

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

<u>FOR OCD ONLY</u>	
<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.

_____ Date

Print or Type Name

Signature

_____ Phone Number

_____ e-mail Address



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

February 11, 2025

VIA ONLINE FILING

Gerasimos Razatos, Acting Division Director
Oil Conservation Division
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 (pool and lease) oil and gas production from spacing units comprised of the N/2 of Sections 21 and 22, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico (the “Lands”)**

Dear Mr. Razatos:

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

(a) The 320-acre spacing unit comprised of the N/2 N/2 of Sections 21 and 22, in the Carlsbad; Bone Spring, East [96144] – currently dedicated to the **Bill Wilshusen Fed Com #121H** (API. No. 30-015-55877);

(b) The 320-acre spacing unit comprised of the S/2 N/2 of Sections 21 and 22, in the Carlsbad; Bone Spring, East [96144] – currently dedicated to the **Bill Wilshusen Fed Com #122H** (API. No. 30-015-55878);

(c) The 640-acre spacing unit comprised of the N/2 of Sections 21 and 22, in the Carlsbad; Wolfcamp, East (Gas) [74160] – currently dedicated to the **Bill Wilshusen Fed Com #201H** (API. No. 30-015-55879) and **Bill Wilshusen Fed Com #202H** (API. No. 30-015-55880); and

(d) Pursuant to 19.15.12.10.C(4)(g), *from all future additions of pools, leases or leases and pools to the Bill Wilshusen 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 **Bill Wilshusen Tank Battery** (“TB”) located in the SE/4 NE/4 (Unit H) of Section 22, Township 21 South, Range 27 East. Each well is equipped with a three-phase separator and metered on lease before production is transferred to the TB. Gas production from the separator will be individually metered



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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, the TB (“Facility Pad”) in the subject area, and common gathering line. The plat also identifies the wellbores and lease/spacing unit boundaries.

Exhibit 2 is a completed Application for Surface Commingling (Diverse Ownership) Form C-107-B, that includes a statement from Jacob Wilhelm, Operations Engineer with Matador, identifying the facilities and 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 well list and C-102 for each of the wells currently permitted or drilled within the existing spacing units.

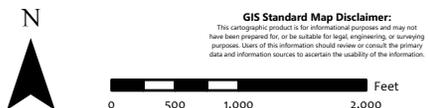
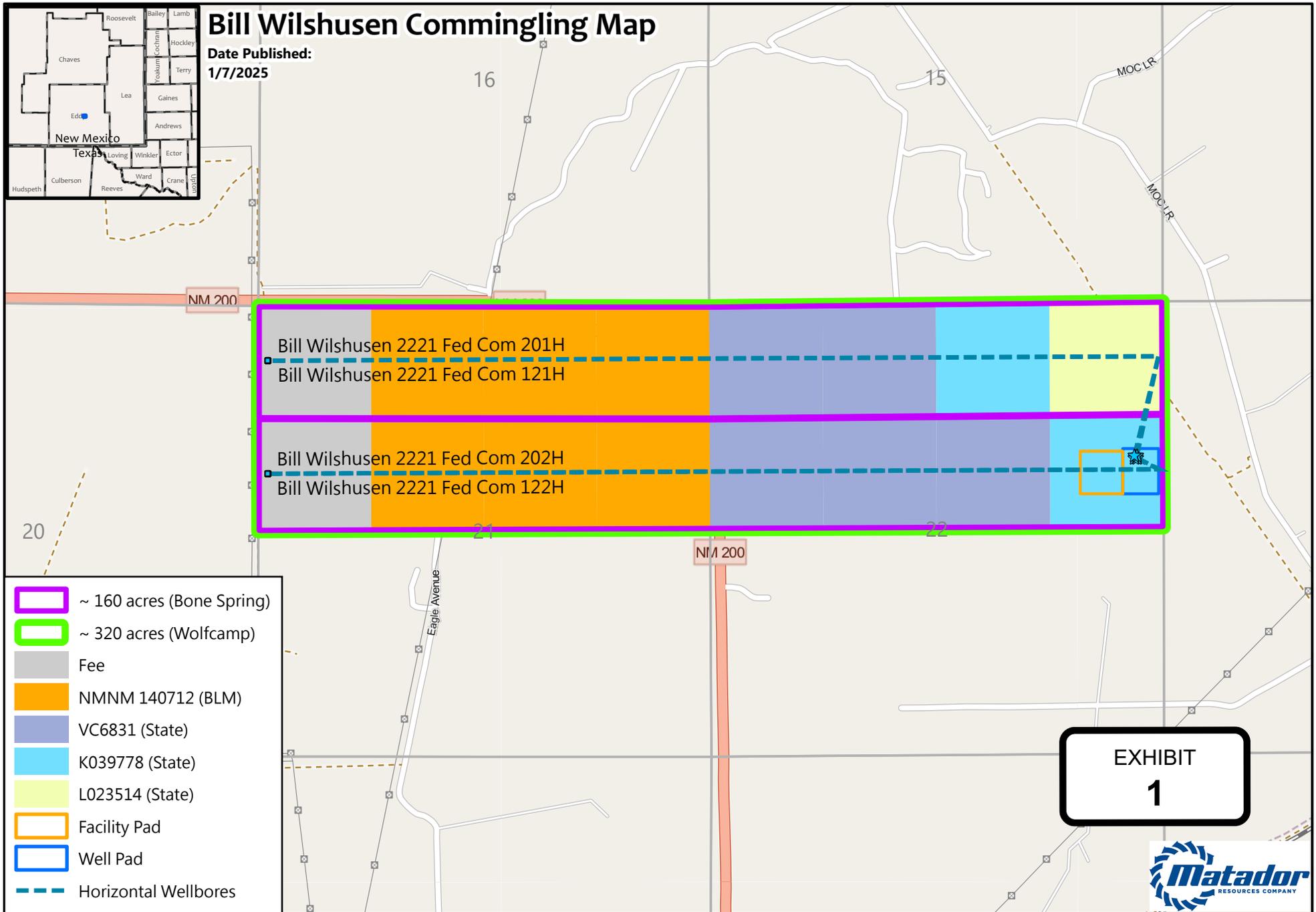
Exhibit 4 includes relevant communitization agreements.

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 (“SLO”) and the Bureau of Land Management (“BLM”) since state and federal 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,

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



Map Prepared by: americo.gamarra
 Date: January 7, 2025
 Project: \\gis\UserData\agamarra\temp\20250102 Bill Wilshusen Commingling Map\Bill Wilshusen Commingling Map.aprx
 Spatial Reference: NAD 1983 StatePlane New Mexico East FIPS 3001 Feet
 Sources: IHS; ESRI; US DOI BLM Carlsbad, NM Field Office, GIS Department; Texas Cooperative Wildlife Collection, Texas A&M University; United States Census Bureau (TIGER);

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 1 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

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production	Calculated Value of Commingled Production	Volumes
[96114] BONE SPRING; CARLSBAD; BS EAST	37.35°	40.09° oil 1282 BTU/CF	\$69.10/bbl oil Deemed 40°/Sweet (Sep '24 realized price)	2000 bopd
[96114] BONE SPRING; CARLSBAD; BS EAST	1252 BTU/CF			5000 mcf
[74160] WOLFCAMP; CARLSBAD; WC EAST	42.47°			2300 bopd
[74160] WOLFCAMP; CARLSBAD; WC EAST	1309 BTU/CF			5580 mcf

(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)
(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-
(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:  TITLE: Operations Engineer DATE: 10/31/2024
TYPE OR PRINT NAME Jacob Wilhelm TELEPHONE NO.: (972) 371-5200
E-MAIL ADDRESS: jacob.wilhelm@matadorresources.com

EXHIBIT
2

Matador Production Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240

Voice 972.371.5200 • Fax 972.371.5201

jacob.wilhelm@matadorresources.com

Jacob Wilhelm
Operations Engineer

January 8, 2025

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 (pool and lease) gas and oil production from the spacing unit comprised of the N/2 Section 21 and Section 22 Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico (the “Lands”).

To Whom This May Concern,

Matador Production Company (“Matador”), OGRID: 228937, requests to commingle current oil and gas production from four (4) 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 San Mateo Midstream, LLC 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 SPL 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. San Mateo 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 "Jacob Wilhelm". The signature is written in a cursive, flowing style.

Jacob Wilhelm
Operations Engineer



Certificate of Analysis

Number: 6030-20120189-002A

Artesia Laboratory
 200 E Main St.
 Artesia, NM 88210
 Phone 575-746-3481

John Romano
 Ascent Energy, LLC
 1125 17th St.
 Suite 410
 Denver, CO 80202

Jan. 04, 2021

Station Name: Big Moose CTB Sales Check	Sampled By: Derek Sauder
Station Number: 0103901850	Sample Of: Gas Spot
Station Location: Ascent	Sample Date: 12/23/2020
Sample Point: Meter Run	Sample Conditions: 78 psig, @ 72 °F Ambient: 50 °F
Instrument: 70104251 (Inficon GC-MicroFusion)	Effective Date: 12/23/2020
Last Inst. Cal.: 01/04/2021 0:00 AM	Method: GPA-2261M
Analyzed: 01/04/2021 13:05:21 by PGS	Cylinder No: 1111-001212

Analytical Data

Components	Un-normalized Mol %	Mol. %	Wt. %	GPM at 14.696 psia	
Nitrogen	2.512	2.51392	2.722		GPM TOTAL C2+ 9.970
Methane	63.010	63.06044	39.094		GPM TOTAL C3+ 5.853
Carbon Dioxide	0.223	0.22328	0.380		GPM TOTAL iC5+ 1.373
Ethane	15.336	15.34873	17.836	4.117	
Propane	10.132	10.14024	17.280	2.802	
Iso-butane	1.336	1.33677	3.003	0.439	
n-Butane	3.914	3.91735	8.799	1.239	
Iso-pentane	0.899	0.89972	2.509	0.330	
n-Pentane	1.034	1.03493	2.886	0.376	
Hexanes Plus	1.523	1.52462	5.491	0.667	
	99.919	100.00000	100.000	9.970	

Calculated Physical Properties	Total	C6+
Relative Density Real Gas	0.8981	3.2176
Calculated Molecular Weight	25.88	93.19
Compressibility Factor	0.9944	
GPA 2172 Calculation:		
Calculated Gross BTU per ft³ @ 14.696 psia & 60°F		
Real Gas Dry BTU	1499	5129
Water Sat. Gas Base BTU	1474	5040
Ideal, Gross HV - Dry at 14.696 psia	1490.6	5129.2
Ideal, Gross HV - Wet	1464.6	5039.7

Comments: H2S Field Content 1.25 ppm

Hydrocarbon Laboratory Manager

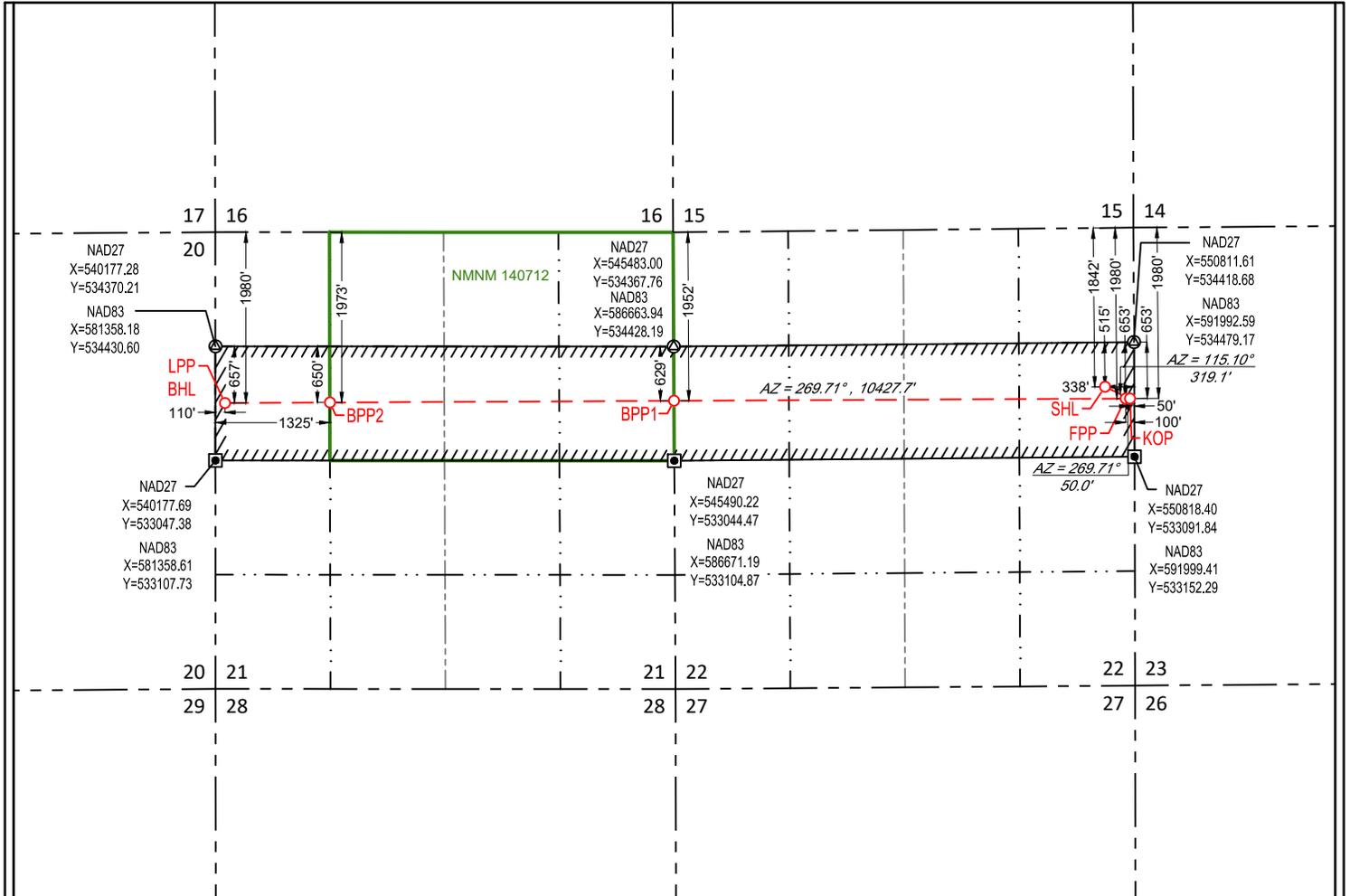
EXHIBIT
B

Quality Assurance: The above analyses are performed in accordance with ASTM, UOP, GPA guidelines for quality assurance, unless otherwise stated.

API	Well Name & Number	UL or Q/Q	S-T-R	Pool Code
30-015-55877	Bill Wilshusen Fed Com #121H	N/2 N/2 N/2 N/2	21-21S-27E 22-21S-27E	Carlsbad; Bone Spring, East [96144]
30-015-55878	Bill Wilshusen Fed Com #122H	S/2 N/2 S/2 N/2	21-21S-27E 22-21S-27E	Carlsbad; Bone Spring, East [96144]
30-015-55879	Bill Wilshusen Fed Com #201H	N/2 N/2	21-21S-27E 22-21S-27E	Carlsbad; Wolfcamp, East (Gas) [74160]
30-015-55880	Bill Wilshusen Fed Com #202H	N/2 N/2	21-21S-27E 22-21S-27E	Carlsbad; Wolfcamp, East (Gas) [74160]

EXHIBIT
3

<p>C-102</p> <p>Submit Electronically Via OCD Permitting</p>	<p>State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION</p>	<p>Revised July 9, 2024</p>
		<p>Submittal Type:</p> <p><input type="checkbox"/> Initial Submittal</p> <p><input type="checkbox"/> Amended Report</p> <p><input type="checkbox"/> As Drilled</p>
<p>Property Name and Well Number</p> <p style="text-align: center;">BILL WILSHUSEN FED COM 122H</p>		



SURFACE LOCATION (SHL)

NEW MEXICO EAST
NAD 1983
X=591657 Y=533961
LAT.: N 32.4678162
LONG.: W 104.1701723

NAD 1927
X=550476 Y=533900
LAT.: N 32.4676978
LONG.: W 104.1696685
1842' FNL 338' FEL

KICK OFF POINT (KOP)

NEW MEXICO EAST
NAD 1983
X=591946 Y=533826
LAT.: N 32.4674429
LONG.: W 104.1692361

NAD 1927
X=550765 Y=533765
LAT.: N 32.4673245
LONG.: W 104.1687324
1980' FNL 50' FEL

FIRST PERF. POINT (FPP)

NEW MEXICO EAST
NAD 1983
X=591896 Y=533825
LAT.: N 32.4674424
LONG.: W 104.1693982

NAD 1927
X=550715 Y=533765
LAT.: N 32.4673240
LONG.: W 104.1688945
1980' FNL 100' FEL

BLM PERF. POINT (BPP1)

NEW MEXICO EAST
NAD 1983
X=586667 Y=533779
LAT.: N 32.4673918
LONG.: W 104.1863518

NAD 1927
X=545486 Y=533739
LAT.: N 32.4672736
LONG.: W 104.1858476
1952' FNL 0' FWL

BLM PERF. POINT (BPP2)

NEW MEXICO EAST
NAD 1983
X=582684 Y=533779
LAT.: N 32.4673518
LONG.: W 104.1992696

NAD 1927
X=541503 Y=533719
LAT.: N 32.4672337
LONG.: W 104.1987650
1973' FNL 1325' FWL

**LAST PERFORATION POINT (LPP)
BOTTOM HOLE LOCATION (BHL)**

NEW MEXICO EAST
NAD 1983
X=581468 Y=533773
LAT.: N 32.4673393
LONG.: W 104.2032095

NAD 1927
X=540287 Y=533713
LAT.: N 32.4672212
LONG.: W 104.2027048
1980' FNL 110' FWL

SURVEYORS 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.

Date of Survey



S:\SURVEILLADOR_RESOURCE\BILL_WILSHUSEN_2022_05_08_FINAL_PRODUCT\FIG\CD_BILL_WILSHUSEN_FED_COM_122H_REV0.dwg FILE: 05/08/2024 2:01 PM

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION		Revised July 9, 2024	
	Submittal Type:	<input type="checkbox"/> Initial Submittal		
		<input type="checkbox"/> Amended Report		
			<input type="checkbox"/> As Drilled	

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-55879	Pool Code 74160	Pool Name CARLSBAD; WOLFCAMP, EAST (GAS)
Property Code 336579	Property Name BILL WILSHUSEN FED COM	Well Number 201H
OGRID No. 228937	Operator Name MATADOR PRODUCTION COMPANY	Ground Level Elevation 3235'
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input checked="" type="checkbox"/> Federal		Mineral Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input checked="" type="checkbox"/> Federal

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
H	22	21-S	27-E	-	1812' N	308' E	N 32.4678986	W 104.1700749	EDDY

Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
D	21	21-S	27-E	-	686' N	340' W	N 32.4708938	W 104.2024600	EDDY

Dedicated Acres 640	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidated Code
Order Numbers			Well Setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No	

Kick Off Point (KOP)

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
A	22	21-S	27-E	-	686' N	280' E	N 32.4709931	W 104.1699970	EDDY

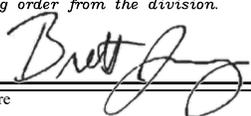
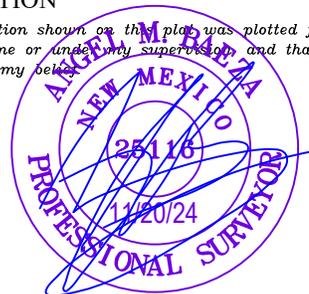
First Take Point (FTP)

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
A	22	21-S	27-E	-	686' N	330' E	N 32.4709926	W 104.1701591	EDDY

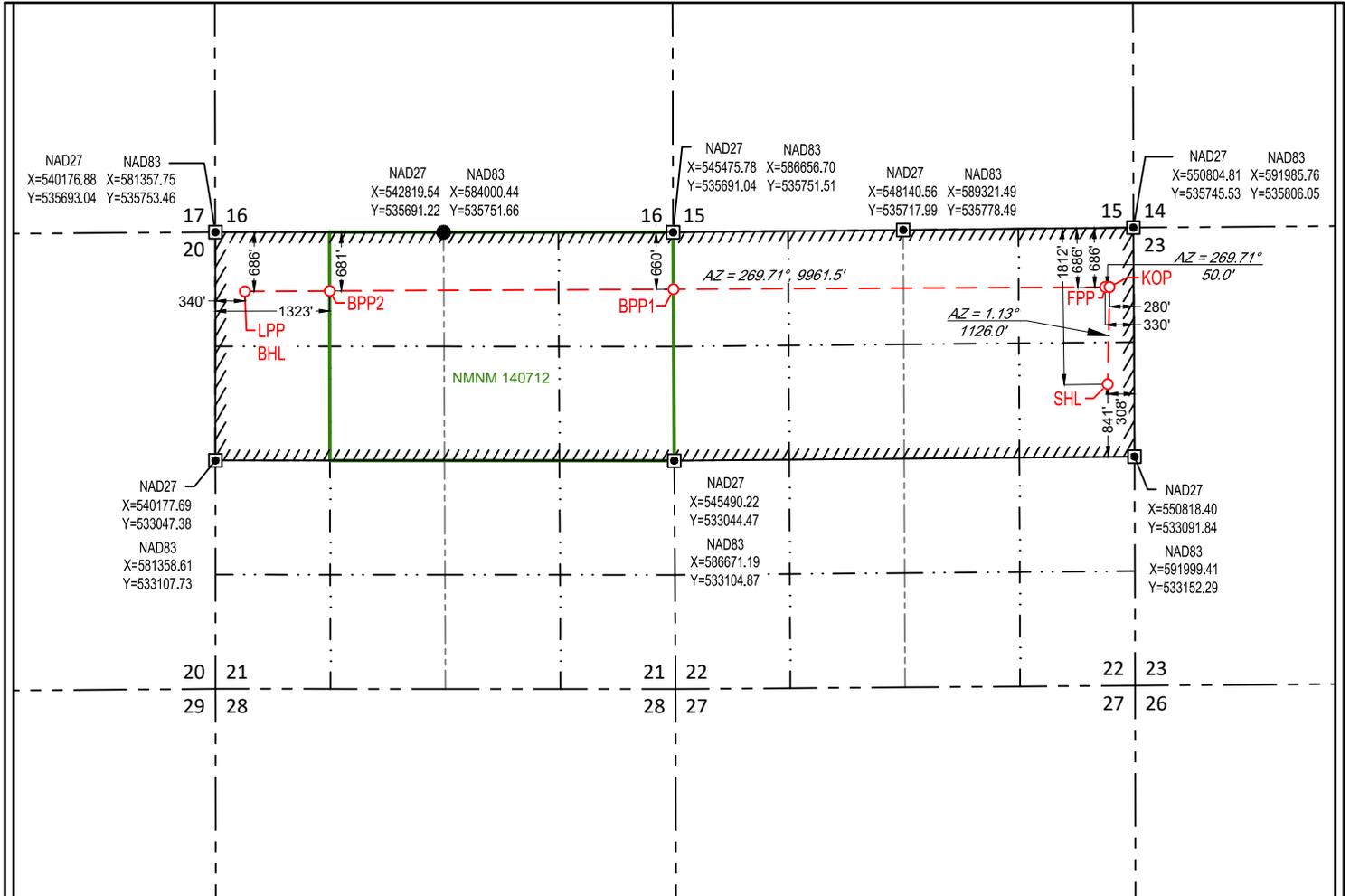
Last Take Point (LTP)

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
D	21	21-S	27-E	-	686' N	340' W	N 32.4708938	W 104.2024600	EDDY

Unitized Area or Area of Uniform Intrest	Spacing Unity Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation
--	--	------------------------

OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief; and, if the well is a vertical or directional well, 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 a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> <i>If this well is a horizontal well, I further certify that this organization has received The consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i>		SURVEYORS CERTIFICATION <i>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.</i>	
 Signature Brett Jennings - Regulatory Analyst		 Signature and Seal of Professional Surveyor	
Date 01/10/2025		Date 11/20/24	
Print Name Brett.Jennings@matadorresources.com		Certificate Number	Date of Survey 05/24/2024
E-mail Address			

<p>C-102</p> <p>Submit Electronically Via OCD Permitting</p>	<p>State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION</p>	<p>Revised July 9, 2024</p>
		<p>Submittal Type:</p> <p><input type="checkbox"/> Initial Submittal</p> <p><input type="checkbox"/> Amended Report</p> <p><input type="checkbox"/> As Drilled</p>
<p>Property Name and Well Number</p> <p style="text-align: center;">BILL WILSHUSEN FED COM 201H</p>		



SURFACE LOCATION (SHL)

NEW MEXICO EAST
NAD 1983
X=591687 Y=533991
LAT.: N 32.4678986
LONG.: W 104.1700749
NAD 1927
X=550506 Y=533930
LAT.: N 32.4677802
LONG.: W 104.1695711
1812' FNL 308' FEL

KICK OFF POINT (KOP)

NEW MEXICO EAST
NAD 1983
X=591709 Y=535117
LAT.: N 32.4709931
LONG.: W 104.1699970
NAD 1927
X=550528 Y=535056
LAT.: N 32.4708747
LONG.: W 104.1694932
686' FNL 280' FEL

FIRST PERF. POINT (FPP)

NEW MEXICO EAST
NAD 1983
X=591659 Y=535116
LAT.: N 32.4709926
LONG.: W 104.1701591
NAD 1927
X=550478 Y=535056
LAT.: N 32.4708742
LONG.: W 104.1696553
686' FNL 330' FEL

BLM PERF. POINT (BPP1)

NEW MEXICO EAST
NAD 1983
X=586660 Y=535092
LAT.: N 32.4709440
LONG.: W 104.1863690
NAD 1927
X=545479 Y=535031
LAT.: N 32.4708258
LONG.: W 104.1858647
660' FNL 0' FWL

BLM PERF. POINT (BPP2)

NEW MEXICO EAST
NAD 1983
X=582681 Y=535072
LAT.: N 32.4709039
LONG.: W 104.1992737
NAD 1927
X=541500 Y=535011
LAT.: N 32.4707858
LONG.: W 104.1987690
681' FNL 1323' FWL

**LAST PERFORATION POINT (LPP)
BOTTOM HOLE LOCATION (BHL)**

NEW MEXICO EAST
NAD 1983
X=581698 Y=535067
LAT.: N 32.4708938
LONG.: W 104.2024600
NAD 1927
X=540517 Y=535006
LAT.: N 32.4707757
LONG.: W 104.2019552
686' FNL 340' FWL

SURVEYORS 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, 05/24/2024

Date of Survey

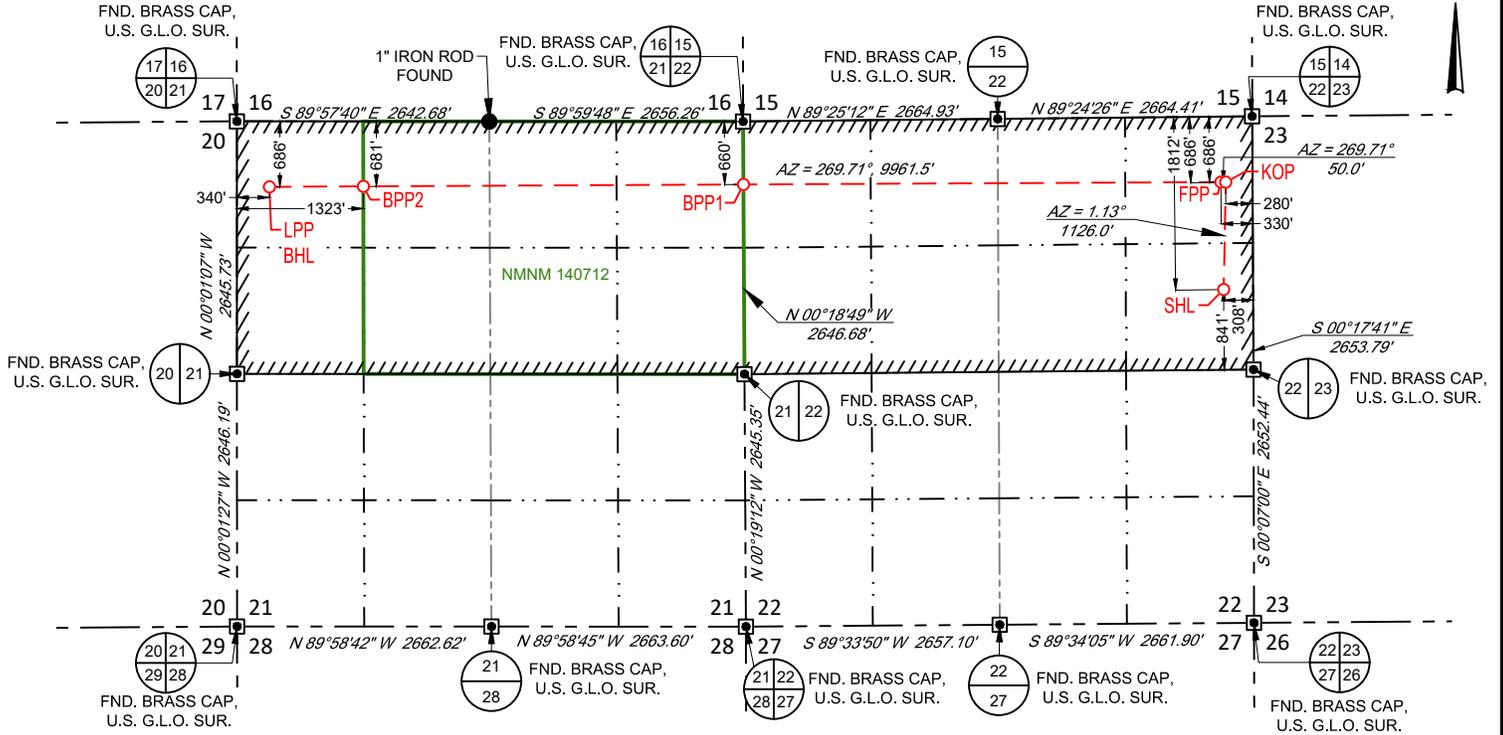


S:\SURVE\MANADOR_RESOURCE\BILL_WILSHUSEN_2021_215-215-FINAL_PRODUCT\FIG\BILL_WILSHUSEN_FED_COM_201H_REV.mxd 05/24/2024 12:04 PM

SCALE: 1" = 2000'
 0' 1000' 2000'



SECTION 22, TOWNSHIP 21-S, RANGE 27-E, N.M.P.M.
 EDDY COUNTY, NEW MEXICO



SURFACE LOCATION (SHL)	KICK OFF POINT (KOP)	FIRST PERF. POINT (FPP)
NEW MEXICO EAST NAD 1983 X=591687 Y=533991 LAT.: N 32.4678986 LONG.: W 104.1700749 1812' FNL 308' FEL	NEW MEXICO EAST NAD 1983 X=591709 Y=535117 LAT.: N 32.4709931 LONG.: W 104.1699970 686' FNL 280' FEL	NEW MEXICO EAST NAD 1983 X=591659 Y=535116 LAT.: N 32.4709926 LONG.: W 104.1701591 686' FNL 330' FEL
BLM PERF. POINT (BPP1)	BLM PERF. POINT (BPP2)	LAST PERFORMANCE POINT (LPP) BOTTOM HOLE LOCATION (BHL)
NEW MEXICO EAST NAD 1983 X=586660 Y=535092 LAT.: N 32.4709440 LONG.: W 104.1863690 660' FNL 0' FWL	NEW MEXICO EAST NAD 1983 X=582681 Y=535072 LAT.: N 32.4709039 LONG.: W 104.1992737 681' FNL 1323' FWL	NEW MEXICO EAST NAD 1983 X=581698 Y=535067 LAT.: N 32.4708938 LONG.: W 104.2024600 686' FNL 340' FWL

LEASE NAME & WELL NO.: BILL WILSHUSEN FED COM 201H

SECTION 22 TWP 21-S RGE 27-E SURVEY N.M.P.M.
 COUNTY EDDY STATE NM
 DESCRIPTION 1812' FNL & 308' FEL

DISTANCE & DIRECTION
FROM INT. OF GEORGE SHOUP RELIEF RTE. & US-180/US-62E. GO
NORTHWEST ON GEORGE SHOUP RELIEF RTE ±1.2 MILES. THENCE
EAST (RIGHT) ON LEASE ROAD ±1.5 MILES. THENCE NORTHEAST
(RIGHT) ON A PROPOSED RD. ±1448 FEET TO A POINT ±480 FEET
SOUTHEAST OF THE LOCATION.



Angel M. Baeza, P.S. No. 25116

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET
 THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY MATADOR PRODUCTION COMPANY. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.
 AS OF THE DATE OF SURVEY, ALL ABOVE GROUND APPURTENANCES WITHIN 300' OF THE STAKED LOCATION ARE SHOWN HEREON.

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 LOYALTY INNOVATION LEGACY
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 TELEPHONE: (817) 744-7512 • FAX (817) 744-7554
 2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705
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C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024	
		Submittal Type:	<input type="checkbox"/> Initial Submittal
		<input type="checkbox"/> Amended Report	<input type="checkbox"/> As Drilled

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-55880	Pool Code 74160	Pool Name CARLSBAD; WOLFCAMP, EAST (GAS)
Property Code 336579	Property Name BILL WILSHUSEN FED COM	Well Number 202H
OGRID No. 228937	Operator Name MATADOR PRODUCTION COMPANY	Ground Level Elevation 3235'
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input checked="" type="checkbox"/> Federal		Mineral Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input checked="" type="checkbox"/> Federal

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
H	22	21-S	27-E	-	1842' N	308' E	N 32.4678162	W 104.1700755	EDDY

Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
E	21	21-S	27-E	-	1979' N	340' W	N 32.4673416	W 104.2024638	EDDY

Dedicated Acres 640	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidated Code
Order Numbers			Well Setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No	

Kick Off Point (KOP)

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
H	22	21-S	27-E	-	1979' N	280' E	N 32.4674407	W 104.1699819	EDDY

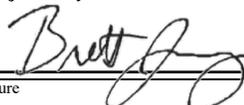
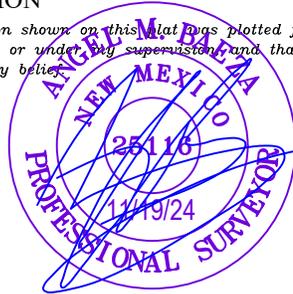
First Take Point (FTP)

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
H	22	21-S	27-E	-	1978' N	330' E	N 32.4674403	W 104.1701440	EDDY

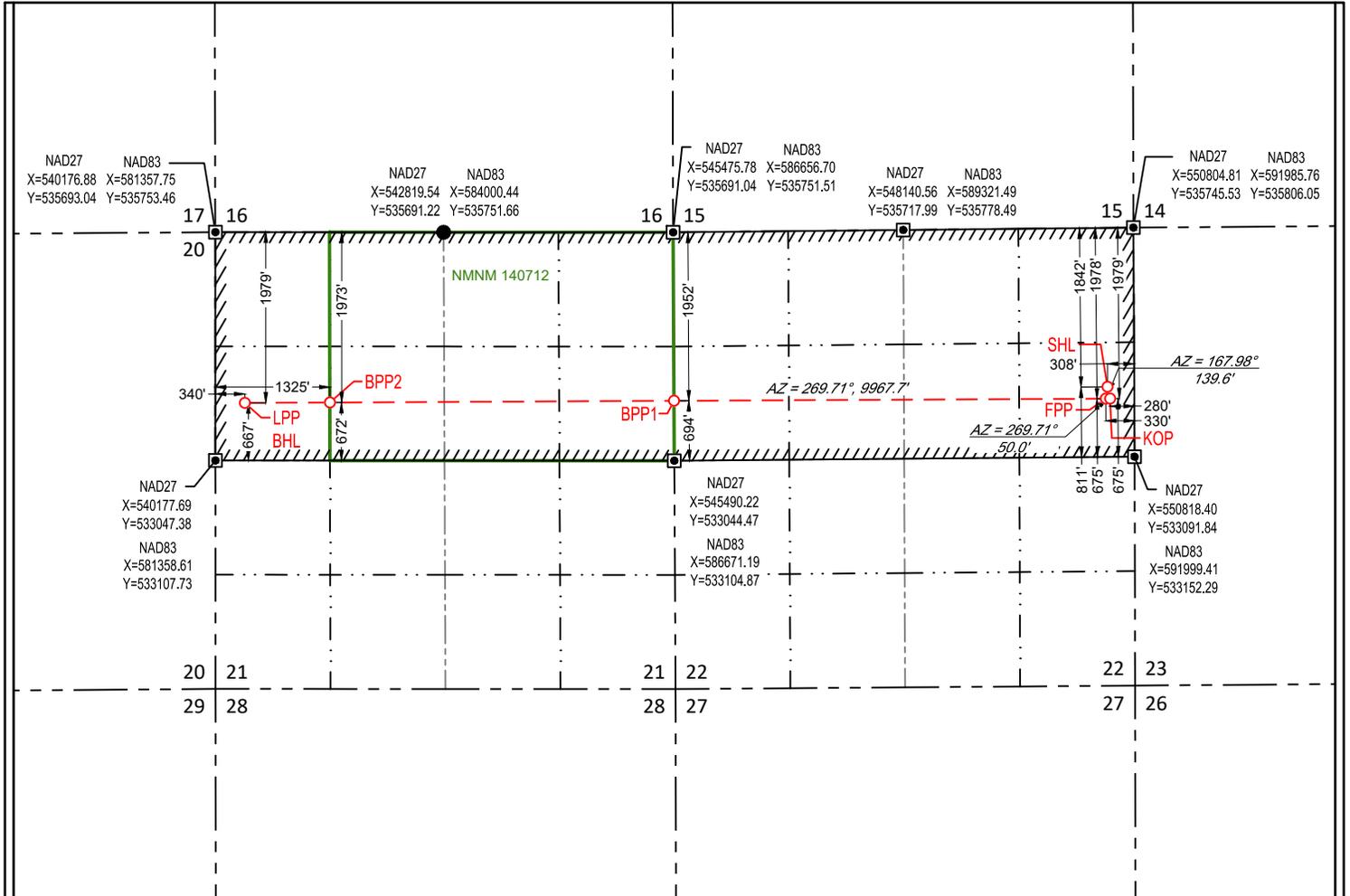
Last Take Point (LTP)

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
E	21	21-S	27-E	-	1979' N	340' W	N 32.4673416	W 104.2024638	EDDY

Unitized Area or Area of Uniform Intrest	Spacing Unity Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation
--	--	------------------------

<p>OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief; and, if the well is a vertical or directional well, 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 a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p><i>If this well is a horizontal well, I further certify that this organization has received The consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i></p> <p style="text-align: right;">  01/10/2025 </p>	<p>SURVEYORS CERTIFICATION</p> <p><i>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.</i></p> <div style="text-align: center;">  </div> <p style="text-align: right;"> Signature and Seal of Professional Surveyor Date </p>	
Signature Brett Jennings	Certificate Number	Date of Survey 05/08/2024
Print Name Brett.Jennings@matadorresources.com	E-mail Address	

<p>C-102</p> <p>Submit Electronically Via OCD Permitting</p>	<p>State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION</p>	<p>Revised July 9, 2024</p>
		<p>Submittal Type:</p> <p><input type="checkbox"/> Initial Submittal</p> <p><input type="checkbox"/> Amended Report</p> <p><input type="checkbox"/> As Drilled</p>
<p>Property Name and Well Number</p> <p style="text-align: center;">BILL WILSHUSEN FED COM 202H</p>		



SURFACE LOCATION (SHL)

NEW MEXICO EAST
NAD 1983
X=591687 Y=533961
LAT.: N 32.4678162
LONG.: W 104.1700755
NAD 1927
X=550506 Y=533900
LAT.: N 32.4676978
LONG.: W 104.1695718
1842' FNL 308' FEL

KICK OFF POINT (KOP)

NEW MEXICO EAST
NAD 1983
X=591716 Y=533824
LAT.: N 32.4674407
LONG.: W 104.1699819
NAD 1927
X=550535 Y=533764
LAT.: N 32.4673223
LONG.: W 104.1694782
1979' FNL 280' FEL

FIRST PERF. POINT (FPP)

NEW MEXICO EAST
NAD 1983
X=591666 Y=533824
LAT.: N 32.4674403
LONG.: W 104.1701440
NAD 1927
X=550485 Y=533764
LAT.: N 32.4673218
LONG.: W 104.1696403
1978' FNL 330' FEL

BLM PERF. POINT (BPP1)

NEW MEXICO EAST
NAD 1983
X=586667 Y=533799
LAT.: N 32.4673918
LONG.: W 104.1863518
NAD 1927
X=545486 Y=533739
LAT.: N 32.4672736
LONG.: W 104.1858476
1952' FNL 0' FWL

BLM PERF. POINT (BPP2)

NEW MEXICO EAST
NAD 1983
X=582684 Y=533779
LAT.: N 32.4673518
LONG.: W 104.1992696
NAD 1927
X=541503 Y=533719
LAT.: N 32.4672337
LONG.: W 104.1987650
1973' FNL 1325' FWL

**LAST PERFORATION POINT (LPP)
BOTTOM HOLE LOCATION (BHL)**

NEW MEXICO EAST
NAD 1983
X=581698 Y=533775
LAT.: N 32.4673416
LONG.: W 104.2024638
NAD 1927
X=540517 Y=533714
LAT.: N 32.4672236
LONG.: W 104.2019591
1979' FNL 340' FWL

SURVEYORS 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.
05/08/2024

Date of Survey

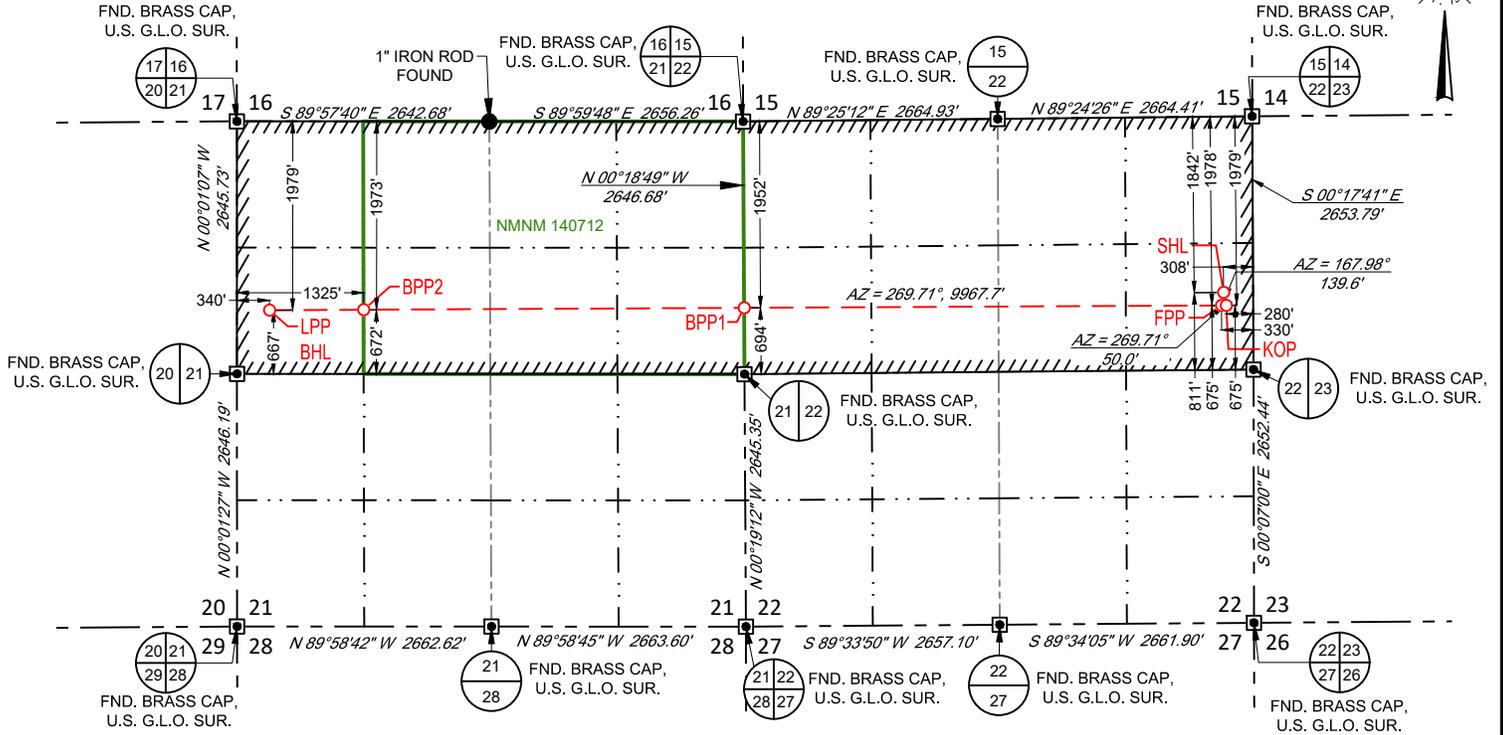


S:\SURVEILLATOR_RESOURCE\BILL_WILSHUSEN_2022_2015_215\FINAL_PRODUCT\FINAL_PRODUCT_BILL_WILSHUSEN_FED_COM_202H_REV.MXD WALKER 1/19/2024 11:29 AM

SCALE: 1" = 2000'
 0' 1000' 2000'



SECTION 22, TOWNSHIP 21-S, RANGE 27-E, N.M.P.M.
 EDDY COUNTY, NEW MEXICO



SURFACE LOCATION (SHL)	KICK OFF POINT (KOP)	FIRST PERF. POINT (FPP)
NEW MEXICO EAST NAD 1983 X=591687 Y=533961 LAT.: N 32.4678162 LONG.: W 104.1700755 1842' FNL 308' FEL	NEW MEXICO EAST NAD 1983 X=591716 Y=533824 LAT.: N 32.4674407 LONG.: W 104.1699819 1979' FNL 280' FEL	NEW MEXICO EAST NAD 1983 X=591666 Y=533824 LAT.: N 32.4674403 LONG.: W 104.1701440 1978' FNL 330' FEL
BLM PERF. POINT (BPP1)	BLM PERF. POINT (BPP2)	LAST PERFORMANCE POINT (LPP) BOTTOM HOLE LOCATION (BHL)
NEW MEXICO EAST NAD 1983 X=586667 Y=533799 LAT.: N 32.4673918 LONG.: W 104.1863518 1952' FNL 0' FWL	NEW MEXICO EAST NAD 1983 X=582684 Y=533779 LAT.: N 32.4673518 LONG.: W 104.1992696 1973' FNL 1325' FWL	NEW MEXICO EAST NAD 1983 X=581698 Y=533775 LAT.: N 32.4673416 LONG.: W 104.2024638 1979' FNL 340' FWL

LEASE NAME & WELL NO.: BILL WILSHUSEN FED COM 202H

SECTION 22 TWP 21-S RGE 27-E SURVEY N.M.P.M.
 COUNTY EDDY STATE NM
 DESCRIPTION 1842' FNL & 308' FEL

DISTANCE & DIRECTION
FROM INT. OF GEORGE SHOUP RELIEF RTE. & US-180/US-62E. GO
NORTHWEST ON GEORGE SHOUP RELIEF RTE ±1.2 MILES. THENCE
EAST (RIGHT) ON LEASE ROAD ±1.5 MILES. THENCE NORTHEAST
(RIGHT) ON A PROPOSED RD. ±1448 FEET TO A POINT ±452 FEET
SOUTHEAST OF THE LOCATION.



Angel M. Baeza, P.S. No. 25116

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET
 THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY MATADOR PRODUCTION COMPANY. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.
 AS OF THE DATE OF SURVEY, ALL ABOVE GROUND APPURTENANCES WITHIN 300' OF THE STAKED LOCATION ARE SHOWN HEREON.

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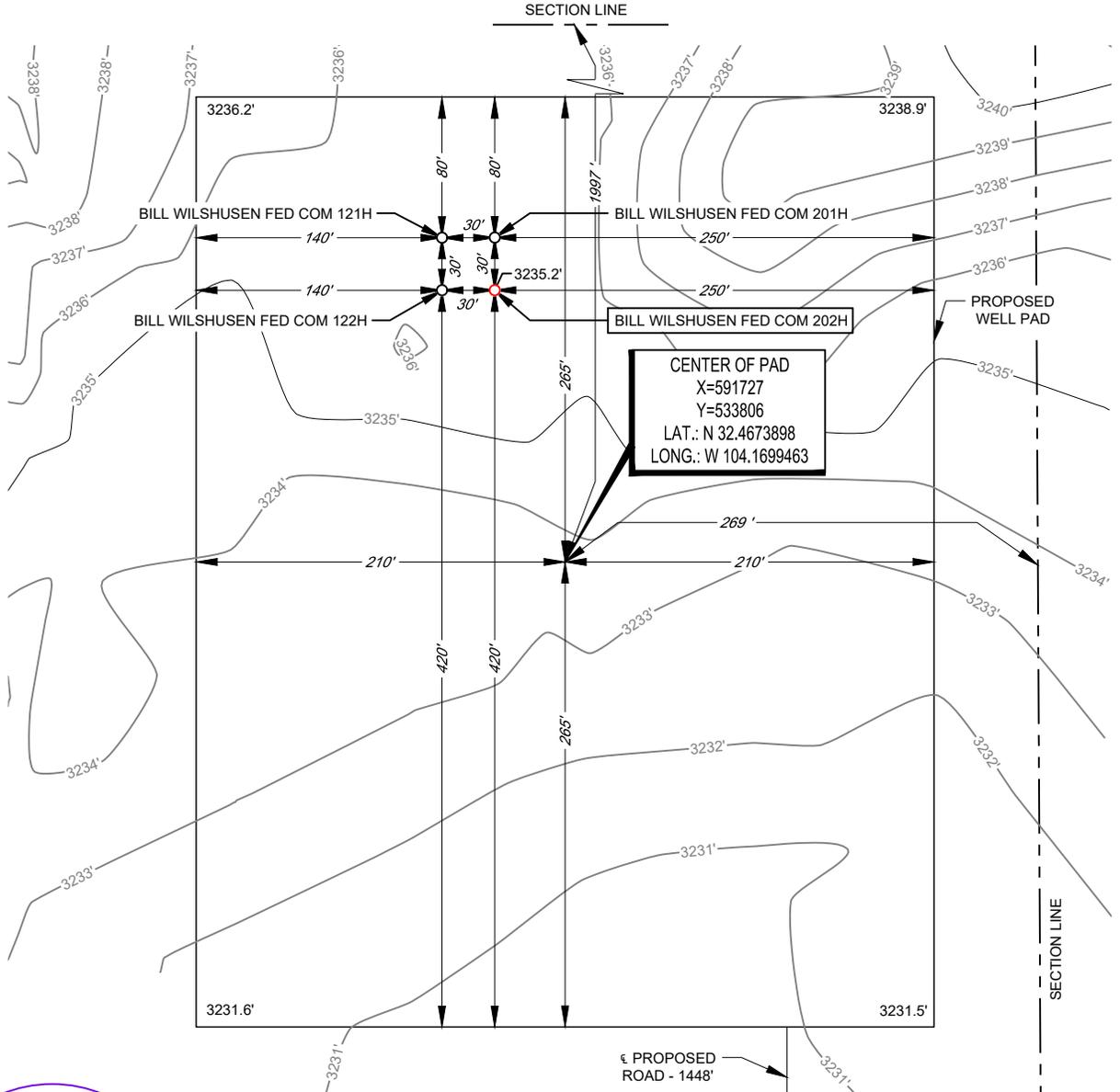
LEGEND

--- SECTION LINE

--- PROPOSED ROAD

DETAIL VIEW
SCALE: 1" = 100'

SECTION 22, TOWNSHIP 21-S, RANGE 27-E, N.M.P.M.
EDDY COUNTY, NEW MEXICO



Angel M. Baeza, P.S. No. 25116

LEASE NAME & WELL NO.: BILL WILSHUSEN FED COM 202H
 202H LATITUDE N 32.4678162 202H LONGITUDE W 104.1700755

CENTER OF PAD IS 1997' FNL & 269' FEL



SCALE: 1" = 100'
0' 50' 100'

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET. ELEVATIONS USED ARE NAVD88, OBTAINED THROUGH AN OPUS SOLUTION.

THIS PROPOSED PAD SITE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY MATADOR PRODUCTION COMPANY. ONLY THE DATA SHOWN ABOVE IS BEING CERTIFIED TO, ALL OTHER INFORMATION WAS INTENTIONALLY OMITTED. THIS PLAT IS ONLY INTENDED TO BE USED FOR A PERMIT AND IS NOT A BOUNDARY SURVEY. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.



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ORIGINAL DOCUMENT SIZE: 8.5" X 11"

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the 1st day of **August, 2024**, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

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 which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

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 parties hereto as follows:

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

N2N2 of Sections 21 & 22, Township 21 South, Range 27 East, Eddy County, New Mexico.

Containing **320.00** acres, and this agreement shall include only the **Bone Spring** Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the

Bill Wilshusen Fed Com #121H – Federal Comm Agreement

- operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be **Matador Production Company 5400 Lyndon B Johnson Fwy, Suite 1500, Dallas, Texas, 75240**. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
 4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
 5. 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 there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8th or 12 ½ percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 7/8th should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the

communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes.

- This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, 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 such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is **August 1, 2024**, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
 13. 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.
 14. 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 instrument, 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.

- 15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Operator: Matador Production Company

Signature of Authorized Agent

By: Kyle Perkins – Senior Vice President & Assistant General Counsel
Name & Title of Authorized Agent

Date: _____

ACKNOWLEDGEMENT

STATE OF TEXAS)

COUNTY OF DALLAS)

On this ____ day of _____, 2024, before me, a Notary Public for the State of Texas, personally appeared Kyle Perkins, known to me to be the Senior Vice President & Assistant General Counsel of Matador Production Company, the Texas corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

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

MRC Permian Company

By: _____

Kyle Perkins – Senior Vice President & Assistant General Counsel
Print Name

Date: _____

ACKNOWLEDGEMENT

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this ____ day of _____, 2024, before me, a Notary Public for the State of Texas, personally appeared Kyle Perkins, known to me to be the Senior Vice President & Assistant General Counsel of MRC Permian Company, the Texas corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

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

MRC Delaware Resources, LLC

By: _____

Kyle Perkins – Senior Vice President & Assistant General Counsel
Print Name

Date: _____

ACKNOWLEDGEMENT

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this ____ day of _____, 2024, before me, a Notary Public for the State of Texas, personally appeared Kyle Perkins, known to me to be the Senior Vice President & Assistant General Counsel of MRC Delaware Resources, LLC, the Texas limited liability company that executed the foregoing instrument and acknowledged to me such limited liability company executed the same.

(SEAL)

My Commission Expires

Notary Public

SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING INTEREST

COMMUNITIZATION AGREEMENT: _____

I, the undersigned, hereby certify, on behalf of **Matador Production Company**, the Operator under the captioned Communitization Agreement, that all working interest owners shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the true and correct owners of the leases committed to the Communitization Agreement, and the consents of the requisite working interest owners have been obtained.

I, further certify that the Communitization Agreement follows the standard form except for Sections 1 and 10.

NAME: _____

Signature of office

Printed: Kyle Perkins

TITLE: Senior Vice President & Assistant General Counsel

Phone number : (972)-371-5202

EXHIBIT "A"

Plat of communitized area covering 320.00 acres in the N2N2 of Sections 21 & 22, Township 21 South, Range 27 East, Eddy County, New Mexico.

Bill Wilshusen Fed Com #121H

Tract 1 Fee Leases 40.00 acres	Tract 2 NMNM-140712 120.00 acres	Tract 3 VC-0683-0001 80.00 acres	Tract 4 K0-3977-8 40.00 acres	Tract 5 L0-2351-4 40.00 acres
Section 21-21S-27E		Section 22-21S-27E		

Bill Wilshusen Fed Com #121H – Federal Comm Agreement

EXHIBIT “B”

Attached to and made a part of that certain Communitization Agreement dated August 1, 2024, embracing the following described land in the **N2N2 of Sections 21 & 22, Township 21 South, Range 27 East, Eddy County, New Mexico.**

Operator of Communitized Area: **Matador Production Company**

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number:	Fee Leases
Description of Land Committed:	Township 21 South, Range 27 East, Section 21: NW/4NW/4
Number of Acres:	40.00
Name and Percent of Working Interest Owners:	R.E.B. Resources, LLC Osprey Oil and Gas II, LLC SITL Energy, LLC

Tract No. 2

Lease Serial Number:	NMNM-140712
Description of Land Committed:	Township 21 South, Range 27 East, Section 21: NE4NW4, N2NE4
Number of Acres:	120.00
Current Lessee of Record:	Featherstone Development Corporation
Name and Percent of Working Interest Owners:	Featherstone Development Corporation

Tract No. 3

Lease Serial Number: VC-0683-0001

Description of Land Committed: Township 21 South, Range 27 East,
Section 22: N2NW4

Number of Acres: 80.00

Current Lessee of Record: MRC Permian Company

Name and Percent of Working Interest Owners: MRC Permian Company
Devon Energy Production Company, L.P.

Tract No. 4

Lease Serial Number: K0-3977-0008

Description of Land Committed: Township 21 South, Range 27 East,
Section 22: NW/4NE/4

Number of Acres: 40.00

Current Lessee of Record: MRC Delaware Resources, LLC
OXY USA WTP Limited Partnership

Name and Percent of Working Interest Owners: Devon Energy Production Company, L.P.
OXY USA WTP Limited Partnership
Jalapeno Corporation
Yates Energy Corporation
Explorers Petroleum Corporation
Carolyn B. Yates
Aeron A. Yates and John Frances Messa, Co-Trustees of the Aeron A. Yates Children’s Trust
Carolyn B. Yates and Bruno J. Bulovas, Jr., Co-Trustees of the Steven M. Yates Children’s Trust
Aeron A. Yates

Tract No. 5

Lease Serial Number: L0-2351-0004

Description of Land Committed: Township 21 South, Range 27 East,
Section 22: NE/4NE/4

Number of Acres: 40.00

Current Lessee of Record: Devon Energy Production Company, L.P.

Name and Percent of Working Interest Owners: Devon Energy Production Company, L.P.

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	40.00	12.50%
2	120.00	37.50%
3	80.00	25.00%
4	40.00	12.50%
5	40.00	12.50%
Total	320.00	100.00%

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the **1st** day of **August, 2024**, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

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 which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

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 parties hereto as follows:

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

S2N2 of Sections 21 & 22, Township 21 South, Range 27 East, Eddy County, New Mexico.

Containing **320.00** acres, and this agreement shall include only the **Bone Spring** Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the

Bill Wilshusen Fed Com #122H – Federal Comm Agreement

- operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be **Matador Production Company 5400 Lyndon B Johnson Fwy, Suite 1500, Dallas, Texas, 75240**. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
 4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
 5. 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 there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8th or 12 ½ percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 7/8th should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the

communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes.

- This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, 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 such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is **August 1, 2024**, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
 13. 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.
 14. 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 instrument, 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.

- 15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Operator: Matador Production Company

Signature of Authorized Agent

By: Kyle Perkins – Senior Vice President & Assistant General Counsel
Name & Title of Authorized Agent

Date: _____

ACKNOWLEDGEMENT

STATE OF TEXAS)

COUNTY OF DALLAS)

On this ____ day of _____, 2024, before me, a Notary Public for the State of Texas, personally appeared Kyle Perkins, known to me to be the Senior Vice President & Assistant General Counsel of Matador Production Company, the Texas corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

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

MRC Permian Company

By: _____

Kyle Perkins – Senior Vice President & Assistant General Counsel
Print Name

Date: _____

ACKNOWLEDGEMENT

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this ____ day of _____, 2024, before me, a Notary Public for the State of Texas, personally appeared Kyle Perkins, known to me to be the Senior Vice President & Assistant General Counsel of MRC Permian Company, the Texas corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

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

MRC Delaware Resources, LLC

By: _____

Kyle Perkins – Senior Vice President & Assistant General Counsel
Print Name

Date: _____

ACKNOWLEDGEMENT

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this ____ day of _____, 2024, before me, a Notary Public for the State of Texas, personally appeared Kyle Perkins, known to me to be the Senior Vice President & Assistant General Counsel of MRC Delaware Resources, LLC, the Texas limited liability company that executed the foregoing instrument and acknowledged to me such limited liability company executed the same.

(SEAL)

My Commission Expires

Notary Public

SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING INTEREST

COMMUNITIZATION AGREEMENT: _____

I, the undersigned, hereby certify, on behalf of **Matador Production Company**, the Operator under the captioned Communitization Agreement, that all working interest owners shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the true and correct owners of the leases committed to the Communitization Agreement, and the consents of the requisite working interest owners have been obtained.

I, further certify that the Communitization Agreement follows the standard form except for Sections 1 and 10.

NAME: _____

Signature of office

Printed: Kyle Perkins

TITLE: Senior Vice President & Assistant General Counsel

Phone number : (972)-371-5202

EXHIBIT "A"

Plat of communitized area covering **320.00** acres in the **S2N2** of Sections **21 & 22**, Township **21** South, Range **27** East, Eddy County, New Mexico.

Bill Wilshusen Fed Com #122H

Tract 1 Fee Leases 40.00 acres	Tract 2 NMNM-140712 120.00 acres	Tract 3 VC-0683-0001 120.00 acres	Tract 4 K0-3977-8 40.00 acres
Section 21-21S-27E		Section 22-21S-27E	

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EXHIBIT “B”

Attached to and made a part of that certain Communitization Agreement dated August 1, 2024, embracing the following described land in the **S2N2 of Sections 21 & 22, Township 21 South, Range 27 East, Eddy County, New Mexico.**

Operator of Communitized Area: **Matador Production Company**

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number:	Fee Leases
Description of Land Committed:	Township 21 South, Range 27 East, Section 21: SW/4NW/4
Number of Acres:	40.00
Name and Percent of Working Interest Owners:	R.E.B. Resources, LLC Osprey Oil and Gas II, LLC SITL Energy, LLC

Tract No. 2

Lease Serial Number:	NMNM-140712
Description of Land Committed:	Township 21 South, Range 27 East, Section 21: SE4NW4, S2NE4
Number of Acres:	120.00
Current Lessee of Record:	Featherstone Development Corporation
Name and Percent of Working Interest Owners:	Featherstone Development Corporation

Tract No. 3

Lease Serial Number: VC-0683-0001
Description of Land Committed: Township 21 South, Range 27 East,
 Section 22: S2NW4, SW4NE4
Number of Acres: 120.00
Current Lessee of Record: MRC Permian Company
Name and Percent of Working Interest Owners: MRC Permian Company
 Devon Energy Production Company, L.P.

Tract No. 4

Lease Serial Number: K0-3977-0008
Description of Land Committed: Township 21 South, Range 27 East,
 Section 22: SE/4NE/4
Number of Acres: 40.00
Current Lessee of Record: MRC Delaware Resources, LLC
 OXY USA WTP Limited Partnership
Name and Percent of Working Interest Owners: Devon Energy Production Company, L.P.
 OXY USA WTP Limited Partnership
 Jalapeno Corporation
 Yates Energy Corporation
 Explorers Petroleum Corporation
 Carolyn B. Yates
 Aeron A. Yates and John Frances Messa, Co-
 Trustees of the Aeron A. Yates Children’s Trust
 Carolyn B. Yates and Bruno J. Bulovas, Jr., Co-
 Trustees of the Steven M. Yates Children’s Trust
 Aeron A. Yates

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	40.00	12.50%
2	120.00	37.50%
3	120.00	37.50%
4	40.00	12.50%
Total	320.00	100.00%

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the 1st day of **August, 2024**, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

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 which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

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 parties hereto as follows:

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

N2 of Sections 21 & 22, Township 21 South, Range 27 East, Eddy County, New Mexico.

Containing **640.00** acres, and this agreement shall include only the **Wolfcamp** Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the

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- operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be **Matador Production Company 5400 Lyndon B Johnson Fwy, Suite 1500, Dallas, Texas, 75240**. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
 4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
 5. 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 there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8th or 12 ½ percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 7/8th should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the

communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes.

This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, 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 such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.

10. The date of this agreement is **August 1, 2024**, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. 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.
14. 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 instrument, 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.

- 15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Operator: Matador Production Company

Signature of Authorized Agent

By: Kyle Perkins – Senior Vice President & Assistant General Counsel
Name & Title of Authorized Agent

Date: _____

ACKNOWLEDGEMENT

STATE OF TEXAS)

COUNTY OF DALLAS)

On this ___ day of _____, 2024, before me, a Notary Public for the State of Texas, personally appeared Kyle Perkins, known to me to be the Senior Vice President & Assistant General Counsel of Matador Production Company, the Texas corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

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

MRC Permian Company

By: _____

Kyle Perkins – Senior Vice President & Assistant General Counsel
Print Name

Date: _____

ACKNOWLEDGEMENT

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this ____ day of _____, 2024, before me, a Notary Public for the State of Texas, personally appeared Kyle Perkins, known to me to be the Senior Vice President & Assistant General Counsel of MRC Permian Company, the Texas corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

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

MRC Delaware Resources, LLC

By: _____

Kyle Perkins – Senior Vice President & Assistant General Counsel
Print Name

Date: _____

ACKNOWLEDGEMENT

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this ____ day of _____, 2024, before me, a Notary Public for the State of Texas, personally appeared Kyle Perkins, known to me to be the Senior Vice President & Assistant General Counsel of MRC Delaware Resources, LLC, the Texas limited liability company that executed the foregoing instrument and acknowledged to me such limited liability company executed the same.

(SEAL)

My Commission Expires

Notary Public

SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING INTEREST

COMMUNITIZATION AGREEMENT: _____

I, the undersigned, hereby certify, on behalf of **Matador Production Company**, the Operator under the captioned Communitization Agreement, that all working interest owners shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the true and correct owners of the leases committed to the Communitization Agreement, and the consents of the requisite working interest owners have been obtained.

I, further certify that the Communitization Agreement follows the standard form except for Sections 1 and 10.

NAME: _____

Signature of office

Printed: Kyle Perkins

TITLE: Senior Vice President & Assistant General Counsel

Phone number : (972)-371-5202

EXHIBIT “A”

Plat of communitized area covering **640.00** acres in the N2 of Sections 21 & 22, Township 21 South,
Range 27 East, Eddy County, New Mexico.

Bill Wilshusen Fed Com #201H/#202H

Tract 1 Fee Leases 80.00 acres	Tract 2 NMNM-140712 240.00 acres	Tract 3 VC-0683-0001 160.00 acres	Tract 4 K0-3977-8 80.00 acres	Tract 5 L0-2351-4 40.00 acres
Section 21-21S-27E			Tract 4 K0-3977-8 80.00 acres	
Section 21-21S-27E			Section 22-21S-27E	

Bill Wilshusen Fed Com #201H/#202H – Federal Comm Agreement

EXHIBIT “B”

Attached to and made a part of that certain Communitization Agreement dated August 1, 2024, embracing the following described land in the N2 of Sections 21 & 22, Township 21 South, Range 27 East, Eddy County, New Mexico.

Operator of Communitized Area: **Matador Production Company**

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number:	Fee Leases
Description of Land Committed:	Township 21 South, Range 27 East, Section 21: W2NW4
Number of Acres:	80.00
Name and Percent of Working Interest Owners:	R.E.B. Resources, LLC Osprey Oil and Gas II, LLC SITL Energy, LLC

Tract No. 2

Lease Serial Number:	NMNM-140712
Description of Land Committed:	Township 21 South, Range 27 East, Section 21: E2NW4, NE4
Number of Acres:	240.00
Current Lessee of Record:	Featherstone Development Corporation
Name and Percent of Working Interest Owners:	Featherstone Development Corporation

Tract No. 3

Lease Serial Number: VC-0683-0001

Description of Land Committed: Township 21 South, Range 27 East,
Section 22: NW4, SW4NE4

Number of Acres: 200.00

Current Lessee of Record: MRC Permian Company

Name and Percent of Working Interest Owners: MRC Permian Company
Devon Energy Production Company, L.P.

Tract No. 4

Lease Serial Number: K0-3977-0008

Description of Land Committed: Township 21 South, Range 27 East,
Section 22: NW4NE4, SE4NE4

Number of Acres: 80.00

Current Lessee of Record: MRC Delaware Resources, LLC
OXY USA WTP Limited Partnership

Name and Percent of Working Interest Owners: Devon Energy Production Company, L.P.
OXY USA WTP Limited Partnership
Jalapeno Corporation
Yates Energy Corporation
Explorers Petroleum Corporation
Carolyn B. Yates
Aeron A. Yates and John Frances Messa, Co-
Trustees of the Aeron A. Yates Children's Trust
Carolyn B. Yates and Bruno J. Bulovas, Jr., Co-
Trustees of the Steven M. Yates Children's Trust
Aeron A. Yates

Tract No. 5

Lease Serial Number: L0-2351-0004

Description of Land Committed: Township 21 South, Range 27 East,
Section 22: NE4NE4

Number of Acres: 40.00

Current Lessee of Record: Devon Energy Production Company, L.P.

Name and Percent of Working Interest Owners: Devon Energy Production Company, L.P.

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	80.00	12.50%
2	240.00	37.50%
3	200.00	31.25%
4	80.00	12.50%
5	40.00	6.25%
Total	640.00	100.00%

NM State Land Office
Oil, Gas, & Minerals Division

STATE/FEDERAL OR
STATE/FEDERAL/FEE

Revised August, 2024

ONLINE Version

COMMUNITIZATION AGREEMENT

API Initial Well: 30-0_____ - _____

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto,"

WITNESSETH:

WHEREAS, the Act of February 25, 1920, 41 Stat. 437, as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a federal oil and gas lease, or any portions thereof, with other lands, whether or not owned by the United States, when separate tracts under such federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area, and such communitization or pooling is determined to be in the public interest; and,

WHEREAS, the Commissioner of Public Lands of the State of New Mexico, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such pooling is determined to be in the public interest; and,

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of the agreement;

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 parties hereto as follows:

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

Subdivisions N2N2 of Sections 21 & 22,

Sect(s) 21&22, T 21S, R 27E, NMPM Eddy County, NM

containing 320.00 acres, more or less, and this agreement shall include only the

Bone Spring Formation

or pool, underlying said lands and the oil and gas

(hereinafter referred to as "communitized substances") producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "B" designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States and the State of New Mexico, as specified in the applicable oil and gas operating regulations.
5. 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 leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any federal lease bearing a sliding-or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, 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 such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is **August** _____ Month **1st** Day, **2024** Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his/her duly authorized representative, and by the Commissioner or his/her duly authorized representative, and shall remain in force and effect for a period of one (1) year and so 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 & regulations; provided, that the one-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto.
11. Notwithstanding any other provision herein, if there is a cessation of production of communitized substances for more than sixty (60) days beginning one year after the date of execution, this Agreement shall automatically terminate, along with the ability to produce communitized substances, unless notice of reworking or drilling operations on the communitized area is made within 60 days of cessation of production of communitized substances and are thereafter conducted with reasonable diligence or the Commissioner of Public Lands otherwise grants an exception to continued drilling operations, including for the compliance of other state rules, laws, or policies. All such notices provided pursuant to this Paragraph shall be in writing and must be approved by the Commissioner. As to State Trust Lands, written notice of intention to commence any operations hereunder shall be filed with the Commissioner 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. All requests to the Commissioner to grant an exception or exceptions for the compliance of other state rules, laws, or policies must

be made in writing 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 this Agreement or any lease from the State of New Mexico included in this Agreement.

12. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.
13. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
14. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
15. 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 instrument, 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.
16. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.
17. In the event that Operator is aggrieved by a decision of the Commissioner with respect to any action by the Commissioner arising under this Agreement, Operator may within thirty (30) days after the date of such action file an administrative contest pursuant to 19-7-64 NMSA (1978) and 19.2.15 NMAC. Operator shall initiate no court action against the Commissioner or New Mexico State Land Office regarding this Agreement except to appeal a final decision of the Commissioner rendered pursuant to such a contest proceeding, and as provided by 19-7-64 NMSA (1978). The Parties agree that any venue for any appeal or other action shall be in Santa Fe, New Mexico.

18. Operator shall notify the Commissioner in writing within ten (10) days of (i) Operator's receipt of any compliance order, enforcement order, notice of violation, warning letter, or other written notice of final or contemplated enforcement action taken by any federal, state, or local governmental entity arising out of or concerning any of Operator's operations on New Mexico state trust land; (ii) Operator's receipt of any order, judgment, or decree (on consent or otherwise) entered by any federal or state court against Operator arising out of or concerning any of Operator's operations on New Mexico state trust land; or (iii) Operator's receipt of any written notice of claim, written pre-suit notice, or lawsuit arising out of or concerning any of Operator's operations on New Mexico state trust land. Upon the Commissioner's request, Operator shall promptly provide the Commissioner with a copy of any such order, judgment, decree, notice, letter, or lawsuit.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first written and have set opposite their respective names the date of execution.

Operator: **Matador Production Company**

By: Kyle Perkins – Senior Vice President & Assistant General Counsel
Name & Title of Authorized Agent

Signature of Authorized Agent

Acknowledgment in a Representative Capacity

STATE OF TEXAS) §

COUNTY OF DALLAS) §

This instrument was acknowledged before me on _____, 2024, by Kyle Perkins, as Senior Vice President & Assistant General Counsel for Matador Production Company, a Texas corporation, on behalf of said corporation.

Signature of Notarial Officer
My commission expires _____

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

MRC Permian Company

By: Kyle Perkins – Senior Vice President & Assistant General Counsel
Name & Title of Authorized Agent

Signature of Authorized Agent

Acknowledgment in a Representative Capacity

STATE OF TEXAS) §

COUNTY OF DALLAS) §

This instrument was acknowledged before me on _____, 2024, by Kyle Perkins, as Senior Vice President & Assistant General Counsel, for MRC Permian Company, a Texas corporation, on behalf of said corporation.

Signature of Notarial Officer
My commission expires _____

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

MRC Delaware Resources, LLC

By: _____

Kyle Perkins – Senior Vice President & Assistant General Counsel
Print Name

Date: _____

ACKNOWLEDGEMENT

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this ____ day of _____, 2024, before me, a Notary Public for the State of Texas, personally appeared Kyle Perkins, known to me to be the Senior Vice President & Assistant General Counsel, of MRC Delaware Resources, LLC, the Texas limited liability company that executed the foregoing instrument and acknowledged to me such limited liability company executed the same.

(SEAL)

My Commission Expires

Notary Public

EXHIBIT "A"

Plat of communitized area covering **320.00** acres in the **N2N2** of **Sections 21 & 22, Township 21 South, Range 27 East, Eddy County, New Mexico.**

Bill Wilshusen Fed Com #121H

Tract 1 Fee Leases 40.00 acres	Tract 2 NMNM-140712 120.00 acres	Tract 3 VC-0683-0001 80.00 acres	Tract 4 K0-3977-8 40.00 acres	Tract 5 L0-2351-4 40.00 acres
Section 21-21S-27E		Section 22-21S-27E		

EXHIBIT “B”

Attached to and made a part of that certain Communitization Agreement dated August 1, 2024, embracing the following described land in the **N2N2 of Sections 21 & 22, Township 21 South, Range 27 East, Eddy County, New Mexico.**

Operator of Communitized Area: **Matador Production Company**

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number: Fee Leases

Description of Land Committed: Township 21 South, Range 27 East, Section 21: NW/4NW/4

Number of Acres: 40.00

Name and Percent of Working Interest Owners: R.E.B. Resources, LLC
Osprey Oil and Gas II, LLC
SITL Energy, LLC

Tract No. 2

Lease Serial Number: NMNM-140712

Description of Land Committed: Township 21 South, Range 27 East, Section 21: NE4NW4, N2NE4

Number of Acres: 120.00

Current Lessee of Record: Featherstone Development Corporation

Name and Percent of Working Interest Owners: Featherstone Development Corporation

Tract No. 3

Lease Serial Number: VC-0683-0001

Description of Land Committed: Township 21 South, Range 27 East, Section 22: N2NW4

Number of Acres: 80.00

Current Lessee of Record: MRC Permian Company

Name and Percent of Working Interest Owners: MRC Permian Company
Devon Energy Production Company, L.P.

Tract No. 4

Lease Serial Number: K0-3977-0008

Description of Land Committed: Township 21 South, Range 27 East,
Section 22: NW/4NE/4

Number of Acres: 40.00

Current Lessee of Record: MRC Delaware Resources, LLC
OXY USA WTP Limited Partnership

Name and Percent of Working Interest Owners: Devon Energy Production Company, L.P.
OXY USA WTP Limited Partnership
Jalapeno Corporation
Yates Energy Corporation
Explorers Petroleum Corporation
Carolyn B. Yates
Aeron A. Yates and John Frances Messa, Co-Trustees of the Aeron A. Yates Children’s Trust
Carolyn B. Yates and Bruno J. Bulovas, Jr., Co-Trustees of the Steven M. Yates Children’s Trust
Aeron A. Yates

Tract No. 5

Lease Serial Number: L0-2351-0004

Description of Land Committed: Township 21 South, Range 27 East,
Section 22: NE/4NE/4

Number of Acres: 40.00

Current Lessee of Record: Devon Energy Production Company, L.P.

Name and Percent of Working Interest Owners: Devon Energy Production Company, L.P.

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	40.00	12.50%
2	120.00	37.50%
3	80.00	25.00%
4	40.00	12.50%
5	40.00	12.50%
Total	320.00	100.00%

NM State Land Office
Oil, Gas, & Minerals Division

STATE/FEDERAL OR
STATE/FEDERAL/FEE
Revised August, 2024

ONLINE Version
COMMUNITIZATION AGREEMENT

API Initial Well: 30-0_____ - _____

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto,"

WITNESSETH:

WHEREAS, the Act of February 25, 1920, 41 Stat. 437, as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a federal oil and gas lease, or any portions thereof, with other lands, whether or not owned by the United States, when separate tracts under such federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area, and such communitization or pooling is determined to be in the public interest; and,

WHEREAS, the Commissioner of Public Lands of the State of New Mexico, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such pooling is determined to be in the public interest; and,

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of the agreement;

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 parties hereto as follows:

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

Subdivisions S2N2 of Sections 21 & 22,

Sect(s) 21&22, T 21S, R 27E, NMPM Eddy County, NM

containing 320.00 acres, more or less, and this agreement shall include only the

Bone Spring Formation

or pool, underlying said lands and the oil and gas

(hereinafter referred to as "communitized substances") producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "B" designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States and the State of New Mexico, as specified in the applicable oil and gas operating regulations.
5. 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 leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any federal lease bearing a sliding-or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, 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 such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is **August** _____ Month **1st** Day, **2024** Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his/her duly authorized representative, and by the Commissioner or his/her duly authorized representative, and shall remain in force and effect for a period of one (1) year and so 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 & regulations; provided, that the one-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto.
11. Notwithstanding any other provision herein, if there is a cessation of production of communitized substances for more than sixty (60) days beginning one year after the date of execution, this Agreement shall automatically terminate, along with the ability to produce communitized substances, unless notice of reworking or drilling operations on the communitized area is made within 60 days of cessation of production of communitized substances and are thereafter conducted with reasonable diligence or the Commissioner of Public Lands otherwise grants an exception to continued drilling operations, including for the compliance of other state rules, laws, or policies. All such notices provided pursuant to this Paragraph shall be in writing and must be approved by the Commissioner. As to State Trust Lands, written notice of intention to commence any operations hereunder shall be filed with the Commissioner 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. All requests to the Commissioner to grant an exception or exceptions for the compliance of other state rules, laws, or policies must

- be made in writing 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 this Agreement or any lease from the State of New Mexico included in this Agreement.
12. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.
 13. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
 14. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
 15. 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 instrument, 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.
 16. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.
 17. In the event that Operator is aggrieved by a decision of the Commissioner with respect to any action by the Commissioner arising under this Agreement, Operator may within thirty (30) days after the date of such action file an administrative contest pursuant to 19-7-64 NMSA (1978) and 19.2.15 NMAC. Operator shall initiate no court action against the Commissioner or New Mexico State Land Office regarding this Agreement except to appeal a final decision of the Commissioner rendered pursuant to such a contest proceeding, and as provided by 19-7-64 NMSA (1978). The Parties agree that any venue for any appeal or other action shall be in Santa Fe, New Mexico.

18. Operator shall notify the Commissioner in writing within ten (10) days of (i) Operator's receipt of any compliance order, enforcement order, notice of violation, warning letter, or other written notice of final or contemplated enforcement action taken by any federal, state, or local governmental entity arising out of or concerning any of Operator's operations on New Mexico state trust land; (ii) Operator's receipt of any order, judgment, or decree (on consent or otherwise) entered by any federal or state court against Operator arising out of or concerning any of Operator's operations on New Mexico state trust land; or (iii) Operator's receipt of any written notice of claim, written pre-suit notice, or lawsuit arising out of or concerning any of Operator's operations on New Mexico state trust land. Upon the Commissioner's request, Operator shall promptly provide the Commissioner with a copy of any such order, judgment, decree, notice, letter, or lawsuit.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first written and have set opposite their respective names the date of execution.

Operator: **Matador Production Company**

By: Kyle Perkins – Senior Vice President & Assistant General Counsel
Name & Title of Authorized Agent

Signature of Authorized Agent

Acknowledgment in a Representative Capacity

STATE OF TEXAS) §

COUNTY OF DALLAS) §

This instrument was acknowledged before me on _____, 2024, by Kyle Perkins, as Senior Vice President & Assistant General Counsel for Matador Production Company, a Texas corporation, on behalf of said corporation.

Signature of Notarial Officer

My commission expires _____

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

MRC Permian Company

By: Kyle Perkins – Senior Vice President & Assistant General Counsel
Name & Title of Authorized Agent

Signature of Authorized Agent

Acknowledgment in a Representative Capacity

STATE OF TEXAS) §

COUNTY OF DALLAS) §

This instrument was acknowledged before me on _____, 2024, by Kyle Perkins, as Senior Vice President & Assistant General Counsel, for MRC Permian Company, a Texas corporation, on behalf of said corporation.

Signature of Notarial Officer

My commission expires _____

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

MRC Delaware Resources, LLC

By: _____

Kyle Perkins – Senior Vice President & Assistant General Counsel
Print Name

Date: _____

ACKNOWLEDGEMENT

STATE OF **TEXAS**)

COUNTY OF **DALLAS**)

On this ____ day of _____, 2024, before me, a Notary Public for the State of Texas, personally appeared Kyle Perkins, known to me to be the Senior Vice President & Assistant General Counsel, of MRC Delaware Resources, LLC, the Texas limited liability company that executed the foregoing instrument and acknowledged to me such limited liability company executed the same.

(SEAL)

My Commission Expires

Notary Public

EXHIBIT "A"

Plat of communitized area covering **320.00** acres in the **S2N2** of **Sections 21 & 22, Township 21 South, Range 27 East, Eddy County, New Mexico.**

Bill Wilshusen Fed Com #122H

Tract 1 Fee Leases 40.00 acres	Tract 2 NMNM-140712 120.00 acres	Tract 3 VC-0683-0001 120.00 acres	Tract 4 K0-3977-8 40.00 acres
Section 21-21S-27E		Section 22-21S-27E	

EXHIBIT “B”

Attached to and made a part of that certain Communitization Agreement dated August 1, 2024, embracing the following described land in the **S2N2 of Sections 21 & 22, Township 21 South, Range 27 East, Eddy County, New Mexico.**

Operator of Communitized Area: **Matador Production Company**

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number: Fee Leases

Description of Land Committed: Township 21 South, Range 27 East, Section 21: SW/4NW/4

Number of Acres: 40.00

Name and Percent of Working Interest Owners: R.E.B. Resources, LLC
Osprey Oil and Gas II, LLC
SITL Energy, LLC

Tract No. 2

Lease Serial Number: NMNM-140712

Description of Land Committed: Township 21 South, Range 27 East, Section 21: SE4NW4, S2NE4

Number of Acres: 120.00

Current Lessee of Record: Featherstone Development Corporation

Name and Percent of Working Interest Owners: Featherstone Development Corporation

Tract No. 3

Lease Serial Number: VC-0683-0001

Description of Land Committed: Township 21 South, Range 27 East, Section 22: S2NW4, SW4NE4

Number of Acres: 120.00

Current Lessee of Record: MRC Permian Company

Name and Percent of Working Interest Owners: MRC Permian Company
Devon Energy Production Company, L.P.

Tract No. 4

Lease Serial Number: K0-3977-0008

Description of Land Committed: Township 21 South, Range 27 East,
Section 22: SE/4NE/4

Number of Acres: 40.00

Current Lessee of Record: MRC Delaware Resources, LLC
OXY USA WTP Limited Partnership

Name and Percent of Working Interest Owners: Devon Energy Production Company, L.P.
OXY USA WTP Limited Partnership
Jalapeno Corporation
Yates Energy Corporation
Explorers Petroleum Corporation
Carolyn B. Yates
Aeron A. Yates and John Frances Messa, Co-Trustees of the Aeron A. Yates Children’s Trust
Carolyn B. Yates and Bruno J. Bulovas, Jr., Co-Trustees of the Steven M. Yates Children’s Trust
Aeron A. Yates

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	40.00	12.50%
2	120.00	37.50%
3	120.00	37.50%
4	40.00	12.50%
Total	320.00	100.00%

NM State Land Office
Oil, Gas, & Minerals Division

STATE/FEDERAL OR
STATE/FEDERAL/FEE

Revised August, 2024

ONLINE Version

COMMUNITIZATION AGREEMENT

API Initial Well: 30-0_____ - _____

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto,"

WITNESSETH:

WHEREAS, the Act of February 25, 1920, 41 Stat. 437, as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a federal oil and gas lease, or any portions thereof, with other lands, whether or not owned by the United States, when separate tracts under such federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area, and such communitization or pooling is determined to be in the public interest; and,

WHEREAS, the Commissioner of Public Lands of the State of New Mexico, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such pooling is determined to be in the public interest; and,

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of the agreement;

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 parties hereto as follows:

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

Subdivisions N2 of Sections 21 & 22,

Sect(s) 21&22, T 21S, R 27E, NMPM Eddy County, NM

containing 640.00 acres, more or less, and this agreement shall include only the

Wolfcamp Formation

or pool, underlying said lands and the oil and gas

(hereinafter referred to as "communitized substances") producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "B" designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States and the State of New Mexico, as specified in the applicable oil and gas operating regulations.
5. 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 leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any federal lease bearing a sliding-or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, 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 such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is **August** _____ Month **1st** Day, **2024** Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his/her duly authorized representative, and by the Commissioner or his/her duly authorized representative, and shall remain in force and effect for a period of one (1) year and so 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 & regulations; provided, that the one-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto.
11. Notwithstanding any other provision herein, if there is a cessation of production of communitized substances for more than sixty (60) days beginning one year after the date of execution, this Agreement shall automatically terminate, along with the ability to produce communitized substances, unless notice of reworking or drilling operations on the communitized area is made within 60 days of cessation of production of communitized substances and are thereafter conducted with reasonable diligence or the Commissioner of Public Lands otherwise grants an exception to continued drilling operations, including for the compliance of other state rules, laws, or policies. All such notices provided pursuant to this Paragraph shall be in writing and must be approved by the Commissioner. As to State Trust Lands, written notice of intention to commence any operations hereunder shall be filed with the Commissioner 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. All requests to the Commissioner to grant an exception or exceptions for the compliance of other state rules, laws, or policies must

be made in writing 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 this Agreement or any lease from the State of New Mexico included in this Agreement.

12. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.
13. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
14. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
15. 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 instrument, 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.
16. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.
17. In the event that Operator is aggrieved by a decision of the Commissioner with respect to any action by the Commissioner arising under this Agreement, Operator may within thirty (30) days after the date of such action file an administrative contest pursuant to 19-7-64 NMSA (1978) and 19.2.15 NMAC. Operator shall initiate no court action against the Commissioner or New Mexico State Land Office regarding this Agreement except to appeal a final decision of the Commissioner rendered pursuant to such a contest proceeding, and as provided by 19-7-64 NMSA (1978). The Parties agree that any venue for any appeal or other action shall be in Santa Fe, New Mexico.

18. Operator shall notify the Commissioner in writing within ten (10) days of (i) Operator's receipt of any compliance order, enforcement order, notice of violation, warning letter, or other written notice of final or contemplated enforcement action taken by any federal, state, or local governmental entity arising out of or concerning any of Operator's operations on New Mexico state trust land; (ii) Operator's receipt of any order, judgment, or decree (on consent or otherwise) entered by any federal or state court against Operator arising out of or concerning any of Operator's operations on New Mexico state trust land; or (iii) Operator's receipt of any written notice of claim, written pre-suit notice, or lawsuit arising out of or concerning any of Operator's operations on New Mexico state trust land. Upon the Commissioner's request, Operator shall promptly provide the Commissioner with a copy of any such order, judgment, decree, notice, letter, or lawsuit.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first written and have set opposite their respective names the date of execution.

Operator: **Matador Production Company**

By: Kyle Perkins – Senior Vice President & Assistant General Counsel
Name & Title of Authorized Agent

Signature of Authorized Agent

Acknowledgment in a Representative Capacity

STATE OF TEXAS) §

COUNTY OF DALLAS) §

This instrument was acknowledged before me on _____, 2024, by Kyle Perkins, as Senior Vice President & Assistant General Counsel for Matador Production Company, a Texas corporation, on behalf of said corporation.

Signature of Notarial Officer
My commission expires _____

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

MRC Permian Company

By: Kyle Perkins – Senior Vice President & Assistant General Counsel
Name & Title of Authorized Agent

Signature of Authorized Agent

Acknowledgment in a Representative Capacity

STATE OF TEXAS) §

COUNTY OF DALLAS) §

This instrument was acknowledged before me on _____, 2024, by Kyle Perkins, as Senior Vice President & Assistant General Counsel, for MRC Permian Company, a Texas corporation, on behalf of said corporation.

Signature of Notarial Officer
My commission expires _____

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

MRC Delaware Resources, LLC

By: _____

Kyle Perkins – Senior Vice President & Assistant General Counsel
Print Name

Date: _____

ACKNOWLEDGEMENT

STATE OF TEXAS)

COUNTY OF DALLAS)

On this ___ day of _____, 2024, before me, a Notary Public for the State of Texas, personally appeared Kyle Perkins, known to me to be the Senior Vice President & Assistant General Counsel, of MRC Delaware Resources, LLC, the Texas limited liability company that executed the foregoing instrument and acknowledged to me such limited liability company executed the same.

(SEAL)

My Commission Expires

Notary Public

EXHIBIT "A"

Plat of communitized area covering 640.00 acres in the N2 of Sections 21 & 22, Township 21 South, Range 27 East, Eddy County, New Mexico.

Bill Wilshusen Fed Com #201H/#202H

Tract 1 Fee Leases 80.00 acres	Tract 2 NMNM-140712 240.00 acres	Tract 3 VC-0683-0001 160.00 acres	Tract 4 K0-3977-8 80.00 acres	Tract 5 L0-2351-4 40.00 acres
Section 21-21S-27E		Section 22-21S-27E		

EXHIBIT “B”

Attached to and made a part of that certain Communitization Agreement dated August 1, 2024, embracing the following described land in the **N2 of Sections 21 & 22, Township 21 South, Range 27 East, Eddy County, New Mexico.**

Operator of Communitized Area: **Matador Production Company**

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number:	Fee Leases
Description of Land Committed:	Township 21 South, Range 27 East, Section 21: W2NW4
Number of Acres:	80.00
Name and Percent of Working Interest Owners:	R.E.B. Resources, LLC Osprey Oil and Gas II, LLC SITL Energy, LLC

Tract No. 2

Lease Serial Number:	NMNM-140712
Description of Land Committed:	Township 21 South, Range 27 East, Section 21: E2NW4, NE4
Number of Acres:	240.00
Current Lessee of Record:	Featherstone Development Corporation
Name and Percent of Working Interest Owners:	Featherstone Development Corporation

Tract No. 3

Lease Serial Number:	VC-0683-0001
Description of Land Committed:	Township 21 South, Range 27 East, Section 22: NW4, SW4NE4
Number of Acres:	200.00
Current Lessee of Record:	MRC Permian Company
Name and Percent of Working Interest Owners:	MRC Permian Company Devon Energy Production Company, L.P.

Tract No. 4

Lease Serial Number: K0-3977-0008

Description of Land Committed: Township 21 South, Range 27 East,
Section 22: NW4NE4, SE4NE4

Number of Acres: 80.00

Current Lessee of Record: MRC Delaware Resources, LLC
OXY USA WTP Limited Partnership

Name and Percent of Working Interest Owners: Devon Energy Production Company, L.P.
OXY USA WTP Limited Partnership
Jalapeno Corporation
Yates Energy Corporation
Explorers Petroleum Corporation
Carolyn B. Yates
Aeron A. Yates and John Frances Messa, Co-Trustees of the Aeron A. Yates Children’s Trust
Carolyn B. Yates and Bruno J. Bulovas, Jr., Co-Trustees of the Steven M. Yates Children’s Trust
Aeron A. Yates

Tract No. 5

Lease Serial Number: L0-2351-0004

Description of Land Committed: Township 21 South, Range 27 East,
Section 22: NE4NE4

Number of Acres: 40.00

Current Lessee of Record: Devon Energy Production Company, L.P.

Name and Percent of Working Interest Owners: Devon Energy Production Company, L.P.

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	80.00	12.50%
2	240.00	37.50%
3	200.00	31.25%
4	80.00	12.50%
5	40.00	6.25%
Total	640.00	100.00%

Aeron A. Yates	2843 Seccomb St.	Ft. Collins	CO	80526
Aeron A. Yates and John Frances Messa, Co-Trustees of the Aeron A. Yates Children's Trust	2843 Seccomb St.	Ft. Collins	CO	80526
BMT I BPEOR NM, LLC	201 Main St. Ste 2600	Fort Worth	TX	76102-3134
BMT II BPEOR NM, LLC	201 Main St. Ste 2600	Fort Worth	TX	76102-3134
Bureau of Land Management	301 Dinosaur Trail	Santa Fe	NM	87508
Carolyn B. Yates	50 Orchard Pines Place	The Woodlands	TX	77382
Carolyn B. Yates and Bruno J. Bulovas, Jr., Co-Trustees of the Steven M. Yates Children's Trust	50 Orchard Pines Place	The Woodlands	TX	77382
Cibola Land Corporation	P.O. Box 1668	Albuquerque	NM	87103
Clendon York	102 E Riverside Dr. Apt 1	Carlsbad	NM	88220-5244
David Scott Miller	P. O. BOX 511	Show Low	AZ	85902
Devon Energy Production Company, L.P.	333 West Sheridan Avenue	Oklahoma City	OK	73102
Devon Energy Production Company, L.P.	5 Greenway Plaza, Suite 110	Houston	TX	77046
Donna York Bliven	506 W Orchard LN Apt 17	Carlsbad	NM	88220
Explorers Petroleum Corporation	P.O. Box 1933	Roswell	NM	88201
George M. Yates	P.O. Box 1933	Roswell	NM	88201
Harvey E. Yates, Jr.	P.O. Box 1608	Albuquerque	NM	87103-1608
Jalapeno Corporation	P.O. Box 1608	Albuquerque	NM	87103
Jatonna York Birchell	6220 W 48th Ave	Spokane WA 99224	WA	99224
Jay Paul Miller	7401 Crystal Ridge Rd. S.W.	Albuquerque	NM	87121-3503
Julie J. Lara	6780 N. EAGLE RD.	Las Cruces	NM	88012
Lendon York	102 E Riverside Dr. Apt 1	Carlsbad	NM	88220-5244
Marifred M. Handley	9201 Carlsbad Highway	Hobbs	NM	88240
Marifred M. Handley, Trustee of the Joe F. Handley and Marifred M. Handley Revocable Trust	9201 Carlsbad Highway	Hobbs	NM	88240
New Mexico State Land Office	310 Old Santa Fe Trail	Santa Fe	NM	87501
Osprey Oil and Gas, LLC	707 N Carrizo	Midland	TX	79701
OXY USA WTP Limited Partnership	5 Greenway Plaza, Suite 110	Houston	TX	77046
OXY USA WTP Limited Partnership	333 West Sheridan Avenue	Oklahoma City	OK	73102
PetroYates, Inc.	P.O. Box 1608	Albuquerque	NM	87103
R.E.B. Resources, LLC	308 North Colorado, Ste 200	Midland	TX	79701

SITL Energy, LLC	308 North Colorado, Ste 200	Midland	TX	79701
Spiral, Inc.	P.O. Box 1933	Roswell	NM	88202-1933
Tommy Phipps and Werta Jean Phipps, Trustees of the Phipps Living Trust	P O BOX 11090	Midland	TX	79702
Yates Energy Corporation	P.O. Box 2323	Roswell	NM	88202
Yates Energy Royalty Interests LLC	P.O. Box 2323	Roswell	NM	88202



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

February 4, 2025

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PARTIES

Re: Application of Matador Production Company for administrative approval to surface commingle (pool and lease) oil and gas production from spacing units comprised of the N/2 of Sections 21 and 22, Township 21 South, Range 27 East, NMPM, Eddy 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. Division rules require that a copy of this application be provided to you (there are no documents in this notice packet for you to sign). Any objection to this application must be filed in writing within twenty days from the date this application is received by 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:

Hawks Holder
Matador Production Company
(972) 619-4336
hawks.holder@matadorresources.com

Sincerely,

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

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

MRC - Bill Wilshusen Commingling
Postal Delivery Report

9414811898765458157102	Aeron A. Yates	2843 Seccomb St	Fort Collins	CO	80526-6211	Your item was forwarded to a different address at 8:58 am on February 6, 2025 in FORT COLLINS, CO. This was because of forwarding instructions or because the address or ZIP Code on the label was incorrect.
9414811898765458157195	Aeron A. Yates and John Frances Messa, Co-Trustees of the Aeron A. Yates Childrens Trust	2843 Seccomb St	Fort Collins	CO	80526-6211	Your item was forwarded to a different address at 8:58 am on February 6, 2025 in FORT COLLINS, CO. This was because of forwarding instructions or because the address or ZIP Code on the label was incorrect.
9414811898765458157140	BMT I BPEOR NM, LLC	201 Main St Ste 2600	Fort Worth	TX	76102-3134	Your package is moving within the USPS network and is on track to be delivered by the expected delivery date. It is currently in transit to the next facility.
9414811898765458157188	BMT II BPEOR NM, LLC	201 Main St Ste 2600	Fort Worth	TX	76102-3134	Your package is moving within the USPS network and is on track to be delivered by the expected delivery date. It is currently in transit to the next facility.
9414811898765458157133	Bureau of Land Management	301 Dinosaur Trl	Santa Fe	NM	87508-1560	Your item departed our USPS facility in ALBUQUERQUE, NM 87101 on February 6, 2025 at 6:40 pm. The item is currently in transit to the destination.

MRC - Bill Wilshusen Commingling
Postal Delivery Report

9414811898765458157317	Carolyn B. Yates	50 Orchard Pines Pl	The Woodlands	TX	77382-5601	Your item arrived at our NORTH HOUSTON TX DISTRIBUTION CENTER destination facility on February 6, 2025 at 8:29 am. The item is currently in transit to the destination.
9414811898765458157355	Carolyn B. Yates and Bruno J. Bulovas, Jr., Co-Trustees of the Steven M. Yates Childrens Trust	50 Orchard Pines Pl	The Woodlands	TX	77382-5601	Your item arrived at our NORTH HOUSTON TX DISTRIBUTION CENTER destination facility on February 6, 2025 at 8:29 am. The item is currently in transit to the destination.
9414811898765458157324	Cibola Land Corporation	PO Box 1668	Albuquerque	NM	87103-1668	Your item departed our USPS facility in ALBUQUERQUE, NM 87101 on February 6, 2025 at 6:40 pm. The item is currently in transit to the destination.
9414811898765458157300	Clendon York	102 E Riverside Dr Apt 1	Carlsbad	NM	88220-5244	Your item departed our USPS facility in DENVER CO DISTRIBUTION CENTER on February 5, 2025 at 9:58 am. The item is currently in transit to the destination.
9414811898765458157393	David Scott Miller	PO Box 511	Show Low	AZ	85902-0511	Your package is moving within the USPS network and is on track to be delivered by the expected delivery date. It is currently in transit to the next facility.

MRC - Bill Wilshusen Commingling
Postal Delivery Report

9414811898765458157386	Devon Energy Production Company, L.P.	333 W Sheridan Ave	Oklahoma City	OK	73102-5010	Your package is moving within the USPS network and is on track to be delivered by the expected delivery date. It is currently in transit to the next facility.
9414811898765458157331	Devon Energy Production Company, L.P.	5 Greenway Plz Ste 110	Houston	TX	77046-0521	Your item arrived at our SOUTH HOUSTON PROCESSING CENTER destination facility on February 6, 2025 at 9:43 am. The item is currently in transit to the destination.
9414811898765458157379	Donna York Bliven	506 W Orchard Ln Apt 17	Carlsbad	NM	88220-4679	Your item departed our USPS facility in DENVER CO DISTRIBUTION CENTER on February 5, 2025 at 9:58 am. The item is currently in transit to the destination.
9414811898765458157010	Explorers Petroleum Corporation	PO Box 1933	Roswell	NM	88202-1933	Your item departed our USPS facility in DENVER CO DISTRIBUTION CENTER on February 5, 2025 at 9:58 am. The item is currently in transit to the destination.
9414811898765458157058	George M. Yates	PO Box 1933	Roswell	NM	88202-1933	Your item departed our USPS facility in DENVER CO DISTRIBUTION CENTER on February 5, 2025 at 9:58 am. The item is currently in transit to the destination.

MRC - Bill Wilshusen Commingling
Postal Delivery Report

9414811898765458157065	Harvey E. Yates, Jr.	PO Box 1608	Albuquerque	NM	87103-1608	Your item departed our USPS facility in ALBUQUERQUE, NM 87101 on February 6, 2025 at 6:40 pm. The item is currently in transit to the destination.
9414811898765458157027	Jalapeno Corporation	PO Box 1608	Albuquerque	NM	87103-1608	Your item departed our USPS facility in ALBUQUERQUE, NM 87101 on February 6, 2025 at 6:40 pm. The item is currently in transit to the destination.
9414811898765458157003	Jatonna York Birchell	6220 W 48th Ave	Spokane	WA	99224-5659	Your item departed our USPS facility in SPOKANE WA DISTRIBUTION CENTER on February 6, 2025 at 6:03 pm. The item is currently in transit to the destination.
9414811898765458157096	Jay Paul Miller	7401 Crystal Ridge Rd SW	Albuquerque	NM	87121-3503	Your item departed our USPS facility in ALBUQUERQUE, NM 87101 on February 6, 2025 at 6:40 pm. The item is currently in transit to the destination.
9414811898765458157041	Julie J. Lara	6780 Eagle Rd	Las Cruces	NM	88012-6213	Your item departed our USPS facility in DENVER CO DISTRIBUTION CENTER on February 5, 2025 at 9:58 am. The item is currently in transit to the destination.

MRC - Bill Wilshusen Commingling
Postal Delivery Report

9414811898765458157089	Lendon York	102 E Riverside Dr Apt 1	Carlsbad	NM	88220-5244	Your item departed our USPS facility in DENVER CO DISTRIBUTION CENTER on February 5, 2025 at 9:58 am. The item is currently in transit to the destination.
9414811898765458157072	Marifred M. Handley	9201 W Carlsbad Hwy	Hobbs	NM	88240-9267	Your item departed our USPS facility in DENVER CO DISTRIBUTION CENTER on February 5, 2025 at 9:58 am. The item is currently in transit to the destination.
9414811898765458157416	Marifred M. Handley, Trustee of the Joe F. Handley and Marifred M Handley Revocable Trust	9201 W Carlsbad Hwy	Hobbs	NM	88240-9267	Your item departed our USPS facility in DENVER CO DISTRIBUTION CENTER on February 5, 2025 at 9:58 am. The item is currently in transit to the destination.
9414811898765458157454	New Mexico State Land Office	310 Old Santa Fe Trl	Santa Fe	NM	87501-2708	Your item departed our USPS facility in ALBUQUERQUE, NM 87101 on February 6, 2025 at 6:40 pm. The item is currently in transit to the destination.
9414811898765458157461	Osprey Oil and Gas, LLC	707 N Carrizo St	Midland	TX	79701-3240	Your item departed our USPS facility in DENVER CO DISTRIBUTION CENTER on February 5, 2025 at 9:58 am. The item is currently in transit to the destination.

MRC - Bill Wilshusen Commingling
Postal Delivery Report

9414811898765458157423	OXY USA WTP Limited Partnership	5 Greenway Plz Ste 110	Houston	TX	77046-0521	Your item arrived at our SOUTH HOUSTON PROCESSING CENTER destination facility on February 6, 2025 at 9:43 am. The item is currently in transit to the destination.
9414811898765458157409	OXY USA WTP Limited Partnership	333 W Sheridan Ave	Oklahoma City	OK	73102-5010	Your package is moving within the USPS network and is on track to be delivered by the expected delivery date. It is currently in transit to the next facility.
9414811898765458157447	PetroYates, Inc.	PO Box 1608	Albuquerque	NM	87103-1608	Your item departed our USPS facility in ALBUQUERQUE, NM 87101 on February 6, 2025 at 6:40 pm. The item is currently in transit to the destination.
9414811898765458157485	R.E.B. Resources, LLC	308 N Colorado St Ste 200	Midland	TX	79701-4631	Your item departed our USPS facility in DENVER CO DISTRIBUTION CENTER on February 5, 2025 at 9:58 am. The item is currently in transit to the destination.
9414811898765458157478	SITL Energy, LLC	308 N Colorado St Ste 200	Midland	TX	79701-4631	Your item departed our USPS facility in DENVER CO DISTRIBUTION CENTER on February 5, 2025 at 9:58 am. The item is currently in transit to the destination.

MRC - Bill Wilshusen Commingling
Postal Delivery Report

9414811898765458157515	Spiral, Inc.	PO Box 1933	Roswell	NM	88202-1933	Your item departed our USPS facility in DENVER CO DISTRIBUTION CENTER on February 5, 2025 at 9:58 am. The item is currently in transit to the destination.
9414811898765458157553	Tommy Phipps and Werta Jean Phipps, Trustees of the Phipps Living Trust	PO Box 11090	Midland	TX	79702-8090	Your item departed our USPS facility in DENVER CO DISTRIBUTION CENTER on February 5, 2025 at 9:58 am. The item is currently in transit to the destination.
9414811898765458157522	Yates Energy Corporation	PO Box 2323	Roswell	NM	88202-2323	Your item departed our USPS facility in DENVER CO DISTRIBUTION CENTER on February 5, 2025 at 9:58 am. The item is currently in transit to the destination.
9414811898765458157508	Yates Energy Royalty Interests LLC	PO Box 2323	Roswell	NM	88202-2323	Your item departed our USPS facility in DENVER CO DISTRIBUTION CENTER on February 5, 2025 at 9:58 am. The item is currently in transit to the destination.

Tracking Number:

9414811898765458157133



Copy



Add to Informed Delivery

Latest Update

Your item was delivered to the front desk, reception area, or mail room at 10:53 am on February 7, 2025 in SANTA FE, NM 87508.

Get More Out of USPS Tracking:



USPS Tracking Plus[®]



Delivered

Delivered, Front Desk/Reception/Mail Room

SANTA FE, NM 87508

February 7, 2025, 10:53 am

[See All Tracking History](#)

[What Do USPS Tracking Statuses Mean?](#)

Tracking Number:

9414811898765458157454



Copy



Add to Informed Delivery

Latest Update

Your item was picked up at a postal facility at 7:51 am on February 10, 2025 in SANTA FE, NM 87501.

Get More Out of USPS Tracking:



USPS Tracking Plus[®]



Delivered

Delivered, Individual Picked Up at Postal Facility

SANTA FE, NM 87501

February 10, 2025, 7:51 am

[See All Tracking History](#)

[What Do USPS Tracking Statuses Mean?](#)

AFFIDAVIT OF PUBLICATION

CARLSBAD CURRENT-ARGUS
PO BOX 507
HUTCHINSON, KS 67504-0507

STATE OF NEW MEXICO } SS
COUNTY OF EDDY }

Account Number: 83
Ad Number: 32770
Description: MPC-Bill Wilshusen Commingling
Ad Cost: \$156.37

Sherry Groves, being first duly sworn, says:

That she is the Agent of the the Carlsbad Current-Argus, a Weekly newspaper of general circulation, printed and published in Carlsbad, Eddy County, New Mexico; that the publication, a copy of which is attached hereto, was published in said newspaper on the following dates:

February 6, 2025

That said newspaper was regularly issued and circulated on those dates.

SIGNED:

Sherry Groves

Agent

Subscribed to and sworn to me this 6th day of February 2025.

Leanne Kaufenberg

Leanne Kaufenberg, Notary Public, Redwood County Minnesota

LEGAL NOTICE

To: All affected parties, including all heirs, devisees, and successors of: State of New Mexico Commissioner of Public Lands; New Mexico State Land Office; Bureau of Land Management; Aeron A. Yates; Aeron A. Yates and John Frances Messa, Co-Trustees of the Aeron A. Yates Children's Trust; BMT I BPEOR NM, LLC; BMT II BPEOR NM, LLC; Carolyn B. Yates; Carolyn B. Yates and Bruno J. Bulovas, Jr., Co-Trustees of the Steven M. Yates Children's Trust; Cibola Land Corporation; Clendon York; David Scott Miller; Devon Energy Production Company, L.P.; Donna York Bliven; Explorers Petroleum Corporation; George M. Yates; Harvey E. Yates, Jr.; Jalapeno Corporation; Jatonna York Birchell; Jay Paul Miller; Julie J. Lara; Lendon York; Marifred M. Handley; Marifred M. Handley, Trustee of the Joe F. Handley and Marifred M. Handley Revocable Trust; Osprey Oil and Gas, LLC; OXY USA WTP Limited Partnership; PetroYates, Inc.; R.E.B. Resources, LLC; SITL Energy, LLC; Spiral, Inc.; Tommy Phipps and Werta Jean Phipps, Trustees of the Phipps Living Trust; Yates Energy Corporation; Yates Energy Royalty Interests LLC.

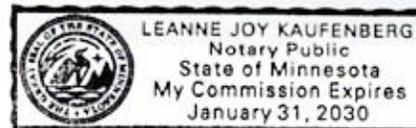
Application of Matador Production Company for administrative approval to surface commingle (pool and lease commingle) oil and gas production from spacing units comprised of the N/2 of Sections 21 and 22, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico (the "Lands"). Matador Production Company (OGRID No. 228937) ("Matador"), pursuant to 19.15.12.10 NMAC, seeks administrative approval to surface commingle (pool and lease) diversely owned oil and gas production at the Bill Wilshusen Tank Battery insofar as all existing and future wells drilled in the following spacing units:

- (a) The 320-acre spacing unit comprised of the N/2 N/2 of Sections 21 and 22, in the Carlsbad; Bone Spring, East [96144] currently dedicated to the **Bill Wilshusen Fed Com #121H** (API No. 30-015-55877);
- (b) The 320-acre spacing unit comprised of the S/2 N/2 of Sections 21 and 22, in the Carlsbad; Bone Spring, East [96144] currently dedicated to the **Bill Wilshusen Fed Com #122H** (API No. 30-015-55878);
- (c) The 640-acre spacing unit comprised of the N/2 of Sections 21 and 22, in the Carlsbad; Wolfcamp, East (Gas) [74160] currently dedicated to the **Bill Wilshusen Fed Com #201H** (API No. 30-015-55879) and **Bill Wilshusen Fed Com #202H** (API No. 30-015-55880); and
- (d) Pursuant to 19.15.12.10.C(4)(g), from all future additions of pools, leases or leases and pools to the **Bill Wilshusen Tank Battery** (located in the SE/4 NE/4 (Unit H) of Section 22, Township 21 South, Range 27 East) 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 Hawks Holder, Matador Production Company, (972) 619-4336 or hawks.holder@matadorresources.com.

Published in the Carlsbad Current-Argus February 6, 2025. #32770

Holland And Hart
110 N Guadalupe ST # 1
Santa Fe, NM 87501-1849



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

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY MATADOR PRODUCTION COMPANY**

ORDER NO. PLC-986

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 as described 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. 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.
4. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
5. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.
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 as described 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 (“CA Pooled Area”), as described in Exhibit A.
9. Applicant submitted or intends to submit one or more application(s) to the BLM or NMSLO, as applicable, to form or revise a participating area (“PA”) and has identified the acreage of

each lease within each spacing unit (“PA Pooled Area”) to be included in the application(s), as described in Exhibit A.

CONCLUSIONS OF LAW

10. 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.
11. 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.
12. 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.
13. 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.
14. 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.
15. 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.
16. 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 as described in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells as described 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 as described 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 as described 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 to wells not included in Exhibit A but that produce from a pool and lease as described 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.

3. 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.
4. 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.
5. 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.
6. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10 C.(2) NMAC.
7. 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.
8. 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.
9. If a well is not included in Exhibit A but produces from a pool and lease as described 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.
10. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.

11. 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).
12. 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**



**GERASIMOS RAZATOS
DIRECTOR (ACTING)**

DATE: 6-4-2025

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: PLC-986
Operator: Matador Production Company (228937)
Central Tank Battery: Bill Wilshushen Tank Battery
Central Tank Battery Location: UL H, Section 22, Township 21 South, Range 27 East
Gas Title Transfer Meter Location: UL H, Section 22, Township 21 South, Range 27 East

Pools

Pool Name	Pool Code
CARLSBAD;WOLFCAMP, EAST (GAS)	74160
CARLSBAD;BONE SPRING, EAST	96144

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
Fee	W/2 NW/4	21-21S-27E
CA Bone Spring NMNM 106717943	S/2 N/2	21-21S-27E
	S/2 N/2	22-21S-27E
CA Bone Spring NMNM 106718090	N/2 N/2	21-21S-27E
	N/2 N/2	22-21S-27E
CA Wolfcamp NMNM 106718102	N/2	21-21S-27E
	N/2	22-21S-27E
CA Bone Spring East SLO 205190 PUN 1408293	N/2 N/2	21-21S-27E
	N/2 N/2	22-21S-27E
CA Bone Spring East SLO 205191 PUN 1408309	S/2 N/2	21-21S-27E
	S/2 N/2	22-21S-27E
CA Wolfcamp East SLO 205192 PUN 1408312	N/2	21-21S-27E
	N/2	22-21S-27E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-55877	BILL WILSHUSEN FEDERAL COM #121H	N/2 N/2	21-21S-27E	96144
		N/2 N/2	22-21S-27E	
30-015-55878	BILL WILSHUSEN FEDERAL COM #122H	S/2 N/2	21-21S-27E	96144
		S/2 N/2	22-21S-27E	
30-015-55879	BILL WILSHUSEN FEDERAL COM #201H	N/2	21-21S-27E	74160
		N/2	22-21S-27E	
30-015-55880	BILL WILSHUSEN FEDERAL COM #202H	N/2	21-21S-27E	74160
		N/2	22-21S-27E	

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

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

CONDITIONS

Action 430956

CONDITIONS

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 430956
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
sarah.clelland	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 email us at OCD.Engineer@emnrd.nm.gov .	6/5/2025