

Goetze

MRC Permian Company

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Dana Arnold
Staff Attorney

July 2, 2015

2015 JUL -6 A 8:04

SENT VIA EMAIL AND FEDEX

New Mexico Oil Conservation Division
Attn: David Catanach
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
David.Catanach@state.nm.us

Case 15302 *GA*

Re: Notification of Estimated Well Costs
NMOCD Order No. R-139⁹5

Dear Mr. Catanach:

Pursuant to NMOCD Order No. R-139⁹5, enclosed please find an updated itemized schedule of estimated costs of drilling, completing and equipping the proposed well—Janie Conner 13 24S 28E RB 124H (API No. 30-15-43039). Please also take notice that on June 26, 2015, the same schedule of estimated of costs was sent to all known pooled working interest owners in the unit.

Regards,


Dana Arnold

cc: florene.davidson@state.nm.us
Enclosure

MATADOR PRODUCTION COMPANY

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

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

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	May 14, 2015	AFE NO.:	300014-037-01
WELL NAME:	Janie Connor 13-24-28 RB #124H	FIELD:	
LOCATION:		MDTV/D:	12950/8250'
COUNTY/STATE:	Eddy	LATERAL LENGTH:	4,600
MRC WL:		DRILLING DAYS:	15
GEOLOGIC TARGET:	Bone Spring	COMPLETION DAYS:	11
REMARKS:	Drill a horizontal well and complete with 12 stages Bone Spring Gen 2 design.		

	INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
01 Land / Legal / Regulatory		\$ 31,700			\$ 31,700
02 Location, Surveys & Damages		45,000	13,000	4,000	62,000
10 Drilling		809,300			809,300
16 Cementing & Float Equip		148,000			148,000
20 Logging / Formation Evaluation		-	8,500		8,500
21 Mud Logging		11,600			11,600
23 Mud Circulation System		35,925			35,925
24 Mud & Chemicals		50,000	36,000		86,000
25 Mud / Wastewater Disposal		130,000	-		130,000
26 Freight / Transportation		36,000	13,500		49,500
28 Rig Supervision / Engineering		64,800	65,000	18,000	147,800
31 Drill Bits		61,500			61,500
32 Fuel & Power		80,000	-		80,000
33 Water		27,500	214,200		241,700
34 Drig & Completion Overhead		10,500	22,000		32,500
36 Plugging & Abandonment		-			-
38 Directional Drilling, Surveys		130,000			130,000
40 Completion Unit, Swab, CTU		-	110,000	28,000	138,000
44 Perforating, Wireline, Slickline		-	58,000	20,000	78,000
45 High Pressure Pump Truck		-	68,000		68,000
46 Stimulation		-	1,320,000		1,320,000
47 Stimulation Flowback & Disp		-	80,000		80,000
48 Insurance		23,310			23,310
50 Labor		107,500	17,000	6,000	130,500
51 Rental - Surface Equipment		58,250	225,900	12,000	297,150
52 Rental - Downhole Equipment		25,000	43,000		68,000
53 Rental - Living Quarters		35,730	38,860	10,000	82,590
54 Contingency		86,131	233,196	9,800	329,127
TOTAL INTANGIBLES >		1,808,746	2,555,156	107,800	4,481,702
	TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
41 Surface Casing		\$ 22,875			\$ 22,875
42 Intermediate Casing		78,500			78,500
43 Drilling Liner		-			-
44 Production Casing		333,725			333,725
45 Production Liner		-			-
46 Tubing		-		41,250	41,250
47 Wellhead		50,000		60,000	110,000
48 Packers, Liner Hangers		-	24,200	12,000	36,200
49 Tanks		-			-
50 Production Vessels		-		74,000	74,000
51 Flow Lines		-			-
52 Rod string		-			-
53 Artificial Lift Equipment		-		30,000	30,000
54 Compressor		-			-
55 Installation Costs		-		82,000	82,000
56 Surface Pumps		-		5,000	5,000
58 Non-controllable Surface		-		68,000	68,000
59 Non-controllable Downhole		-			-
61 Downhole Pumps		-			-
63 Measurement & Meter Installation		-		12,500	12,500
64 Gas Conditioning / Dehydration		-			-
65 Interconnecting Facility Piping		-			-
66 Gathering / Bulk Lines		-			-
67 Valves, Dumps, Controllers		-			-
68 Tank / Facility Containment		-			-
69 Flare Stack		-			-
70 Electrical / Grounding		-			-
71 Communications / SCADA		-			-
72 Instrumentation / Safety		-			-
TOTAL TANGIBLES >		486,100	24,200	382,750	892,050
TOTAL COSTS >		2,293,846	2,589,356	490,550	5,373,752

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Aaron Byrd	Team Lead - WTX/NM	<u>WTE</u>
Completions Engineer:	Chris Calvert		WTE
Production Engineer:	Gregory McCall		

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, COO/CFG	VP - Res Engineering	VP - Drilling
DEL	BMR	GG
Executive VP, Legal	Exec Dir - Exploration	VP - Production
CA	NLF	TWC
President	Exec VP & General Manager	
MVH	RCL	

NON OPERATING PARTNER APPROVAL:

Company Name:	Working Interest (%):	Tax ID:
Signed by:	Date:	
Title:	Approval: Yes No (mark one)	

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