Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Geological & Engineering Bureau –
1220 South St. Francis Drive, Santa Fe, NM 87505

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: _____ **OGRID Number:** _____
Well Name: _____ **API:** _____
Pool: _____ **Pool Code:** _____

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

1) **TYPE OF APPLICATION:** Check those which apply for [A]
   A. Location – Spacing Unit – Simultaneous Dedication
   ☐ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD

   B. Check one only for [I] or [II]
   [I] Commingling – Storage – Measurement
   ☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
   [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery
   ☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

FOR OCD ONLY
☐ Notice Complete
☐ Application Content Complete

2) **NOTIFICATION REQUIRED TO:** Check those which apply.
   A. ☐ Offset operators or lease holders
   B. ☐ Royalty, overriding royalty owners, revenue owners
   C. ☐ Application requires published notice
   D. ☐ Notification and/or concurrent approval by SLO
   E. ☐ Notification and/or concurrent approval by BLM
   F. ☐ Surface owner
   G. ☐ For all of the above, proof of notification or publication is attached, and/or,
   H. ☐ No notice required

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

_____ Date

_____ Print or Type Name

_____ Phone Number

_____ Signature

_____ e-mail Address

HOLLAND&HART LLP

Paula M. Vance
Associate
Phone (505) 988-4421
Fax (505) 819-5579
pmvance@hollandhart.com

August 1, 2022

VIA ONLINE FILING

Adrienne Sandoval
Director, Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of Matador Production Company for administrative approval to surface commingle (lease) oil and gas production, conduct off-lease storage and off-lease measurement, from uniformly owned spacing units within the S/2 NE/4 of Section 11 and S/2 SW/4 of Section 11, Township 17 South, Range 37 East, Lea County, New Mexico.

Dear Ms. Sandoval:

Matador Production Company (OGRID No. 228937), pursuant to 19.15.12.10 NMAC, seeks administrative approval to surface commingle (lease), conduct off-lese storage and off-lease measurement, from uniformly owned oil and gas production at the **Jackson Coker Tank Battery** *from the following spacing units*:

(a) The 80-acre spacing unit comprised of the S/2 NE/4 of Section 11, in the Humble City; Strawn [33490] – currently dedicated to the **Jackson Coker 11-17S-37E #1 well** (API. No. 30-025-49692);

(b) The 80-acre spacing unit comprised of the S/2 SW/4 of Section 11, in the Humble City; Strawn [33490] – currently dedicated to the **Jackson Coker 11-17S-37E #2 well** (API. No. 30-025-PENDING).

Oil and gas production from these spacing units will be commingled and sold at the Jackson Coker Tank Battery located in the SE/4 NE/4 of Section 11. Gas production from the separator will be metered with a calibrated orifice meter that is manufactured to AGA specifications. Oil production from the separator will be separately metered using turbine meters.

Exhibit 1 is a land plat showing Matador's current development plan, well pads, and central tank battery ("Facility Pad") in the subject area. The plat also identifies the wellbores (including surface/bottomhole locations) and lease/spacing unit boundaries.

Exhibit 2 is a completed Sundry Notice and Report on Wells Form C-103, that includes a statement from Ryan Hernandez, Production Engineer with Matador, identifying the facilities and

Paula M. Vance
Associate
Phone (505) 988-4421
Fax (505) 819-5579
pmvance@hollandhart.com

the measurement devices to be utilized, a detailed schematic of the surface facilities (Exhibit A to the statement) and an example gas analysis (Exhibit B to the statement).

Exhibit 3 is a statement from David Johns, Landman with Matador, certifying that the ownership of the leases to be commingled are identical as defined by 19.15.12.7 NMAC.

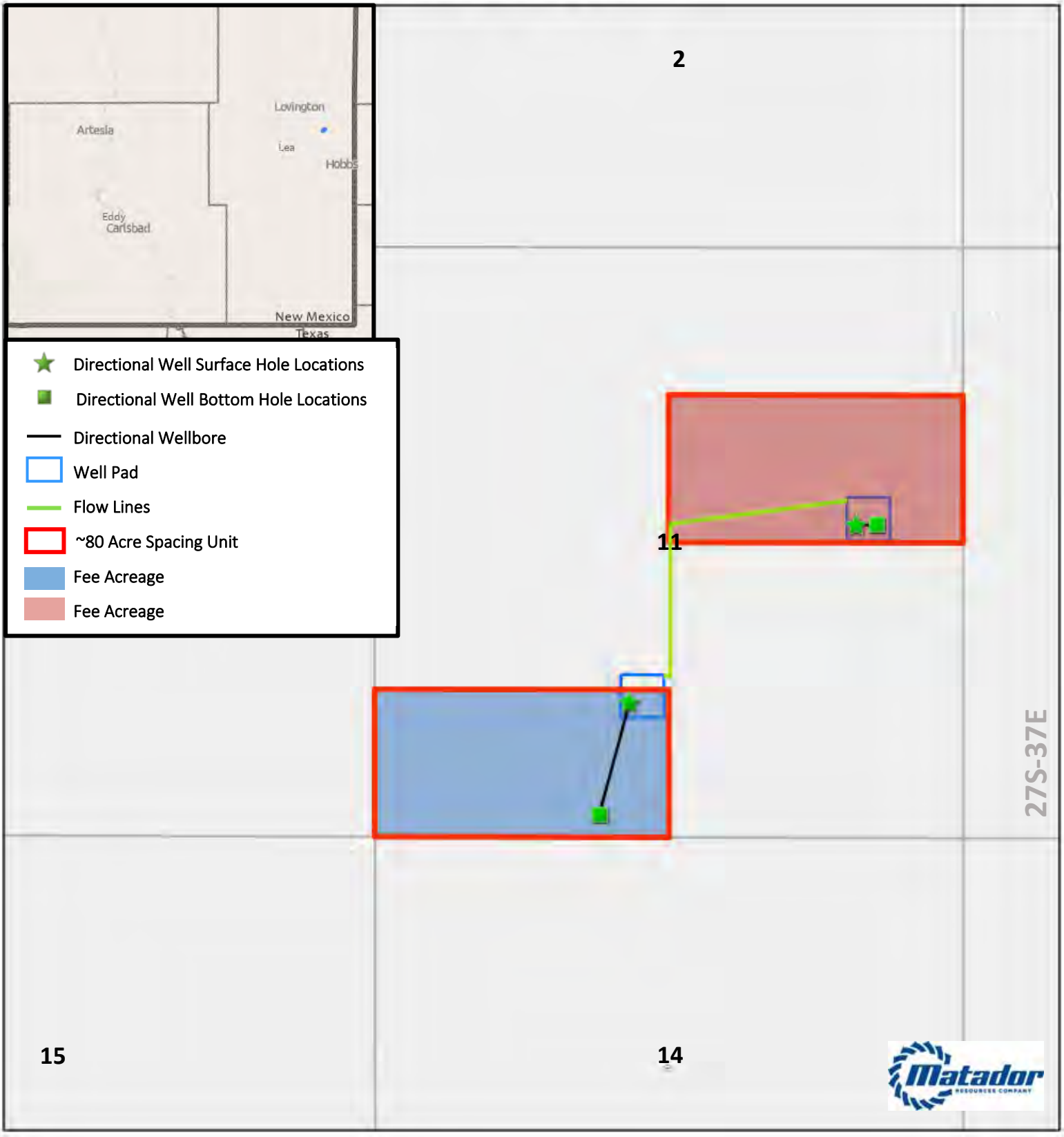
Exhibit 4 is a C-102 for each of the wells.

Thank you for your attention to this matter, and please feel free to call if you have any questions or require additional information.

Sincerely,

Paula M. Vance
ATTORNEY FOR MATADOR PRODUCTION COMPANY

Jackson Coker



N

1:18,056

0 500 1,000 2,000 ft

0 212.5 425 850 m

Southeast New Mexico

Project: commingling map

Date: 07/07/2022

EXHIBIT 1

Submit 1 Copy To Appropriate District Office
District I – (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II – (575) 748-1283
811 S. First St., Artesia, NM 88210
District III – (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV – (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
Revised July 18, 2013

WELL API NO.
30-025-pending

5. Indicate Type of Lease STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name
Jackson Coker 11-17S-37E

1. Type of Well: Oil Well ☒ Gas Well ☐ Other

8. Well Number #2

2. Name of Operator
Matador Production Company

9. OGRID Number 228937

3. Address of Operator
5400 LBJ Fwy, Suite 1500, Dallas, Texas 75240

10. Pool name or Wildcat
Humble City; Strawn

4. Well Location
Unit Letter N : 203 feet from the South line and 2028 feet from the west line
Section 11 Township 17S Range 37E NMPM Lea County

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*
3745.2'

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	P AND A	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPL	☐	CASING/CEMENT JOB	☐		
DOWNHOLE COMMINGLE	☐						
CLOSED-LOOP SYSTEM	☐						
OTHER:	☒			OTHER:			☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Matador proposes to commingle oil and gas production from the following two spacing units via well test method, as more particularly described in the attached letter from Ryan Hernandez, Matador's Production Engineer. Also attached is a letter from Matador's Landman, David Johns, confirming uniform interests in the acreage involved in both of these spacing units.

(a) The 80-acre spacing unit comprised of the S/2 NE/4 of Section 11, in the Humble City; Strawn [33490] – currently dedicated to the **Jackson Coker 11-17S-37E #1 well** (API. No. 30-025-49692);

(b) The 80-acre spacing unit comprised of the S/2 SW/4 of Section 11, in the Humble City; Strawn [33490] – to be dedicated to the **Jackson Coker 11-17S-37E #2 well** (API. No. 30-025-PENDING).

EXHIBIT 2

Spud Date: Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE TITLE VP and Assistant General Counsel DATE 7/28/22

Type or print name Kyle Perkins E-mail address: Kperkins@matadorresources.com PHONE: 972-371-5202

For State Use Only

APPROVED BY: TITLE DATE

Conditions of Approval (if any):

Matador Production Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
Voice 972.371.5427 • Fax 972.371.5201
rhernandez@matadorresources.com

Ryan Hernandez
Production Engineer

July 13, 2022

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Application of Matador Production Company for administrative approval to surface commingle (lease) gas and oil production from the spacing units comprised of S/2 of SW/4 and S/2 of NE/4 of Section 11, Township 17 South, Range 37 East, NMPM, Lea County, New Mexico (the "Lands").

To Whom This May Concern,

Matador Production Company ("Matador"), OGRID: 228937, requests to surface commingle current and upcoming production from two (2) wells, via well test, located on the Lands and future production from the Lands as described herein. Production will be allocated on a daily basis based on the most recent individual well tests of oil, gas, and water. These well tests will last a minimum of 24 hours and will be conducted following the guidelines shown below:

Period	From:	To:	Test frequency per month
Initial Production	First Production	Peak production or 30 days after first production	10
Plateau	End of initial production	Peak decline rate	3
Decline	End of Plateau	P&A	3

Gas exiting each test separator will flow into one gathering line, as depicted on **Exhibit A**, the Greyhound Midstream LLC gathering line. Each test separator will have its own orifice meter manufactured and assembled in accordance with American Gas Association (AGA) specifications. All primary and secondary Electronic Flow Measurement (EFM) equipment is tested and calibrated by a reputable third-party measurement company in accordance with industry specifications.

The orifice meter is the preferred measurement device utilized by midstream and E&P companies in natural gas measurement. The gas samples are obtained at the time of the meter testing/calibration and the composition and heating value are determined by a laboratory in accordance with American Petroleum Institute (API) specifications to ensure accurate volume and Energy (MMBTU) determinations. See example from FESCO attached as **Exhibit B** hereto.

The flow stream from each wellhead is demonstrated in the Process Flow Diagram (PFD) attached as **Exhibit A** hereto. This PFD shows that the water, oil, and gas exit the wellbore and flow into a wellhead three-phase separator which separates the oil, gas, and water. The oil is measured via turbine meter which is calibrated periodically in accordance with industry specifications by a third party measurement company for accuracy. The gas is measured on a volume and MMBTU basis by an orifice meter and supporting EFM equipment in accordance with American Petroleum Association (API) Chapter 21.1. The gas is then sent into a gathering line where it is commingled with each of the other wells' metered gas, as shown on **Exhibit A**. The gathering line gas is then metered by another orifice meter at the tank battery check to show the total volume of gas leaving the Tank Battery. This meter is tested and calibrated in accordance with industry specifications and volume and energy are determined on an hourly, daily, and monthly basis. Once the gas exits this final tank battery sales check it travels directly into a third party sales connect meter. Greyhound Midstream LLC has its own orifice meter that measures the gas for custody transfer. These meters are also calibrated periodically to ensure the measurement accuracy.

In conclusion, all the oil and gas produced on the Lands is and will be metered at each wellhead and allocated correctly using the same measurement equipment as the pipeline sales measurement specifications accepted by API as industry standard.

Very truly yours,

MATADOR PRODUCTION COMPANY

Ryan Hernandez
Production Engineer

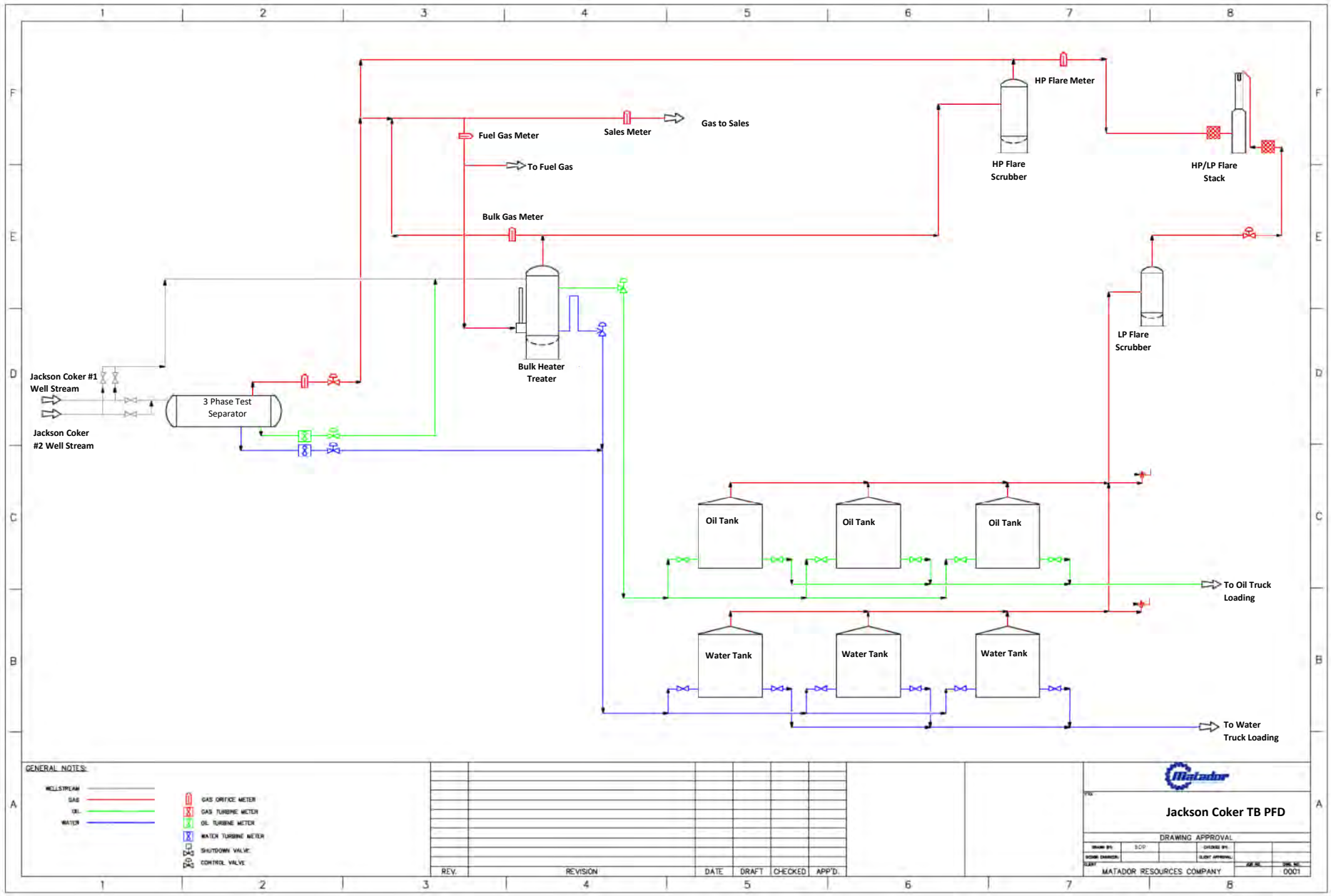

HP Flare Meter
Fuel Gas Meter
Sales Meter
Gas to Sales
To Fuel Gas
HP Flare Scrubber
HP/LP Flare Stack
Bulk Gas Meter
LP Flare Scrubber
Bulk Heater Treater
Jackson Coker #1 Well Stream
3 Phase Test Separator
Jackson Coker #2 Well Stream
Oil Tank
Oil Tank
Oil Tank
To Oil Truck Loading
Water Tank
Water Tank
Water Tank
To Water Truck Loading
GENERAL NOTES:
WELLSTREAM
GAS
OIL
WATER
GAS ORIFICE METER
GAS TURBINE METER
OIL TURBINE METER
WATER TURBINE METER
SHUTDOWN VALVE
CONTROL VALVE
REV.
REVISION
DATE
DRAFT
CHECKED
APP'D.
Jackson Coker TB PFD
DRAWING APPROVAL
MATADOR RESOURCES COMPANY
0001

EXHIBIT A

FESCO, Ltd.
1100 Fesco Ave. - Alice, Texas 78332

For: Matador Production Company
One Lincoln Centre
5400 LBJ Freeway, Suite 1500
Dallas, Texas 75240

Sample: Jackson Coker 11 17S 37E No. 001
Heater Treater Gas
Spot Sample @ 56 psig & 114 °F

Date Sampled: 06/05/2022 Job Number: 222218.001

CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286

COMPONENT	MOL%	GPM
Hydrogen Sulfide*	0.002	
Nitrogen	2.276	
Carbon Dioxide	1.500	
Methane	55.554	
Ethane	18.198	4.870
Propane	13.074	3.604
Isobutane	1.494	0.489
n-Butane	4.448	1.403
2-2 Dimethylpropane	0.015	0.006
Isopentane	0.934	0.342
n-Pentane	1.019	0.370
Hexanes	0.481	0.198
Heptanes Plus	1.005	0.397
Totals	100.000	11.679

Computed Real Characteristics Of Heptanes Plus:

Specific Gravity	3.338	(Air=1)
Molecular Weight	96.08	
Gross Heating Value	5006	BTU/CF

Computed Real Characteristics Of Total Sample:

Specific Gravity	0.963	(Air=1)
Compressibility (Z)	0.9936	
Molecular Weight	27.70	
Gross Heating Value		
Dry Basis	1563	BTU/CF
Saturated Basis	1537	BTU/CF

*Hydrogen Sulfide tested on location by: Stain Tube Method (GPA 2377)
1.383 Gr/100 CF, 22.0 PPMV or 0.002 Mol %

Base Conditions: 14.650 PSI & 60 Deg F

Sampled By: (24) R. Elizondo
Analyst: RG
Processor: RG
Cylinder ID: T-1204

Certified: FESCO, Ltd. - Alice, Texas

Conan Pierce 361-661-7015

EXHIBIT B

CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286
TOTAL REPORT

COMPONENT	MOL %	GPM	WT %
Hydrogen Sulfide*	0.002		0.002
Nitrogen	2.276		2.302
Carbon Dioxide	1.500		2.383
Methane	55.554		32.172
Ethane	18.198	4.870	19.753
Propane	13.074	3.604	20.811
Isobutane	1.494	0.489	3.135
n-Butane	4.448	1.403	9.333
2,2 Dimethylpropane	0.015	0.006	0.039
Isopentane	0.934	0.342	2.433
n-Pentane	1.019	0.370	2.654
2,2 Dimethylbutane	0.005	0.002	0.016
Cyclopentane	0.000	0.000	0.000
2,3 Dimethylbutane	0.059	0.024	0.184
2 Methylpentane	0.151	0.063	0.470
3 Methylpentane	0.080	0.033	0.249
n-Hexane	0.186	0.077	0.579
Methylcyclopentane	0.103	0.036	0.313
Benzene	0.116	0.032	0.327
Cyclohexane	0.181	0.062	0.550
2-Methylhexane	0.024	0.011	0.087
3-Methylhexane	0.028	0.013	0.101
2,2,4 Trimethylpentane	0.000	0.000	0.000
Other C7's	0.076	0.033	0.272
n-Heptane	0.058	0.027	0.210
Methylcyclohexane	0.130	0.052	0.461
Toluene	0.079	0.026	0.263
Other C8's	0.080	0.037	0.318
n-Octane	0.025	0.013	0.103
Ethylbenzene	0.007	0.003	0.027
M & P Xylenes	0.016	0.006	0.061
O-Xylene	0.004	0.002	0.015
Other C9's	0.040	0.020	0.182
n-Nonane	0.008	0.005	0.037
Other C10's	0.018	0.010	0.092
n-Decane	0.004	0.002	0.021
Undecanes (11)	0.008	0.005	0.045
Totals	100.000	11.679	100.000

Computed Real Characteristics Of Total Sample:

Specific Gravity	0.963	(Air=1)
Compressibility (Z)	0.9936	
Molecular Weight	27.70	
Gross Heating Value		
Dry Basis	1563	BTU/CF
Saturated Basis	1537	BTU/CF

Greyhound Resources, LLC

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
Voice 972.371.5476
aparker@matadorresources.com

David Johns
Landman

July 13, 2022

VIA ONLINE FILING

Mr. Dean McClure
Engineering Bureau
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Matador Production Company's Application for Surface Commingling Approval of its Jackson Coker 11-17S-37E #1 and Jackson Coker 11-17S-37E #2 wells.

Dear Mr. McClure,

I am writing in support of Matador Production Company's ("Matador") application for surface commingling approval of its Jackson Coker 11-17S-37E #1 and Jackson Coker 11-17S-37E #2 wells.

The two spacing units for the above wells are the S/2NE/4 of Section 11 and the S/2SW/4 of Section 11, respectively. Both spacing units are comprised of fee leases. Greyhound Resources, LLC, one Matador's affiliates, owns 100% of the working interest under the leases, and the royalty owners are uniform under the leases. There are no overriding royalty owners. Accordingly, the spacing units have identical ownership, meaning the spacing units have the same working, royalty and overriding royalty owners (if any) in exactly the same percentages.

Sincerely,

David Johns

EXHIBIT 3

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
DISTRICT II
811 S. FIRST ST., ARTESIA, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
	33490	HUMBLE CITY; STRAWN

Property Code	Property Name	Well Number
	JACKSON COKER 11-17S-37E	#1

OGRID No.	Operator Name	Elevation
228937	MATADOR PRODUCTION COMPANY	3743.5'

Surface Location

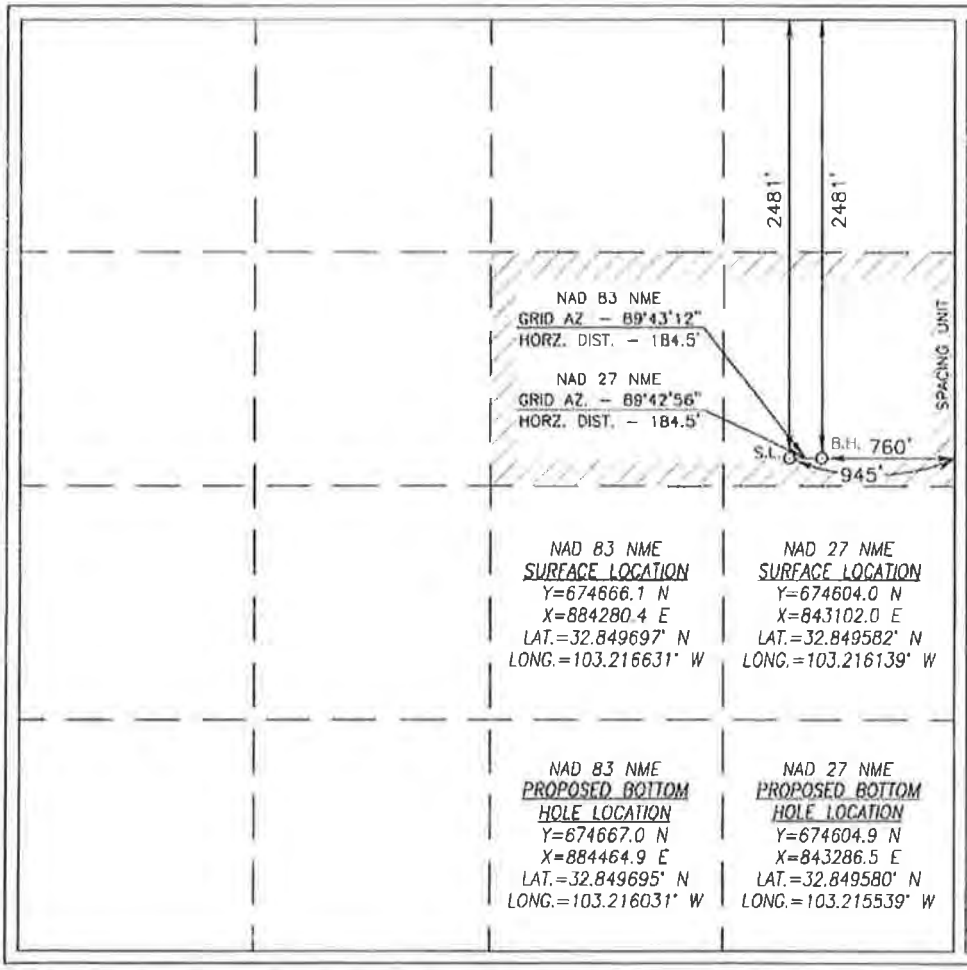
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	11	17-S	37-E		2481	NORTH	945	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	11	17-S	37-E		2481	NORTH	760	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
80			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Nicholas Weeks 12/21/2021
Signature Date

Nicholas Weeks
Printed Name

nweeks@matadorresources.com
E-mail Address

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

DECEMBER 17, 2021
Date of Survey

Signature & Seal of Professional Surveyor

CHAD L. HARCROW
NEW MEXICO
17777
LICENSED PROFESSIONAL SURVEYOR

Chad Harcrow 12/20/21
Certificate No. CHAD HARCROW 17777

W.O. # 21-935 DRAWN BY: SP

EXHIBIT 4

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
611 S. FIRST ST., ARTESIA, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
	33490	Humble City; Strawn

Property Code	Property Name	Well Number
	JACKSON COKER 11-17S-37E	2

OGRID No.	Operator Name	Elevation
228937	MATADOR PRODUCTION COMPANY	3745.2'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	11	17-S	37-E		1532	SOUTH	2297	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	11	17-S	37-E		203	SOUTH	2028	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
80			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

NAD 83 NME
SURFACE LOCATION
Y=673380.1 N
X=882250.0 E
LAT.=32.846222° N
LONG.=103.223286° W

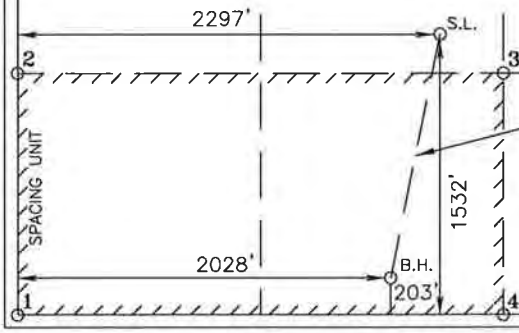
NAD 27 NME
SURFACE LOCATION
Y=673317.8 N
X=841071.5 E
LAT.=32.846107° N
LONG.=103.222794° W

NAD 83 NME
PROPOSED BOTTOM HOLE LOCATION
Y=672048.5 N
X=881998.4 E
LAT.=32.842570° N
LONG.=103.224151° W

NAD 27 NME
PROPOSED BOTTOM HOLE LOCATION
Y=671986.3 N
X=840819.8 E
LAT.=32.842454° N
LONG.=103.223659° W

POINT LEGEND NAD 83	
1	Y=671829.6 N X=879972.7 E
2	Y=673151.2 N X=879956.1 E
3	Y=673172.2 N X=882598.8 E
4	Y=671850.6 N X=882614.0 E

POINT LEGEND NAD 27	
1	Y=671787.2 N X=838794.0 E
2	Y=673088.8 N X=838777.5 E
3	Y=673110.0 N X=841420.3 E
4	Y=671788.5 N X=841435.5 E



NAD 83 NME
GRID AZ. = 190°42'00"
HORZ. DIST. = 1355.2'
NAD 27 NME
GRID AZ. = 190°42'07"
HORZ. DIST. = 1355.2'

OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

D.W.J. 7/26/22
Signature Date

David W. Johns
Printed Name

djohns@matadorresources.com
E-mail Address

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

JULY 14, 2022
Date of Survey

Signature & Seal of Professional Surveyor

CHAD L. HARCROW
NEW MEXICO
17777
LICENSED PROFESSIONAL SURVEYOR

Chad Harcrow 7/25/22
Certificate No. CHAD HARCROW 17777
W.O. # 22-731 DRAWN BY: WN

From: McClure, Dean, EMNRD on behalf of Engineer, OCD, EMNRD
To: Paula M. Vance; Adam Rankin
Cc: McClure, Dean, EMNRD; Kautz, Paul, EMNRD; Wrinkle, Justin, EMNRD; Powell, Brandon, EMNRD; lisa@rwbyram.com
Subject: Approved Administrative Order CTB-1061
Date: Monday, October 31, 2022 8:23:17 AM
Attachments: CTB1061 Order.pdf

NMOCD has issued Administrative Order CTB-1061 which authorizes Matador Production Company (228937) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-49692	Jackson Coker 11 17S 37E #1	S/2 NE/4	11-17S-37E	33490
30-025-50440	Jackson Coker 11 17S 37E #2	S/2 SW/4	11-17S-37E	33490

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY MATADOR PRODUCTION COMPANY **ORDER NO. CTB-1061**

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

FINDINGS OF FACT

1. Matador Production Company ("Applicant") submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A ("Application").
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7.B. NMAC.
4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
5. Applicant provided notice of the Application to the Bureau of Land Management ("BLM") or New Mexico State Land Office ("NMSLO"), as applicable.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
7. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.
8. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.
9. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.C.(1) NMAC, as applicable.

10. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10.B.(3) NMAC and 19.15.12.10.C.(4)(h) NMAC.

11. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells identified in Exhibit A.

   Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

2. The allocation of oil and gas production shall be based on the production life of each well as measured for three periods: (a) the initial production period shall be measured from the first production until the earlier of either the peak production rate or thirty (30) days after the first production; (b) the plateau period shall be measured from the end of the initial production period to the peak decline rate; and (c) the decline period shall be measured from the end of the plateau period until the well is plugged and abandoned.

   During the initial production period, the oil and gas production for each well identified in Exhibit A shall be allocated using a production curve calculated from a minimum of ten (10) well tests per month, except that any day in which a well test cannot achieve an accurate result due to a temporary change in oil and gas production shall not be included in the computation of time determining the well test schedule. The production curve shall be calculated by interpolating daily production for each day using the known daily production obtained by well tests and shall use a method of interpolation that is at minimum as accurate as maintaining a constant rate of change for each day's production between the known daily production values.

   During the plateau period, the oil and gas production for each well identified in Exhibit A shall be allocated using a minimum of three (3) well tests per month.

   During the decline period, the oil and gas production for each well identified in Exhibit A shall be allocated as follows: (a) a minimum of three (3) well tests per month when the decline rate is greater than twenty-two percent (22%) per month; (b) a minimum of two (2) well tests per month when the decline rate is between twenty-two percent (22%) and ten percent (10%) per month; and (c) a minimum of one (1) well test per month when the decline rate is less than ten percent (10%) per month.

   Upon OCD's request, Applicant shall submit a Form C-103 to the OCD Engineering Bureau that contains the decline rate curve and other relevant information demonstrating the production life of a well.

Applicant shall conduct a well test by separating and metering the oil and gas production from that well for either (a) a minimum of twenty-four (24) consecutive hours; or (b) a combination of nonconsecutive periods that meet the following conditions: (i) each period shall be a minimum of six (6) hours; and (ii) the total duration of the nonconsecutive periods shall be a minimum of eighteen (18) hours.

The well test requirements of this Order shall be suspended for any well shut-in for a period that continues for more than fifteen (15) days until the well commences production.

3. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.

4. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8.B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8.E. NMAC.

5. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.

6. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.

7. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.

8. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).

9. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

ADRIENNE E. SANDOVAL
DIRECTOR

DATE: 10/28/2022

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: CTB-1061
Operator: Matador Production Company (228937)
Central Tank Battery: Jackson Coker Tank Battery
Central Tank Battery Location: UL H, Section 11, Township 17 South, Range 37 East
Gas Title Transfer Meter Location: UL H, Section 11, Township 17 South, Range 37 East

Pools

Pool Name	Pool Code
HUMBLE CITY; STRAWN	33490

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
Fee	S/2 NE/4	11-17S-37E
Fee	S/2 SW/4	11-17S-37E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
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District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 130247

CONDITIONS

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 130247
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	10/31/2022