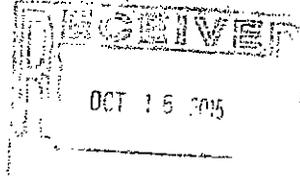


# MRC Permian Company

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Voice 972.371.5242 • Fax 214.866.4883  
jlierly@matadorresources.com

Jeff Lierly, CPL  
Senior Landman

October 15, 2015



VIA CERTIFIED RETURN RECEIPT MAIL

Nearburg Exploration Co., L.L.C.  
3300 N. A Street, Bld. 2, Suite 120  
Midland, Texas, 79705

Re: Eland State 32-18S-33E RN #12411 Participation Proposal  
Section 32, Township 18 South, Range 33 East  
Lea County, New Mexico

Nearburg Exploration Co., L.L.C.:

MRC Permian Company and its operating company Matador Production Company (collectively "MRC") propose the drilling of the Eland State 32-18S-33E RN #124H well (the "Well"), located in Section 32, Township 18 South, Range 33 East, Lea County, New Mexico, to test the Bone Spring formation. The estimated cost of drilling, testing, completing, and equipping the Well is \$6,172,296.00, as itemized on the enclosed Authority for Expenditure ("AFE") dated September 29, 2015.

The Well will be drilled to a total vertical depth of 9,379' and a total measured depth of 14,383', producing a treatable lateral of approximately 4,604' within the Bone Spring formation to be completed with 12 stages.

MRC is proposing to drill the Well under the terms of the modified 1989 AAPL form of Operating Agreement ("OA") which is enclosed herein for your review and approval. The Operating Agreement will cover all of Section 32, Township 18 South, Range 33 East, Lea County, New Mexico from the surface to the base of the Bone Spring formation ("Contract Area") pursuant to the following terms:

- 100/300/300 Non-consent penalty
- \$7,000/\$700 Drilling and Producing overhead rate

Please note that this OA will supersede two existing Operating Agreements currently in place, one of which governs the N $\frac{1}{4}$  of Section 32, and the other that governs the S $\frac{1}{4}$  of Section 32, for all future wells within the Contract Area as to the specified depths. By entering into the new OA that will blend the contractual interests in the existing Operating Agreements, MRC and all working interest parties will benefit from having one agreement govern operations for future horizontal development. ✓

~~CONFIDENTIAL~~

NMOCD CASE NO. 15433  
Nearburg Producing Company  
Exhibit No. 4  
January 21, 2016

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 along with your geological well requirements, the AFE, and the OA to the undersigned.

Nearburg Exploration Co., L.L.C. will own approximately 33.333333% working interest in the Well, subject to title verification.

If your election is to participate in the drilling and completion of the Well, please sign and return a copy of the enclosed AFE within thirty (30) days of receipt of this notice. Please be aware that the enclosed AFE is only an estimate of costs to be incurred and by electing to participate in the Well, each working interest owner shall be responsible for its proportionate share of all costs incurred.

Please contact me if you have any questions.

Sincerely,



Jeff Lierly, CPL

Enclosures

Please elect one of the following and return to sender.

\_\_\_\_\_ Party hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Eland State 32-18S-33E RN #124H.

\_\_\_\_\_ Party hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Eland State 32-18S-33E RN #124H.

\_\_\_\_\_ I / We are interested in selling our interest in the Contract Area, please contact us to discuss.

Nearburg Exploration Co., L.L.C.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_