

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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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

- 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

FOR OCD ONLY
<input type="checkbox"/> Notice Complete
<input type="checkbox"/> Application Content Complete

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.

 Print or Type Name



 Signature

 Date

 Phone Number

 e-mail Address



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

November 16, 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 from spacing units comprised of the E/2 of Sections 29 and 32, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico (the “Lands”)

Dear Ms. Sandoval:

Matador Production Company (OGRID No. 228937), pursuant to 19.15.12.10 NMAC, seeks administrative approval to surface commingle (lease) diversely owned oil and gas production at the **Uncle Richard Tank Battery** *insofar as all existing and future infill wells drilled in the following spacing units:*

(a) The 320-acre spacing unit comprised of the W/2 E/2 of Sections 29 and 32, in the Jal; Wolfcamp, West [33813] – currently dedicated to the **Uncle Richard #213H** (API. No. 30-025-PEDNING);

(b) The 320-acre spacing unit comprised of the E/2 E/2 of Sections 29 and 32, in the Jal; Wolfcamp, West [33813] – currently dedicated to the **Uncle Richard #214H** (API. No. 30-025-PEDNING); and

(c) Pursuant to 19.15.12.10.C(4)(g), *future Jal; Wolfcamp, West [33813] spacing units connected to the Uncle Richard Tank Battery* with notice provided only to the owners of interests to be added.

Oil and gas production from these spacing units will be commingled and sold at the **Uncle Richard Tank Battery** located in the SW/4 SE/4 (Unit O) of Section 32. Gas production from the separator will be individually 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, flow lines, 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.



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

Exhibit 2 is a completed Application for Surface Commingling (Diverse Ownership) Form C-107-B, that includes a statement from Ryan Hernandez, Production Engineer with Matador, identifying the facilities and the measurement devices to be utilized, a detailed schematic of the surface facilities (attachment A to the statement) and an example gas analysis (attachment B to the statement).

Exhibit 3 is a C-102 for each of the wells currently permitted or drilled within the existing spacing units.

Exhibit 4 includes relevant communitization agreements.

Ownership is diverse between the above-described spacing units, each of which are either subject to a pooling agreement or a pooling order and are therefore considered “leases” as defined by 19.15.12.7(C) NMAC. **Exhibit 5** is a list of the interest owners (including any owners of royalty or overriding royalty interests) affected by this application, an example of the letters sent by certified mail advising the interest owners that any objections must be filed in writing with the Division within 20 days from the date the Division receives this application, and proof of mailing. A copy of this application has been provided to the New Mexico State Land Office since state lands are involved.

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

Sincerely,

A handwritten signature in blue ink, appearing to read 'Paula M. Vance'.

Paula M. Vance
ATTORNEY FOR MATADOR PRODUCTION
COMPANY

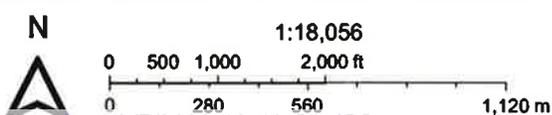
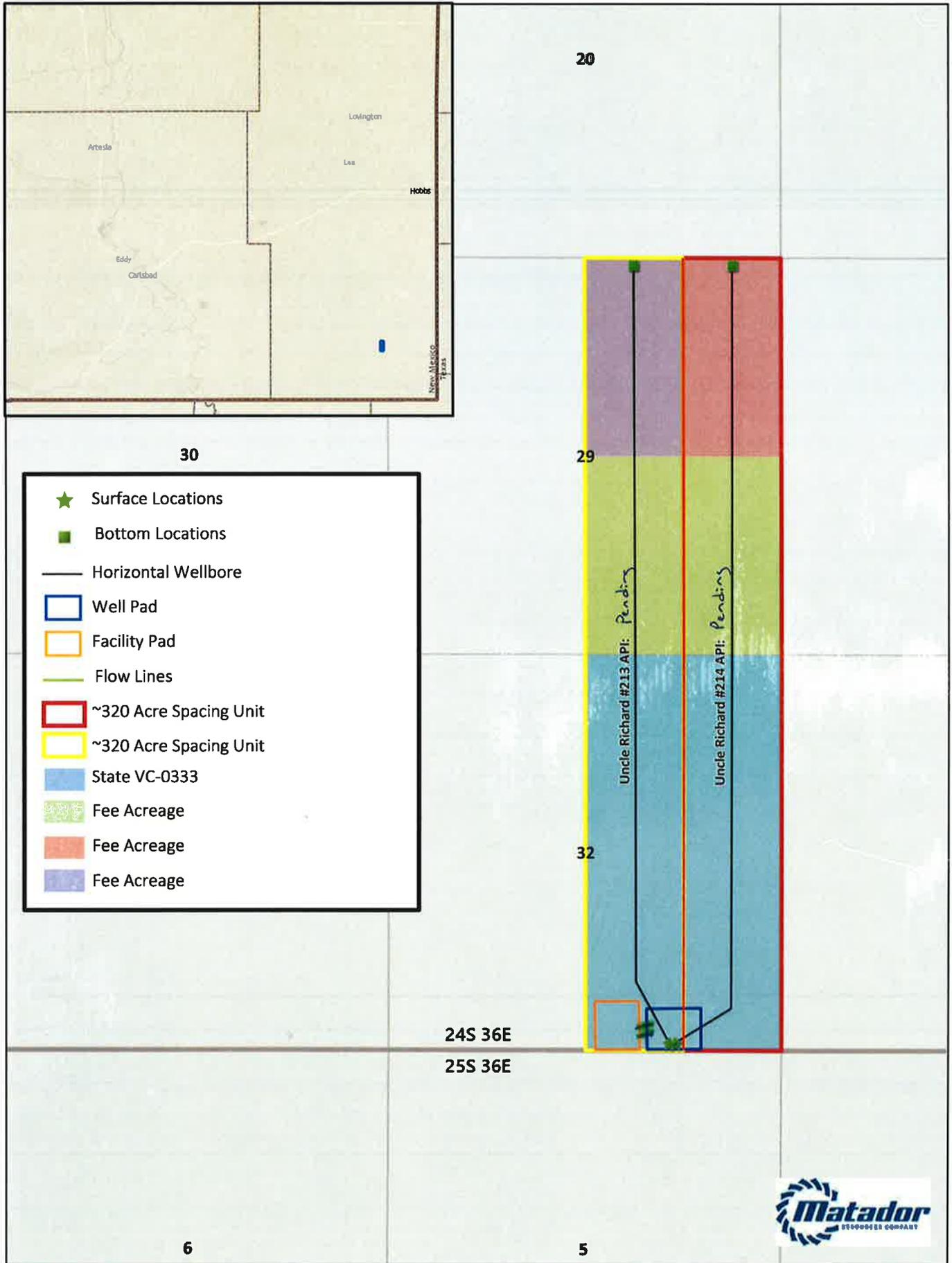


EXHIBIT 1

Southeast New Mexico

Project: commingling map
Date: 07/14/2022

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised August 1, 2011

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Matador Production Company
OPERATOR ADDRESS: 5400 LBJ Freeway Tower I Suite 1500 Dallas, TX 75240
APPLICATION TYPE:

- Pool Commingling Lease Commingling Pool and Lease Commingling Off-Lease Storage and Measurement (Only if not Surface Commingled)
LEASE TYPE: Fee State Federal

Is this an Amendment to existing Order? Yes No If "Yes", please include the appropriate Order No.
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
Yes No

(A) POOL COMMINGLING
Please attach sheets with the following information

Table with 6 columns: (1) Pool Names and Codes, Gravities / BTU of Non-Commingled Production, Calculated Gravities / BTU of Commingled Production, Value of Non-Commingled Production, Calculated Value of Commingled Production, Volumes

- (2) Are any wells producing at top allowables? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No
(4) Measurement type: Metering Other (Specify) Metering via well test
(5) Will commingling decrease the value of production? Yes No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING
Please attach sheets with the following information

- (1) Pool Name and Code- Jal; Wolfcamp, West (33813)
(2) Is all production from same source of supply? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No
(4) Measurement type: Metering Other (Specify)

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

- (1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT
Please attached sheets with the following information

- (1) Is all production from same source of supply? Yes No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE: [Signature] TITLE: Production Engineer DATE: 11-2-22
TYPE OR PRINT NAME: Ryan Hernandez TELEPHONE NO.: (972) 619 1276
E-MAIL ADDRESS: rhermandez@matadorresources.com

Matador Production Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
Voice 972.619.4343 • Fax 972.371.5201
rhernandez@matadorresources.com

Ryan Hernandez
Production Engineer

November 2, 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 commingle) Production from the Spacing Units Comprising of the E/2 of Sections 29 and 32, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico (the “Lands”)

To Whom This May Concern,

Matador Production Company (“Matador”), OGRID: 228937, requests to commingle future oil and gas production from two (2) distinct wells located on the Lands and future production from the Lands as described herein. All wells will be metered through individual test separators with an oil turbine meter and gas orifice meter. The gas commingling will occur after individual measurement at each well. Gas exiting each well test flows into one gathering line, as depicted on Exhibit A, the Longwood Gathering line. Each well on the Lands will have its own test separator with an 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 Laboratory Services 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. Longwood 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

A handwritten signature in black ink, appearing to read 'R. Hernandez', written over a light blue horizontal line.

Ryan Hernandez
Production Engineer

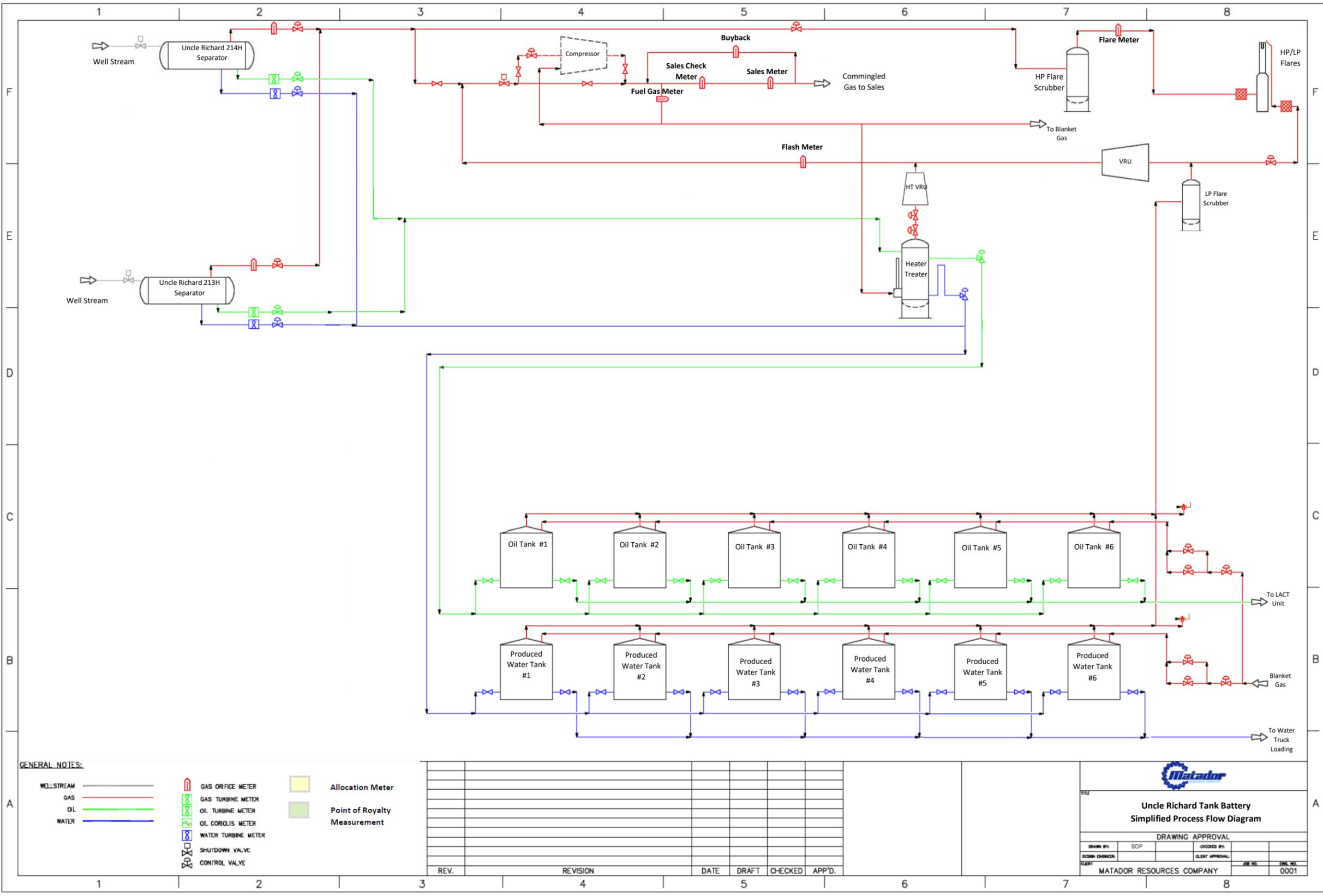


EXHIBIT A

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

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

Sample: Leslie Federal COM No. 203H
 First Stage Separator Gas
 Spot Sample @ 192 psig & 109 °F

Date Sampled: 07/15/2019

Job Number: 192636.001

CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286

COMPONENT	MOL%	GPM
Hydrogen Sulfide*	< 0.001	
Nitrogen	1.792	
Carbon Dioxide	0.221	
Methane	72.691	
Ethane	14.135	3.872
Propane	6.687	1.887
Isobutane	0.650	0.218
n-Butane	1.866	0.603
2-2 Dimethylpropane	0.013	0.005
Isopentane	0.398	0.149
n-Pentane	0.447	0.166
Hexanes	0.390	0.164
Heptanes Plus	<u>0.710</u>	<u>0.299</u>
Totals	100.000	7.362

Computed Real Characteristics Of Heptanes Plus:

Specific Gravity ----- 3.409 (Air=1)
 Molecular Weight ----- 98.32
 Gross Heating Value ----- 5208 BTU/CF

Computed Real Characteristics Of Total Sample:

Specific Gravity ----- 0.783 (Air=1)
 Compressibility (Z) ----- 0.9957
 Molecular Weight ----- 22.58
 Gross Heating Value
 Dry Basis ----- 1359 BTU/CF
 Saturated Basis ----- 1336 BTU/CF

*Hydrogen Sulfide tested on location by: Stain Tube Method (GPA 2377)
 Results: <0.013 Gr/100 CF, <0.2 PPMV or <0.001 Mol %

Base Conditions: 15.025 PSI & 60 Deg F

Sampled By: (14) RP
 Analyst: NG
 Processor: NG
 Cylinder ID: T-5319

Certified: FESCO, Ltd. - Alice, Texas

EXHIBIT B

David Dannhaus 361-661-7015

**CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286
TOTAL REPORT**

COMPONENT	MOL %	GPM	WT %
Hydrogen Sulfide*	< 0.001		< 0.001
Nitrogen	1.792		2.224
Carbon Dioxide	0.221		0.431
Methane	72.691		51.654
Ethane	14.135	3.872	18.827
Propane	6.687	1.887	13.062
Isobutane	0.650	0.218	1.674
n-Butane	1.866	0.603	4.804
2,2 Dimethylpropane	0.013	0.005	0.042
Isopentane	0.398	0.149	1.272
n-Pentane	0.447	0.166	1.429
2,2 Dimethylbutane	0.003	0.001	0.011
Cyclopentane	0.000	0.000	0.000
2,3 Dimethylbutane	0.043	0.018	0.164
2 Methylpentane	0.117	0.050	0.447
3 Methylpentane	0.070	0.029	0.267
n-Hexane	0.157	0.066	0.599
Methylcyclopentane	0.085	0.030	0.317
Benzene	0.047	0.013	0.163
Cyclohexane	0.087	0.030	0.324
2-Methylhexane	0.022	0.010	0.098
3-Methylhexane	0.030	0.014	0.133
2,2,4 Trimethylpentane	0.000	0.000	0.000
Other C7's	0.087	0.039	0.382
n-Heptane	0.059	0.028	0.262
Methylcyclohexane	0.078	0.032	0.339
Toluene	0.033	0.011	0.135
Other C8's	0.087	0.041	0.425
n-Octane	0.025	0.013	0.126
Ethylbenzene	0.004	0.002	0.019
M & P Xylenes	0.008	0.003	0.038
O-Xylene	0.002	0.001	0.009
Other C9's	0.037	0.019	0.207
n-Nonane	0.006	0.003	0.034
Other C10's	0.011	0.007	0.069
n-Decane	0.001	0.001	0.006
Undecanes (11)	<u>0.001</u>	<u>0.001</u>	<u>0.007</u>
Totals	100.000	7.362	100.000

Computed Real Characteristics of Total Sample

Specific Gravity -----	0.783	(Air=1)
Compressibility (Z) -----	0.9957	
Molecular Weight -----	22.58	
Gross Heating Value		
Dry Basis -----	1359	BTU/CF
Saturated Basis -----	1336	BTU/CF

FESCO, Ltd.

1100 Fesco Ave. - Alice, Texas 78332

Sample: Leslie Federal COM No. 203H
 First Stage Separator Gas
 Spot Sample @ 192 psig & 109 °F

Date Sampled: 07/15/2019

Job Number: 192636.001

GLYCALC FORMAT

COMPONENT	MOL%	GPM	Wt %
Carbon Dioxide	0.221		0.431
Hydrogen Sulfide	< 0.001		< 0.001
Nitrogen	1.792		2.224
Methane	72.691		51.654
Ethane	14.135	3.872	18.827
Propane	6.687	1.887	13.062
Isobutane	0.650	0.218	1.674
n-Butane	1.879	0.608	4.846
Isopentane	0.398	0.149	1.272
n-Pentane	0.447	0.166	1.429
Cyclopentane	0.000	0.000	0.000
n-Hexane	0.157	0.066	0.599
Cyclohexane	0.087	0.030	0.324
Other C6's	0.233	0.098	0.889
Heptanes	0.283	0.121	1.192
Methylcyclohexane	0.078	0.032	0.339
2,2,4 Trimethylpentane	0.000	0.000	0.000
Benzene	0.047	0.013	0.163
Toluene	0.033	0.011	0.135
Ethylbenzene	0.004	0.002	0.019
Xylenes	0.010	0.004	0.047
Octanes Plus	<u>0.168</u>	<u>0.085</u>	<u>0.874</u>
Totals	100.000	7.362	100.000

Real Characteristics Of Octanes Plus:

Specific Gravity -----	4.072	(Air=1)
Molecular Weight -----	117.43	
Gross Heating Value -----	6182	BTU/CF

Real Characteristics Of Total Sample:

Specific Gravity -----	0.783	(Air=1)
Compressibility (Z) -----	0.9957	
Molecular Weight -----	22.58	
Gross Heating Value		
Dry Basis -----	1359	BTU/CF
Saturated Basis -----	1336	BTU/CF

DISTRICT I
1025 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 393-0181 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) 334-0178 Fax: (505) 334-0170

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 476-3400 Fax: (505) 476-3402

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
	33813	Jal; Wolfcamp, West
Property Code	Property Name	Well Number
	UNCLE RICHARD STATE COM	213H
OGRID No.	Operator Name	Elevation
228937	MATADOR PRODUCTION COMPANY	3181.8'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	32	24-S	36-E		161	SOUTH	1439	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
B	29	24-S	36-E		60	NORTH	1980	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320.00			

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

<p>NAD 83 NME <u>PROPOSED BOTTOM HOLE LOCATION</u> Y=436400.2 N X=865544.8 E LAT.=32.195398° N LONG.=103.285260° W</p> <p>NAD83 LTP 100' FNL & 1980' FEL Y=436360.2 N X=865545.2 E LAT.=32.195288° N LONG.=103.285260° W</p> <table border="1"> <tr><th colspan="2">NAD83 POINT LEGEND</th></tr> <tr><td>1</td><td>Y=436465.9 N X=866203.2 E</td></tr> <tr><td>2</td><td>Y=431199.1 N X=866287.5 E</td></tr> <tr><td>3</td><td>Y=425906.8 N X=866330.1 E</td></tr> <tr><td>4</td><td>Y=425895.9 N X=865011.1 E</td></tr> <tr><td>5</td><td>Y=431183.4 N X=864948.3 E</td></tr> <tr><td>6</td><td>Y=436454.5 N X=864882.7 E</td></tr> </table> <p>NAD83 FTP 100' FSL & 1980' FEL Y=426001.3 N X=865668.3 E LAT.=32.166814° N LONG.=103.285188° W</p> <p>NAD 83 NME <u>SURFACE LOCATION</u> Y=426067.0 N X=866208.5 E LAT.=32.166980° N LONG.=103.283441° W</p>	NAD83 POINT LEGEND		1	Y=436465.9 N X=866203.2 E	2	Y=431199.1 N X=866287.5 E	3	Y=425906.8 N X=866330.1 E	4	Y=425895.9 N X=865011.1 E	5	Y=431183.4 N X=864948.3 E	6	Y=436454.5 N X=864882.7 E	<p>NAD 27 NME <u>PROPOSED BOTTOM HOLE LOCATION</u> Y=436341.0 N X=824358.5 E LAT.=32.195271° N LONG.=103.284795° W</p> <p>NAD27 LTP 100' FNL & 1980' FEL Y=436301.0 N X=824358.9 E LAT.=32.195161° N LONG.=103.284795° W</p> <table border="1"> <tr><th colspan="2">NAD27 POINT LEGEND</th></tr> <tr><td>1</td><td>Y=436406.7 N X=825016.9 E</td></tr> <tr><td>2</td><td>Y=431140.1 N X=825080.9 E</td></tr> <tr><td>3</td><td>Y=425848.0 N X=825143.4 E</td></tr> <tr><td>4</td><td>Y=425837.0 N X=823824.4 E</td></tr> <tr><td>5</td><td>Y=431124.4 N X=823761.8 E</td></tr> <tr><td>6</td><td>Y=436395.3 N X=823696.4 E</td></tr> </table> <p>NAD27 FTP 100' FSL & 1980' FEL Y=425942.4 N X=824481.6 E LAT.=32.166687° N LONG.=103.284725° W</p> <p>NAD 27 NME <u>SURFACE LOCATION</u> Y=426008.1 N X=825021.8 E LAT.=32.166853° N LONG.=103.282977° W</p>	NAD27 POINT LEGEND		1	Y=436406.7 N X=825016.9 E	2	Y=431140.1 N X=825080.9 E	3	Y=425848.0 N X=825143.4 E	4	Y=425837.0 N X=823824.4 E	5	Y=431124.4 N X=823761.8 E	6	Y=436395.3 N X=823696.4 E	<p>OPERATOR CERTIFICATION</p> <p>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.</p> <p><i>D.W.J.</i> 9/21/22 Signature Date David W. Johns Printed Name djohns@matadorresources.com E-mail Address</p> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>JULY 27, 2022 Date of Survey</p> <p>Signature & Seal of Professional Surveyor</p> <p><i>Chad Harcrow</i> 8/1/22 Certificate No. CHAD HARCROW 17777 W.O. # 22-769 DRAWN BY: AH</p>
NAD83 POINT LEGEND																														
1	Y=436465.9 N X=866203.2 E																													
2	Y=431199.1 N X=866287.5 E																													
3	Y=425906.8 N X=866330.1 E																													
4	Y=425895.9 N X=865011.1 E																													
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5	Y=431124.4 N X=823761.8 E																													
6	Y=436395.3 N X=823696.4 E																													

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) 478-3460 Fax: (505) 478-3462

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 33813	Pool Name Jal; Wolfcamp, West
Property Code	Property Name UNCLE RICHARD STATE COM	Well Number 214H
OGRID No. 228937	Operator Name MATADOR PRODUCTION COMPANY	Elevation 3180.1'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	32	24-S	36-E		161	SOUTH	1469	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
A	29	24-S	36-E		60	NORTH	600	EAST	LEA

Dedicated Acres 320.00	Joint or Infill	Consolidation Code	Order No.
---------------------------	-----------------	--------------------	-----------

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 PROPOSED BOTTOM HOLE LOCATION
Y=436411.6 N
X=866864.6 E
LAT.=32.195394° N
LONG.=103.280994° W

NAD83 LTP
100' FNL & 660' FEL
Y=436371.6 N
X=866865.0 E
LAT.=32.195284° N
LONG.=103.280993° W

NAD83 POINT LEGEND	
1	Y=436465.9 N X=866203.2 E
2	Y=431199.1 N X=866267.5 E
3	Y=425906.8 N X=866330.1 E
4	Y=425817.8 N X=867649.2 E
5	Y=431214.9 N X=867586.8 E
6	Y=436477.2 N X=867523.8 E

NAD83 FTP
100' FSL & 660' FEL
Y=426012.3 N
X=8656988.1 E
LAT.=32.166808° N
LONG.=103.280923° W

NAD 83 NME SURFACE LOCATION
Y=426066.5 N
X=86617.5 E
LAT.=32.166979° N
LONG.=103.283537° W

NAD 27 NME PROPOSED BOTTOM HOLE LOCATION
Y=436352.4 N
X=825678.2 F
LAT.=32.195267° N
LONG.=103.280529° W

NAD27 LTP
100' FNL & 660' FEL
Y=436312.4 N
X=825678.7 E
LAT.=32.195157° N
LONG.=103.280529° W

NAD27 POINT LEGEND	
1	Y=436406.7 N X=825018.9 E
2	Y=431140.1 N X=825080.9 E
3	Y=425848.0 N X=825143.4 E
4	Y=425858.9 N X=826462.5 E
5	Y=431155.8 N X=826400.1 E
6	Y=436418.1 N X=826337.4 E

NAD27 FTP
100' FSL & 660' FEL
Y=425953.4 N
X=825801.4 E
LAT.=32.166681° N
LONG.=103.280460° W

NAD 27 NME SURFACE LOCATION
Y=426007.7 N
X=824991.8 E
LAT.=32.166852° N
LONG.=103.283074° W

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.

Signature: *D.W.J.* Date: *9/21/22*
Printed Name: *David W. Johns*
E-mail Address: *djohns@matadorresources.com*

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 27, 2022
Date of Survey

Signature & Seal of Professional Surveyor

Chad Harcrow 8/1/22
Certificate No. CHAD HARCROW 17777
W.O. # 22-770 DRAWN BY: WN

**NM State Land Office
Oil, Gas, & Minerals Division**

**STATE/STATE OR
STATE/FEE**

Revised December 2021

COMMUNITIZATION AGREEMENT

ONLINE Version

KNOW ALL PERSONS BY THESE PRESENTS: API #: _____

STATE OF NEW MEXICO) Well Name: Uncle Richard State Com #213H
SS)

COUNTY OF LEA)

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of (date before 1st production) **November 1, 2022**, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the Commissioner of Public Lands to be fair and equitable.

WHEREAS, the parties hereto, own working, royalty, or other leasehold interests or operating rights under the oil and gas leases and lands subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the Wolfcamp formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communitize and pool their respective interests in said leases subject to this agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

NOW THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the undersigned as follows:

1. The lands covered by this agreement (hereinafter referred to as the "communitized area") are described as follows:

Subdivisions: **W2E2 of Sections 29 & 32, Township 24 South, Range 36 East, NMPM Lea, County, NM**

Containing **320.00** acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.

3. Subject to Paragraph 5, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

4. Matador Production Company shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by Matador Production Company.

5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules, and regulations; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: **(a)** a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or **(b)** each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized

area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

13. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

14. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

Operator: Matador Production Company

By: Craig N. Adams – Executive Vice President
Name & Title of Authorized Agent

Signature of Authorized Agent

ACKNOWLEDGEMENT

STATE OF TEXAS §

COUNTY OF DALLAS §

This instrument was acknowledged before me on _____, 2022, by **Craig N. Adams, as Executive Vice President for Matador Production Company**, on behalf of said corporation.

Signature

Name (Print)
My commission expires _____

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

MRC Permian Company

By: _____

Print Name

Date: _____

Acknowledgment in a Representative Capacity

STATE OF TEXAS) §

COUNTY OF DALLAS) §

This instrument was acknowledged before me on _____, 2022, by **Craig N. Adams, as Executive Vice President**, for **MRC Permian Company** on behalf of said corporation.

Signature

Name (Print)
My commission expires _____

EXHIBIT A

To Communitization Agreement dated October 1, 2022.

Plat of communitized area covering the W2E2 of Sections 29 & 32, Township 24 South, Range 36 East, NMPM Lea, County, NM

Section 29	<u>Tract 1</u> Fee Lease 160 Acres	
Section 32	<u>Tract 2</u> State Lease VC-0333- 0001 160 Acres	

EXHIBIT B

To Communitization Agreement dated W2E2 of Sections 29 & 32, Township 24 South, Range 36 East, NMPM Lea, County, NM

Operator of Communitized Area: Matador Production Company

DESCRIPTION OF LEASES COMMITTED

TRACT NO. 1

Lease Serial No.:	Fee
Description of Land Committed:	Township 24 South, Range 36 East, Section 29: W2E2
Subdivisions:	
Number of Acres:	160.00
Name of WI Owners:	MRC Permian Company Petrogulf Corporation ConocoPhillips Company Wellbark Resources, LLC

TRACT NO. 2

Lease Serial No.:	VC-0333-0001
Lease Date:	1/31/2018
Lease Term:	5 Years
Lessor:	State of New Mexico
Present Lessee:	MRC Permian Company
Description of Land Committed:	Township 24 South, Range 36 East, Section 36 East: W2E2
Subdivisions:	
Number of Acres:	160.00
Royalty Rate:	1/5 th
Name of WI Owners:	MRC Permian Company Petrogulf Corporation ConocoPhillips Company Wellbark Resources, LLC

State/State

RECAPITULATION

Tract Numbers	Numbers of Acres	Percentage of Interest in Communitied Area
Tract 1	160.00	50.00%
Tract 2	160.00	50.00%
Total Acreage	320.00	100%

20179359_v1

**NM State Land Office
Oil, Gas, & Minerals Division**

**STATE/STATE OR
STATE/FEE**

Revised December 2021

COMMUNITIZATION AGREEMENT

ONLINE Version

KNOW ALL PERSONS BY THESE PRESENTS: API #: _____

STATE OF NEW MEXICO) Well Name: Uncle Richard State Com #214H
SS)

COUNTY OF LEA)

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of (date before 1st production) **November 1, 2022**, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the Commissioner of Public Lands to be fair and equitable.

WHEREAS, the parties hereto, own working, royalty, or other leasehold interests or operating rights under the oil and gas leases and lands subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the **Wolfcamp** formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communitize and pool their respective interests in said leases subject to this agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

NOW THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the undersigned as follows:

1. The lands covered by this agreement (hereinafter referred to as the "communitized area") are described as follows:

Subdivisions: **E2E2 of Sections 29 & 32, Township 24 South, Range 36 East, NMPM Lea, County, NM**

Containing **320.00** acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.
3. Subject to Paragraph 5, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

4. Matador Production Company shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by Matador Production Company.

5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules, and regulations; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: **(a)** a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or **(b)** each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized

area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

13. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

14. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

Operator: Matador Production Company

By: Craig N. Adams – Executive Vice President
Name & Title of Authorized Agent

Signature of Authorized Agent

ACKNOWLEDGEMENT

STATE OF TEXAS §

COUNTY OF DALLAS §

This instrument was acknowledged before me on _____, 2022, by **Craig N. Adams, as Executive Vice President for Matador Production Company**, on behalf of said corporation.

Signature

Name (Print)
My commission expires _____

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

MRC Permian Company

By: _____

Print Name

Date: _____

Acknowledgment in a Representative Capacity

STATE OF TEXAS) §

COUNTY OF DALLAS) §

This instrument was acknowledged before me on _____, 2022, by **Craig N. Adams, as Executive Vice President**, for **MRC Permian Company** on behalf of said corporation.

Signature

Name (Print)
My commission expires _____

EXHIBIT A

To Communitization Agreement dated October 1, 2022.

Plat of communitized area covering the E2E2 of Sections 29 & 32, Township 24 South, Range 36 East, NMPM Lea, County, NM

<p>Section 29</p>		<p><u>Tract 1</u> Fee Lease 160 Acres</p>
<p>Section 32</p>		<p><u>Tract 2</u> State Lease VC-0333- 0001 160 Acres</p>

EXHIBIT B

To Communitization Agreement dated E2E2 of Sections 29 & 32, Township 24 South, Range 36 East, NMPM Lea, County, NM

Operator of Communitized Area: Matador Production Company

DESCRIPTION OF LEASES COMMITTED

TRACT NO. 1

Lease Serial No.:	Fee
Description of Land Committed:	Township 24 South, Range 36 East, Section 29: E2E2
Subdivisions:	
Number of Acres:	160.00
Name of WI Owners:	MRC Permian Company Petrogulf Corporation ConocoPhillips Company Wellbark Resources, LLC

TRACT NO. 2

Lease Serial No.:	VC-0333-0001
Lease Date:	1/31/2018
Lease Term:	5 Years
Lessor:	State of New Mexico
Present Lessee:	MRC Permian Company
Description of Land Committed:	Township 24 South, Range 36 East, Section 36 East: E2E2
Subdivisions:	
Number of Acres:	160.00
Royalty Rate:	1/5 th
Name of WI Owners:	MRC Permian Company Petrogulf Corporation ConocoPhillips Company Wellbark Resources, LLC

State/State

RECAPITULATION

Tract Numbers	Numbers of Acres	Percentage of Interest in Communitied Area
Tract 1	160.00	50.00%
Tract 2	160.00	50.00%
Total Acreage	320.00	100%

20179360_v1

<i>Owner</i>	<i>Address</i>
Afton Lee Gille	6512 North Missouri Avenue Oklahoma City, OK 73111
Angela Trapp Fuhrmann, Successor Trustee of the Renaissance Revocable Trust dated April 17, 2008	6608 N. Western Ave #206 Oklahoma City, OK 73116
Betty June Bray	1901 Banbury Ct. Norman, OK 73072
BOKF Petro Holding, LLC	5956 Sherry Lane Suite 1100 Dallas, TX 75225
Brian Bray	11733 Moon Beam Drive Oklahoma City, OK 73162
Burlington Resources Oil & Gas Company LP	600 W. Illinois Ave. Midland, TX 79701
ConocoPhillips Company	600 W. Illinois Ave. Midland, TX 79701
Donald Eugene Scott	107 Highland Avenue Hope, ID 83836
Eagle Oil & Gas Co.	5950 Berkshire Lane Suite 1100 Dallas, TX 75225
First National Bank & Trust Company of Okmulgee, as Trustee of the Patricia Boyle Young Revocable Trust under Trust Agreement dated June 28, 1989	P.O. Box 1037 Okmulgee, OK 74447
Heath Bray	1006 W Cherokee Place Lindsay, OK 73052
Jared Bray	5920 NW 10th Apt. 206-C Oklahoma City, OK 73127
Jeff K. Martin Karen Elaine Martin as joint tenants with rights of survivorship	Jeff K. Martin 406 West Cherokee Street Lindsay, OK 73052 Karen Elaine Martin Rt 1, Box 90 B Foster, OK 73434
K. T. Graham LLC	P.O. Box 3499 Tulsa, OK 74101

EXHIBIT 5

Keith Bray	13359 N. County Road Lindsay, OK 73052
Linda Lassiter Hill and William J. Hill, Jr., as Co-Trustees of the Hill Family Trust, created under the Last Will and Testament of William J. Hill dated February 2, 2000	3353 Clubs Drive Boerne, TX 78006
Loralee May Palfini	2 Crag Court Hercules, CA 945747
Mark Franklin Jackson	3016 Linda Vista Avenue Napa, CA 94558
Matthew James Jackson	2400 McBride Lane Apt. #24 Santa Rosa, CA 95403
Maverick Development, LLC	502 South Main Street Lindsay, OK 73052
MRC Permian Company	5400 LBJ Freeway Suite 1500 Dallas, TX 75240
Newcomb Business Properties, LLC	3221 NW 69th St. Oklahoma City, OK 73116
Petrogulf Corporation	600 Grant St. Ste. 620 Denver, CO 80203
Roy Dale Benningfield, as Trustee of the Roy D. Benningfield Family Revocable Trust dated September 16, 1996 (Died on December 24, 2018) Mary Lynn Benningfield - Widow Rhonda Lynn Benningfield - Daughter Ronald D. Benningfield - Son	2708 West 104th Street Perkins, OK 74059
Royalty Holding Company	3535 N.W. 58th Street Suite 720 Oklahoma City, OK 73112
Shawna Lea Jackson Williams	2810 Sacramento Street Napa, CA 94558
Sherry L. Dutton	2810 Sacramento Street Napa, CA 94558
State of New Mexico	1220 South St. Francis Drive Santa Fe, NM 87505
Susan Marie Swanhart Connors Owens	21 Amanda Drive Lake Placid, NY 12946
Wellbark Resources, LLC	P.O. Box 1987 Frisco, TX 7504

Willie Juanette Bray Tow Whitaker

8504 South Camay Avenue
Oklahoma, City, OK 73159



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

November 11, 2022

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PARTIES

Re: Application of Matador Production Company for administrative approval to surface commingle (lease) oil and gas production from spacing units comprised of the E/2 of Sections 29 and 32, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico (the "Lands")

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application, which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date at the Division's Santa Fe office located at 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Kyle Perkins
Matador Production Company
(972) 371-5202
kperkins@matadorresources.com

Sincerely,

Paula M. Vance
**ATTORNEY FOR MATADOR PRODUCTION
COMPANY**

Manifest - 73429 - MRC_Uncle Richard CTB C-107B

Parent ID	Mail Date	Company	Name	Delivery Address	AddressLine2	City	ST	Zip	MailClass	Tracking No	Well
31309	11/11/2022		Afton Lee Gille	6512 N Missouri Ave		Oklahoma City	OK	73111-7928	Certified w/ret Receipt (Signature)	94148118 98765816 451101	73429 - MRC Uncle Richard CTB C-107B notice list - 1
31309	11/11/2022	Okmulgee, As Trustee Of The Patricia Boyle You	First National Bank & Trust Company of	PO Box 1037	Young Revocable Trust Under Trust Agreement Da	Okmulgee	OK	74447-1037	Certified w/ret Receipt (Signature)	94148118 98765816 451323	73429 - MRC Uncle Richard CTB C-107B notice list - 10
31309	11/11/2022		Heath Bray	1006 Cherokee Pl		Lindsay	OK	73052-5014	Certified w/ret Receipt (Signature)	94148118 98765816 451309	73429 - MRC Uncle Richard CTB C-107B notice list - 11
31309	11/11/2022		Jared Bray	5920 NW 10th St Apt 206-C		Oklahoma City	OK	73127-4772	Certified w/ret Receipt (Signature)	94148118 98765816 451392	73429 - MRC Uncle Richard CTB C-107B notice list - 12
31309	11/11/2022	Joint Tenants With Rights Of Survivorship	Jeff K. MartinKaren Elaine Martinas	406 W Cherokee St		Lindsay	OK	73052-4004	Certified w/ret Receipt (Signature)	94148118 98765816 451347	73429 - MRC Uncle Richard CTB C-107B notice list - 13
31309	11/11/2022	Joint Tenants With Rights Of Survivorship	Jeff K. MartinKaren Elaine Martinas	303845 E 1620 Rd		Foster	OK	73434-1719	Certified w/ret Receipt (Signature)	94148118 98765816 451385	73429 - MRC Uncle Richard CTB C-107B notice list - 14

Manifest - 73429 - MRC_Uncle Richard CTB C-107B

Parent ID	Mail Date	Company	Name	Delivery Address	AddressLine2	City	ST	Zip	MailClass	Tracking No	Well
31309	11/11/2022		K. T. Graham LLC	PO Box 3499		Tulsa	OK	74101-3499	Certified w/ret Receipt (Signature)	94148118 98765816 451378	73429 - MRC Uncle Richard CTB C-107B notice list - 15
31309	11/11/2022		Keith Bray	13359 N. County Road		Lindsay	OK	73052	Certified w/ret Receipt (Signature)	94148118 98765816 451019	73429 - MRC Uncle Richard CTB C-107B notice list - 16
31309	11/11/2022	As Co-Trustees Of The Hill Family Trust,	Linda Lassiter Hill and William J. Hill, Jr.,	3353 Clubs Dr	Created Under The Last Will And Testament Of W	Boerne	TX	78006-6177	Certified w/ret Receipt (Signature)	94148118 98765816 451057	73429 - MRC Uncle Richard CTB C-107B notice list - 17
31309	11/11/2022		Loralee May Palfini	2 Crag Ct		Hercules	CA	94547-1403	Certified w/ret Receipt (Signature)	94148118 98765816 451064	73429 - MRC Uncle Richard CTB C-107B notice list - 18
31309	11/11/2022		Mark Franklin Jackson	3016 Linda Vista Ave		Napa	CA	94558-4450	Certified w/ret Receipt (Signature)	94148118 98765816 451026	73429 - MRC Uncle Richard CTB C-107B notice list - 19
31309	11/11/2022	The Renaissance Revocable Trust	Angela Trapp Fuhrmann, Successor Trustee of	6608 N Western Ave Unit 206	Dated April 17, 2008	Oklahoma City	OK	73116-7326	Certified w/ret Receipt (Signature)	94148118 98765816 451194	73429 - MRC Uncle Richard CTB C-107B notice list - 2

Manifest - 73429 - MRC_Uncle Richard CTB C-107B

Parent ID	Mail Date	Company	Name	Delivery Address	AddressLine2	City	ST	Zip	MailClass	Tracking No	Well
31309	11/11/2022		Matthew James Jackson	2400 McBride Ln Apt 24		Santa Rosa	CA	95403-2729	Certified w/ret Receipt (Signature)	94148118 98765816 451002	73429 - MRC Uncle Richard CTB C-107B notice list - 20
31309	11/11/2022		Maverick Development, LLC	502 S Main St		Lindsay	OK	73052-6439	Certified w/ret Receipt (Signature)	94148118 98765816 451095	73429 - MRC Uncle Richard CTB C-107B notice list - 21
31309	11/11/2022		MRC Permian Company	5400 Lbj Fwy Ste 1500		Dallas	TX	75240-1017	Certified w/ret Receipt (Signature)	94148118 98765816 451040	73429 - MRC Uncle Richard CTB C-107B notice list - 22
31309	11/11/2022		Newcomb Business Properties, LLC	3221 NW 69th St		Oklahoma City	OK	73116-3308	Certified w/ret Receipt (Signature)	94148118 98765816 451088	73429 - MRC Uncle Richard CTB C-107B notice list - 23
31309	11/11/2022		Petrogulf Corporation	600 N Grant St Ste 620		Denver	CO	80203-3527	Certified w/ret Receipt (Signature)	94148118 98765816 451071	73429 - MRC Uncle Richard CTB C-107B notice list - 24
31309	11/11/2022	Benningfield Family Revocable Trust Dated	Roy Dale Benningfield, as Trustee of the Roy D	2708 W 104th St	September 16, 1996DIED On December 24, 2018MAR	Perkins	OK	74059-4166	Certified w/ret Receipt (Signature)	94148118 98765816 451453	73429 - MRC Uncle Richard CTB C-107B notice list - 25

Manifest - 73429 - MRC_Uncle Richard CTB C-107B

Parent ID	Mail Date	Company	Name	Delivery Address	AddressLine2	City	ST	Zip	MailClass	Tracking No	Well
31309	11/11/2022		Royalty Holding Company	3535 NW 58th St Ste 720		Oklahoma City	OK	73112-4802	Certified w/ret Receipt (Signature)	94148118 98765816 451460	73429 - MRC Uncle Richard CTB C-107B notice list - 26
31309	11/11/2022		Shawna Lea Jackson Williams	2810 Sacramento St		Napa	CA	94558-4755	Certified w/ret Receipt (Signature)	94148118 98765816 451422	73429 - MRC Uncle Richard CTB C-107B notice list - 27
31309	11/11/2022		Sherry L. Dutton	2810 Sacramento St		Napa	CA	94558-4755	Certified w/ret Receipt (Signature)	94148118 98765816 451408	73429 - MRC Uncle Richard CTB C-107B notice list - 28
31309	11/11/2022		State of New Mexico	1220 S St Francis Dr		Santa Fe	NM	87505-4225	Certified w/ret Receipt (Signature)	94148118 98765816 451491	73429 - MRC Uncle Richard CTB C-107B notice list - 29
31309	11/11/2022		Betty June Bray	1901 Banbury Ct		Norman	OK	73072-3030	Certified w/ret Receipt (Signature)	94148118 98765816 451149	73429 - MRC Uncle Richard CTB C-107B notice list - 3
31309	11/11/2022		Susan Marie Swanhart Connors Owens	21 Amanda Dr		Lake Placid	NY	12946-1044	Certified w/ret Receipt (Signature)	94148118 98765816 451484	73429 - MRC Uncle Richard CTB C-107B notice list - 30

Manifest - 73429 - MRC_Uncle Richard CTB C-107B

Parent ID	Mail Date	Company	Name	Delivery Address	AddressLine2	City	ST	Zip	MailClass	Tracking No	Well
31309	11/11/2022		Wellbark Resources, LLC	PO Box 1987		Frisco	TX	75034-0034	Certified w/ret Receipt (Signature)	94148118 98765816 451439	73429 - MRC Uncle Richard CTB C-107B notice list - 31
31309	11/11/2022		Willie Juanette Bray Tow Whitaker	8504 S Camay Ave		Oklahoma City	OK	73159-6429	Certified w/ret Receipt (Signature)	94148118 98765816 451477	73429 - MRC Uncle Richard CTB C-107B notice list - 32
31309	11/11/2022		BOKF Petro Holding, LLC	5956 Sherry Ln Ste 1100		Dallas	TX	75225-8022	Certified w/ret Receipt (Signature)	94148118 98765816 451187	73429 - MRC Uncle Richard CTB C-107B notice list - 4
31309	11/11/2022		Brian Bray	11733 Moon Beam Dr		Oklahoma City	OK	73162-2074	Certified w/ret Receipt (Signature)	94148118 98765816 451132	73429 - MRC Uncle Richard CTB C-107B notice list - 5
31309	11/11/2022		Burlington Resources Oil & Gas Company LP	600 W Illinois Ave		Midland	TX	79701-4882	Certified w/ret Receipt (Signature)	94148118 98765816 451170	73429 - MRC Uncle Richard CTB C-107B notice list - 6
31309	11/11/2022		ConocoPhillips Company	600 W Illinois Ave		Midland	TX	79701-4882	Certified w/ret Receipt (Signature)	94148118 98765816 451316	73429 - MRC Uncle Richard CTB C-107B notice list - 7
31309	11/11/2022		Donald Eugene Scott	107 Highland Ave		Hope	ID	83836-9721	Certified w/ret Receipt (Signature)	94148118 98765816 451354	73429 - MRC Uncle Richard CTB C-107B notice list - 8

Manifest - 73429 - MRC_Uncle Richard CTB C-107B

Parent ID	Mail Date	Company	Name	Delivery Address	AddressLine2	City	ST	Zip	MailClass	Tracking No	Well
31309	11/11/2022		Eagle Oil & Gas Co.	5950 Berkshire Ln Ste 1100		Dallas	TX	75225-5854	Certified w/ret Receipt (Signature)	94148118 98765816 451361	73429 - MRC Uncle Richard CTB C-107B notice list - 9

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
November 16, 2022
and ending with the issue dated
November 16, 2022.



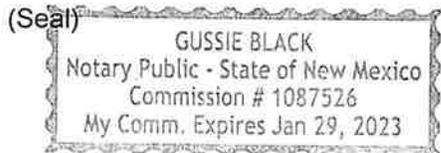
Publisher

Sworn and subscribed to before me this
16th day of November 2022.



Business Manager

My commission expires
January 29, 2023



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL NOTICE November 16, 2022

To: All affected parties, including; Afton Lee Gille, his heirs and devisees; Angela Trapp Fuhrmann, Successor Trustee of the Renaissance Revocable Trust dated April 17, 2008; Betty June Bray, her heirs and devisees; BOKF Petro Holding, LLC; Brian Bray, his heirs and devisees; Burlington Resources Oil & Gas Company LP; ConocoPhillips Company; Donald Eugene Scott, his heirs and devisees; First National Bank & Trust Company of Okmulgee, as Trustee of the Patricia Boyle Young Revocable Trust under Trust Agreement dated June 28, 1989; Heath Bray, his heirs and devisees; Jared Bray, his heirs and devisees; Jeff K. Martin, Karen Elaine Martin, as joint tenants with rights of survivorship, their heirs and devisees; K. T. Graham LLC; Keith Bray, his heirs and devisees; Linda Lassiter Hill and William J. Hill, Jr., as Co-Trustees of the Hill Family Trust, created under the Last Will and Testament of William J. Hill dated February 2, 2000; Lorelee May Palfini, her heirs and devisees; Mark Franklin Jackson, his heirs and devisees; Matthew James Jackson, his heirs and devisees; Maverick Development, LLC; MRC Permian Company; Newcomb Business Properties, LLC; Petrogulf Corporation; Roy Dale Benningfield, as Trustee of the Roy D. Benningfield Family Revocable Trust dated September 16, 1996 (Died on December 24, 2018), Mary Lynn Benningfield - Widow, Rhonda Lynn Benningfield - Daughter, Ronald D. Benningfield - Son, their heirs and devisees; Royalty Holding Company; Shawna Lea Jackson Williams, her heirs and devisees; Sherry L. Dutton, her heirs and devisees; State of New Mexico; Susan Marie Swanhart Connors Owens, her heirs and devisees; Wellbark Resources, LLC; and Willie Juanette Bray Tow Whitaker, his or her heirs and devisees.

Application of Matador Production Company for administrative approval to surface commingle (lease) oil and gas production from spacing units comprised of the E/2 of Sections 29 and 32, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico (the "Lands"). Matador Production Company (OGRID No. 228937), pursuant to 19.15.12.10 NMAC, seeks administrative approval to surface commingle (lease) diversely owned oil and gas production at the **Uncle Richard Tank Battery** insofar as all existing and future infill wells drilled in the following spacing units:

(a) The 320-acre spacing unit comprised of the W/2 E/2 of Sections 29 and 32, in the Jal; Wolfcamp, West [33813] - currently dedicated to the **Uncle Richard #213H** (API. No. 30-025-PEDNING);

(b) The 320-acre spacing unit comprised of the E/2 E/2 of Sections 29 and 32, in the Jal; Wolfcamp, West [33813] - currently dedicated to the **Uncle Richard #214H** (API. No. 30-025-PEDNING); and

(c) Pursuant to 19.15.12.10.C(4)(g), *future Jal; Wolfcamp, West [33813] spacing units connected to the Uncle Richard Tank Battery* with notice provided only to the owners of interests to be added.

Any objection to this application must be filed in writing within twenty days from date of publication with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa

Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division. If you have any questions about this application, please contact Kyle Perkins, Matador Production Company, (972) 371-5202 or KPerkins@matadorresources.com. #00273164

67100754

00273164

HOLLAND & HART LLC
PO BOX 2208
SANTA FE, NM 87504-2208

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](#); [Dawson, Scott](#)
Subject: Approved Administrative Order CTB-1073
Date: Monday, February 6, 2023 4:40:43 PM
Attachments: [CTB1073 Order.pdf](#)

NMOCD has issued Administrative Order CTB-1073 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
30-025-50845	Uncle Richard State Com #213H	W/2 E/2	29-24S-36E	33813
		W/2 E/2	32-24S-36E	
30-025-50846	Uncle Richard State Com #214H	E/2 E/2	29-24S-36E	33813
		E/2 E/2	32-24S-36E	

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

From: [Paula M. Vance](#)
To: [McClure, Dean, EMNRD](#)
Cc: [Adam Rankin](#)
Subject: RE: [EXTERNAL] Uncle Richard Commingling - Action Item 159342
Date: Tuesday, January 24, 2023 5:25:44 PM
Attachments: [image002.png](#)
[image003.png](#)

Dean,

As promised, below are the API numbers for MRC's Uncle Richard Commingling application:

	API	Well	Type	Mineral Owner	Surface Owner	Status	ULSTR
View	30-025-50845	UNCLE RICHARD STATE COM #213H	Oil	State	State	New	O-32-24S-36E
View	30-025-50846	UNCLE RICHARD STATE COM #214H	Oil	State	State	New	O-32-24S-36E

Let me know if you need anything else re: this application.

Kind Regards,
Paula Vance
 Associate, Holland & Hart LLP

pmvance@hollandhart.com | T: (505) 954-7286 | M: (337) 280-9055

CONFIDENTIALITY NOTICE: This message is confidential and may be privileged. If you believe that this email has been sent to you in error, please reply to the sender that you received the message in error; then please delete this email.

From: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Sent: Wednesday, November 16, 2022 2:32 PM
To: Paula M. Vance <PMVance@hollandhart.com>
Cc: Adam Rankin <AGRankin@hollandhart.com>
Subject: RE: [EXTERNAL] Uncle Richard Commingling - Action Item 159342

Sounds good Paula; that will save me from needing to ask for your confirmation that the correct wells are being included in the order.

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

From: Paula M. Vance <PMVance@hollandhart.com>
Sent: Wednesday, November 16, 2022 11:25 AM
To: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Cc: Adam Rankin <AGRankin@hollandhart.com>
Subject: [EXTERNAL] Uncle Richard Commingling - Action Item 159342

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Dean,

We just filed Matador's Uncle Richard Commingling application (Action Item 159342). I'm emailing because Matador is still waiting on the permits to be approved and therefore do not yet have the APIs. We wanted to go ahead and file to get the process started (due to rig scheduling and the upcoming holiday season), but I will send you the API's once Matador receives them.

Thank you and please let me know if you have any questions. Hope all is well!

Kind Regards,

Paula Vance
 Associate
 HOLLAND & HART LLP



**Holland
& Hart**

110 North Guadalupe Street, Suite 1, Santa Fe, NM 87501

pmvance@hollandhart.com | **T:** (505) 954-7286 | **M:** (337) 280-9055

CONFIDENTIALITY NOTICE: This message is confidential and may be privileged. If you believe that this email has been sent to you in error, please reply to the sender that you received the message in error; then please delete this email.

**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-1073**

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.
6. Applicant in the notice for the Application stated that it sought authorization to prospectively include additional pools, leases, and wells in accordance with 19.15.12.10.C.(4)(g) NMAC.
7. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil and gas production from wells which have not yet been approved to be drilled, but will produce from a pool and lease identified in Exhibit A.
8. Applicant submitted or intends to submit one or more proposed communitization agreement(s) (“Proposed Agreement(s)”) to the BLM or NMSLO, as applicable, identifying the acreage of each lease to be consolidated into a single pooled area (“Pooled Area”), as described in Exhibit B.

CONCLUSIONS OF LAW

9. 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.
10. 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.
11. 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.
12. 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.
13. 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.
14. Applicant satisfied the notice requirements for the subsequent addition of pools, leases, and wells in the notice for the Application, in accordance with 19.15.12.10.C.(4)(g) NMAC. Subsequent additions of pools, leases, and wells within Applicant's defined parameters, as modified herein, will not, in reasonable probability, reduce the commingled production's value or otherwise adversely affect the interest owners in the production to be added.
15. 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.

Applicant is authorized to surface commingle oil and gas production from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

2. For each Pooled Area described in Exhibit B, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil and gas production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.

No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit a Form C-103 to OCD with a copy of the decision and a description of the approved lands, as applicable. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, this Order shall terminate on the date of such action, and Applicant shall cease commingling the production from the Pooled Area. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), Applicant shall comply with the approved Agreement(s), and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingling application to OCD to conform this Order with the approved Agreement(s). If Applicant fails to submit the new surface commingling application or OCD denies the new surface commingling application, this Order shall terminate on the date of such action.

Applicant shall allocate the oil and gas production to each lease within a Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the Pooled Area described in Exhibit B until the Proposed Agreement which includes the Pooled Area is approved. After the Proposed Agreement is approved, the oil and gas production from the Pooled Area shall be allocated as required by the BLM's or NMSLO's, as applicable, approval of the Agreement, including any production that had been allocated previously in accordance with this Order.

3. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil and gas production to each well not included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.
4. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling it with production from another well.
5. 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.
6. 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.
7. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
8. 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.

- 9. Applicant may submit an application to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by this Order by submitting a Form C-107-B in accordance with 19.15.12.10.C.(4)(g) NMAC, provided the pools, leases, and subsequently drilled wells are within the identified parameters included in the Application.
- 10. If a well is not included in Exhibit A but produces from a pool and lease identified in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well, proposed method to determine the allocation of oil and gas production to it, and the location(s) that commingling of its production will occur.
- 11. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
- 12. 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).
- 13. 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**



DYLAN M. FUGE
DIRECTOR (ACTING)

DATE: 2/6/2023

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: CTB-1073
Operator: Matador Production Company (228937)
Central Tank Battery: Uncle Richard Tank Battery
Central Tank Battery Location: UL O, Section 32, Township 24 South, Range 36 East
Gas Title Transfer Meter Location: UL O, Section 32, Township 24 South, Range 36 East

Pools

Pool Name	Pool Code
JAL;WOLFCAMP, WEST	33813

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
VC 0333 0001	E/2	32-24S-36E
Fee	W/2 NE/4	29-24S-36E
Fee	E/2 NE/4	29-24S-36E
Fee	SE/4	29-24S-36E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-50845	Uncle Richard State Com #213H	W/2 E/2	29-24S-36E	33813
		W/2 E/2	32-24S-36E	
30-025-50846	Uncle Richard State Com #214H	E/2 E/2	29-24S-36E	33813
		E/2 E/2	32-24S-36E	

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit B

Order: **CTB-1073**
Operator: **Matador Production Company (228937)**

Pooled Areas

Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Wolfcamp NMSLO	W/2 E/2	29-24S-36E	320	A
	W/2 E/2	32-24S-36E		
CA Wolfcamp NMSLO	E/2 E/2	29-24S-36E	320	B
	E/2 E/2	32-24S-36E		

Leases Comprising Pooled Areas

Lease	UL or Q/Q	S-T-R	Acres	Pooled Area ID
VC 0333 0001	W/2 E/2	32-24S-36E	160	A
Fee	W/2 SE/4	29-24S-36E	80	A
Fee	W/2 NE/4	29-24S-36E	80	A
VC 0333 0001	E/2 E/2	32-24S-36E	160	B
Fee	E/2 SE/4	29-24S-36E	80	B
Fee	E/2 NE/4	29-24S-36E	80	B

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 159342

CONDITIONS

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 159342
	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.	2/7/2023