3,000		169,500
Rentzi - Downhole Equipme	nt	80,000	40,000	3,000	5,000	202,850 110,000
Rental - Living Quarters Contingency		51,200	24,300	1,000	10,000	76,500
	TOTAL INTANGIBLES	227,854 3,076,034	101,265	3,240		332,359
to the second	TO THE INTIMODELES	DRILLING	3,269,918 COMPLETION	125,640 PRODUCTION	51,900	8,523,489
TANGIBLE CO	DSTS	COSTS	COSTS	COSTS	FACILITY COSTS	TOTAL
Surface Casing Intermediate Casing		56,675	5	1	\$	\$ 56,875
Drilling Liner		153,750 345,600				153,750
Production Casing		289,685				345,600 289,685
Production Liner Tubing						289,065
Wellhead		70,000		50,000		50,000
Packers, Liner Hangers		70,000	52,800	25,000 6,000		95,000
Tanks Production Vessels				-	60,000	58,800
Flow Lines				63,000	25,000	88,000
Rod string		-		50,000		50,000
Artificial Lift Equipment Compressor				20,000		20,000
Installation Costs				-	10,000	10,000
Surface Pumps		-		5,000	64,000	64,000
Non-controllable Surface Non-controllable Downhole				- 5,000		5,000
Downhole Pumps						
Measurement & Meter Installs				12,500	49,000	81 500
Gas Conditioning / Dehydrati Interconnecting Facility Pipin	on			-	40,000	61,500
Gathering / Bulk Lines				· ·	80,000	80,000
Valves, Dumps, Controllers				2,000	4,000	-
Flare Stack				-	12,500	6,000 12,500
Electrical / Grounding	9				17,500	17,500
Communications / SCADA					5,000 7,500	5,000
nstrumentation / Safety	TOTAL TANGIBLES >	A25 W12		10,000	22,000	7,500
	TOTAL COSTS >	915,710	52,800	243,500	356,500	1,568,510
	TOTAL COSTS >	3,991,744	3,322,715	369,140	408,400	8,091,999
PARED BY MATADOR PR	ODUCTION COMPANY	' :				_
Drilling Engineer:	Blake Hermes					
Completions Engineer:	Waylon Wolf	Team Lead - WTX/Ni	W Low I F			
Production Engineer:	John Romano		WIE.			
ADOR RESOURCES COM	PANY APPROVAL:				Water State of the	
Eventha VIII COOKED						
Executive VP. COO/CFO	· DEL	VP - Res Engineering			VP - Drillin	
Executive VP, Legal		Evec Dir Eugland	BMR			BG BG
	CA	Exec Dir - Exploration	NLF NLF			. —
President			NO			
	MVH					
000047610 045	The second second					
OPERATING PARTNER AF	PPROVAL:					
Company Name:			Working Interest (%):			
					Tax ID	
Signed by:			Date:			
Title:			Approval:	Ves		
			Approval.	Yes		No (mark one)

MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
Voice 972.371.5440 • Fax 214.866.4883

chahn@matadorresources.com

Cassie Hahn Landman

February 1, 2018

VIA CERTIFIED RETURN RECEIPT MAIL

GGM Exploration, Inc 420 Throckmorton, Suite #200 Fort Worth, TX 76102

Re: Matador Production Company - Biggers Fed Com #214H (the "Well")
Participation Proposal
Section 18, Township 25 South, Range 35 East
Lea County, New Mexico

Dear GGM Exploration, Inc:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Biggers Fed Com #214H well, located in Section 18, Township 25 South, Range 35 East, Lea County, New Mexico to the Wolfcamp formation.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping the Well is \$8,094,874 as found on the enclosed AFE dated January 30, 2018.
- The proposed surface location of the Well is approximately 59' FSL and 1226' FEL of Section 18, Township 25 South, Range 35 East, Lea County, New Mexico. The proposed bottom hole location of the subject well is approximately 240' FNL and 450' FEL of Section 18, Township 25 South, Range 35 East, Lea County, New Mexico.
- The Well will have a targeted interval within the Wolfcamp formation. We plan to drill the Well
 horizontally in the Wolfcamp (~12,718' TVD) to a Total Measured Depth of approximately 17,478'
 resulting in a productive lateral of approximately 4,500'.

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.

GGM Exploration, Inc, will own an approximate 0.00068750 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 March 15, 2018, by and between Matador Production Company, as operator and MRC Permian Company et al as Non-Operators, covers the E2 of Section 18, Township 25 South, Range 35 East, Lea County, New Mexico and has the following general provisions:

100/300/300 Non-consenting penalty

Date:

- \$7,000/\$700 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 \$5,565.23 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.

GGM Exploration, Inc hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Biggers Fed Com #214H well, located in Lea County, New Mexico.

GGM Exploration, Inc hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Biggers Fed Com #214H well, located in Lea County, New Mexico.

GGM Exploration, Inc is interested in selling its interest in this unit, please contact us to discuss.

GGM Exploration, Inc

By:

Title:

MATADOR PRODUCTION COMPANY

ONE LINCOLN CENTRE - 5400 LBJ FREEWAY - SUITE 1500 - DALLAS, TEXAS 76240
Phone (672) 371-5200 - Fax (672) 371-5261

E. Letterson		ESTINATE OF COSTS	AND AUTHORIZATION F	OR EXPENDITURE		
DATE: WELL NAME:	January 30, 2018			AFE NO.:		300023 026 01 001
LOCATION:	Biggers Fed Com 21 Section 18-259-35E	4H		FIELD:		
COUNTY/STATE:	Lea, NM			MOTVD:		17478/12718
MRC WI:				LATERAL LENGTH:		about 4500'
	Wolfcamp					
REMARKS:	Onli, complete and or	quip a horizontal upper W	folfcamp well with 22 s	tages		
INTANGIBLE CO	STS	COSTS	COMPLETION	PRODUCTION		TOTAL
Land / Legal / Regulatory		\$ 181,500	S	COSTS	FACILITY COSTS	COSTS
Location, Surveys & Demage: Orilling	•	200 500	8.000	4,000	20,000	181.500
Comenting & Float Equip		768,000 221,000				764,000
Logging / Formation Evaluation	on	-	5,000			\$27.000 8,000
Mud Logging Mud Circulation System		27,600 56,160				27,600
Mud & Chemicais	*	141,000	30,000			56,160
Mud / Wastowator Disposal Freight / Transportation		156,000				171,000
Rig Supervision / Engineering		43,200 139,500	19,500	5,400	2,500	66,200
Orili Bits		111,200		3,400	14,400	199.100
Fusi & Power Water		126,000			-	126,000
Drig & Completion Overhead		70.000 10,500	326,000 18.000			396,000
Plugging & Abendonment			10.000			38,500
Directional Oxiding, Surveys Completion Uolt, Swab, CTU		230,000				230,000
Perforating, Witeline, Silctdine			102,300	15,000		85,000
Kigh Prossurs Pump Truck Stimutation			38,500		-	38,500
Stimulation Plowback & Disp			2,156,000			2,156,000
Insurance-		31 320	160,400	90,000		240,400
Rentel - Surfece Equipment		149,000	16,500	4,000		168,500
Rentzi - Openhole Equipment		71,500	125 350	3,000	5,000	202,850
Rontel - Living Quarters		51,200	24,300	1.000	10,000	110,000
Contingency		227,85a	101 265	3,240	-	32 359
	TOTAL INTANOBELES		3,269,915	125,540	51,900	6,523,489
TANGIBLE COS	TS	COSTS	CONFLETION	PRODUCTION	8400	TOTAL
Surface Casing Intermediate Casing		56,675	\$	3	PACILITY COSTS	\$ 56,675
Drilling Liner		153,750				153,750
Production Casing		289,685				348,475
Production Liner						289,685
Wellhead		70,000		50,000		50,000
Packers, Liner Hangers. Tanks			52,800	25,000 6,000		95,000 56,800
Production Vessels					60,000	60,000
Flow Lines				\$3,000 \$0,000	25,000	833,000
Rod string Artificial Lift Equipment				30,000		50,000
Compressor		·		20,000		20,000
Installation Costs					10,000	10,000
Surface Pumps Non-controllable Surface				5,000	84,000	\$4,000 5,000
Non-controllable Downhole						- 0,000
Downhole Pumps					-	
Measurement & Meter Installati Gas Conditioning / Dehydration	on	-		12,500	49,000	61,500
Interconnecting Facility Piping				· ·	-	
Gathering / Bulk Lines					80,000	000,06
Valves, Dumps, Controllers Tenk / Facility Containment				2,000	4,000	6,000
Flare Stack				-	12,500	12,500
Electrical / Grounding Communications / SCADA					17.500	17.500
Instrumentation / Safety					7,500	7,500
	TOTAL TANGIBLES >	910,565	\$2,500	243,900	22,000	32,000
	TOTAL COSTS >	3,894,619	3.322.716	369,140	356,500 408,400	1,571,383 8,094,874
PARED BY MATADOR PRO	DUCTION COMPANY	/ ·				-lasenie
Completions Engineer:	Haka Harmes	Team Lead - WTX/NN	LUTE			
Completions Engineer: Production Engineer:	John Romano		WTE			
ADOR RESOURCES COMPA	MY APPROVAL:					
Executive VP, COO/CFO	90.	VP - Res Engineering	BAID		VP - Onllin	ig .
Executive VP, Legal		Exec Oir - Exploration	CHARLE.			BG
	CA	Exec Cit - Exploration	NL#			
President						1
	MVH					
OPERATING GARAGE	NO.					
OPERATING PARTNER APP	ROVAL:					
Company Name:		v	Vorking interest (%):		7	
Signed by:					Tax ID	
			Date:			
Title:			Approval;	Yes		No. Immet
the trace about a substant of me had a second and a second as a se	Charles of the shape one first here.	me a be halled , their mattern debored -	And in the property of the first has			No (mark one)

MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
Voice 972.371.5440 • Fax 214.866.4883

chahn@matadorresources.com

Cassie Hahn Landman

February 1, 2018

VIA CERTIFIED RETURN RECEIPT MAIL

COGAcreage LP 2208 West Main Street Artesia, NM 88210

Re: Matador Production Company - Biggers Fed Com #214H (the "Well")
Participation Proposal
Section 18, Township 25 South, Range 35 East
Lea County, New Mexico

Dear COGAcreage LP:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Biggers Fed Com #214H well, located in Section 18, Township 25 South, Range 35 East, Lea County, New Mexico to the Wolfcamp formation.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping the Well is \$8,094,874 as found
 on the enclosed AFE dated January 30, 2018.
- The proposed surface location of the Well is approximately 59' FSL and 1226' FEL of Section 18, Township 25 South, Range 35 East, Lea County, New Mexico. The proposed bottom hole location of the subject well is approximately 240' FNL and 450' FEL of Section 18, Township 25 South, Range 35 East, Lea County, New Mexico.
- The Well will have a targeted interval within the Wolfcamp formation. We plan to drill the Well
 horizontally in the Wolfcamp (~12,718' TVD) to a Total Measured Depth of approximately 17,478'
 resulting in a productive lateral of approximately 4,500'.

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.

COGAcreage LP, will own an approximate 0.01250000 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 March 15, 2018, by and between Matador Production Company, as operator and MRC Permian Company et al as Non-Operators, covers the E2 of Section 18, Township 25 South, Range 35 East, Lea County, New Mexico and has the following general provisions:

- 100/300/300 Non-consenting penalty
- \$7,000/\$700 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 \$101,185.93 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.

Sincerely,

Cassie Hahn

Enclos	e(s) Cassie Hahn
Please	ect one of the following and return to sender.
	COGAcreage LP hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Biggers Fed Com #214H well, ocated in Lea County, New Mexico.
	COGAcreage LP hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Biggers Fed Com #214H well, located in Lea County, New Mexico.
	COGAcreage LP is interested in selling its interest in this unit, please contact us to discuss.
COGA	eage LP
Ву:	
Title:	

MATADOR PRODUCTION COMPANY
ONE LINCOLN CENTRE - 5400 LBJ FREEWAY - SUITE 1500 - DALLAS, TEXAS 75240
Phone (872) 371-5200 - Fax (872) 371-5201
ESTINATE OF COSTS AND AUTHORIZATION AND EXPERIENCE.

		ESTIMATE OF COSTS	AND AUTHORIZATION F	OR EXPENDITURE		
DATE:	January 30, 2018			AFE NO.:		300023 026 01 001
WELL NAME:	Biggers Fed Com 214	Н		FIELD:		32023 020 01 001
LOCATION:	Section 18-25S-35E					
COUNTY/STATE:	The second second second second			MOTTVD:		17478'/12718'
	Lea, NM			LATERAL LENGTH:		about 4500'
MRC WI:						
GEOLOGIC TARGET:	Wolfcamp					
REMARKS:	Onli, complete and eq	uip a horizontal upper	Wolfcamp well with 22 s	taces		
				nage o		
		DRILLING				
INTANGIBLE C	Aarra .		COMPLETION	PRODUCTION		TOTAL
Lend / Legal / Regulatory	4318	COSTS	COSTS	COSTS	FACILITY COSTS	COSTS
		191,500	1	\$	1	\$ 181,500
Location, Surveys & Demage Drilling	18	200 500	8,000	4,000	20,000	232,500
Comenting & Float Equip		766,CD0				764,000
		227,000				227,000
Logging / Formation Evaluate	Pan		6,000			6,000
Mud Logging		27,600				27,600
Mud Circulation System		56,160				56,160
Mud & Chemicals		141,000	30,000			171,000
Mud / Wastewater Disposal		156,000				155,000
Freight / Transportation		43,200	19,500		2,500	65,200
Rig Supervision / Engineerin	Q .	139,500	39,800	5,400	14,400	199,100
Drill Bits		111,200				111,200
Fuel & Power		126,000			-	126,000
Water		70,000	326,000			396,000
Drig & Completion Overhead)	10,500	18.000			28,500
Plugging & Abendonment		•				
Directional Ortiling, Surveys		230,000				230,000
Completion Unit, Syspb, CTU			70,000	15,000		65,000
Perforating, Wireline, Slicklin	10		102.300	-		102,300
Kigh Pressure Pump Truck		,	38.500			38,500
Stimulation			- 2.156,000			2,156,000
Stimulation Flowback & Diep	i e	-	150,400	90,000		
Insurance		31,320	100/100	30,000		240,400
Labor		149.000	16.500	4,000		31,320
Rontal - Surface Equipment		71,500	125.360	3,600	7,10	188,500
Rental - Downhole Equipmen	4	50,000		3,000	5,000	202,850
Rental - Living Quarters		51,200	24,300		10,000	110,000
Contingency		227,854		1,000	-	78,500
	*****		101,265	3,240	-	112,359
	TOTAL INTANGIBLES >		3,269,916	125,840	51,900	6,523,489
T111000 5 00		DRILLING	COMPLETION	PRODUCTION		TOTAL
TANGIBLE CO.	318	COSTS	COSTS	COSTS	PACILITY COSTS	COSTS
Intermediate Casing		56,675	\$	1	6	\$ 58,676
Orilling Liner		153,750	-			153,750
Production Casing		348.475				348,475
Production Liner		289,685				289,685
		•				-
Tubing				50,000		50,000
Welthead		70,000		25,000		95,0CO
Packers, Liner Hangers			52,800	6,000	-	\$8.800
Tanks		•		-	60,000	60,000
Production Vessels				53,000	25,000	000,88
Flow Lines				50,000	24,000	
Rud string		•				50,000
Artificial Lift Equipment				20,000		-
Compressor		-	-	20,000	10,000	50,000
Installation Costs			-		54,000	10,000
Eurface Pumps				5,000	04,000	64,000
Non-controllable Surface		*		3,500		5,000
Non-controllable Downhole					-	<u> </u>
Downhole Pumps						•
Measurement & Meter Instalts	tion	-		12,500		
Gas Conditioning / Dehydratic				12,500	49,000	61,500
Interconnecting Facility Pipin	0				20000	-
Gathering / Bulk Lines	8				80,000	000,000
Valves, Dumps, Controllers						
Tank / Facility Containment				2,000	4.000	6,000
Flare Stack				-	12,500	12,500
Electrical / Grounding					17,500	17.500
Communications / SCADA				•	5,000	5,000
Instrumentation / Sefety				10.50	7,500	7,500
PORT THE WAY A PROPERTY OF THE	TOTAL TANGIBLES >	918,585	52,800	10,300	22,000	32,000
				243,500	156,500	1,571,385
THE RESERVE AND ADDRESS OF THE PARTY OF THE	TOTAL COSTS>	3,994,619	3,322,716	369,140	408,400	8,094.874
PARED BY MATADOR PR	ODUCTION COMME	v.				
	COMPAN	T:				
Drilling Engineer:	Blake Hermes	Toront and Jagram	. I TE			
Completions Engineer:		Team Land - WTX/N	IM CL. 1 E			
	Wayton Wolf		WTE			
Production Engineer:	John Romano					
ADOR RESOURCES COM	PANY APPROVAL.					
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OPERATING PARTIES .	DDDOVAL.		WORLD STATE OF THE			
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Company Hands			Working Interest (%):		Tax	D:
Signed by:			Name of the last o		(Control	
aigned by:			Date:			
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Title:			Approval:	Yes		No (mark one)
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MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
Voice 972.371.5440 • Fax 214.866.4883

chahn@matadorresources.com

Cassie Hahn Landman

February 1, 2018

VIA CERTIFIED RETURN RECEIPT MAIL

COGAcreage LP 2208 West Main Street Artesia, NM 88210

Re: Matador Production Company - Biggers Fed Com #217H (the "Well")
Participation Proposal
Section 18, Township 25 South, Range 35 East
Lea County, New Mexico

Dear COGAcreage LP:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Biggers Fed Com #217H well, located in Section 18, Township 25 South, Range 35 East, Lea County, New Mexico to the Wolfcamp formation.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping the Well is \$8,095,744 as found on the enclosed AFE dated January 30, 2018.
- The proposed surface location of the Well is approximately 59' FSL and 1256' FEL of Section 18. Township 25 South, Range 35 East, Lea County, New Mexico. The proposed bottom hole location of the subject well is approximately 240' FNL and 2250' FEL of Section 18, Township 25 South, Range 35 East, Lea County, New Mexico.
- The Well will have a targeted interval within the Wolfcamp formation. We plan to drill the Well
 horizontally in the Wolfcamp (~12,718' TVD) to a Total Measured Depth of approximately 17,492'
 resulting in a productive lateral of approximately 4,500'.

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.

COGAcreage LP, will own an approximate 0.01250000 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 March 15, 2018, by and between Matador Production Company, as operator and MRC Permian Company et al as Non-Operators, covers the E2 of Section 18, Township 25 South, Range 35 East, Lea County, New Mexico and has the following general provisions:

- 100/300/300 Non-consenting penalty
- \$7,000/\$700 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 \$101,196.80 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.

Cassie Hahn

Enclo	osure(s)	Cassie Hahn
Please	se elect one of the following and return to sender.	
-	COGAcreage LP hereby elects to participate f enclosed AFE associated with the Matador Pro located in Lea County, New Mexico.	or its proportionate share of the costs detailed in the oduction Company's Biggers Fed Com #217H well,
	COGAcreage LP hereby elects not to participa the enclosed AFE associated with the Matado well, located in Lea County, New Mexico.	te for its proportionate share of the costs detailed in r Production Company's Biggers Fed Com #217H
	COGAcreage LP is interested in selling its int	erest in this unit, please contact us to discuss.
COGA	Acreage LP	
By:		
Title:		
Date:		

MATADOR PRODUCTION COMPANY

ONE LINCOLN CENTRE - 5400 LBJ FREEWAY - SUITE 1500 - DALLAS, TEXAS 75240 Phone (872) 371-5200 - Fax (872) 371-5201

DATE:				OR EXPENDITURE		
	January 30, 2018			APE NO.:		300023 027 01 001
	Biggers Fed Com 21	7H		FIELD:	-	303022 027 01 001
LOCATION:	Section 18-25S-35E			MDITVD	-	17409/(12710)
COUNTY/STATE:	Lea, NM			LATERAL LENGTH:	-	17492'/12718'
MRC WI:				CHICAGO CENTO IN.	_	about 4500'
GEOLOGIC TARGET:	Wolfcamp					
		quip a horizontal upper	Wolfcamp well with 22	stages		
		DRILLING	COMPLETION	PRODUCTION		TOTAL
INTANGIBLE CO	srs	COSTS	COSTS	COSTS	FACILITY COSTS	COSTS
Land / Legal / Regulatory		\$ 181,500	5	-	1	\$ 181,500
Location, Surveys & Damages	5	200,500	8,000	4,000	20.000	232,500
Orilling Cementing & Float Equip		756,000				766, G00
		227,000				227,000
Logging / Formation Evaluation Mud Logging	on		6,000			5,000
Mud Circulation System		27,600				27,600
Mud & Chemicals		30, 160				56,160
Mud / Wastewater Disposal		141,000	30,000			171,000
Freight / Transportation		155,000	-			155,000
Rig Supervision / Engineering		139,500	19,500		2,500	35,200
Orlii Bits		111,200	39,500	5.400	14,400	199,100
Fuel & Power		126,000				111,200
Water		70,000	326,000		-	125,000
Drig & Completion Overhead		10,500	18,000			396,000
Plugging & Abandonment		10,000	10,000		•	28,500
Directional Drilling, Surveys		230,000				
Completion Unit, Swab, CTU		000,003	70,000	15,000		230,000
Perforating, Wireline, Slickline			102,300		-	85.000
High Pressure Pump Truck			38,500			102,300
Stimulation			2,158,000			38,500
Stimulation Flowback & Disp			150,400	90,000		2,156,000
Imaurance		31,320		30,000		
Labor		149,000	16,500	4.000		31,320
Rental - Surface Equipment		71,500	123,350	3,000	5,000	169,500 202,850
Rental - Downhole Equipment		60.000	40,000		10,000	110,000
Rental - Living Querters		51.200	24,300	1,000	10,000	76,500
Contingency		227,854	101,265	3,240		332,359
	OTAL INTANGIBLES >	3,076,034	3,269,916	125,840	51,900	The state of the s
		ORILLING	COMPLETION	PRODUCTION	31,300	6,523,489
TANGIBLE COS	TS	COSTS	COSTS	COSTS	FACILITY COSTS	TOTAL
Surface Casing		56,675	1	00010	FACILITY GUSTS	COSTS
Intermediate Casing		153,750		·	•	\$ 56,875
Orllling Liner		348,475				163,750
Production Casing		290,555				348,475
Production Liner				-		290,555
Tubing		-		50,000		
Wellhead		70,000		25,000		50,000
Packers, Liner Hangers		-	52,800	6,000	-	95,000
Tanks		-		0,000	60.000	58,800
Production Vessels		-		63,000	25,000	60,000
Flow Lines				50.000	23,000	68,000
Rod string		•		- 00.000		50,000
Artificial Lift Equipment		•		20,000		
Compressor		-			10,000	20,000
Installation Costs					84,000	10.000
Surface Pumps				5.000	04,000	64,000
			The second secon			5.000
				-		
Non-controllable Downhole						
Non-controllable Downhole Downhole Pumps						
Non-controllable Downhole Downhole Pumps Measurement & Meter Installati	on	the second secon				
Non-controllable Downhole Downhole Pumps Seasurement & Meter Installati Sea Conditioning / Dehydration	on 1			12.500	49,000	
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Mon-controllable Downhole Downhole Pumps deasurement & Meter Installats ass Conditioning / Dehydration nterconnecting Facility Piping Sathering / Bulk Lines	on				49,000	
Non-controllable Downhote Downholde Pumps Seasurement & Meter Installati Sea Conditioning / Dehydration nterconnecting Facility Piping Sathering / Bulk Lines /alves, Dumps, Controllers	on '				49,000	\$1,500 \$0,000
Non-controllable Downhole Downhole Pumps dessurement & Meter Installati 3as Conditioning / Dehydration nterconnecting Facility Piping 3artholing / Bulk Lines /alives, Dumps, Controllers (ank / Facility Conteinment	on '			12.500	49,000 50,000	\$1,500 \$0,000 6,000
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Non-controllable Downhole Downhole Pumps desaurement & Meter Inscallation desaurement & Meter Inscallation terconnecting Facility Piping Sathering / Bulk Lines /alves, Oumpa, Controllers /ank / Facility Containment !lare Stack decition / Grounding	on			12.500	49,000 	\$1,500 \$0,000 \$.000 12,500 17,500
Non-controllable Downhole Downhole Pumps desaurement & Mester Installation Sas Conditioning / Dehydration Interconnecting Facility Piping Bathering / Bulk Lines Palves, Dumps, Controllers Park / Facility Containment Hare Stack Electrical / Grounding Communications / SCADA	on T			12.500	49,000 80,000 4,000 12,500 17,500	\$1,500 80,000 \$,000 12,500
Non-controllable Downhole Downhole Pumps dessurement & Meser Inscallations of the Conditioning / Dehydration Interconnecting Facility Piping Sathering / Bulk Lines / Salves, Dumps, Controllers / Salves, Dumps, Controllers / Salves, Dumps, Controllers / Salves / Sacility Conteilment / Salves				2,000	49,000 80,000 4,900 12,500 17,500 5,000	\$1,500 \$0,000 \$,000 12,500 17,500 5,000
Non-controllable Downhole Downhole Pumps dessurement & Meser Inscallations of the Conditioning / Dehydration Interconnecting Facility Piping Sathering / Bulk Lines / Salves, Dumps, Controllers / Salves, Dumps, Controllers / Salves, Dumps, Controllers / Salves / Sacility Conteilment / Salves	TOTAL TANGIBLES >	919,455	52,800	12.500	49,000 80,000 4,000 12,500 17,500 5,000 7,500	\$1,500 80,000 8,000 12,500 17,500 5,000 7,500 32,000
Non-controllable Downhole Downhole Pumps desauprement & Meser Inscallation Sas Conditioning / Dehydration interconnecting Facility Piping Sathering / Bulk Lines salves, Dumps, Controllers raives, Dumps, Controllers raive Stack Section / Grounding Dommunications / SACAD assumentation / Safety			\$2,800 3,322,716	2,000	49,000 80,000 4,000 12,500 17,500 5,000 7,500 22,000 356,500	\$1,500 \$0,000 6,000 12,500 17,500 5,000 7,500 32,000 1,\$72,295
Non-controllable Downhole Downhole Pumps dessurement & Meter Inscallations of the Conditioning / Dehydration Interconnecting Facility Piping Sathering / Bulk Lines / Salves, Dumps, Controllers / Salves, Dumps, Controllers / Salves, Dumps, Controllers / Salves / Sacility Conteinment iters Stack Sacility Conteinment / Salves	TOTAL TANGIBLES > TOTAL COSTS >	919,455 3,935,489		12,500 2,000 10,000 243,500	49,000 80,000 4,000 12,500 17,500 5,000 7,500 22,000	\$1,500 80,000 8,000 12,500 17,500 5,000 7,500 32,000
Non-controllable Surface Mon-controllable Downhole Downhole Pumps Bessurement & Meser Inscalast Sas Conditioning / Dehydration nterconnecting Facility Piping Sathering / Bulk Ling Sathering / Bulk Ling Sathering / Bulk Ling Ling Ling Ling Ling Ling Ling Ling	TOTAL TANGIBLES > TOTAL COSTS >	919,455 3,935,489		12,500 2,000 10,000 243,500	49,000 80,000 4,000 12,500 17,500 5,000 7,500 22,000 356,500	\$1,500 \$0,000 6,000 12,500 17,500 5,000 7,500 32,000 1,\$72,295
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MRC Permian Company
One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240 Voice 972.371.5440 • Fax 214.866.4883 chahn@matadorresources.com

Cassie Hahn Landman

February 1, 2018

YIA CERTIFIED RETURN RECEIPT MAIL

GGM Exploration, Inc. 420 Throckmorton, Suite #200 Fort Worth, TX 76102

Matador Production Company - Biggers Fed Com #217H (the "Well") Participation Proposal Section 18, Township 25 South, Range 35 East Lea County, New Mexico

Dear GGM Exploration, Inc:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Biggers Fed Com #217H well, located in Section 18, Township 25 South, Range 35 East, Lea County, New Mexico to the Wolfcamp formation.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping the Well is \$8,095,744 as found on the enclosed AFE dated January 30, 2018.
- The proposed surface location of the Well is approximately 59' FSL and 1256' FEL of Section 18, Township 25 South, Range 35 East, Lea County, New Mexico. The proposed bottom hole location of the subject well is approximately 240' FNL and 2250' FEL of Section 18, Township 25 South, Range 35 East, Lea County, New Mexico.
- The Well will have a targeted interval within the Wolfcamp formation. We plan to drill the Well horizontally in the Wolfcamp (-12,718' TVD) to a Total Measured Depth of approximately 17,492' resulting in a productive lateral of approximately 4,500°.

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.

GGM Exploration, Inc, will own an approximate 0.00068750 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 March 15, 2018, by and between Matador Production Company, as operator and MRC Permian Company et al as Non-Operators, covers the E2 of Section 18, Township 25 South, Range 35 East, Lea County, New Mexico and has the following general provisions:

- 100/300/300 Non-consenting penalty
- \$7,000/\$700 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 \$5,565.82 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,
Cassie Hahn

Enclos	rure(s)
Please	elect one of the following and return to sender.
	GGM Exploration, Inc hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Biggers Fed Com #217H well, located in Lea County, New Mexico.
	GGM Exploration, Inc hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Biggers Fed Com #217H well, located in Lea County, New Mexico.
	GGM Exploration, Inc is interested in selling its interest in this unit, please contact us to discuss.
GGM I	Exploration, Inc
Ву: _	
Title:	
Date:	

MATADOR PRODUCTION COMPANY

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

		ESTIMATE OF COOSE	AND ALITHMONTA WALL	OR EVECTOR		
DATE:	January 30, 2018	ESTIMATE OF COSTS	AND AUTHORIZATION F			
WELL NAME:	Biggers Fed Com 21	711		APE NO.:	Service Control of the Control of th	300023 027 01 00
LOCATION:	Section 19 255 255	/H		FIELD:		
	Section 18-25S-35E			MD/TVD:		17492'/12718'
COUNTY/STATE:	Lea, NM			LATERAL LENGTH:		about 4500'
MRC WI:						
GEOLOGIC TARGET:	Wolfcamp					
REMARKS:	Drill, complete and e	quip a horizontal upper	Wolfcamp well with 22 :	stages		
INTANGELE	psrs	COSTS	COMPLETION	PRODUCTION		TOTAL
Land / Legal / Regulatory		\$ 181,500	1	COSTS	FACILITY COSTS	COSTS
Location, Surveys & Dameg	*5	200,500	8,000	4,000	20.000	\$ 181,50
Dritting Comenting & Float Equip		766,000		1,500	20.000	766.000
Logging / Formation Evalua	la a	227,000		1		227,000
Mud Logging	4911	27,600	6,000			6,000
Mud Circulation System		50,160				27,600
Mud & Chemicals		141,000	30,000			56,160
Mud / Wastewater Disposal		155,000				171,000
Freight / Transportation Rig Supervision / Engineering	_	41,200	19,500		2,500	65,200
Dritt Bits	19	139,500	39,800	5.400	14,400	199,100
Fuel & Power		111,200				111,200
Water		70,000	328,000			126,000
Drig & Completion Overhead	1	10,500	18,000			396,000
Plugging & Abandonment					<u> </u>	28,500
Directional Drilling, Surveys Completion Unit, Swab, CTU		230,000				230,000
Perforating, Wireline, Slicklin	-		70,000	15,000		85,000
High Pressure Pump Truck	-		102,300			102,30
Stimulation			38,500		·	38.500
Stimulation Flowback & Disp	•	-	150,400	90,000		2,156,000
Insurance		31.320	.50,700	30,000		240,400 31,320
Labor Routel Surface Services		149,000	16,500	4,000		169.500
Rental - Surface Equipment Rental - Downhole Equipmen		71,500	123,350	3,000	5,000	202,850
Rental - Living Quarters	16	51,200	40,000	1	10,000	110,000
Contingency		227,854	24,300 101,265	1,000	-	76,500
	TOTAL INTANGIBLES			3,240		332,359
		ORILLING	3,269,915 COMPLETION	PRODUCTION	\$1,900	6,523,481
TANGIBLE CO	STS	COSTS	COSTS	COSTS	FACILITY COSTS	COSTS
Burface Casing intermediate Casing		56.075	1	1	\$	5 56,875
Orliling Liner		153,750		0.		153,750
Production Casing		346,475 290,555				348,475
Production Liner		290,355				290,555
lubing				50,000		
Wellhead		70,000		25,000		50,000
Packers, Liner Hangers			52,800	6,000		95,000
Fanks Production Vessels					60.000	60,000
flow Lines				63,000	25.000	88,000
Rod string				50.000		50,000
Artificial Lift Equipment				20.000		
Compressor		-		20,000	10,000	20,000
nstallation Costs					64,000	10,000
iuriace Pumps ion-controllable Surface				5,000		5,000
ion-controllable Downhole					-	
ownhole Pumpe				-		
feacurement & Motor Installs	tton			12,500	10.000	
ias Conditioning / Dehydration	n			12,500	49,000	61,500
nterconnecting Facility Pipin	g				80,000	80,000
lathering / Bulk Lines laives, Dumps, Controllers					- 50,000	80,000
ana / Facility Containment				2,000	4,000	6,000
lare Stack					12,500	12,500
lectrical / Grounding					17,500	17,500
ommunications / SCADA				•	5,000	5,000
strumentation / Safety				10.000	7,500	7,500
	TOTAL TANGIBLES >	919,455	52,800	243,500	356,500	32,000 1,572,265
	TOTAL COSTS >	3,995,488	3,322,715	369,140	408,400	9,095,744
ADED BY MATADOR SO	DUGTON 6011011				100,100	8,035,744
ARED BY MATADOR PRO	DUCTION COMPAN	Y:				
Onlling Engineer:	A TKB neuros	Team Land - MITVIS	LATE			
Completiona Engineer.	Way.on Wolf	Team Caag - WI VIN	MUTE			
Production Engineer.	John Romens		WE			
	DANY ADDDOVAL					
DOR RESOURCES COM	ANT APPROVAL:					
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		VP - Pac Chainean			VP - Drilli	
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Executive VP, COO/CFO _	ČA .		BMR			30
Executive VP, COO/CFO _ Executive VP, Legal _ President _	NAm Cv		BMR			3.3
Executive VP, GOO/CFO Executive VP, Legal President PRESIDENTING PARTNER AS	NAm.		BMR			30
Executive VP, COO/CFO _ Executive VP, Legal _ President _	NAm.	Exec Dir - Exploratio	SMR MI N. F			
Executive VP, COO/CFO Executive VP, Legal President PERATING PARTNER AF Company Name:	NAm.	Exec Dir - Exploratio	BMR		Tax II	
Executive VP, GOO/CFO Executive VP, Legal President PRESIDENTING PARTNER AS	NAm.	Exec Dir - Exploratio	SMR MI N. F	-		
Executive VP, COO/CFO Executive VP, Legal President PERATING PARTNER AF Company Name:	NAm.	Exec Dir - Exploratio	SMR N: F Working Interest (%):	Yes		

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

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

APPLICATION OF MATADOR PRODUCTION COMPANY FOR A NONSTANDARD OIL SPACING AND PRORATION UNIT, AN UNORTHODOX WELL LOCATION, AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NOS. 16178, 16179, 16180

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

May 31, 2018

EXHIBIT 3

anta Fe, New Mexico

BEFORE: WILLIAM V. JONES, CHIEF EXAMINER

LEONARD LOWE, TECHNICAL EXAMINER DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, William V. Jones, Chief Examiner, Leonard Lowe, Technical Examiner, and David K. Brooks, Legal Examiner, on Thursday, May 31, 2018, at the New Mexico Energy, Minerals and Natural Resources Department, Wendell Chino Building, 1220 South St. Francis Drive, Porter Hall, Room 102, Santa Fe, New Mexico.

REPORTED BY: Mary C. Hankins, CCR, RPR

New Mexico CCR #20

Paul Baca Professional Court Reporters 500 4th Street, Northwest, Suite 105

Albuquerque, New Mexico 87102

(505) 843-9241

EXHIBIT 3

PAUL BACA PROFESSIONAL COURT R 500 FOURTH STREET NW - SUITE 105, ALBUQ

- 1 CLARK COLLIER,
- 2 after having been previously sworn under oath, was
- 3 questioned and testified as follows:
- 4 DIRECT EXAMINATION
- 5 BY MR. BRUCE:
- Q. Would you please state your name for the
- 7 record?
- 8 A. Clark Collier.
- 9 Q. And where do you reside?
- 10 A. Dallas, Texas.
- 11 Q. Who do you work for and in what capacity?
- 12 A. I work for Matador Resources Company as a
- 13 senior geologist.
- Q. And have you previously testified before the
- 15 Division?
- 16 A. Yes, sir.
- Q. And were your credentials as an expert
- 18 petroleum geologist accepted as a matter of record?
- 19 A. Yes, sir.
- Q. Do your duties at Matador include this portion
- 21 of the Permian Basin?
- 22 A. Yes, sir.
- Q. And are you familiar with the geology involved
- 24 in this application?
- 25 A. Yes, sir.

- 1 MR. BRUCE: Mr. Examiner, I tender
- 2 Mr. Collier as an expert petroleum geologist.
- 3 EXAMINER JONES: He is so qualified.
- Q. (BY MR. BRUCE) What is Exhibit 6, Mr. Collier?
- 5 A. Exhibit 6 is a locator map identifying the
- 6 Biggers acreage in Lea County, New Mexico. It's in
- 7 Section 18-25, 35 East.
- 8 Q. And what is Exhibit 7?
- 9 A. Exhibit 7 is a structure map at the top of the
- 10 Wolfcamp. There are also red circles identifying the
- 11 Wolfcamp producers in the area, as well as a
- 12 cross-section line from A to A prime using three type
- 13 logs in the area.
- Q. Let's refer to the cross section. Is that
- 15 marked as Exhibit 8?
- 16 A. Yes, sir.
- Q. What does that show?
- 18 A. So this shows a cross section from the logs
- 19 shown on the previous map. It's datum on the top of the
- 20 Wolfcamp, and you can see I've identified the base of
- 21 the Wolfcamp there along the bottom. The last well
- 22 didn't go deep enough to capture the bottom of the
- 23 Wolfcamp, so I just put a dashed line there where I
- 24 guessed where the Wolfcamp base would be. We've also
- 25 highlighted the interval that we are targeting in these

1 three wells with the yellow highlighted box up near the

- 2 top of the Wolfcamp.
- Q. And is the target zone continuous across this
- 4 portion of the Wolfcamp?
- 5 A. Yes, it is.
- Q. That well you mentioned on the right, what zone
- 7 was tested by that well?
- 8 A. That was a pilot well that was drilled
- 9 basically into the middle of the Wolfcamp, and then they
- 10 went up and drilled a horizontal well in the Delaware
- 11 Mountain Group, in the Brushy Canyon.
- Q. And is there a larger size cross section?
- 13 A. Yes. There is a little foldout version of the
- 14 cross section. It's a little bit bigger. You can see a
- 15 little more detail.
- Q. And these wells in the cross section, the two
- on the left there are older deeper wells, probably
- 18 vertical wells?
- 19 A. They are. They're older vertical wells that
- 20 went on down through -- they TD'd -- both of them TD'd
- 21 in the Fusselman, so one of them is 17,000 feet or so
- 22 and the other one is 20,000 feet deep, so a lot of data
- 23 there.
- EXAMINER JONES: Wow.
- THE WITNESS: Yeah.

Q. (BY MR. BRUCE) Are these logs a good example of

- 2 the Wolfcamp in this area?
- 3 A. Yes, sir.
- Q. Let's move on to your Exhibit 9. What is that?
- 5 A. This is an isopach map from the top of the
- 6 Wolfcamp to the base of the Wolfcamp, as shown on the
- 7 cross section -- on the previous cross section. It also
- 8 highlights our project area. I should specify that the
- 9 project area is not representative of the proration
- 10 units. That's a 320-acre box. It's just highlighting
- 11 the project area for these three wells. It also shows
- 12 that the thickness of the Wolfcamp in this area is about
- 13 1,150, 1,200 feet thick relatively uniformly across
- 14 the -- across the acreage, and we expect for every
- 15 quarter-quarter to produce relatively the same across
- 16 these units.
- 17 Q. And can this acreage be efficiently and
- 18 economically drained by horizontal wells?
- 19 A. Yes, sir.
- Q. And I'm looking at all of your geologic
- 21 exhibits. Is there any faulting in this area that would
- 22 impair the drilling of a well?
- 23 A. No, sir.
- Q. And there are no pinch-outs or geologic
- 25 impediments to drilling horizontal wells?

- 1 A. No, sir.
- Q. Finally, what is Exhibit 10?
- A. Exhibit 10 is a wellbore diagram or a cartoon.
- 4 There's actually three of them, so the -- there is an A,
- 5 B and C. And they're all the same idea, showing a
- 6 diagram of the wellbore that identifies our first take
- 7 point and last take point to be no closer than 330 feet
- 8 from the south line and from the north line.
- Q. Now, these are north-south views, so it doesn't
- 10 reflect the unorthodox location for the 203H well; is
- 11 that correct?
- 12 A. That is correct.
- Q. Why are you putting that well so close to the
- 14 middle of this half section line?
- A. So we're attempting to more or less equally
- 16 space the wells so we can get an effective drainage
- 17 pattern for the Upper Wolfcamp.
- 18
 Q. And you hope to achieve better recovery from
- 19 that pattern?
- 20 A. Yes, sir.
- Q. In your opinion, will the granting of these
- 22 three applications be in the best interest of
- 23 conservation, the prevention of waste and the protection
- 24 of correlative rights?
- 25 A. Yes, sir.

Q. And were Matador Exhibits 6 through 10 prepared

- by you or compiled under your supervision and direction?
- A. Yes, they were.
- 4 MR. BRUCE: Mr. Examiner, I move the
- 5 admission of Exhibits 6 through 10.
- 6 EXAMINER JONES: Exhibits 6 through 10 are
- 7 admitted.
- 8 (Matador Production Company Exhibit Numbers
- 9 6 through 10 are offered and admitted into
- 10 evidence.)
- 11 EXAMINER JONES: Mr. Lowe?
- 12 CROSS-EXAMINATION
- 13 BY EXAMINER LOWE:
- Q. I didn't catch -- what's your -- on Exhibit 8,
- 15 your thickness of your yellow line?
- 16 A. Of the yellow box there? It's -- so the tick
- 17 marks on the depth column there are 100-feet tick marks,
- 18 so we're approximately 175 feet thick that area -- that
- 19 identified zone.
- Q. That's all I've got. Thank you.
- 21 EXAMINER BROOKS: No questions.
- 22 CROSS-EXAMINATION
- 23 BY EXAMINER JONES:
- Q. Okay. You know, since you're up here, on
- 25 Exhibit 6, the Abo Reef, kind of the lip that goes out

- there on the northeast, what is that?
- 2 A. That's where the San Simon Channel is.
- Q. Oh, San Simon Channel.
- 4 A. Uh-huh.
- Q. Okay. So that has nothing to do with the Pecos
- 6 Slope, Abo? That's way up north, right? The Abo trim
- 7 goes across kind of east-west?
- 8 A. Right.
- 9 Q. Okay. Okay. It doesn't have to do with the
- 10 case.
- But you're just calling it Upper Wolfcamp
- 12 here. You're not calling it Wolfcamp A and B or
- 13 Wolfcamp A or --
- A. We would identify this as our Wolfcamp A, but
- 15 that's an internal nomenclature. This is our -- these
- 16 wells will be in our -- what we identify as Wolfcamp A.
- 17 Q. Okay.
- 18 A. Yes, sir.
- Q. And will that drain up into the Bone Spring?
- 20 A. We don't think it will.
- Q. Thanks very much.
- 22 A. Thank you.
- 23 EXAMINER JONES: With that --
- Is that all in these three cases?
- MR. BRUCE: That is all on these three

Page 28 cases. Please continue for notice. EXAMINER JONES: Cases 16178 and 16179 and 16180 are continued to June 14th. Can we take a ten-minute break? (Case Numbers 16178, 16179 and 16180 conclude, 10:45 a.m.) (Recess 10:45 a.m. to 11:01 a.m.)

- 1 STATE OF NEW MEXICO
- 2 COUNTY OF BERNALILLO

3

- 4 CERTIFICATE OF COURT REPORTER
- 5 I, MARY C. HANKINS, Certified Court
- 6 Reporter, New Mexico Certified Court Reporter No. 20,
- 7 and Registered Professional Reporter, do hereby certify
- 8 that I reported the foregoing proceedings in
- 9 stenographic shorthand and that the foregoing pages are
- 10 a true and correct transcript of those proceedings that
- 11 were reduced to printed form by me to the best of my
- 12 ability.
- I FURTHER CERTIFY that the Reporter's
- 14 Record of the proceedings truly and accurately reflects
- 15 the exhibits, if any, offered by the respective parties.
- I FURTHER CERTIFY that I am neither
- 17 employed by nor related to any of the parties or
- 18 attorneys in this case and that I have no interest in
- 19 the final disposition of this case.
- DATED THIS 23rd day of June 2018.

21

22

- MARY C. HANKINS, CCR, RPR
 Certified Court Reporter
- New Mexico CCR No. 20
 Date of CCR Expiration: 12/31/2018

Paul Baca Professional Court Reporters

MATADOR PRODUCTION COMPANY

Biggers Federal Nos. 203H, 214H and 217H

Cases 16178, 16179 and 16180

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

APPLICATIONS OF MATADOR
PRODUCTION COMPANY
FOR COMPULSORY POOLING
AND NONSTANDARD OIL SPACING
AND PRORATION UNITS
LEA COUNTY, NEW MEXICO

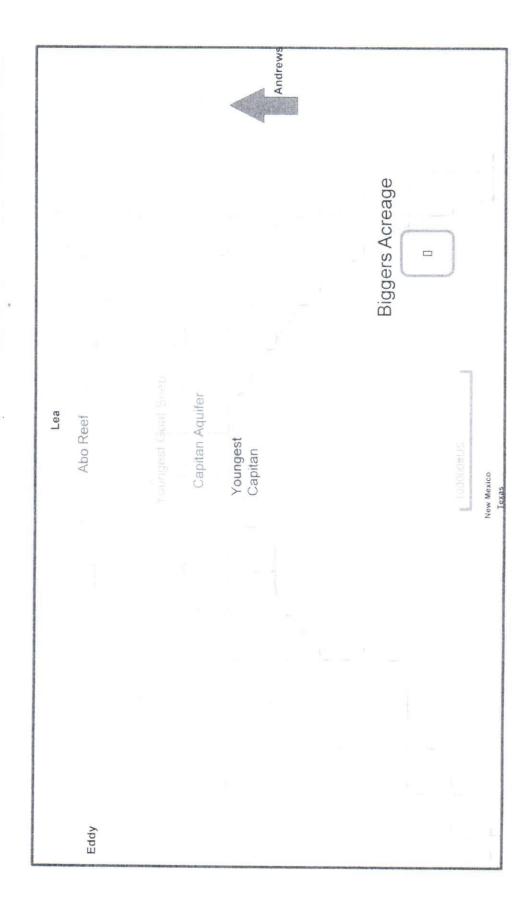
CASE NOS. 16178, 16179 & 16180

May 31, 2018

EXHIBIT NOTEBOOK Biggers Federal #203H, #214H & #217H

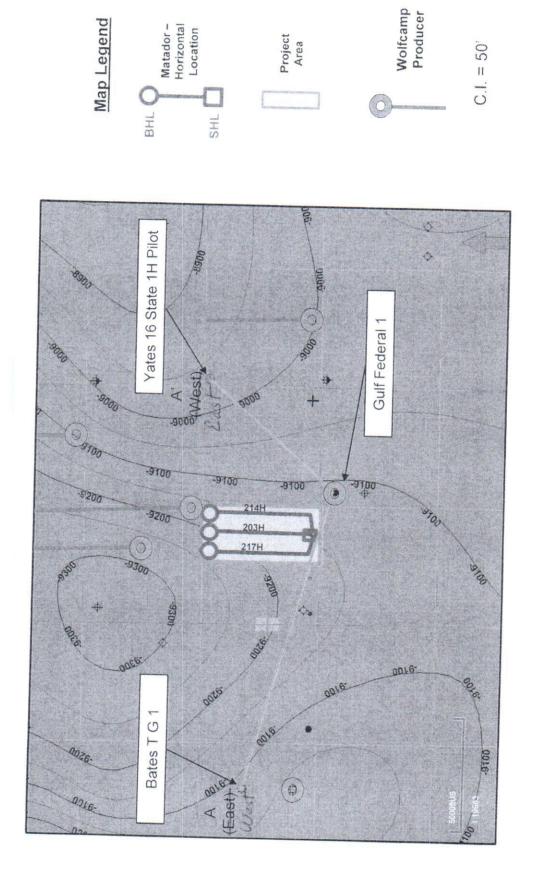
Exhibit 1	C-102 Forms
Exhibit 2	Midland Map
Exhibit 3	Summary of Interests
Exhibit 4	Well Proposal Letters
Exhibit 5	Affidavit, notice letters, proof of mailing
Exhibit 6	Locator Map
Exhibit 7	Structure Map
Exhibit 8	Stratigraphic Cross Section A-A'
Exhibit 9	Isopach Map
Exhibit 10	Biggers Federal Wells' Completions

Dogie Draw; Wolfcamp, (Pool Code 17980) Locator Map





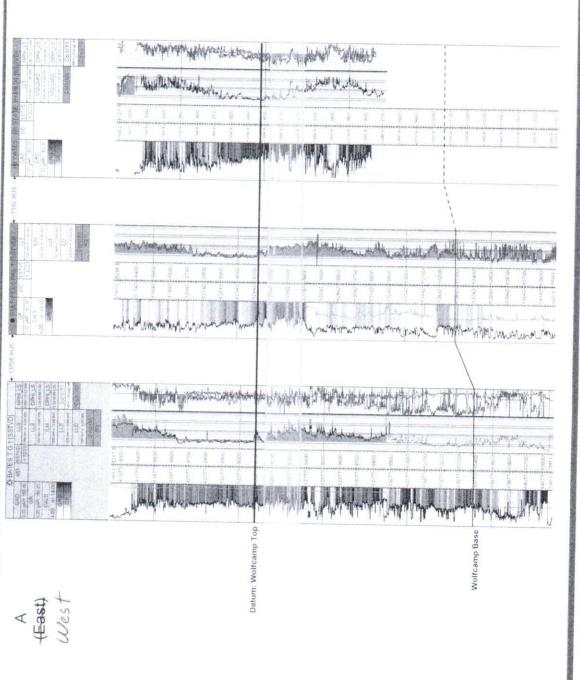
Dogie Draw; Wolfcamp, (Pool Code 17980) Wolfcamp Structure Map





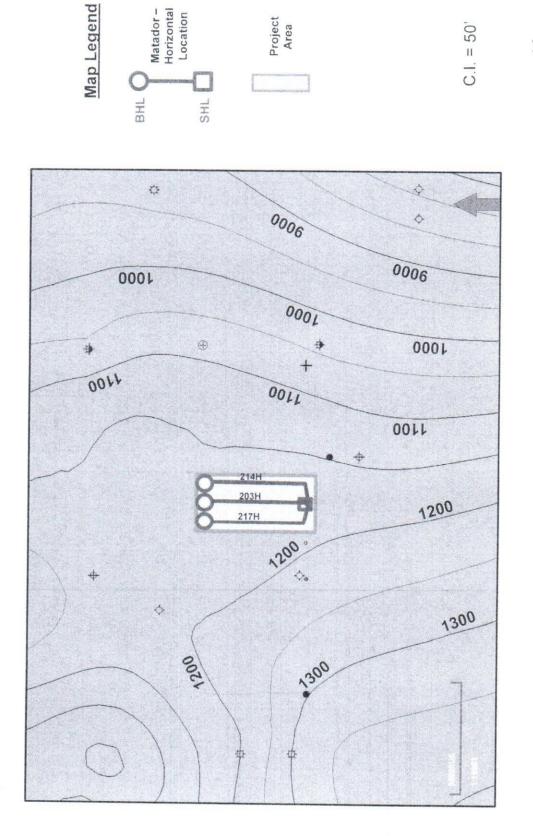
A' (West) East

Stratigraphic Cross Section (Top of Wolfcamp Subsea) Dogie Draw; Wolfcamp, (Pool Code 17980)





Dogie Draw; Wolfcamp, (Pool Code 17980) Wolfcamp Isopach

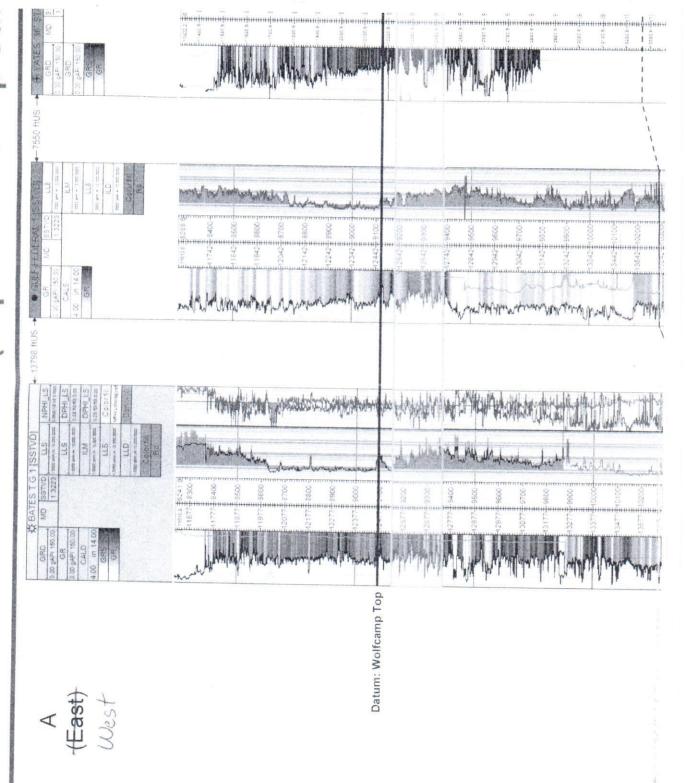


Project Area

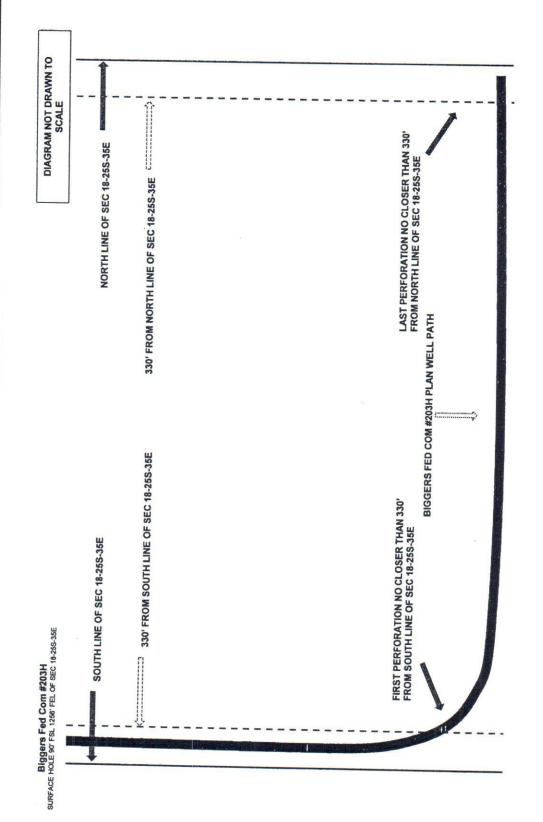
Matador – Horizontal Location



Section (Top of Wolfcamp Sul Dogie Draw; Wolfcamp, (Pool Code 17980) Stratigraphic Cross

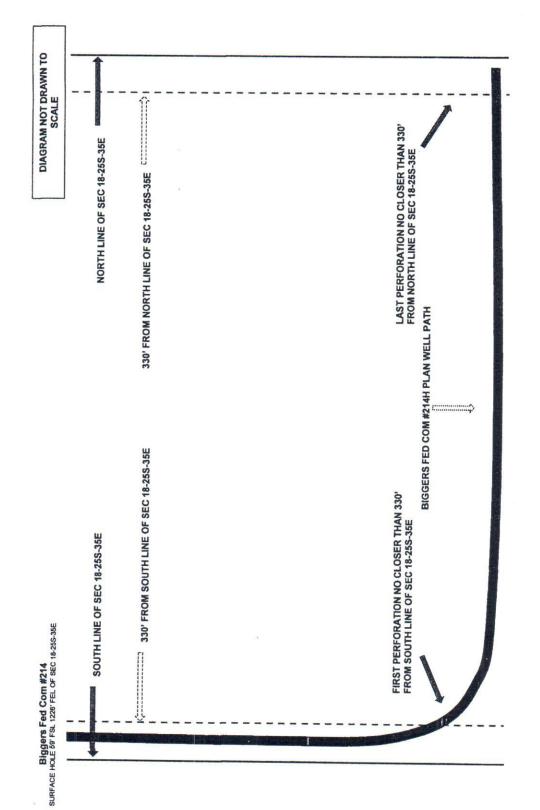


Dogie Draw; Wolfcamp, (Pool Code 17980) Biggers Fed Com #203H Completion



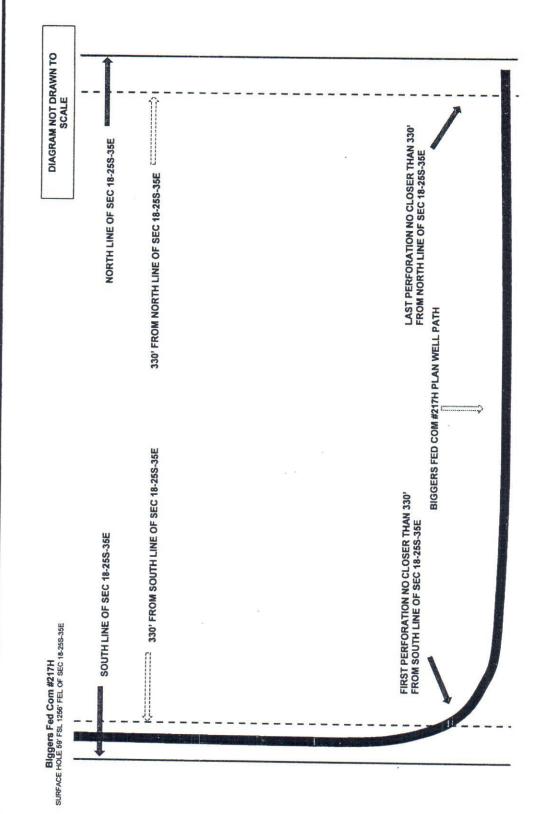


Dogie Draw; Wolfcamp, (Pool Code 17980) Biggers Fed Com #214H Completion





Dogie Draw; Wolfcamp, (Pool Code 17980) Biggers Fed Com #217H Completion





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

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

CASE NOS. 21069 and 21070

AFFIDAVIT OF CLARK COLLIER

Clark Collier, of lawful age and being first duly sworn, declares as follows:

- 1. My name is Clark Collier. I work for MRC Energy Company, an affiliate of Matador Production Company ("Matador"), as a Staff Geologist.
- 2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.
- 3. I am familiar with the applications filed by Matador in these cases, and I have conducted a geologic study of the lands in the subject area.
- 4. The purpose of Matador's applications is to change the pool under the original Orders of the Division in Case Nos. 16178 (Order R-14825), 16179 (Order R-14826) and 16180 (Order R-14827) from the original Dogie Draw; Wolfcamp Pool (Pool Code 1790) to the WC-025 G-09 S243532M; Wolfbone Pool (Pool Code 98098). The three initial wells under the above Orders—the Biggers Fed Com #203, #214, and #217—have each been drilled and completed.
- 5. I understand the WC-025 G-09 S243532M; Wolfbone Pool (Pool Code 98098) to be comprised of the depths from the top of the Third Bone Spring Carbonate down to a point 500 feet below the top of the Wolfcamp Formation. For purposes of this affidavit, I will refer to such depths as "the Wolfbone Pool."

EXHIBIT igspace

- 6. **Matador Exhibit B-1** is a locator map. The horizontal spacing units for the proposed wells are identified by a yellow box with a red outline.
- 7. **Matador Exhibit B-2** is a structure map that I prepared for the top of the Third Bone Spring Carbonate formation, which I understand to be the top of the Wolfbone Pool. The contour interval is 50 feet. The structure map shows the project area just off center of a localized low point. The formation deepens from the western and northern edges of the map off of a local structural high and shallows up to the east towards the Central Basin Platform. The dip changes are subtle and consistent, which cause no issues for drilling and geosteering in this area.
- 8. **Matador Exhibit B-3** shows a line of cross section from A to A' on the same structure map reflected in **Exhibit B-2**.
- 9. **Matador Exhibit B-4** is a Stratigraphic cross-section I prepared using the top of the Third Bone Spring Carbonate formation as the datum. This cross-section displays open-hole logs run over the Wolfbone Pool from the three representative wells denoted from A to A'. For each well in the cross-section, the following logs are included: gamma ray, resistivity, and porosity, with the exception of the Gulf Federal 1, which does not include a Porosity log. In addition the Yates 16 State 1H does not include a deep resistivity, only an "LLS" (shallow resistivity) log is publically available. The limitation of log availability here does not impair our ability to pick the formation tops and evaluate our targeted interval. The interval in which the three wells were drilled and completed is denoted in gray shading. The logs in the cross-section demonstrate that the target interval, within the Wolfbone Pool, is consistent in thickness and character, across the entirety of each of the proposed spacing units.
- 10. **Matador Exhibit B-5** is an intersection view of the location of the Biggers Fed Com #214, as drilled, and showing the completed interval as it relates to the Wolfbone Pool. The

horizons shown were interpreted through MWD gamma correlation during drilling by Matador operational geologists.

- 11. **Matador Exhibit B-6** is an intersection view of the location of the Biggers Fed Com #217, as drilled, and showing the completed interval as it relates to the Wolfbone Pool. The horizons shown were interpreted through MWD gamma correlation during drilling by Matador operational geologists.
- 12. **Matador Exhibit B-7** is an intersection view of the location of the Biggers Fed Com #203, as drilled, and showing the completed interval as it relates to the Wolfbone Pool. The horizons shown were interpreted through MWD gamma correlation during drilling by Matador operational geologists.
- 13. Based on my geologic study of the area, I have not identified any geologic impediments to drilling horizontal wells in the area.
- 14. In my opinion, each quarter-quarter section will be productive and contribute moreor-less equally to production from each respective horizontal spacing unit.
- 15. In my opinion, horizontal drilling is the most efficient method to develop this acreage, to prevent the drilling of unnecessary wells, and to result in the greatest ultimate recovery. Approving Matador's applications will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.
- 16. **Matador Exhibits B-1 through B-7** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

CLARK COLLIER

STATE OF TEXAS)	
COUNTY OF Dallas))	
SUBSCRIBED and SV	WORN to before me thi	is 26th day of May 2020 by Clark

Collier.

SARA MARIE HARTSFIELD
Notary Public, State of Texas

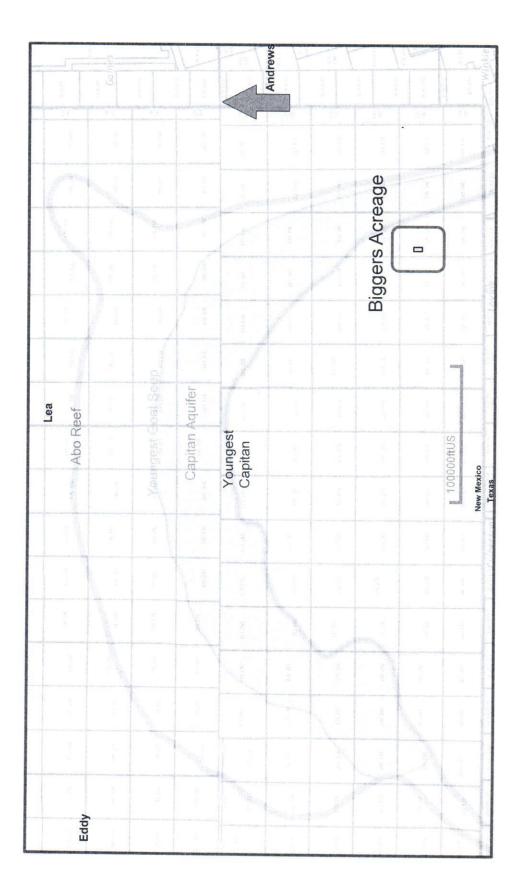
Comm. Expires 08-21-2023 Notary ID 130324013 Sara Marie Hartsfield NOTARY PUBLIC

My Commission Expires:

8-21-2023

WC-025 G-09 S243532M;WOLFBONE (Pool Code 98098) Locator Map

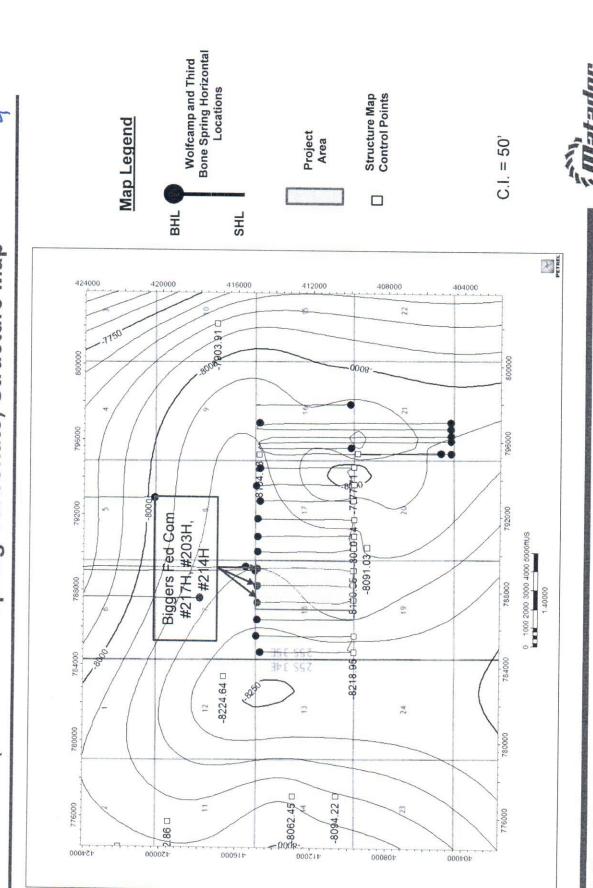






Top Wolfbone (Third Bone Spring Carbonate) Structure Map WC-025 G-09 S243532M;WOLFBONE (Pool Code 98098)

Matador Exhibit B-2





Top Wolfbone Structure Map with Cross Section Line A to A' WC-025 G-09 S243532M;WOLFBONE (Pool Code 98098)

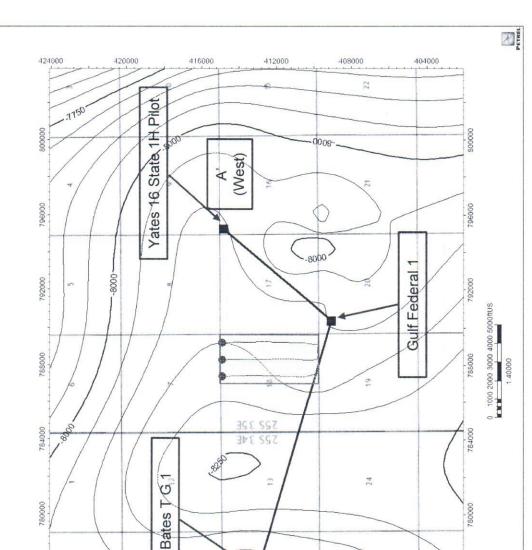
776000

424000

420000

Map Legend

Project Area



(East) V 116000

412000

408000

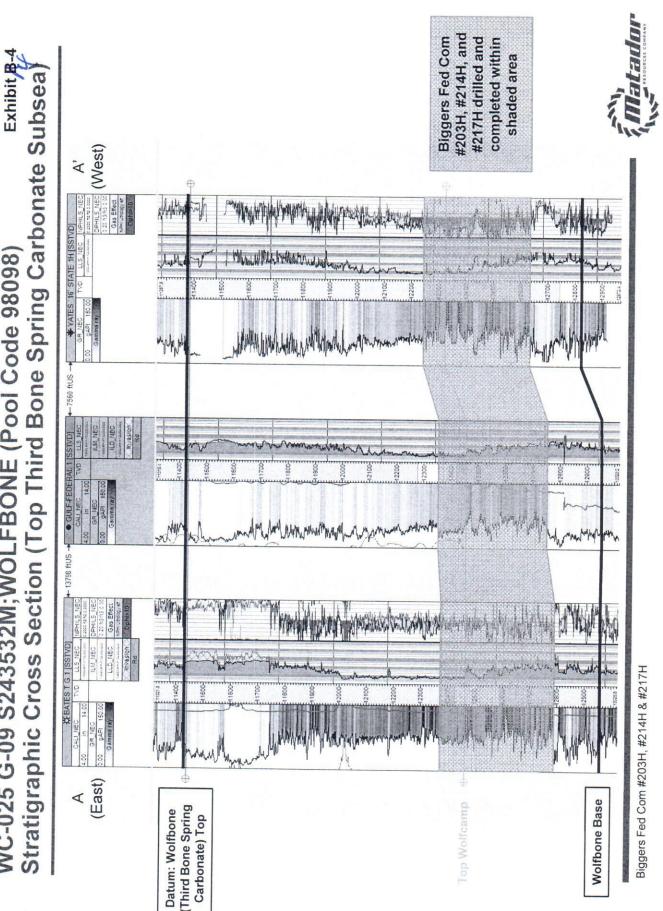
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C.I. = 50

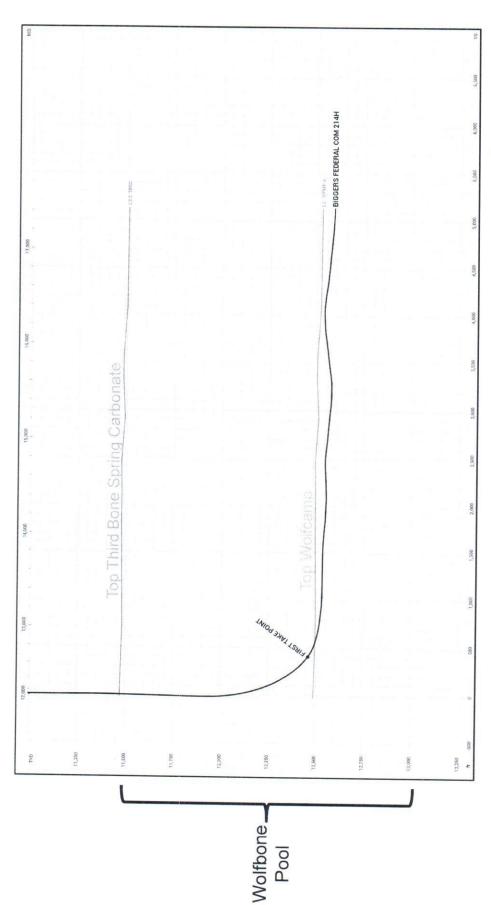
WC-025 G-09 S243532M;WOLFBONE (Pool Code 98098)

Matador



Biggers Fed Com #203H, #214H & #217H

Biggers Fed Com #214H Wellbore Placement and First Take Point

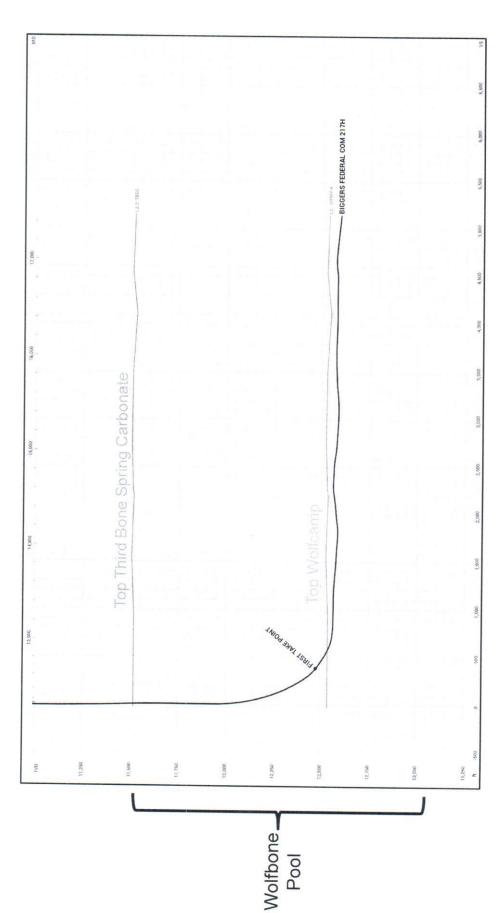


2x Vertical Exaggeration



Matador Exhibit 8-6

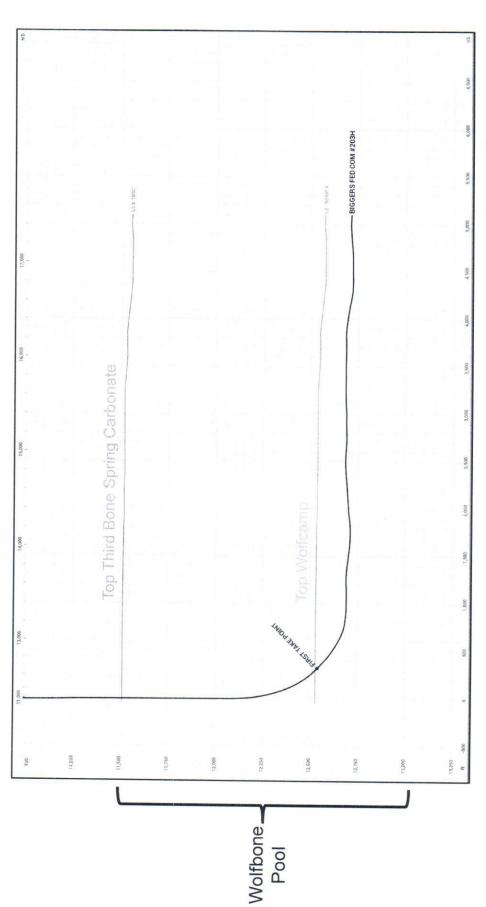
Biggers Fed Com #217H Wellbore Placement and First Take Point



2x Vertical Exaggeration



Biggers Fed Com #203H Wellbore Placement and First Take Point



2x Vertical Exaggeration



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

APPLICATIONS OF MATADOR PRODSUCTION COMPANY FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

Case Nos. 21069 & 21070

SELF-AFFIRMED STATEMENT OF NOTICE

COUNTY O	F SANTA FE)
STATE OF N) ss. NEW MEXICO)
James	Bruce 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 an applications fi	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 iled herein.
4. addresses, by hereto as Attach	Notice of the applications 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.	Matador Production has complied with the notice provisions of Division Rules.
made under pe	I understand that this Self-Affirmed Statement will be used as written testimony affirm that my testimony in paragraphs 1 through 5 above is true and correct and is enalty of perjury under the laws of the State of New Mexico. My testimony is made nandwritten next to my signature below.

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

January 30, 2020

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed are copies of the following applications filed with the New Mexico Oil Conservation Division by Matador Production Company:

- 1. Case No. 21069, for compulsory pooling of the Biggers Fed. Com. Well No. 214H, a Wolfbone well in the E/2E/2 of Section 18;
- 2. Case No. 21070, for compulsory pooling of the Biggers Fed. Com. Well Nos.203H and 217H, Wolfbone wells in the W/2E/2 of Section 18,

all in Township 25 South, Range 35 East, NMPM, Lea County, New Mexico.

These matters are re-scheduled for hearing at 8:15 a.m. on Thursday, February 20, 2020, 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 these applications, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting these matters at a later date.

A party appearing in a Division case is required by Division Regulations to file a Pre-Hearing Statement no later than Thursday, February 13, 2013. This statement must be filed with the Division's Santa Fe office at the above address, and should include: The name of the party and its attorney; a concise statement of the case; the names of the witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.



Very truly yours,

James Bruce

Attorney for Matador Production Company

EXHIBIT A

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

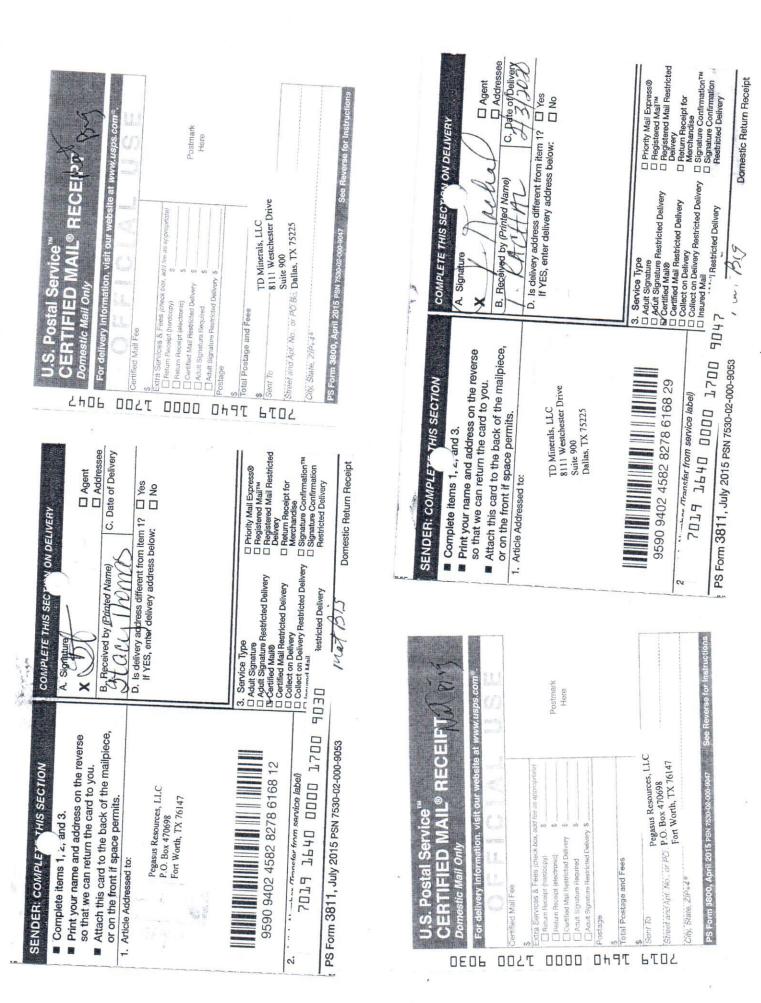
West Texas A&M University 2403 Russell Long Blvd College Station, TX 79015

TD Minerals, LLC 8111 Westchester Drive Suite 900 Dallas, TX 75225

Pegasus Resources, LLC P.O. Box 470698 Fort Worth, TX 76147

The Ohio State University 2003 Millikin Road Columbus, OH 42310

U.S. Postal Service" CERTIFIED MAIL® RECEIPT Pomestic Mail Only For delivery information, visit our website at www.usps.com?	s Postmark	The Ohio State University 2003 Millikin Road Columbus, OH 42310 See Reverse for Instructions	A. Signature C. Date of Delivery	D. Is delivery address different/from item 1? ☐ Yes If YES, enter delivery address below: ☐ No	3. Service Type Adult Signature Priority Mail Express® Adult Signature Restricted Delivery Registered Mail'nestricted Generalized Mail Restricted Delivery Refurm Receipt for Mail Restricted Delivery Refurm Receipt for Merchandise Collect on Delivery Signature Confirmation Collect on Delivery Signature Confirmation Confirmation Restricted Delivery Confirmation Restricted Delivery Confirmation Restricted Delivery Confirmation Conf	Domestic Return Receipt
D Agent D Addressee D Date of Delivery D D Yes D No		Mail Express® Total Postage and Fered Mail Restricted Total Postage and Fered Mail Restricted Secolpt for Sent To Sine Apr. No., or or Confirmation Sine Sine Apr. No., or or Delivery Edurn Receipt Postage and Fere	SENDER: COMPLETE THIS SECTION Complete items 1, 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.	The Ohio State University 2003 Millikin Road Columbus, OH 42310	9590 9402 4582 8278 6168 05 7019 1640 0000 1700 350m 3811, July 2015 PSN 7530-02-000-9053	2000 200 70 200 110 101 101 101 101
A. Signature A. Signature X Piece, B. Received by (Printed Name) D. Is delivery address below If YES, enter delivery address below	off	3. Service Type Adult Signature Adult Signature Adult Signature Certified Mail® Certified Mail® Certified Mail® Certified Mail® Wery Restricted Delivery Wery Restricted Delivery Wery S500)	IAIL® RECEIPT Visit our website at www.usps.com?	rod fee as appropriate) S Postmark Here	ian, LLC	
Complete items 1,	Marathon Oil Permian, LLC 5555 San Felipe Street Fouston, TX 77056 Houston, TX 77056	2. 7019 1640 000 000 33	U.S. Postal Service" CERTIFIED MAIL Domestic Mail Only For delivery information, visit ou	Extra Services & Fees (check box, hatum Receipt thardcopy) Adum Receipt (electronic) Certified Mail Restricted Delivery Adult Signature Restricted Delivery Postage S	Street and Apt. No., or PO Box N Houston, TX 77056 Oity, State, 21P-44 PS Form 3800, April 2015 PSN 7350-02-000-9047	



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Certified Mail Restricted Delivery \$	Here
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Sent To West Texas A&M University	
Street and Apt. No., or POE 2403 Russell Long 1X 79015 College Station, TX 79015	
City State 21P+4®	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	ELIVERY
Complete items 1, 2, and 3.	A. Signature	i
Print your name and address on the reverse so that we can return the card to you.	×	☐ Addressee
 Attach this card to the back of the mailpiece, or on the front if space permits. 	B. Received by (Printed Name)	C. Date of Delivery
1. Article Addressed to:	D. Is delivery address different from item 1? If YES, enter delivery address below:	item 1?
West Texas A&M University 2403 Russell Long Blvd College Station, TX 79015		
A characteristics		
9590 9402 4582 8278 6062 26	3. Service Type Adult Signature Adult Signature Restricted Delivery SE Certified Mail® Cert	Priority Mail Express® Registered Mail™ Registered Mail Restricted Delivery Return Receipt for Merchandise Merchandise
2. Article Number 77279 1640 0000 1700	Restricted Delivery	☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery

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

U Insured Mail Restricted Delivery (over \$500)

Domestic Return Receipt

JAMES BRUCE ATTORNEY AT LAW

POST OFFICE BOX 1056 SANTA FE, NEW MEXICO 87504

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

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

jamesbruc@aol.com

January 30, 2020

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- 2. Case No. 21070, for compulsory pooling of the Biggers Fed. Com. Well Nos.203H and 217H, Wolfbone wells in the W/2E/2 of Section 18,

all in Township 25 South, Range 35 East, NMPM, Lea County, New Mexico.

These matters are re-scheduled for hearing at 8:15 a.m. on Thursday, February 20, 2020, in Porter Hall at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico affected by these applications, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting these matters at a later date.

A party appearing in a Division case is required by Division Regulations to file a Pre-Hearing Statement no later than Thursday, February 13, 2013. This statement must be filed with the its attorney; a concise statement of the case; the names of the witnesses the party and testify at the hearing; the approximate time the party will need to present its case; and Hearing Statement must also be provided to the undersigned

40

QB

Very truly yours,

James Bruce

Attorney for Matador Production Company

West Texas A&M University 2501 4th Avenue Canyon, TX 79016



Complete items 1, 2, 1d 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.	A. Signature X B. Received by (Printed Name)	Agent Addressee C. Date of Delivery
1. Article Addressed to: West Texas A&M University 2501 4th Avenue Canyon, TX 79016	D. Is delivery address different from If YES, enter delivery address	5-211-20
9590 9402 4582 8278 6086 02	3. Service Type Adult Signature Adult Signature Restricted Delivery Certified Mail Restricted Delivery Collect on Delivery	☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☐ Return Receipt for Merchandise

Affidavit of Publication Ad # 0004033847 This is not an invoice

JAMES BRUCE ATTORNEY AT LAW POBOX 1056

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:

February 1, 2020

NOTICE

To: Marathon Oil Permian LLC and Pegasus Resources, LLC or your successors or assigns: Matador Production Company has filed two applications with the New Mexico Oil Conservation Division seeking orders approving non-standard spacing and proration units and the compulsory pooling of all mineral interests in the Wolfbone formation for the following wells: (i) the Biggers Fed. Com. Well No. 214H in the E/2E/2 of Section 18 (Case No. 21069); and (ii) the Biggers Fed. Com. Well Nos. 203H and 217H in the W/2E/2 of Section 18 (Case No. 21070), all in Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a 200% charge for the risk involved in drilling and completing the wells. The applications are scheduled to be heard at 8:15 a.m. on Thursday, February 20, 2020 at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. As an interest owner offsetting the well units, you have the right to enter an appearance and participate in the cases. Failure to appear will preclude you from contesting these matters at a later date. The attorney for applicant is James Bruce, P.O. Box 1056, Santa Fe, New Mexico 87504. The units are located approximately 12 miles west-northwest of Jal, New Mexico.

February 1, 2020

Legal Clerk

Subscribed and sworn before me this February 1,

2020:

State of WI County of Brown
NOTARY PUBLIC

My commission expires

EXHIBIT

6

Ad # 0004033847 PO #: Marathon Oil Permian LLC # of Affidavi s1

This is not an invoice

NANCY HEYRMAN Notary Public State of Wisconsin

Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated January 24, 2020 and ending with the issue dated January 24, 2020.

Publisher

Sworn and subscribed to before me this 24th day of January 2020.

Business Manager

My commission expires

January 29, 2023

OFFICIAL SEAL
GUSSIE BLACK
Notary Public
State of New Mexico
My Commission Expires

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL

LEGAL

LEGAL NOTICE JANUARY 24, 2020

To: COG Operating LLC, GCM Exploration Inc., TD Minerals LLC, David Lloyd Cook, John C. Sparling, The Ohio State University, and West Texas A&M University, or your heirs, devisees, successors, or assigns: Matador Production Company has filed two applications with the New Mexico Oil Conservation Division seeking orders approving non-standard spacing and proration units and the compulsory pooling, of all mineral interests in the Wolfbone formation for the following wells: (i) the Biggers Fed. Com. Well No. 214H in the E/2E/2 of Section 18 (Case No. 21069); and (ii) the Biggers Fed. Com. Well Nos. 203H and 217H in the W/2E/2 of Section 18 (Case No. 21070), all in Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a 200% charge for the risk involved in drilling and completing the wells. The applications are scheduled to be heard at 8:15 a.m. on Thursday, February 6, 2020 at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. As an interest owner offsetting the well units, you have the right to enter an appear ance and participate in the cases. Failure to appear will preclude you from contesting these matters at a later date. The attorney for applicant is James Bruce, P.O. Box 1056, Santa Fe, New Mexico 87504. The units are located approximately 12 miles west-northwest of Jal, New Mexico.

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JAMES BRUCE JAMES BRUCE, ATTORNEY AT LAW P.O. BOX 1056 SANTA FE, NM 87504

COMPULSORY POOLING APPLICATION CHECKLIST

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	Wolfbone/Pool Code 98098
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South-North E/2E/2 §18-25S-35E NMPM Lea County	
E/2E/2 §18-25S-35E, NMPM, Lea County Yes	
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	EXHIBIT /
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Biggers Fed. Com. Well No. 214H API No. 30-025-44483 59 FSL & 1226 FEL §18 BHL: 88 FNL & 448 FEL §18 FTP: 470 FSL & 541 FEL §18 LTP: 225 FNL & 443 FEL §18 Wolfbone/TVD 12718 feet/MD 17478 feet	
D D D D D D D D D D D D D D D D D D D	E/2 §18-25S-35E, NMPN S Thibit 2-A Gers Fed. Com. Well No. No. 30-025-44483 FSL & 1226 FEL §18 E: 88 FNL & 448 FEL §18 E: 470 FSL & 541 FEL §18 E: 225 FNL & 443 FEL §18

Horizontal Well First and Last Take Points	See above
Completion Target (Formation, TVD and MD)	See above
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$7000
Production Supervision/Month \$	\$700
Justification for Supervision Costs	Exhibit 2-A
Requested Risk Charge	Cost + 200%/Exhibit 2-A
Notice of Hearing	
Proposed Notice of Hearing	Exhibit 1
Proof of Mailed Notice of Hearing (20	
days before hearing)	Exhibit 5
Proof of Published Notice of Hearing (10	
days before hearing)	Exhibit 6
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit 2-A
Tract List (including lease numbers and owners)	Exhibit 2-A
Pooled Parties (including ownership type)	Exhibit 2-A
Unlocatable Parties to be Pooled	Not applicable
Ownership Depth Severance (including percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit 2-A
List of Interest Owners (<i>i.e.</i> Exhibit A of JOA)	Exhibit 2-A
Chronology of Contact with Non-Joined Working Interests	Exhibit 2-A
Overhead Rates In Proposal Letter	\$7000/\$700
Cost Estimate to Drill and Complete	Exhibit 2-A
Cost Estimate to Equip Well	Exhibit 2-A
Cost Estimate for Production Facilities	Exhibit 2-A
Geology	
Summary (including special	
considerations)	Exhibits 3 and 4
Spacing Unit Schematic	Exhibits 3 and 4
Gunbarrel/Lateral Trajectory Schematic	Exhibits 3and 4
Well Orientation (with rationale)	Standup/Exhibit 3
Target Formation	Wolfbone
HSU Cross Section	Exhibits 3 and 4
Depth Severance Discussion	Not Applicable
Forms, Figures and Tables	
C-102	Exhibit 2-A
Tracts	Exhibit 2-A
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 2-A

General Location Map (including basin)	Exhibit 4
Well Bore Location Map	Exhibit 4
Structure Contour Map - Subsea Depth	Exhibit 4
Cross Section Location Map (including wells)	Exhibit 4
Cross Section (including Landing Zone)	Exhibit 4
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party	
Representative):	James Bruce
Signed Name (Attorney or Party Representative):	Janes Bucc
Date:	May 26, 2020

ALL INFORMATION IN THE APPLICA	ATION MUST BE SUPPORTED	BY SIGNED AFFIDAVITS
Case:		21070
Date	Ma	ay 28, 2020
Applicant	Matador Production Company	14 20, 2020
Designated Operator & OGRID	Watador Froduction Company	
(affiliation if applicable)	Matador Production Company,	OGRID No. 228937
Applicant's Counsel:	James Bruce	
Case Title:	Application of Matador Production Company for Compulsory Pooling, Eddy County, New Mexico	
Entries of Appearance/Intervenors:		
Well Family	Biggers Fed. Com. Well Nos. 20	3H and 217H
Formation/Pool	San Company	
Formation Name(s) or Vertical Extent:	Wolfbone Formation	
Primary Product (Oil or Gas):	Oil	
Pooling this vertical extent:	Wolfbone Formation	
Pool Name and Pool Code:	WC-025 G-09 S243532M; Wolff	none/Pool Code 09009
Well Location Setback Rules:	Statewide rules and current ho	prizontal well rules
Spacing Unit Size:	Quarter-quarter sections/40 ac	
Spacing Unit	Quarter quarter sections/40 at	lies .
Type (Horizontal/Vertical)	Horizontal	
Size (Acres)	160 acres	
Building Blocks:		
Orientation:	40 acres South-North	
Description: TRS/County	South-North W/2E/2 §18-25S-35E, NMPM, Lea County	
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes	ea County
Other Situations		
Depth Severance: Y/N. If yes, description	No	
Proximity Tracts: If yes, description	No	-
Proximity Defining Well: if yes, description		EXHIBIT 7B
Applicant's Ownership in Each Tract	Exhibit 2-A	
Well(s)		
Name & API (if assigned), surface and pottom hole location, footages, completion target, orientation, completion status (standard or nontandard)	Biggers Fed. Com. Well No. 2031 API No. 30-025-44645 90 FSL & 1256 FEL §18 BHL: 240 FNL & 1350 FEL §18 FTP: 330 FSL & 1346 FEL §18 LTP: 330 FNL & 1349 FEL §18 Wolfbone/TVD 12588 feet/MD 1 Completion non-standard (appro	17307 feet

	Biggers Fed. Com. Well No. 217H
	API No. 30-025-44646
	59 FSL & 1256 FEL §18
	BHL: 85 FNL & 2240 FEL §18
	FTP: 442 FSL & 2203 FEL §18
	LTP: 398 FNL & 2242 FEL §18
	Wolfbone/TVD 12718 feet/MD 17492 feet
	Completion standard
Horizontal Well First and Last Take	See above
Points	
Completion Target (Formation, TVD and MD)	See above
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$7000
Production Supervision/Month \$	\$700
Justification for Supervision Costs	Exhibit 2-A
Requested Risk Charge	Cost + 200%/Exhibit 2-A
Notice of Hearing	
Proposed Notice of Hearing	Exhibit 1
Proof of Mailed Notice of Hearing (20	
days before hearing)	Exhibit 5
Proof of Published Notice of Hearing (10	
days before hearing)	Exhibit 6
Ownership Determination	
Land Ownership Schematic of the	
Spacing Unit	Exhibit 2-A
Tract List (including lease numbers and	
owners)	Exhibit 2-A
Pooled Parties (including ownership	
type)	Exhibit 2-A
Unlocatable Parties to be Pooled	Not applicable
Ownership Depth Severance (including percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit 2-A
List of Interest Owners (i.e. Exhibit A of	
JOA)	Exhibit 2-A
Chronology of Contact with Non-Joined Working Interests	Exhibit 2-A
Overhead Rates In Proposal Letter	\$7000/\$700
Cost Estimate to Drill and Complete	Exhibit 2-A
Cost Estimate to Equip Well	Exhibit 2-A
Cost Estimate for Production Facilities	Exhibit 2-A
Geology	
Summary (including special	CONTRACTOR OF THE PROPERTY OF
considerations)	Exhibits 3 and 4
Spacing Unit Schematic	Exhibits 3 and 4
Gunbarrel/Lateral Trajectory Schematic	Exhibits 3 and 4

Well Orientation (with rationale)	Standup/Exhibit 3
Target Formation	Wolfbone
HSU Cross Section	Exhibits 3 and 4
Depth Severance Discussion	Not Applicable
Forms, Figures and Tables	
C-102	Exhibit 2-A
Tracts	Exhibit 2-A
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 2-A
General Location Map (including basin)	Exhibit 4
Well Bore Location Map	Exhibit 4
Structure Contour Map - Subsea Depth	Exhibit 4
Cross Section Location Map (including wells)	Exhibit 4
Cross Section (including Landing Zone)	Exhibit 4
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	James Bruce
Signed Name (Attorney or Party Representative):	James Bluce
Date:	May 26, 2020