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	August 29 2016	AFE NO	0
WELL NAME	Michael Collins 11 23S-27E RB #206H	FIELD	0
LOCATION	Section 11 23S-27E	MD/TVD	14350'/9250
COUNTY/STATE	Eddy	LATERAL LENGTH	about 4500
MRC WI			
GEOLOGIC TARGET	Wolfcamp		
REMARKS	Drill and complete a horizontal upper Wolfcamp Gen 2 design with 22 stages		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Land / Leg l / Reg latory	$ 46 700	$	$	$ 5 000	$ 51 700
Location, Surveys & Damages	131 000	13,000	4 000	70 000	218 000
Drilling	512 600				512 600
Cementing & Float Eq ip	138 000				138 000
Logging / Formatio Ev l ation		4 500			4 500
M d Logging	12 000				12 000
Mud Circulation System	39 605				39 605
M d & Chemicals	81 000	20 000			101 000
Mud / Wastewater Disposal	120 000				120 000
Freight / Transportation	15 000	16 500		7 000	38 500
Rig S pervision / Engineering	79,200	37 700	14 400	36 000	167 300
Drill Bits	51 500				51 500
Fuel & Powe	85 000				85 000
Water	40 000	268 290			308 290
Drlg & Completion Overhead	8 500	16 000			24 500
Pluggi g & Abando ment					
Directional Drilling, Surveys	140 000				140 000
Completion U it, Swab CTU		40 000	30 000		70 000
Perforating Wireline Slickline		77 500			77 500
High Pressure P mp Truck		38 500			38 500
Stimulatio		1 144 000			1 144 000
Stimulatio Flowback & Disp		60 500			60 500
Ins rance	25 560				25 560
Labor	121,500	17 000	6 000		144 500
Rental Surface Equipment	63 250	162 475	12 000	15 000	252 725
Rental Downhol Equipment	50 000	20 000		20 000	90 000
Rental Living Quarters	43 700	27 080	10 000	10 000	90 780
Contingency	126 288	81 705	7 640		215 633
TOTAL INTANGIBLES	1 930,403	2,042 750	84 040	163 000	4,220 193

TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	$ 19 375	$	$	$	$ 19 375
Intermediate Casing	50 000				50 000
Drilling Li	289 775				289 775
Production Casing	217 813				217 813
Production Liner					
Tubing			46 250		46 250
Wellhead	50 000		35 000		85 000
Packers Liner Hangers		37 800	12 000		49 800
Ta ks				90 000	90 000
Production Vessels				55 000	55 000
Flow Lines					
Rod tring					
Artifici l Lift Equipment			20 000		20 000
Compressor					
Installation Costs			90 000	144 000	234 000
S rface Pumps			5 000		5 000
Non-controllable Surface			66 000	60 000	126,000
Non-controllable Downhole					
Downhole Pumps					
Meas rement & Meter Installation			12,500	125 000	137 500
Gas Conditioning / Dehydratio					
Interconnecting F ility Piping				27 000	27 000
Gathering / Bulk Lines				85 750	85 750
Valves D mps Controllers			2 000	8 000	10 000
T nk / F ility Containment				30 000	30 000
Flare Stack				25 000	25 000
Electrical / Grounding				30 000	30 000
Communications / SCADA				25 000	25 000
Instrumentation / Safety			10 000	32 000	42 000
TOTAL TANGIBLES	626 963	37,800	298 750	736 750	1 700 263
TOTAL COSTS	2,557,366	2 080 550	382,790	899 750	6 920 455

PREPARED BY MATADOR PRODUCTION COMPANY

Drilling Engineer: Adam Lange
Completions Engineer: Chris Calvert
Production Engineer: John Romano

Team Lead WTX/NM: WTE
WTE

MATADOR RESOURCES COMPANY APPROVAL

Executive VP COO/CFO ____________ DEL
VP Res Engineering ____________ BMR
VP Drilling ____________ BG
Executive VP Legal ____________ CA
Exec Dir Exploration ____________ NLF
VP Production ____________ TWG
President ____________ MVH
VP & General Manager ____________ RCL

NON OPERATING PARTNER APPROVAL

Company Name ____________ Working Interest (%) ____________ Tax ID ____________

Signed by ____________ Date ____________

Title ____________ Approval ____ Yes ____ No (mark one)

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AFE Version 3

MATADOR PRODUCTION COMPANY

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ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE	August 19 2016	AFE NO	0
WELL NAME	Michael Coll s 11 23S-27E RB #208H	FIELD	0
LOCATION	Section 11 23S-27E	MD/TVD	14350 /9250'
COUNTY/STATE	Eddy	LATERAL LENGTH	about 4500'
MRC WI			
GEOLOGIC TARGET	Wolfcamp		
REMARKS	Dnll and complete a honzontal upper Wolfcamp Gen 2 design with 22 stages		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Land / Legal / Regulatory	$ 46 700	$	$	$ 5 000	$ 51 700
Location S rveys & Damages	131 000	13 000	4 000	70 000	218 000
Drilling	512 600				512 600
Cementing & Float Equip	138 000				138 000
Logging / Formation Evaluatio		4 500			4 500
Mud Logging	12 000				12 000
Mud Circulation System	39 605				39 605
Mud & Chemicals	81 000	20 000			101 000
Mud / Wastewater Disposal	120 000				120 000
Freight / Tra portation	15 000	16 500		7 000	38 500
Rig S pervision / Engineering	79,200	37 700	14 400	36 000	167 300
Drill Bits	51 500				51 500
Fuel & Powe	85 000				85 000
Wate	40 000	266 290			306 290
Drlg & Completion Overh ad	8 500	16 000			24 500
Pluggi g & Aba donment					
Direction l Drilling Surveys	140 000				140 000
Completion Unit, Swab CTU		40 000	30 000		70 000
Perforating, Wirell Sli kline		77 500			77 500
High Press re Pump Truck		38 500			38 500
Stimulation		1 144 000			1 144 000
Stim l tion Flowback & Disp		60 500			60 500
Insurance	25 560				25 560
Labor	121 500	17 000	6 000		144 500
Re tal S rface Eq ipment	63 250	162 475	12 000	15 000	252 725
Re tal Downhole Equipment	50 000	20 000		20 000	90 000
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Conti gency	126 288	81 705	7 640		215 633
TOTAL INTANGIBLES	1 930 403	2 042 750	184 040	163 000	4,220 193

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S rface Casing	$ 19 375	$	$	$	$ 19 375
Intermediate Casing	50 000				50 000
Drilling Liner	289 775				289 775
Productio Casing	217 813				217 813
Production Liner					
T bing			48,250		48 250
Wellhead	50 000		35 000		85 000
P kers Line Hangers		37 800	12 000		49 800
T ks				90 000	90 000
Productio Vessels				55 000	55 000
Flow Li es					
Rod string					
Artificial Lift Equipment			20 000		20 000
Compressor					
Installation Costs			90 000	144 000	234 000
Surface Pumps			5 000		5 000
Non-controllable S rface			66 000	60 000	126 000
Non-controllable Downhole					
Downhole Pumps					
Measurement & Meter Installation			12 500	125 000	137 500
Gas Conditioning / Dehydratio					
Interconnecting Facility Piping				27 000	27 000
Gathering / Bulk Lines				85 750	85 750
Valves Dumps Controllers			2 000	8 000	10 000
T k / Facility Containm t				30 000	30 000
Flare Stack				25 000	25 000
Electrical / Grou ding				30 000	30 000
Commu ications / SCADA				25 000	25 000
Instrumentation / Safety			10 000	32 000	42,000
TOTAL TANGIBLES	626 963	37,800	298 750	736 750	1 700 263
TOTAL COSTS	2 557,366	2 080 550	382,790	899 750	5 920 456

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

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