

MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
Voice 972.371.5430 • Fax 214-866-4930
ccarleton@matadorresources.com

**Chris Carleton
Landman**

April 1, 2016

VIA CERTIFIED RETURN RECEIPT MAIL

Joe Beeman
7010 Ironton Ave., Apt. 511
Lubbock, TX 79424-5808

**Re: Matador Production Company – Guitar 10-24S-28E RB #202H (the “Well”)
Participation Proposal
Section 10, Township 24-South, Range 28-East
Eddy County, New Mexico**

Dear Joe Beeman:

MRC Permian Company (“MRC”) proposes the drilling of the Matador Production Company’s Guitar 10-24S-28E RB #202H well, located in Section 10, Township 24-South, Range 28-East, Eddy County, New Mexico, to the Wolfcamp formation.

MRC requests that you indicate your election to participate in the drilling and completion of the Well in the space provided below, sign and return one (1) copy of this letter to the undersigned.

In connection with the above, please note the following:

The estimated cost of drilling, testing, completing, and equipping the Well is \$9,586,639 as itemized on the enclosed Authority for Expenditure (“AFE”) dated September 5, 2014.

The proposed surface location of the Well is approximately 1733’ FNL and 204’ FEL of Section 10, Township 24-South, Range 28-East, Eddy County, New Mexico. The proposed point of penetration of the Well is approximately 2232’ FNL and 330’ FEL. The proposed bottom hole location of the Well is 2305’ FNL and 240’ FWL.

The Well will have a targeted interval within the Wolfcamp formation. We plan to drill the Well horizontally to a Total Measured Depth of approximately 14,400’ (~9,600’ TVD), resulting in a productive lateral of approximately 4,300’.

Joe Beeman will own an approximate 0.00151845 working interest in the Well, subject to title verification.

**BEFORE THE OIL CONSERVATION
DIVISION**
Santa Fe, New Mexico
Exhibit No. 7
Submitted by: OXY USA Inc.
Hearing Date: July 7, 2016

MRC Permian Company

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April 1, 2016

VIA CERTIFIED RETURN RECEIPT MAIL

Sue Osborn Powell
899 Hedgewood Drive
Georgetown, TX 78620

**Re: Matador Production Company – Guitar 10-24S-28E RB #202H (the “Well”)
Participation Proposal
Section 10, Township 24-South, Range 28-East
Eddy County, New Mexico**

Dear Sue Osborn Powell:

MRC Permian Company (“MRC”) proposes the drilling of the Matador Production Company’s Guitar 10-24S-28E RB #202H well, located in Section 10, Township 24-South, Range 28-East, Eddy County, New Mexico, to the Wolfcamp formation.

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Sue Osborn Powell will own an approximate 0.00007867 working interest in the Well, subject to title verification.

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April 1, 2016

VIA CERTIFIED RETURN RECEIPT MAIL

Mary Camille Hall
3812 Tailfeather Dr.
Round Rock, TX 78681

Re: Matador Production Company – Guitar 10-24S-28E RB #202H (the “Well”)
Participation Proposal
Section 10, Township 24-South, Range 28-East
Eddy County, New Mexico

Dear Mary Camille Hall:

MRC Permian Company (“MRC”) proposes the drilling of the Matador Production Company’s Guitar 10-24S-28E RB #202H well, located in Section 10, Township 24-South, Range 28-East, Eddy County, New Mexico, to the Wolfcamp formation.

MRC requests that you indicate your election to participate in the drilling and completion of the Well in the space provided below, sign and return one (1) copy of this letter to the undersigned.

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The Well will have a targeted interval within the Wolfcamp formation. We plan to drill the Well horizontally to a Total Measured Depth of approximately 14,400’ (~9,600’ TVD), resulting in a productive lateral of approximately 4,300’.

Mary Camille Hall will own an approximate 0.00007867 working interest in the Well, subject to title verification.

MATADOR PRODUCTION COMPANY

ONE LINCOLN CENTRE • 8400 LBJ FREEWAY • SUITE 1500 • DALLAS, TEXAS 75240
Phone (972) 571-5200 • Fax (972) 571-5201

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	September 5, 2014	AFE NO.:	300014-011-01
WELL NAME:	Guitar 1D-24S-28E RB #202H	FIELD:	South Culebra Bluff-Wol
LOCATION:		MD/TVD:	14400/9800'
COUNTY/STATE:	Eddy	LATERAL LENGTH:	4,300
MRC Wt:	57 D1%	DRILLING DAYS:	31
GEOLOGIC TARGET:	Wolfcamp A "Y"	COMPLETION DAYS:	13
REMARKS:	Drill a horizontal well and complete with 18 stages WC Gen 1 frac design		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
01 Lease / Legal / Regulatory	\$ 38,700	\$ -	\$ -	\$ 38,700
02 Location, Surveys & Damages	130,500	137,500	4,000	272,000
10 Drilling	991,500	-	-	991,500
18 Cementing & Float Equip	225,000	-	-	225,000
20 Logging / Formation Evaluation	-	6,530	-	6,530
21 Mud Logging	39,700	-	-	39,700
23 Mud Circulation System	102,865	-	-	102,865
24 Mud & Chemicals	214,100	35,050	-	250,150
26 Mud / Wastewater Disposal	120,000	-	-	120,000
26 Freight / Transportation	36,000	18,500	-	54,500
28 Rig Supervision / Engineering	128,000	89,500	18,000	235,500
31 Drill Bits	98,500	-	-	98,500
32 Fuel & Power	217,000	-	-	217,000
33 Water	26,000	353,000	-	379,000
34 Orig. & Completion Overhead	17,500	18,000	-	35,500
36 Plugging & Abandonment	-	-	-	-
38 Directional Drilling, Surveys	316,000	-	-	316,000
40 Completion Unit, Swab, CTU	-	160,000	28,000	188,000
44 Perforating, Wireline, Slickline	-	124,500	18,000	142,500
45 High Pressure Pump Truck	-	60,000	-	60,000
48 Simulation	-	2,880,000	-	2,880,000
47 Simulation Flowback & Disp	-	45,500	-	45,500
48 Insurance	27,180	-	-	27,180
60 Labor	126,000	24,500	10,000	170,500
51 Rental - Surface Equipment	144,770	250,680	20,000	415,450
52 Rental - Downhole Equipment	40,000	55,000	-	95,000
53 Rental - Living Quarters	75,735	33,340	2,000	111,075
54 Contingency	311,905	427,044	9,800	748,749
TOTAL INTANGIBLES >	3,430,955	6,597,484	107,800	10,136,239
TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
41 Surface Casing	\$ 25,375	\$ -	\$ -	\$ 25,375
42 Intermediate Casing	83,500	-	-	83,500
43 Drilling Liner	274,400	-	-	274,400
44 Production Casing	400,425	-	-	400,425
45 Production Liner	-	-	-	-
46 Tubing	-	-	47,500	47,500
47 Wellhead	100,000	-	40,000	140,000
48 Packers, Liner Hangers	-	69,700	12,000	81,700
49 Tanks	-	-	-	-
50 Production Vessels	-	-	74,000	74,000
51 Flow Lines	-	-	-	-
52 Rod string	-	-	-	-
53 Artificial Lift Equipment	-	-	20,000	20,000
54 Compressor	-	-	-	-
55 Installation Costs	-	-	95,000	95,000
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, Demps, Controllers	-	-	-	-
68 Tank / Facility Containment	-	-	-	-
69 Flare Stack	-	-	-	-
70 Electrical / Grounding	-	-	10,000	10,000
71 Communications / SCADA	-	-	15,000	15,000
72 Instrumentation / Safety	-	-	-	-
TOTAL TANGIBLES >	683,700	69,700	397,000	1,150,400
TOTAL COSTS >	4,114,655	6,667,184	504,800	11,286,639

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Aaron Byrd	Team Lead - WTX/NM	CJS
Completions Engineer:	Adam Lange		RCL
Production Engineer:	Casey McCann		

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, COO/CFO	VP - Res. Engineering	VP - Drilling	
Executive VP, Legal	Exec Dir - Exploration	VP - Production	
President	VP & General Manager		

NON OPERATING PARTNER APPROVAL:

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