

MRC Delaware Resources, LLC

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Sam Pryor
Senior Staff Landman

March 8, 2017

VIA CERTIFIED RETURN RECEIPT MAIL

Louise Kadane and Michael L. Gustafson, Trustees
of the 4-K Trust pursuant to a Declaration dated March 1, 1970, at the request of
Matthew B. Kadane former Interest of George Kadane
3878 Oak Lawn Avenue, Suite 575
Dallas, Texas 75219-4478

Re: Airstrip 31 18S 35E State Com RN #132H Participation Proposal
SHL: SE/4SW/4; BHL: NE/4NW/4
Section 31, Township 18 South, Range 35 East
Lea County, New Mexico

Working Interest Owner,

MRC Delaware Resources, LLC and its operating company Matador Production Company (collectively "MRC") propose the drilling of the Airstrip 31 18S 35E State Com RN #132H well (the "Well"), located in the E/2W/2 of Section 31, Township 18 South, Range 35 East, Lea County, New Mexico, to test the Bone Spring formation. The estimated cost of drilling, testing, completing, and equipping the Well is \$6,260,056, as itemized on the enclosed Authority for Expenditure ("AFE") dated March 1, 2017.

The Well will be drilled to a total vertical depth of 10,675' and a total measured depth of 15,432', producing a treatable lateral of approximately 4,633' within the Bone Spring formation to be completed with 19 stages.

MRC is proposing to drill the Well under the terms of a modified 1982 AAPL form of Operating Agreement ("OA") covering 160 acres, being the E/2W/2 of Section 31, Township 18 South, Range 35 East, Lea County, New Mexico from the surface to the base of the Wolfcamp formation ("Contract Area") pursuant to the following terms:

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

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.

BEFORE THE OIL CONSERVATION
DIVISION
Santa Fe, New Mexico
Exhibit No. 4
Case No. 15721

Louise Kadane and Michael L. Gustafson, Trustees of the 4-K Trust pursuant to a Declaration dated March 1, 1970, at the request of Matthew B. Kadane former Interest of George Kadane will own approximately 0.025% 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,

MRC Delaware Resources, LLC


Sam Pryor

Enclosure(s)

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 Airstrip 31 18S 35E State Com RN #132H.

_____ Party hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Airstrip 31 18S 35E State Com RN #132H.

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

Louise Kadane and Michael L. Gustafson, Trustees of the 4-K Trust pursuant to a Declaration dated March 1, 1970, at the request of Matthew B. Kadane former Interest of George Kadane

By: _____

Title: _____

Date: _____

