CASE NO. 25697

APPLICATION OF MRC PERMIAN COMPANY FOR COMPULSORY POOLING, $\underline{ETC., LEA\ COUNTY, NEW\ MEXICO}$

EXHIBIT LIST (Revised 12/4/25))

- A. Pooling Checklist (Revised)
- B. Application and Proposed Notice
- C. Landman's Affidavit
 - C-1: Spacing Unit Plat
 - C-2: C-102s
 - C-3: Lease Plat
 - C-4: Ownership List
 - C-5: Proposal Letter and AFEs
 - C-6: Summary of Communications
 - C-7: Committed/Uncommitted Interests
- D. Geologist's Affidavit
 - D-1: Locator Map
 - D-2: Structure Map
 - D-3: Cross Section
- E. Affidavit of Certified Mailing
 - E-1: Notice Letters and Certified Receipts
 - E-2: Certified Notice Spreadsheet
- F. Affidavit of Publication

PARTI

CASE NO. 25697

APPLICATION OF MRC PERMIAN COMPANY FOR COMPULSORY POOLING, *ETC.*, LEA COUNTY, NEW MEXICO

Statement of Changes to (Revised) Exhibits (Part I only)

Exhibit A, the Pooling Checklist, was changed on page 1 to reflect that the well unit is standard.

Received by OCD: 12/4/2025 3:15:42 PM COMPULSORY POOLING APPLICATION CHECKLIST

| | TION MUST BE SUPPORTED BY SIGNED AFFIDAVITS | | | | | |
|---|--|--|--|--|--|--|
| Case: | 25697 | | | | | |
| Date: | 12/4/2025 | | | | | |
| Applicant | MRC Permian Company | | | | | |
| Designated Operator & OGRID | Mataday Duaduatian Campany (OCDID No. 220027 | | | | | |
| (affiliation if applicable) | Matador Production Company/OGRID No. 228937 | | | | | |
| Applicant's Counsel: | James Bruce | | | | | |
| Case Title: | Application of MRC Permian Company for Compulsory Pooling a Approval of Overlapping Spacing Units, Lea County, New Mexico | | | | | |
| Entries of Appearance/Intervenors: | | | | | | |
| Well Family | Carl Mottek Bone Spring wells | | | | | |
| Formation/Pool | | | | | | |
| Formation Name(s) or Vertical Extent: | Bone Spring Formation | | | | | |
| Primary Product (Oil or Gas): | Oil | | | | | |
| Pooling this vertical extent: | Entire Bone Spring formation | | | | | |
| Pool Name and Pool Code: | Red Hills; Bone Spring, North/Pool Code 96434 | | | | | |
| Well Location Setback Rules: | Statewide rules and current horizontal well rules | | | | | |
| Spacing Unit Size: | Quarter-quarter sections/40 acres | | | | | |
| Spacing Unit | | | | | | |
| Type (Horizontal/Vertical) | Horizontal | | | | | |
| Size (Acres) | 320 acres | | | | | |
| Building Blocks: | 40 acres | | | | | |
| Orientation: | North-South and South-North (U-turn wells) | | | | | |
| Description: TRS/County | W/2 §17-24S-34E, NMPM, Lea County | | | | | |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe | Yes | | | | | |
| | | | | | | |
| Other Situations | | | | | | |
| Depth Severance: Y/N. If yes, description | No Rev. | | | | | |
| Proximity Tracts: If yes, description | No EXHIBIT 1 | | | | | |
| Proximity Defining Well: if yes, description | | | | | | |
| Applicant's Ownership in Each Tract | Exhibit C-4 | | | | | |
| Well(s) | | | | | | |
| Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or nonstandard) | Carl Mottek Fed. Well No. 100H API 30-025-Pending SHL: 326 FNL & 550 FWL §17 BHL: 110 FNL & 1950 FWL §17 FTP:110 FNL & 660 FWL §17 LTP: 110 FNL & 1980 FWL §17 Avalon Bone Spring/TVD 9150 feet/MD 9827 feet | | | | | |

| Received by OCD: 12/4/2025 3:15:42 PM | Carl Mottek Fed. Well No. 140H API 30-025-Pending SHL: 296 FNL & 550 FWL §17 BHL: 110 FNL & 1980 FWL §17 FTP:110 FNL & 660 FWL §17 LTP: 110 FNL & 1980 FWL §17 Second Bone Spring/TVD 10350 feet/MD 9827 feet | Page 4 of 3 |
|---|---|-------------|
| | Carl Mottek Fed. Well No. 130H API 30-025-Pending SHL: 296 FNL & 550 FWL §17 BHL: 110 FNL & 2310 FWL §17 FTP:110 FNL & 990 FWL §17 LTP: 110 FNL & 2310 FWL §17 Third Bone Spring/TVD 11900 feet/MD 9827 feet | |
| Horizontal Well First and Last Take | See above | |
| Points | • | |
| Completion Target (Formation, TVD and MD) | See above | |
| AFE Capex and Operating Costs | | |
| Drilling Supervision/Month \$ | \$10000 | |
| Production Supervision/Month \$ | \$1000 | |
| Justification for Supervision Costs | Exhibit C, page 3 | |
| Requested Risk Charge | Cost + 200%/Exhibit B | |
| Notice of Hearing | | |
| Proposed Notice of Hearing | Exhibit B | |
| Proof of Mailed Notice of Hearing (20 | | |
| days before hearing) | Exhibit E | |
| Proof of Published Notice of Hearing (10 | | |
| days before hearing) | Exhibit F | |
| Ownership Determination | | |
| Land Ownership Schematic of the | | |
| Spacing Unit | Exhibit C-3 | |
| Tract List (including lease numbers and | 5111110 | |
| owners) | Exhibit C-4 | |
| Pooled Parties (including ownership | F. Libit C 7 | |
| type) | Exhibit C-7 | |
| Unlocatable Parties to be Pooled | | |
| Ownership Depth Severance (including percentage above & below) | None | |
| Joinder | Notice | |
| Sample Copy of Proposal Letter | Exhibit 2-C | |
| List of Interest Owners (i.e. Exhibit A of | | |
| JOA) | Exhibit C-4 | |
| | | |
| Chronology of Contact with Non-Joined | | |
| Working Interests | Exhibit C-6 | |
| Overhead Rates In Proposal Letter | | |
| Cost Estimate to Drill and Complete | Exhibit C-5 | |
| Cost Estimate to Equip Well Released to Imaging: 12/5/2025 8:46:05 AM | Exhibit C-5 | |

| Costaintha (eadr 1240) California | Exhibit C-5 Page 5 of 3 |
|---|--------------------------|
| Geology | |
| Summary (including special | |
| considerations) | Exhibit D |
| Spacing Unit Schematic | Exhibits C-2 and C-3 |
| Gunbarrel/Lateral Trajectory Schematic | Exhibit D-3 |
| Well Orientation (with rationale) | Standup |
| Target Formation | Bone Spring |
| HSU Cross Section | Exhibits D-3 |
| Depth Severance Discussion | Not Applicable |
| Forms, Figures and Tables | |
| C-102 | Exhibit C-2 |
| Tracts | Exhibit C-3 |
| Summary of Interests, Unit | |
| Recapitulation (Tracts) | Exhibit C-4 |
| General Location Map (including basin) | Exhibit D-1 |
| Well Bore Location Map | Exhibits C-2 and D-3 |
| Structure Contour Map - Subsea Depth | Exhibit D-2 |
| Cross Section Location Map (including | |
| wells) | Exhibit D-2 |
| Cross Section (including Landing Zone) | Exhibit D-3 |
| Additional Information | |
| CERTIFICATION: I hereby certify that the | |
| information provided in this checklist is | |
| complete and accurate. | |
| Printed Name (Attorney or Party | 1 |
| Representative): | James Bruce |
| Signed Name (Attorney or Party | 1 Dung RA |
| Representative): | Jumes June |
| Date: | 11/26/2025 |

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

APPLICATION OF MRC PERMIAN COMPANY FOR COMPULSORY POOLING AND APPROVAL OF OVERLAPPING SPACING UNITS, LEA COUNTY, NEW MEXICO.

CASE NO. 25697

APPLICATION

MRC Permian Company ("Applicant") applies to the Oil Conservation Division (the "Division") for an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2 of Section 17, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico (the "Unit). In support of this application, Applicant states:

- 1. Applicant is a working interest owner in the Unit, and has the right to drill a well or wells thereon.
- 2. Applicant proposes to drill the Carl Mottek Fed Well Nos. 100H, 130H, and 140H in the Unit to test the Bone Spring formation. The wells will be horizontally drilled from surface locations and first take points in the NW/4NW/4 (Unit D) of Section 17 to bottom hole locations and last take points in the NE/4NW/4 (Unit C) of Section 17. The wells are U-turn wells: The W/2W/2 of Section 17 will contain the north-south laterals, and the E/2W/2 of Section 17 will contain south-north laterals.
- Although Applicant has in good faith sought to obtain voluntary joinder of all other mineral interest owners in the Unit to participate in the drilling of the wells or to otherwise commit their interests to the wells, certain interest owners have failed or refused to commit their interests.

Therefore, Applicant seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying the Unit, pursuant to NMSA 1978 Sec. 70-2-17.

- 4. Applicant also requests approval for the Unit to overlap the W/2W/2 of Section 17 spacing unit for the (i) Carl Mottek Federal Well No. 121H (API No. 30-025-44936), and (ii) Carl Mottek Federal Well No. 125H (API No. 30-025-44937), both operated by Matador Production Company.
- 5. The pooling of all uncommitted mineral interest owners in the Bone Spring formation underlying the Unit, and approval of the overlapping well units, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, Applicant requests this application be set for hearing before an Examiner of the Division, and, after notice and hearing, the Division issue its order:

- A. Pooling all uncommitted mineral interest owners in the Bone Spring formation underlying the Unit;
 - B. Designating Matador Production Company as operator of the wells and the Unit;
- C. Considering the cost of drilling, completing, testing, and equipping the wells, and allocating the cost thereof among the wells' working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;
- E. Setting a 200% charge for the risk involved in drilling, completing, testing, and equipping the wells in the event a working interest owner elects not to participate in the wells; and
 - F. Approving the overlapping well units.

Respectfully submitted,

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

Phone: (505) 982-2043 Cell: (505) 660-6612 jamesbruc@aol.com

Attorney for MRC Permian Company

Application of MRC Permian Company for compulsory pooling and approval of overlapping spacing units, Lea County, New Mexico: MRC Permian Company ("Applicant") has filed an application with the Oil Conservation Division for an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2 of Section 17, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico (the "Unit). Applicant proposes to drill the Carl Mottek Fed. Well Nos. 100H, 130H, and 140H in the Unit. The wells will be horizontally drilled from surface locations and first take points in the NW/4NW/4 (Unit D) of Section 17 to bottom hole locations and last take points in the NE/4NW/4 (Unit C) of Section 17. The wells are U-turn wells: The W/2W/2 of Section 17 will contain the north-south laterals, and the E/2W/2 of Section 17 will contain the south-north laterals. Also to be considered will be the cost of drilling, completing, testing, and equipping the wells, and the allocation of the cost thereof among the wells' working interest owners, designation of Matador Production Company as operator of the wells and the Unit, approval of actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure, and setting a 200% charge for the risk involved in drilling, completing, testing, and equipping the wells in the event a working interest owner elects not to participate in the wells. Applicant also requests approval for the Unit to overlap the W/2W/2 of Section 17 spacing unit for the (i) Carl Mottek Federal Well No. 121H (API No. 30-025-44936), and (ii) Carl Mottek Federal Well No. 125H (API No. 30-025-44937), both operated by Matador Production Company. The Unit is located approximately 21 miles southwest of Eunice, New Mexico.

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

APPLICATION OF MRC PERMIAN COMPANY FOR APPROVAL OF AN OVERLAPPING SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 25697

SELF-AFFIRMED STATEMENT OF DAVID JOHNS

David Johns, of lawful age and being first duly sworn, declares as follows:

- My name is David Johns. I work for MRC Energy Company, an affiliate of MRC
 Permian Company ("MRC"), as a Vice President Land.
- I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of public record.
- 3. I am familiar with the application filed by MRC in this case, and I am familiar with the status of the lands in the subject area.
- 4. In this case, MRC is seeking an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2 of Section 17, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico, which will be dedicated to the proposed **Carl Mottek Fed Well Nos. 100H, 130H, and 140H** u-turn wells, each to be drilled with surface locations and first take points in the NW/4NW/4 (Unit D) of Section 17 to bottom hole locations and last take points in the NE/4NW/4 (Unit C) of Section 17.
- Attached as MRC Exhibit C-1 is a map showing the proposed spacing unit under this application and the existing spacing unit that it overlaps.
 - 6. MRC Exhibit C-2 contains draft Form C-102s for the proposed initial wells.

C

EXHIBIT

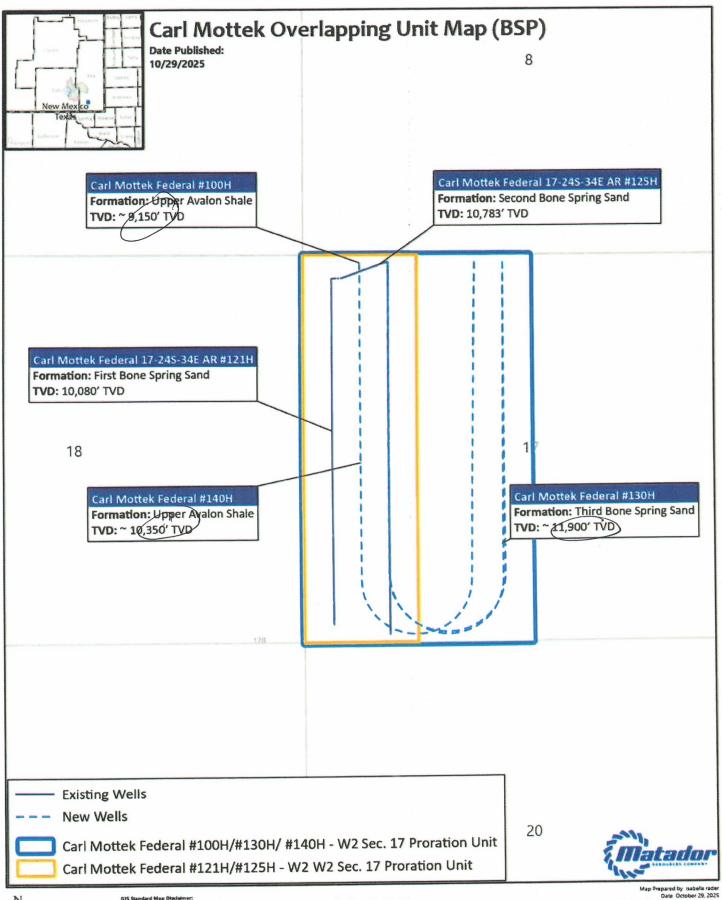
- MRC understands that the wells will be placed in the Red Hills; Bone Spring, North
 [96434] pool.
- 8. The completed intervals for the proposed wells will remain within the standard setbacks required by the statewide rules set forth in 19.15.16.15 NMAC.
- MRC Exhibit C-3 identifies the tracts of land comprising the proposed horizontal spacing unit. The land in the proposed spacing unit is comprised entirely of leased federal acreage.
- 10. MRC Exhibit C-4 identifies the working interest owner that MRC is seeking to pool, as well as the overriding royalty owners that MRC seeks to pool. The first pages of Exhibit C-3 shows the parties MRC is seeking to pool on a unit basis. Behind the unit analysis, there are additional pages showing the working interest owner that MRC seeks to pool, on a tract by tract basis, along with their ownership interest in each of the tracts in the proposed horizontal spacing unit. The parties that MRC is seeking to pool are highlighted yellow.
 - 11. There are no depth severances within the Bone Spring formation for this acreage.
- 12. While MRC was working to put this unit together, MRC proposed the above well to the working interest party it seeks to pool. MRC Exhibit C-5 contains a copy of the well proposal letter that was sent to the working interest partner, along with the AFE that was sent for the well. The costs reflected in the AFE are consistent with what other operators have incurred for drilling similar horizontal wells in the area.
- 13. MRC Exhibit C-6 contains a summary of MRC's contacts with the uncommitted working interest owner we seek to pool in this case. As indicated on MRC Exhibit C-6, MRC has been able to contact and have discussions with the working interest owner we seek to pool in this case. In my opinion, MRC has undertaken good faith efforts to reach an agreement with the uncommitted working interest owner that MRC seeks to pool in this case.

- 14. MRC has made an estimate of overhead and administrative costs for drilling and producing the proposed well. It is \$10,000/month while drilling, and \$1,000/month while producing. These costs are consistent with what other operators are charging in this area for these types of wells. MRC respectfully requests that these administrative and overhead costs be incorporated into any order entered by the Division in this case.
- 15. MRC provided its outside counsel, Jim Bruce, a list of names and addresses for the parties that MRC is seeking to pool, as well as the parties receiving notice relating to the overlapping spacing unit. In compiling this notice list, MRC conducted a diligent search of all public records in the county where the proposed wells are located, including computer searches.
- 16. MRC Exhibit C-7 contains a chart showing the owners in the proposed spacing unit and whether their interest is already committed to the unit or not.
- 17. MRC Exhibits C-1 through C-7 were either prepared by me or compiled under my direction and supervision.
- 18. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

David Johns

Date

11/21/25







1:15,000 1 inch equals 1,250 feet Map Prepared by stabella rader

Date October 29, 2025

Project < LINK + \\GiS\UserData\-sharedProjects\CarlMotte\t\CarlMotte\t\CarlMotte\t\LY\CarlMotte\t\CarlMott

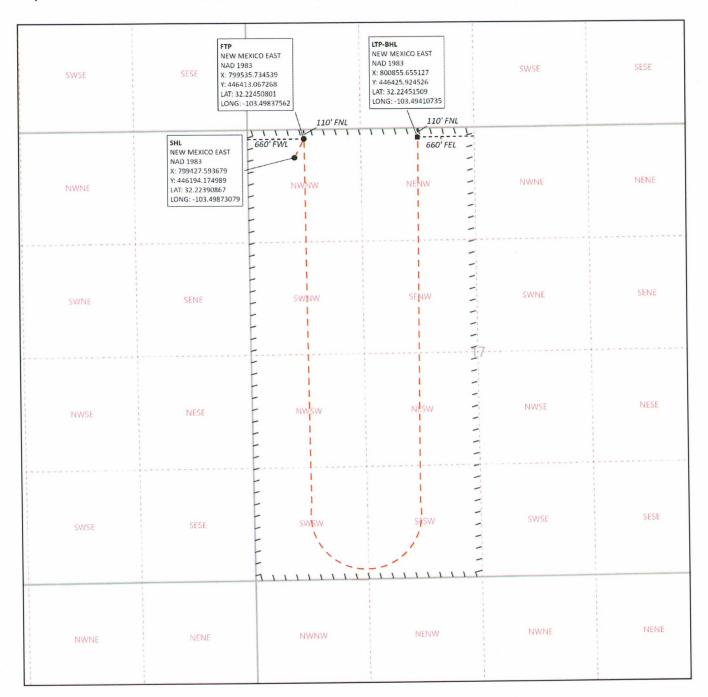
| Santa Fe Main Office Phone: (505) 476-3441 Fax: (55) 476-3462 General Information Phone: (505) 629-6116 Online Phone Directory Visit: | | | | | State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION | | | C-102 Revised July 9, 2024 Submit Electronically via OCD Permitting | | |
|--|---|---|--|--|---|--|-----------------|---|---|--------------|
| https://w | ww.emnrd.n | m.gov/ocd/cont | act-us/ | | | | | Submittal | | |
| | | | | | | | | Type: | ☐ As Drille | • |
| | | | | | WELL LOCAT | TION INFORMATION | | | 300 30 30000 | 1 , , |
| API Nu | ımber | | Pool Code | | | Pool Name | | | | |
| Dunamani | C- 1- | | 96434 | | F | Red Hills; Bone Spring | g, North | | Well Number | |
| | y Code | | Property Na CARL MC | | EDERAL | | | | 100H | |
| OGRII 22893 | | | Operator Na MATADO | | UCTION COM | PANY | | | Ground Lev | el Elevation |
| Surface | Owner: | State □ Fee □ | | | | Mineral Owner: S | State Fee | □ Tribal □ | Federal | |
| | | | | | Surf | ace Location | | 1 , | 7 | 7, 7 |
| UL | Section | Township | Range | Lot | Ft. from N/S | Ft. from E/W | Latitude | | Longitude | County |
| D | 17 | 24S | 34E | | 326' FNL | 550' FWL | 32.223909 | | -103.498731 | 7 |
| | | | | | Botton | Hole Location | | | | |
| UL | Section | Township | Range | Lot | Ft. from N/S | Ft. from E/W | Latitude | | Longitude | County |
| С | 17 | 24S | 34E | | 110' FNL | 1980' FWL | 32.224515 | | -103.494107 | |
| Dedica | ted Acres | Infill or Defi | ning Well | Defining | g Well API | Overlapping Spacing Unit (Y/N) Consolidation Code | | | | |
| Order 1 | Numbers. | | | | | Well setbacks are under Common Ownership: □Yes □No | | | | |
| | | | | | Kick O | off Point (KOP) | | | | |
| UL | Section | Township | Range | Lot | Ft. from N/S | Ft. from E/W | Latitude | | Longitude | County |
| | | | | | First T | ake Point (FTP) | | | | |
| UL | Section | Township | Range | Lot | Ft. from N/S | Ft. from E/W | Latitude | | Longitude | County |
| | | | | | 110' FNL | 660' FWL | 32.22450 | 8 - | -103.498376 | |
| | T | Τ | | | | ake Point (LTP) | 1 | | | |
| UL | Section | Township | Range | Lot | Ft. from N/S | Ft. from E/W | Latitude | . | Longitude | County |
| | | | | | 110' FNL | 1980' FWL | 32.22451 |) | -103.494107 | |
| Unitize | ed Area or A | rea of Uniform I | Interest | Spacing | Unit Type □ Horiz | zontal 🗆 Vertical | Gro | and Floor El | levation: | is. |
| OPER | A TOD CEDI | TEICATIONS | | | | SUDVEVOD CEDTIEIO | TATIONS | | | |
| OPERATOR CERTIFICATIONS 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 | | | | SURVEYOR CERTIFICATIONS 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. | | | | | | |
| If this w | by the division well is a horizon of at least one tract (in the ta | i. ntal well, I further lessee or owner o | certify that this of a working interaction) in which a | organization est or unleas ny part of th | n has received the sed mineral interest e well's completed | | | | | |
| Signatur | re | | Date | | | Signature and Seal of Profess | sional Surveyor | | × | |
| Printed 1 | Name | | | | | Certificate Number | Date of Sur | /ey | | |
| Email A | ddress | | | | | | | | | , |

Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

ACREAGE DEDICATION PLATS

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.



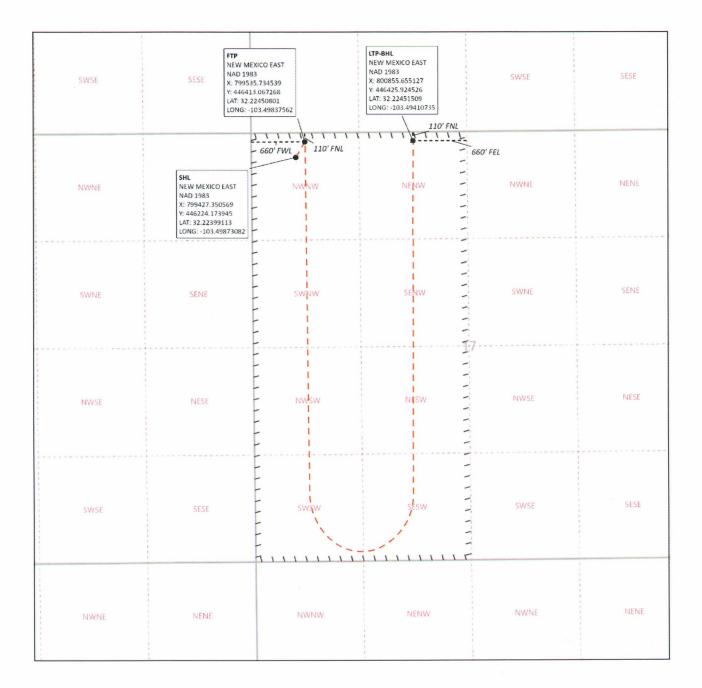
| 01.0110 | , 002.1 | | 120012 2112 | | | | | | | 18 - 1 - 0 |
|---|---|--|---|---|---|---|---|---------------------------------|--|---|
| Santa Fe Main Office Phone: (505) 476-3441 Fax: (55) 476-3462 General Information Phone: (505) 629-6116 | | | | State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION | | | C-102 Revised July 9, 2024 Submit Electronically via OCD Permitting | | | |
| Online Phone Directory Visit: https://www.emnrd.nm.gov/ocd/contact-us/ | | | | | | | | | ☐ Initial Su | |
| | | 5 | | 1 | | | | Submittal Type: | ☐ Amende | d Report |
| | | | | | | | 4 | -77- | ☐ As Drille | ed |
| | | | | | WELL LOCATI | ON INFORMATION | | | | |
| API Nu | mber | | Pool Code 96434 | | | ool Name ed Hills; Bone Spring | g, North | | | 14. |
| Propert | y Code | | Property Na CARL MC | | EDERAL | | | | Well Number 140H | er |
| OGRID | ^{No} 22893 | 37 | Operator Na MATADO | | UCTION COMP. | ANY | | | Ground Lev | rel Elevation |
| Surface | Owner: | State □ Fee □ | Tribal Fede | eral | | Mineral Owner: S | State 🗆 Fee | □ Tribal □ | Federal | |
| | | | | | S | Y | | | | |
| UL | Section | Township | Range | Lot | Ft. from N/S | Ft. from E/W | Latitude | | Longitude | County |
| D | | | | Lot | | | | | | County |
| | 17 | 24S | 34E | | 296' FNL | 550' FWL | 32.223997 | - | 103,498731 | |
| UL | Section | Township | Range | Lot | Ft. from N/S | Hole Location Ft. from E/W | Latitude | | Longitude | County |
| | | | | Lot | | | | - 1 | 103.494107 | County |
| С | 17 | 24S | 34E | | 110' FNL | 1980' FWL | 32.224515 | | 103.494107 | |
| 100000000000000000000000000000000000000 | ted Acres | Infill or Defi | ining Well | Defining | g Well API | Overlapping Spacing Unit (Y/N) | | Consolidation Code | | |
| Order N | Numbers. | | | | | Well setbacks are und | ler Common | Ownership: | □Yes □No | |
| | | | | | Vial Of | S Doint (VOD) | | | | |
| UL | Section | Township | Range | Lot | Ft. from N/S | Ft. from E/W | Latitude | | Longitude | County |
| | | | | | First Tol | ke Point (FTP) | | | | |
| UL | Section | Township | Range | Lot | Ft. from N/S | Ft. from E/W | Latitude Lo | | Longitude | County |
| | | | | 3000000000 | 110' FNL | 660' FWL | 32.224508 | | 103.498376 | |
| | | | | | | ce Point (LTP) | | | | |
| UL | Section | Township | Range | Lot | Ft. from N/S | Ft. from E/W | Latitude Lo | | Longitude | County |
| 0.000 | 0.7.2.2.2.2.2.2.2.2.2.2.2.2.2.2.2.2.2.2. | | | | 110' FNL | 1980' FWL | | | -103.494107 | |
| | | | | | TIOTINE | 1000 1 11 | | | | |
| Unitize | ed Area or A | rea of Uniform | Interest | Spacing | Unit Type 🗆 Horizo | ontal Vertical | Gro | und Floor El | evation: | |
| | | | | | | | | | | |
| OPER/ | ATOR CERT | TIFICATIONS | | | | SURVEYOR CERTIFIC | CATIONS | | | |
| my know organize includin location interest, | vledge and be ation either ov g the propose pursuant to a or to a volun | lief, and, if the we wns a working into d bottom hole loce contract with an tary pooling agree | ell is a vertical or erest or unleased ation or has a rig owner of a worki | directional mineral inte tht to drill th ng interest o | erest in the land | I hereby certify that the we surveys made by me or una my belief. | ell location sh ler my supervi. | own on this p sion, and that | olat was plotted fro the same is true a | om field notes of actual nd correct to the best of |
| entered | by the division | 7. | | | ~ | | | | | |
| consent in each | of at least one tract (in the to | lessee or owner | of a working inter aation) in which a | rest or unlea ny part of th | n has received the used mineral interest the well's completed in the division. | | | | | |
| Signatur | re | | Date | | | Signature and Seal of Profess | sional Surveyor | | | |
| Signatui | | | Date | | | Signature and Seat Of Frotess | our veyor | | | |
| Printed 1 | Name | | | | | Certificate Number | Date of Sur | vey | | |
| | | | | | | | | | | |
| Email A | ddress | | | | | | | | | |

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ACREAGE DEDICATION PLATS

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.



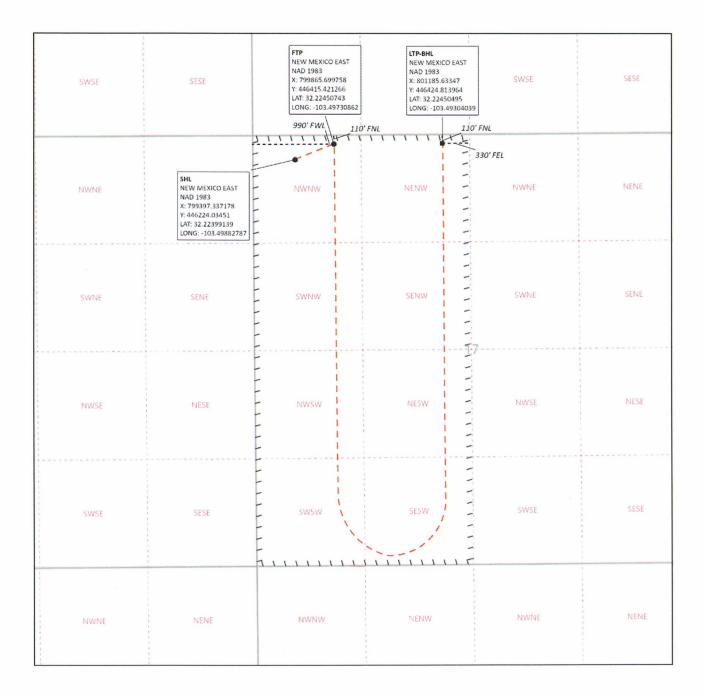
| avea vy | OCD: 1 | 2/4/2023 3: | 13:42 PM | | | | | | | Page 20 | |
|---|--|-------------------|---|--------------------------------|---|---------------------------------------|-----------------|--------------------|--|--------------------|--|
| Phone: (5 General I | Main Office (05) 476-344 Information (05) 629-611 | 11 Fax: (55) 476 | 5-3462 | | State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION | | | | C-102 Revised July 9, 2024 Submit Electronically | | |
| | none Directo | | test wal | | OIL CONS | DICVITION DIVIS | 01011 | | ☐ Initial Su | via OCD Permitting | |
| nups://w | ww.emnrd.n | m.gov/ocd/cont | tact-us/ | | | | | Submitta | | | |
| , | | | | | | | | Type: | ☐ As Drille | • | |
| | | | | | WELLLOCAT | TION INFORMATION | | | L As Dillie | ou . | |
| API Nu | mber | | Pool Code | | | Pool Name | | | | | |
| | | | 96434 | | | Red Hills; Bone Sprin | g, North | | | | |
| Propert | | 1 | Property Na | TTEK F | EDERAL | | | | Well Numb 130H | er | |
| OGRID 228937 | | | Operator Na | | OUCTION COME | PANY | | | Ground Lev | vel Elevation | |
| | | State ☐ Fee ☐ | • | | OCTION COM | Mineral Owner: | State □ Fee | ☐ Tribal [| ☐ Federal | | |
| | | | | | | | | | | | |
| | | | | | 1 | ace Location | | | | | |
| UL | Section | Township | Range | Lot | Ft. from N/S | Ft. from E/W | Latitude | | Longitude | County | |
| D | 17 | 24S | 34E | | 296' FNL | 550' FWL | 32.22399 | | 103.498828 | | |
| | | | | | Bottom | Hole Location | | | | | |
| UL | Section | Township | Range | Lot | Ft. from N/S | Ft. from E/W | Latitude | | Longitude | County | |
| С | 17 | 24S | 34E | | 110' FNL | 2310' FWL | 32.224505 | | -103.49304 | | |
| Dedicat | ed Acres | Infill or Defi | ning Well | Defining | g Well API | Overlapping Spacing Unit (Y/N) | | Consolidation Code | | | |
| Order N | lumbers. | | | | 1000 | Well setbacks are und | der Common | Ownership | o: □Yes □No | | |
| | | | | | | | | | | | |
| UL | Section | Township | Range | Lot | Ft. from N/S | Ft. from E/W | Latitude | | Longitude | County | |
| | | | | | | | | | | | |
| UL | Section | Township | Damas | Lot | Ft. from N/S | Ft. from E/W | Latitude | | Longitude | County | |
| OL | Section | Township | Range | Lot | | 75AC-08-5 NA SHAPSONS 500GL-08-1 CAAN | | | | County | |
| | | | | | 110' FWL | 990' FWL | 32.224507 | | -103.497309 | | |
| 7.17 | | T 1: | | | 1 | ike Point (LTP) | Tatteda | | Titd- | Country | |
| UL | Section | Township | Range | Lot | Ft. from N/S | Ft. from E/W | Latitude | | Longitude | County | |
| | | | | | 110' FNL | 2310' FWL | 32.22450 | 5 | -103.49304 | | |
| Unitize | d Area or A | rea of Uniform | Interest | Spacing | Unit Type □ Horiz | contal Vertical | Gro | ınd Floor I | Elevation: | | |
| | | | | | | | | | | | |
| OPERA | TOR CERT | TIFICATIONS | | | | SURVEYOR CERTIFIC | CATIONS | | | | |
| 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 | | | surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. | | | | | | | | |
| entered i | by the division | 1. | · | 5 % | | | | | | | |
| consent in each t | of at least one tract (in the ta | lessee or owner o | of a working inter ation) in which a | rest or unlea ny part of th | n has received the sed mineral interest ne well's completed n the division. | | | | | | |
| Signatur | e | | Date | | | Signature and Seal of Profess | sional Surveyor | | | | |
| | | | | | | | Sa. 10/51 | | | | |
| Printed N | Jame | | | | | Certificate Number | Date of Sur | /ey | | | |
| Email Ad | idress | | | | 14) | | | | | | |

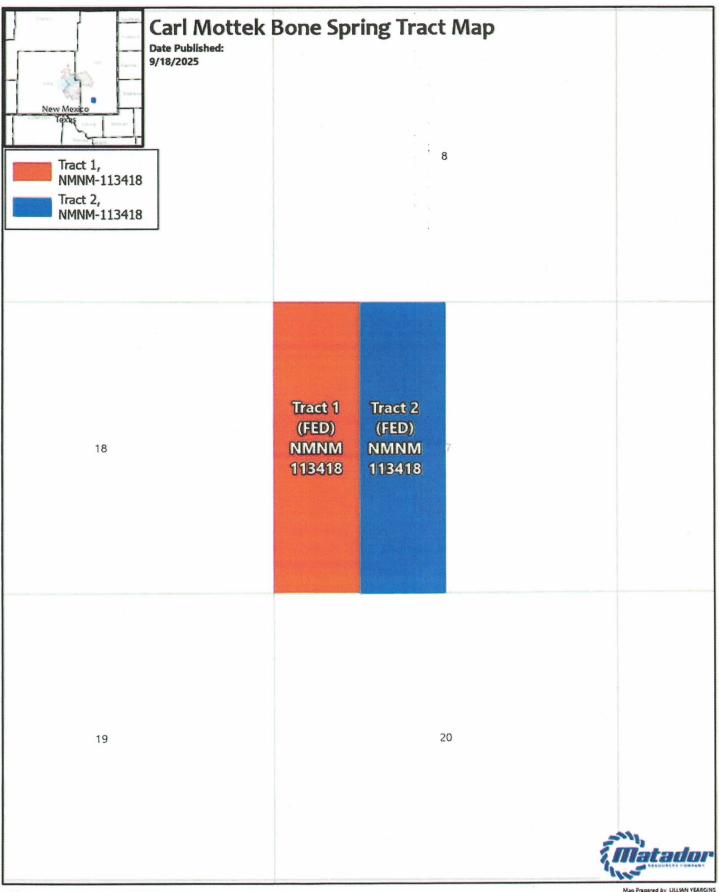
Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

ACREAGE DEDICATION PLATS

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.









1:20,000 1 inch equals 1,667 feet Map Prepared by: ULLIAN YEARGINS
Date September 18: 2025
Project <LINK +\\gra\UserData\-sharedProject>\CarlMottek\CarlMottek_L\'CarlMottek_L'\ apra-r_\linkSpatial Reference GCS WGS 1984
Sources IHS ESRI US DOI BLM Carbbad NM Field Office Gib Sepanment
Texas Cooperative Wildlife Collection Texas A&M University,
United States Census Bureau (TKGER)

| | carl Mottek - Slot 1 & 2 (U-Turn) - Bone | Орина | | |
|----------------------------|--|---------|-----------|--|
| Summary of Interests | | | | |
| Matador Working Interest | 50.000% | 6 | | |
| Voluntary Joinder | | 0.000% | | |
| Interest Owners: | Description: | Tract: | Interest: | |
| Compulsory Pool Interest | | 50.000% | | |
| Interest Owners: | Description: | Tract: | Interest: | |
| Chevron USA, Inc. | Uncommitted WI Owners | 2 | 50.0000% | |
| Allar Development LLC | ORRI | 1 | - | |
| Chevron Midcontinet LP | ORRI | 1 | - | |
| Cornerstone Family Trust | ORRI | 1 | + | |
| CrownRack Minerals, L.P. | ORRI | 1 | - | |
| MJJ RI LLC | ORRI | 1 | | |
| Nestegg Energy Corporation | ORRI | 1 | - | |

| Ca | ırl Mottek - Slot 1 & 2 (U- | Turn) - Bone Spring | { |
|---------------------|-----------------------------|---------------------|----------------------------|
| | Summary of Interes | t - Tract Basis | |
| | Tract 1 | | |
| Interest Owners: | Description: | Net Mineral Acres: | Working Interest in Tract: |
| MRC Permian Company | Committed WI Owner | 160 | 100% |
| | Tract 2 | | |
| Interest Owners: | Description: | Net Mineral Acres: | Working Interest in Tract: |
| Chevron USA, Inc. | Uncommitted WI Owners | 160 | 100% |

MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240 Voice 972.619.1259 • Fax 214.866.4946 djohns@matadorresources.com

David Johns Senior Staff Landman

January 13, 2025

VIA CERTIFIED RETURN RECEIPT MAIL

Chevron USA, Inc. 1400 Smith St. Houston, TX 77002

Re:

Carl Mottek Federal #100H, #130H, #140H & #220H (the "Wells") Participation Proposal Section 17, Township 24 South, Range 34 East Lea County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Carl Mottek Federal #100H, Carl Mottek Federal #140H and Carl Mottek Federal #220H wells, located in the W2 of Section 17, Township 24 South, Range 34 East, Lea County, New Mexico.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping of each Well is itemized on the four (4) enclosed Authority for Expenditures ("AFE") dated September 27, 2024.
- Carl Mottek Federal #100H: to be drilled from a legal location with a proposed surface hole location located in the NW/4NW/4 of Section 17-24S-34E, a proposed first take point located at 660' FWL and 110' FNL of Section 17-24S-34E and a proposed last take point located at 1,980' FWL and 110' FNL of Section 17-24S-34E. The Well will have a targeted interval within the Avalon formation and will be drilled horizontally in the Avalon (~9,150'TVD) to a Measured Depth of approximately 20,027'.
- Carl Mottek Federal #130H: to be drilled from a legal location with a proposed surface hole location located in the NW/4NW/4 of Section 17-24S-34E, a proposed first take point located at 990' FWL and 110' FNL of Section 17-24S-34E and a proposed last take point located at 2,310' FWL and 110' FNL of Section 17-24S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~11,900'TVD) to a Measured Depth of approximately 22,777'.
- Carl Mottek Federal #140H: to be drilled from a legal location with a proposed surface hole location located in the NW/4NW/4 of Section 17-24S-34E, a proposed first take point located at 660' FWL and 110' FNL of Section 17-24S-34E and a proposed last take point located at 1,980' FWL and 110' FNL of Section 17-24S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,350'TVD) to a Measured Depth of approximately 21,227'.

Carl Mottek Federal #220H: to be drilled from a legal location with a proposed surface hole location located in the NW/4NW/4 of Section 17-24S-34E, a proposed first take point located at 990' FWL and 110' FNL of Section 17-24S-34E and a proposed last take point located at 2,310' FWL and 110' FNL of Section 17-24S-34E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~ 12,400'TVD) to a Measured Depth of approximately 23,227'.

MRC reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. MRC will advise you of any such modifications.

MRC requests that you indicate your election to participate in the drilling and completion of the Wells in the space provided below, sign and return one (1) copy of this letter to the undersigned.

MRC is proposing to drill the Wells under the terms of the modified 1989 AAPL form of Operating Agreement, which will be provided upon request, covering the W2 of Section 17, Township 24 South, Range 34 East, Lea County, New Mexico, and has the following general provisions:

- 100/300/300 Non-consenting penalty
- \$10,000/\$1,000 Drilling and Producing rate
- Matador Production Company named as Operator

If your election is to participate in the drilling and completion of the Well, please sign and return a copy of the enclosed AFEs within thirty (30) days of receipt of this notice. Please be aware that the enclosed AFEs are only an estimate of costs to be incurred and by electing to participate in the Well, each working interest owner shall be responsible for its proportionate share of all costs incurred.

Thank you for your consideration of this proposal. Please contact me if you have any questions.

Sincerely,

MRC PERMIAN COMPANY

David Johns

D.W.B.

| Chevron | USA, | Inc. | hereby | elects | to |
|---------|------|------|--------|--------|----|
|---------|------|------|--------|--------|----|

| | Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Carl Mottek Federal #100H well. |
|---------|--|
| | Not to participate in the Carl Mottek Federal #100H. |
| | Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Carl Mottek Federal #130H well. Not to participate in the Carl Mottek Federal #130H. |
| | Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Carl Mottek Federal #140H well. Not to participate in the Carl Mottek Federal #140H. |
| | Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Carl Mottek Federal #220H well. Not to participate in the Carl Mottek Federal #220H. |
| Chevro | n USA, Inc. |
| Ву: | |
| Title: | |
| Date: | |
| Contact | Number |

MATADOR PRODUCTION COMPANY

ONE LINCOLN CENTRE • 5400 LBJ FREEWAY • SUITE 1500 • DALLAS, TEXAS 75240
Phone (972) 371-5200 • Fax (972) 371-5201

| | | Phone (972) 3 ESTIMATE OF COSTS AN | 171-5200 • Fax (972) 371-5 ID AUTHORIZATION FOR | | | |
|--|-----------------------------------|--|--|--|--|---------------------------|
| DATE: | September 27 | | | AFE NO : | | |
| WELL NAME: | Carl Mottek Fe | | | FIELD: | | |
| LOCATION: | 17-24S-34E | | | MO/TVD: | - | 20027'/9150' |
| COUNTY/STATE: | Lea, NM | | | LATERAL LENGTH: | - | 9,827 |
| MRC WI: | Asimler | | | | | |
| GEOLOGIC TARGET: REMARKS: | Avalon Drill and comp | niete a horizontal 2 mile long Avak | on target U-turn with abo | out 37 frac stages | | |
| KERAKNA. | Erm drid comp | TOTAL OF THE PROPERTY OF THE PARTY OF THE PA | | | | |
| | CORYE | DRILLING | COMPLETION | PRODUCTION COSTS | FACILITY COSTS | TOTAL |
| Land / Legal (Regulatory | | \$ 58,000 | S | \$ 10,000 | \$ 10,000 \$ | 78,000 |
| Location, Surveys & Dam | | 119,667 | 13,000 | 15,090 | 50,000 | 197,667 |
| Dritting Cementing & Float Equip | | 1,088,041 | - | | | 277,000 |
| Logging / Formation Eval | | | 3,780 | 3,000 | | 8,780 |
| Flowback - Labor | ala | *************************************** | | 18,150 157,050 | | 18,160 |
| Flowback - Surface Renta Flowback - Rental Living | | | | 10,000 | | 10,000 |
| Mud Logging | | 39,875 117,750 | | | | 39.875 117,750 |
| Mud Circulation System Mud & Chemicals | | 455,000 | 53,900 | 31,500 | | 540,400 |
| Mud / Wastewater Dispos | sal | 175,000 | 27.400 | 2,000 3,000 | 1,000 | 178,000 56,400 |
| Freight / Transportation Rig Supervision / Engine | aring | 16,000 | 37,400 82,647 | 10,000 | 1,800 | 255.322 |
| Drill Bits | ering | 123,700 | *************************************** | | | 123,700 |
| Fuel & Power | | 165,000 50,000 | 487,266 550,935 | 4,000 2,000 | 1,000 | 656,266 603,935 |
| Water Drig & Completion Over | nead | 16,220 | - 300,503 | 2,000 | * | 16,250 |
| Plugging & Abandonmer | 1E | 4 | | | | 331,836 |
| Directional Drilling, Surv Completion Unit, Swab, | | 331,836 | 154,000 | 15,000 | | 169,000 |
| Perforating, Wireline, Sti | | A | 142,220 | 7,000 | | 149,220 |
| High Pressure Pump Tru | | - | 97,020 2,396,762 | 5,000 | * | 102,020 |
| Stimulation Stimulation Flowback & | Disp | *************************************** | 17,050 | 270,000 | | 287,050 |
| Insurance | | 12,617 | | 40.000 | 5,000 | 12,617 |
| Labor Rental - Surface Equipm | ent | 191,000 | 71,500 338,950 | 22,000 20,000 | 5,000 | 470,200 |
| Rental - Downhole Equip | | 212,580 | 94,600 | * | * | 307,180 |
| Rental - Living Quarters | | 54,268 226,638 | 167,420 236,846 | 60,471 | 5,000 7,880 | 225,708 531,835 |
| Contingency Operations Center | | 26,565 | 230,045 | 50,717 | | 26,585 |
| | TOTAL INTAN | IGIBLES > 4,003,932 | 4,945,295 | 565,181 | 86,680 | 9,701,088 |
| | | DRILLING | COMPLETION | PRODUCTION COSTS | FACILITY COSTS | TOTAL |
| TANGIBLE Surface Casing | E COSTS | \$ 47,360 | \$ | \$ | \$ | \$ 47,360 |
| Intermediate Casing | | 333,796 | *************************************** | | | 333,796 |
| Dritting Liner Production Casing | | 761,019 | | | - | 781,019 |
| Production Liner | | | | | | 163,500 |
| Tubing | | 128,000 | | 163,500 50,000 | | 176,000 |
| Wellhead Packers, Liner Hangers | | 120,000 | 59.654 | 000,0 | | 65,654 |
| Tanks | | * | | | 81,000 159,500 | 159,500 |
| Production Vessels Flow Lines | | | | | 150,000 | 150,000 |
| Rod string | | * | | 64.600 | | 51,000 |
| Artificial Lift Equipment | | | | \$1,000 | 52,500 | 52,500 |
| Compressor Installation Costs | | * | | 4 | 120,000 | 120,000 |
| Surface Pumps | | * | | 10,000 | 28,750 2,000 | 38,750 2,000 |
| Non-controllable Surfac | ié hole | | | | 2,000 | - |
| Downhole Pumps | | | | 11,000 | 77,500 | 60,500 |
| Measurement & Meter I | | * | - | 11,000 | 87,300 | |
| Gas Conditioning / Deh Interconnecting Facility | | | | | 100,000 | 100,060 |
| Gathering / Bulk Lines | | | | 2.000 | | 2,000 |
| Valves, Dumps, Control Tank / Facility Contains | | | | 2,000 | 37,500 | 37,500 |
| Flare Stack | | | | 2.000 | 72,500 100,000 | 72,500 102,000 |
| Electrical / Grounding Communications / SCA | DA | | | 5,000 | 20,000 | 25,000 |
| Instrumentation / Safet | y | | | 222 222 | 78,000 | 78,000 2,729,580 |
| | | NGIBLES > 1,290,175 | 59,654 5,004,950 | 300,500 965,681 | 1,079,250 | 12,430,668 |
| | TOTA | L COSTS > 5,294,107 | 3,004,950 | 303,401 | 7,100,000 | |
| REPARED BY MATADO | R PRODUCTION | COMPANY: | | | | |
| Delling Sea | ineer. Perry Haw | ks Team Lead - WTX | NM /2 | | | |
| Dolling Eng Completions Eng | | | CSC | | | |
| Production Eng | | | | | | |
| | | | - | | | |
| ATADOR RESOURCES | COMPANY APP | ROVAL: | | | 46 | |
| Executive VP, COO | | | | EVP COO- Dril | ling, Completion and Product | ion |
| | DEL | OVD Consider | ance. | | | |
| Executive VP. | Legal CA | SVP Geoscie | ELF | | | |
| Pre | sident | | | | | |
| | MVH | | | | | |
| | | | | | | |
| ON OPERATING PART | NER APPROVAL | : | | | | 10. |
| Company | Name: | | Working Interest (%): | | Tax | H.F. |
| Sign | ed by: | | Date: | | | |
| 34. | | | Agreement | Yes | | No (mark one) |
| | Title: | apunda sine in the similaria of the project. Valency traditional ages | Approval: | | THE REAL PROPERTY AND ADDRESS OF THE PARTY AND | |
| NAMES OF THE PART ARE SERVICED OF SOME PROPERTY. | we we construe and whose at any o | quadrane in the small second majories. This great about 1 and | COMPANY OF STREET, STR | A STATE OF THE PARTY AND THE PARTY AND THE | THE REPORT WHEN THE PERSON | management santial emerge |

AFE - Version 3

MATADOR PRODUCTION COMPANY

ONE LINCOLN CENTRE • 5400 LBJ FREEWAY • SUITE 1500 • DALLAS, TEXAS 75240
Phone (972) 371-5200 • Fax (972) 371-5201

| | | | ND AUTHORIZATION FO | | | |
|---|--|---|---|---|--|--|
| DATE: | September 27th, 202 | | | AFE NO.: | | |
| WELL NAME: | Carl Mottek Federal # | | | FIELD: | | |
| LOCATION: | 17-24S-34E | | | MD/TVD: | | 21227/103501 |
| COUNTY/STATE: | Lea, NM | | | LATERAL LENGTH: | | 9,827 |
| MRC WI: | *************************************** | | | | | |
| GEOLOGIC TARGET: | 2nd Bone Spring Carl | | Same Carrier (area) 1 t | use with obaut 27 from o | lagos | |
| REMARKS: | Linis and complete a r | orizontal 2 mile long 2nd | burie Spring larger U- | UTI WILL SUDDI OF RALS | layes | |
| | | DRILLING | COMPLETION | PRODUCTION | | TOTAL |
| INTANGIBLE | COSTS | COSTS | COSTS | COSTS | FACILITY COSTS | COSTS \$ 78,000 |
| Land / Logal / Regulatory Location, Surveys & Dama | ges | \$ 58,000 119,667 | 13,000 | 10,000 | 50,000 | 197,667 |
| Drilling | 3 | 1,068,041 | | | | 1,068,041 |
| Cementing & Float Equip Logging / Formation Evalu | ation | 277,000 | 3,780 | 3.000 | - | 277,000 6,780 |
| Flowback - Labor | andi | | 3,700 | 18,160 | | 18,160 |
| Flowback - Surface Rental | | | | 157,050 | | 157,050 |
| Flowback - Rental Living C Mud Logging | warters | 39 875 | | 10,000 | | 39.875 |
| Mud Circulation System | | 117,750 | | | | \$17,750 540,400 |
| Mud & Chemicals Mud / Wastewater Disposa | 1 | 455,000 179,000 | 53,900 | 31,500 2,000 | 1,000 | 178,000 |
| Freight / Transportation | | 16,000 | 37,400 | 3,000 | | 98,400 |
| Rig Supervision / Engineer Drill Bits | ing | 160,875 123,700 | 32,647 | 10,000 | 1,800 | 255,322 123,700 |
| Fuel & Power | | 165,000 | 497,266 | 4,000 | - 4 | 656,265 |
| Water | | 50,000 | 550,935 | 2,000 | 1,000 | 603,935 16,250 |
| Drig & Completion Overhe Plugging & Abandonment | ad | 16,250 | | | - | 10,200 |
| Directional Drilling, Survey | | 349,008 | | | ***** | 349,008 |
| Completion Unit, Swab, C. Perforating, Wireline, Slick | | | 154,000 | 15,000 7,000 | | 149,220 |
| High Pressure Pump Truck | | * | 97,020 | 5,000 | | 102,020 |
| Stimulation | | | 2,396,762 | 270.000 | | 2,396,762 |
| Stimulation Flowback & Di Insurance | sp | 13.373 | 17,050 | 270,000 | *************************************** | 13,373 |
| Labor | | 191,000 | 71,500 | 22,000 | 5,000 | 289,500 |
| Rental - Surface Equipment Rental - Downhole Equipment | | 106,250 212,580 | 338,950 94,600 | 20,000 | 5,000 | 470,200 307,160 |
| Rental - Living Quarters | | 54,288 | 167,420 | | 5,000 | 226,706 |
| Contingency Operations Center | | 227,713 26,565 | 236 846 | 60,471 | 7,880 | 532,910 26,565 |
| Operations Center | TOTAL INTANGIBLES | | 4,945,295 | 665,181 | 86,630 | 9,720,092 |
| | 70 Mile Williams | DRILLING | COMPLETION | PRODUCTION | | TOTAL |
| TANGIBLE | COSTS | COSTS 47,360 | COSTS | COSTS | FACILITY COSTS | COSTS 47,360 |
| Surface Casing Intermediate Casing | | 380,345 | , | * | * | 380,345 |
| Drilling Liner | | 024 525 | | | ween and the second of the sec | 824,521 |
| Production Casing Production Liner | | 824,521 | | | | 024,021 |
| Tubing | | 4 | | 163,500 | | 153,500 |
| Wellhead Packers, Liner Hangers | | 128,000 | 59,654 | 50,000 | | 178,000 |
| Tanks | | | 05,024 | 0,000 | 81,000 | 81,000 |
| Production Vessels | | | | *************************************** | 159,500 150,000 | 159,500 |
| Flow Lines Rod string | | | | *************************************** | 150,000 | * |
| Artificial Lift Equipment | | - | | 51,000 | 52,500 | 51,000 52,500 |
| Compressor Installation Costs | | - | | 4 | 120,000 | 120,000 |
| Surface Pumps | | | | 10,000 | 28,750 | 38,750 |
| Non-controllable Surface Non-controllable Downho | | A. | | * | 2,000 | 2,000 |
| Downhole Pumps | · · | | | 4 | | * |
| Measurement & Meter Ins | | * | | 11,000 | 77,500 | 88 500 |
| Gas Conditioning / Dehyd Interconnecting Facility P | | | | - | 100,000 | 100,000 |
| Gathering / Bulk Lines | | *************************************** | | 2,000 | * | 2,000 |
| Valves, Dumps, Controller Tank / Facility Containme | | | | 2,000 | 37,500 | 37,500 |
| Flare Stack | 192 | | | 7,000 | 72,500 | 72,500 102,000 |
| Electrical / Grounding Communications / SCADA | | | | 2,000 5,000 | 20,000 | 25,000 |
| Instrumentation / Safety | | | | | 78,000 | 78,000 |
| | TOTAL TANGIBLES | | 59,654 | 390,500 | 1,079,250 | 2,819,630 12,539,722 |
| | TOTAL COSTS | > 5,403,161 | 5,004,950 | 965,881 | 1,165,930 | 12,539,722 |
| EPARED BY MATADOR | PRODUCTION COMP | ANY: | | | | |
| Drilling Engine | er. Perry Hawks | Team Lead - WTX | M. 12= | | | |
| Completions Engine | | realit Ceda - 1412 | CSC | | | |
| Production Engine | | | | | | |
| | | | | | | |
| TADOR RESOURCES C | OMPANY APPROVAL | | | | | |
| Executive VP, COOK | FO | | | EVP COO- Drill | ing, Completion and Produc | ction |
| | DEL | | | | | 8G |
| Executive VP, Le | gai | SVP Geosci | ence | | | |
| Presid | | | | | | |
| | MVH | | | | | |
| N ODERATING SASTI | D ADDDOUAL | | | | | |
| ON OPERATING PARTNE | | | | | | |
| Company Nas | ne: | | Working Interest (%) | | Ta | (ID: |
| Signed | by: | | Date | | | |
| | | | Approval | Yes | | No (mark one) |
| process the self-on program was and make not be | lie: | the lot of the point " describition of | and you take the section of the sec | | manufacture to the transport of the state of | contents of the of other contents on the other |
| curative organization for an application of the state of | The first of the America date of the William (| man africa sept of age this server | ing the unit Parliceant what his covered by a | nd biline proportionaring for Cities arise is until com | and and general labelly where here comes restrict | art promos Status a cuttinan misseurig to |

AFE - Version 3

MATADOR PRODUCTION COMPANY

ONE LINCOLN CENTRE • 5400 LBJ FREEWAY • SUITE 1500 • DALLAS, TEXAS 75240 Phone (972) 371-5200 • Fax (972) 371-5201

| WELL NAME: Car LOCATION: 17- COUNTY/STATE: Lea | plember 27th, 2024 | | | | | |
|--|--|--|--|--|---|--|
| LOCATION: 17- COUNTY/STATE: Lea | | | | AFE NO .: | | |
| COUNTY/STATE: Les | i Mottek Federal #1: | 30H | | FIELD: | | |
| | 24S-34E | | | MD/TVD: | | 22777'/11900' |
| MEG INI. | , NM | | | LATERAL LENGTH: | | 9,827 |
| MRC WE | | | | | | |
| - | Bone Spring | | | | | |
| Atmost | | rizontal 2 mile long 3rd | Bone Spring target U-tu | m with about 37 frac st | tages | |
| | | | | | | |
| | | DRILLING | COMPLETION | PRODUCTION | | TOTAL |
| INTANGIBLE COST | s | COSTS | COSTS | COSTS | FACILITY COSTS | COSTS |
| Land / Legal / Regulatory | 5 | 59,000 | \$ | \$ 18,000 | \$ 10,000 | \$ 78,000 |
| Location, Surveys & Damages | | 119,667 | 13,000 | 15,000 | 50,000 | 197,667 |
| Drilling | | 1,068,041 | | | | 1,068,041 |
| Cementing & Float Equip | | 277,000 | 3,780 | 3.000 | | 277,000 6,780 |
| Logging / Formation Evaluation Flowback - Labor | | | 3,760 | 18,160 | *************************************** | 18,160 |
| Flowback - Surface Rentals | | | | 157,050 | | 157,050 |
| Flowback - Rental Living Quarte | rs | | | 10,000 | | 10,000 |
| Mud Logging | | 39,875 | | | | 39 875 |
| Mud Circulation System | | 117,750 | 62,000 | 31,500 | ************ | 117,750 540,400 |
| Mud & Chemicals Mud / Wastewater Disposal | | 455,000 175,000 | 53,900 | 2,000 | 1,000 | 178,000 |
| Freight / Transportation | | 16,000 | 37,400 | 3,000 | * | 56,400 |
| Rig Supervision / Engineering | | 160,875 | 82,647 | 10,000 | 1,800 | 255,322 |
| Drill Bits | | 123,700 | Annual Control of the | | | 123,700 |
| Fuel & Power | | 155,000 | 487,268 | 4,000 | | 658,266 |
| Water | | 50,000 | 550,935 | 2,000 | 1,000 | 603,935 |
| Orlg & Completion Overhead Plugging & Abandonment | | 16,250 | - | - | - | 10,600 |
| Directional Drilling, Surveys | | 371,189 | | | | 371,189 |
| Completion Unit, Swab, CTU | | e. 1, rec | 154,000 | 15,000 | - | 169,000 |
| Perforating, Wireline, Slickline | | - | 142,220 | 7,000 | | 149,220 |
| High Pressure Pump Truck | | 4 | 97,020 | 5,000 | | 102,020 |
| Stimulation | | • | 2,396,762 | West water | | 2,396,762 |
| Stimulation Flowback & Disp Insurance | | 14,350 | 17,050 | 270,000 | | 14,350 |
| Insurance Labor | | 191,000 | 71,500 | 22,000 | 5,000 | 289,500 |
| Rental - Surface Equipment | | 106,230 | 338,950 | 20,000 | 5,000 | 470,200 |
| Rental - Downhole Equipment | | 212,580 | 94,600 | - | • | 307,180 |
| Rental - Living Quarters | | 54,288 | 167,420 | | 5,000 | 226,708 |
| Contingency | | 229,103 | 236,846 | 60,471 | 7,880 | \$34,300 |
| Operations Center | | 26,565 | - | | | 20,565 |
| TO | TAL INTANGIBLES > | 4,047,482 | 4,945,295 | 665,181 | 86,680 | 9,744,638 |
| | | DRILLING COSTS | COMPLETION | PRODUCTION COSTS | FACILITY COSTS | COSTS |
| TANGIBLE COST: Surface Casing | S | 47,360 | CUSIS | 60515 | FAGILIT COSTS | \$ 47,360 |
| Intermediate Casing | * | 439,303 | * | 3 | * | 439,300 |
| Drilling Liner | | *************************************** | *************************************** | | | ~ |
| Production Casing | | 884,712 | | | | 884,712 |
| Production Liner | | | | | | - |
| Tubing | | | | 163,500 | | 163,500 178,000 |
| Wellhead | | 128,000 | 59,654 | 50,000 | | 85,654 |
| Packers, Liner Hangers Tanks | | - | 39,004 | 8,000 | 81,000 | 81,000 |
| Production Vessels | | | - | | 159,500 | 159,500 |
| | | * | - | | 150,000 | 150,000 |
| Flow Lines | | * | | | - | * |
| | | | | | | |
| Flow Lines Rod string Artificial Lift Equipment | | | | 51,000 | 60 500 | 51,000 |
| Flow Lines Rod string Artificial Lift Equipment Compressor | | | | 51,000 | 52,500 | 52,500 |
| Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs | | | | × | 120,000 | 52,500 120,000 |
| Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps | | | | 10,000 | 120,000 28,750 | 52,500 |
| Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface | | | | × | 120,000 | 52,500 120,000 38,750 |
| Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole | | A 19 | | 10,000 | 120,000 28,750 2,000 | 52,500 120,060 38,750 2,000 |
| Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface | on | A 19 | | × | 120,000 28,750 | 52,500 120,000 38,750 |
| Flow Lines Rod string Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installati Gas Conditioning / Dehydration | | A 19 | | 10,000 | 120,000 28,750 2,000 | 52,500 123,066 38,750 2,000 88,500 |
| Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-constrollable Downhole Downhole Pumps Measurement & Meter Installati Gas Conditioning / Dehydration Interconnecting Facility Piping | | A 19 | | 10,000 | 120,000 28,750 2,000 | 52,500 120,060 38,750 2,000 |
| Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installati Gas Conditioning / Dehydration Inferconnecting Facility Piping Gathering / Bulk Lines | | A 19 | | 10,000 | 120,000 28,750 2,000 | 52,500 123,066 38,750 2,000 88,500 |
| Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installati Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers | | A 19 | | 10,000 | 120,000 28,750 2,000 | \$2,500 \$23,000 38,750 2,000 |
| Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installati Gas Conditioning / Dehydration Inferconnecting Facility Piping Gathering / Bulk Lines | | A 19 | | 10,000 | 120,000 26,750 2,000 77,500 100,000 | \$2,500 \$29,060 \$8,750 2,000 66,500 100,000 2,000 \$7,500 72,500 |
| Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installatif Gas Conditioning / Dehydration Interconnecting Facility Pigging Gathering / Bulk Lines Yalves, Dumps, Controllers Tank / Facility Containment Flare Stack Electrical / Grounding | | A 19 | | 10,000 | 120,000 26,750 2,000 77,500 100,000 | \$2,500 \$20,000 \$8,750 2,000 88,550 100,000 2,000 37,500 72,560 102,660 |
| Flow Lines Rod string Rod string Rod string Rod string Rod string Rod | | A 19 | | 10,000 | 120,000 20,750 2,000 77,500 100,000 37,500 72,500 100,000 20,000 | \$2,500 \$29,004 \$8,750 2,000 |
| Flow Lines Rod string Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installati Gas Conditioning I Dehydration Inferconnecting Facility Piping Gathering I Bulk Lines Valves, Dumps, Controllers Tank I Facility Containment Flare Stack Electrical I Grounding Communications I ScADA Instrumentation I Safety | | | | 10,000 11,000 2,000 2,000 5,000 | 120,000 26,750 2,000 77,500 100,000 37,500 72,500 72,500 100,000 20,000 78,000 | \$2,500 \$20,000 \$8,750 2,000 86,500 100,000 2,000 \$7,550 72,550 102,550 25,650 26,650 |
| Flow Lines Rod string Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installati Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment Flare Stack Electrical / Grounding Communications / ScADA Instrumentation / Safety | TOTAL TANGIBLES | 1,499,375 | 59,654 5,000,050 | 10,000 11,000 2,000 2,000 5,000 | 120,000 26,750 2,000 100,000 100,000 37,500 78,500 100,000 20,000 78,600 1,079,250 | \$2,500 \$20,004 \$8,750 2,000 88,500 100,000 2,000 37,550 72,550 102,550 25,050 78,000 2,938,779 |
| Flow Lines Rod string Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installati Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment Flare Stack Electrical / Grounding Communications / ScADA Instrumentation / Safety | | 1,499,375 | 59,654 5,004,950 | 10,000 11,000 2,000 2,000 5,000 | 120,000 26,750 2,000 77,500 100,000 37,500 72,500 72,500 100,000 20,000 78,000 | \$2,500 \$20,000 \$8,750 2,000 86,500 100,000 2,000 \$7,550 72,550 102,550 25,650 26,650 |
| Flow Lines Rod string Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installati Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment Flare Stack Electrical / Grounding Communications / SCADA Instrumentation / Safety | TOTAL TANGIBLES : TOTAL COSTS : | 1,499,375 5,546,857 | | 10,000 11,000 2,000 2,000 5,000 | 120,000 26,750 2,000 100,000 100,000 37,500 78,500 100,000 20,000 78,600 1,079,250 | \$2,500 \$20,004 \$8,750 2,000 88,500 100,000 2,000 37,550 72,550 102,550 25,050 78,000 2,938,779 |
| Flow Lines Rod string Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installati Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment Flare Stack Electrical / Grounding Communications / SCADA Instrumentation / Safety | TOTAL TANGIBLES : TOTAL COSTS : | 1,499,375 5,546,857 | | 10,000 11,000 2,000 2,000 5,000 | 120,000 26,750 2,000 100,000 100,000 37,500 78,500 100,000 20,000 78,600 1,079,250 | \$2,500 \$20,004 \$8,750 2,000 88,500 100,000 2,000 37,550 72,550 102,550 25,050 78,000 2,938,779 |
| Flow Lines Rod string Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installati Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment Flare Stack Electrical / Grounding Communications / SCADA Instrumentation / Safety | TOTAL TANGIBLES : TOTAL COSTS : | 1,499,375 5,546,857 | 5,004,950 | 10,000 11,000 2,000 2,000 5,000 | 120,000 26,750 2,000 100,000 100,000 37,500 78,500 100,000 20,000 78,600 1,079,250 | \$2,500 \$20,004 \$8,750 2,000 88,500 100,000 2,000 37,550 72,550 102,550 25,050 78,000 2,938,779 |
| Flow Lines Rod string Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhale Downhole Pumps Measurement & Meter Installati Gas Conditioning / Dehydration Inferconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment Flare Stack Electrical / Grounding Communications / SCADA Instrumentation / Safety | TOTAL TANGIBLES : TOTAL COSTS : DUCTION COMPAI | 1,499,375 5,546,857 | 5,004,950 | 10,000 11,000 2,000 2,000 5,000 | 120,000 26,750 2,000 100,000 100,000 37,500 78,500 100,000 20,000 78,600 1,079,250 | \$2,500 \$20,004 \$8,750 2,000 88,500 100,000 2,000 37,550 72,550 102,550 25,050 78,000 2,938,779 |
| Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installatif Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Yalves, Dumps, Controllers Tank / Facility Containment Flare Stack Electrical / Erounding Communications / SCADA Instrumentation / Safety EPARED BY MATADOR PRO Onling Engineer: | TOTAL TANGIBLES: TOTAL COSTS: DUCTION COMPAN | 1,499,375 5,546,857 | 5,004,950 | 10,000 11,000 2,000 2,000 5,000 | 120,000 26,750 2,000 100,000 100,000 37,500 78,500 100,000 20,000 78,600 1,079,250 | \$2,500 \$20,004 \$8,750 2,000 88,500 100,000 2,000 37,550 72,550 102,550 25,650 78,600 2,938,779 |
| Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installatif Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Trank / Facility Containment Flare Stack Electrical / Grounding Communications / SCADA Instrumentation / Safety EPARED BY MATADOR PRO Onling Engineer: Completions Engineer: | TOTAL TANGIBLES : TOTAL COSTS S DUCTION COMPAI Perry Hawks Trace Saha | 1,499,375 5,546,857 | 5,004,950 | 10,000 11,000 2,000 2,000 5,000 | 120,000 26,750 2,000 100,000 100,000 37,500 78,500 100,000 20,000 78,600 1,079,250 | \$2,500 \$20,004 \$8,750 2,000 88,500 100,000 2,000 37,550 72,550 102,550 25,650 78,600 2,938,779 |
| Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Dawnhole Downhole Pumps Measurement & Meter Installati Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment Flare Stack Electrical / Grounding Communications / SCADA Instrumentation / Safety PARED BY MATADOR PRO Dniling Engineer: Completions Engineer: Production Engineer: | TOTAL TANGIBLES: TOTAL COSTS: DUCTION COMPAN Peny Hawks Trace Saha Jan Mesnns | 1,499,375 5,546,857 | 5,004,950 | 10,000 11,000 2,000 2,000 5,000 | 120,000 26,750 2,000 100,000 100,000 37,500 78,500 100,000 20,000 78,600 1,079,250 | \$2,500 \$20,004 \$8,750 2,000 88,500 100,000 2,000 37,550 72,550 102,550 25,650 78,600 2,938,779 |
| Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Dawnhole Downhole Pumps Measurement & Meter Installati Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment Flare Stack Electrical / Grounding Communications / SCADA Instrumentation / Safety PARED BY MATADOR PRO Dniling Engineer: Completions Engineer: Production Engineer: | TOTAL TANGIBLES: TOTAL COSTS: DUCTION COMPAN Peny Hawks Trace Saha Jan Mesnns | 1,499,375 5,546,857 | 5,004,950 | 10,000 11,000 11,000 2,000 5,000 300,500 965,681 | 120,000 26,750 2,000 77,500 100,000 37,500 72,500 100,000 20,000 7,600 1,079,250 1,165,930 | \$2,500 \$29,000 \$8,750 2,000 100,090 2,000 37,500 72,500 102,050 78,000 2,938,779 12,683,417 |
| Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Dawnhole Downhole Pumps Measurement & Meter Installati Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment Flare Stack Electrical / Grounding Communications / SCADA Instrumentation / Safety PARED BY MATADOR PRO Dniling Engineer: Completions Engineer: Production Engineer: | TOTAL TANGIBLES: TOTAL COSTS: DUCTION COMPAN Peny Hawks Trace Saha Jan Mesnns | 1,499,375 5,546,857 | 5,004,950 | 10,000 11,000 11,000 2,000 5,000 300,500 965,681 | 120,000 26,750 2,000 100,000 100,000 37,500 78,500 100,000 20,000 78,600 1,079,250 | \$2,500 \$29,000 \$8,750 2,000 100,090 2,000 37,500 72,500 102,050 78,000 2,938,779 12,683,417 |
| Flow Lines Rod string Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installatif Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Trank / Facility Containment Flare Stack Electrical / Grounding Communications / SCADA Instrumentation / Safety EPARED BY MATADOR PRO Drilling Engineer: Completions Engineer: Production Engineer: Production Engineer: NTADOR RESOURCES COMP | TOTAL TANGIBLES: TOTAL COSTS: DUCTION COMPAN Peny Hawks Trace Saha Jan Mesnns | 1,499,375 5,546,857 NY: Team Lead - WTX | 5,004.950 | 10,000 11,000 11,000 2,000 5,000 300,500 965,681 | 120,000 26,750 2,000 77,500 100,000 37,500 72,500 100,000 20,000 7,600 1,079,250 1,165,930 | \$2,500 \$2,000 \$8,750 2,000 \$6,500 \$100,000 2,000 \$7,500 72,500 \$2,600 25,600 76,000 2,938,779 12,683,417 |
| Flow Lines Rod string Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllatie Surface Non-controllatie Downhole Downhole Pumps Measurement & Meter Installatie Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment Flare Stack Electrical / Grounding Communications / SCADA Instrumentation / Safety EPARED BY MATADOR PRO Onling Engineer: Completions Engineer Production Engineer | TOTAL TANGIBLES: TOTAL COSTS: DUCTION COMPAN Perry Hawks Trace Sahe Jan Mesans ANY APPROVAL: DEL | 1,499,375 5,546,857 | 5,004.956 INM | 10,000 11,000 11,000 2,000 5,000 300,500 965,681 | 120,000 26,750 2,000 77,500 100,000 37,500 72,500 100,000 20,000 7,600 1,079,250 1,165,930 | \$2,500 \$2,000 \$8,750 2,000 \$6,500 \$100,000 2,000 \$7,500 72,500 \$2,600 25,600 76,000 2,938,779 12,683,417 |
| Flow Lines Rod string Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installatif Gas Conditioning / Dehydration Inferconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment Flare Stack Electrical / Grounding Communications / SCADA Instrumentation / Safety EPPARED BY MATADOR PRO Drilling Engineer: Compiletions Engineer: Production Engineer: Production Engineer: Production Engineer: EXADOR RESOURCES COMP Executive VP, COO/CFO Executive VP, Legal | TOTAL TANGIBLES: TOTAL COSTS: DUCTION COMPAN Peny Hawks Trace Saha Jan Mesnns | 1,499,375 5,546,857 NY: Team Lead - WTX | 5,004.950 | 10,000 11,000 11,000 2,000 5,000 300,500 965,681 | 120,000 26,750 2,000 77,500 100,000 37,500 72,500 100,000 20,000 7,600 1,079,250 1,165,930 | \$2,500 \$2,000 \$8,750 2,000 \$6,500 \$100,000 2,000 \$7,500 72,500 \$2,600 25,600 76,000 2,938,779 12,683,417 |
| Flow Lines Rod string Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installatif Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Trank / Facility Containment Flare Stack Electrical / Grounding Communications / SCADA Instrumentation / Safety EPARED BY MATADOR PRO Drilling Engineer: Completions Engineer: Production Engineer: Production Engineer: NTADOR RESOURCES COMP | TOTAL TANGIBLES : TOTAL COSTS : DUCTION COMPA! Penry Hawks Trace Saha Jan Mesons ANY APPROVAL: DEL. CA. | 1,499,375 5,546,857 NY: Team Lead - WTX | 5,004.956 INM | 10,000 11,000 11,000 2,000 5,000 300,500 965,681 | 120,000 26,750 2,000 77,500 100,000 37,500 72,500 100,000 20,000 7,600 1,079,250 1,165,930 | \$2,500 \$2,000 \$8,750 2,000 \$6,500 \$100,000 2,000 \$7,500 72,500 \$2,600 25,600 76,000 2,938,779 12,683,417 |
| Flow Lines Rod string Rod | TOTAL TANGIBLES: TOTAL COSTS: DUCTION COMPAN Perry Hawks Trace Sahe Jan Mesans ANY APPROVAL: DEL | 1,499,375 5,546,857 NY: Team Lead - WTX | 5,004.956 INM | 10,000 11,000 11,000 2,000 5,000 300,500 965,681 | 120,000 26,750 2,000 77,500 100,000 37,500 72,500 100,000 20,000 7,600 1,079,250 1,165,930 | \$2,500 \$2,000 \$8,750 2,000 \$6,500 \$100,000 2,000 \$7,500 72,500 \$2,600 25,600 76,000 2,938,779 12,683,417 |
| Flow Lines Rod string Rod | TOTAL TANGIBLES: TOTAL COSTS: DUCTION COMPAI Penry Hawks Trace Sahe Jan Mounes ANY APPROVAL: DEL. CA. MVH | 1,499,375 5,546,857 NY: Team Lead - WTX | 5,004.956 INM | 10,000 11,000 11,000 2,000 5,000 300,500 965,681 | 120,000 26,750 2,000 77,500 100,000 37,500 72,500 100,000 20,000 7,600 1,079,250 1,165,930 | \$2,500 \$2,000 \$8,750 2,000 \$6,500 \$100,000 2,000 \$7,500 72,500 \$2,600 25,600 76,000 2,938,779 12,683,417 |
| Flow Lines Rod string Rod | TOTAL TANGIBLES: TOTAL COSTS: DUCTION COMPAI Penry Hawks Trace Sahe Jan Mounes ANY APPROVAL: DEL. CA. MVH | 1,499,375 5,546,857 NY: Team Lead - WTX | 5,004.956 INM | 10,000 11,000 11,000 2,000 5,000 300,500 965,681 | 120,000 26,750 2,000 77,500 100,000 37,500 72,500 100,000 20,000 7,600 1,079,250 1,165,930 | \$2,500 \$2,000 \$8,750 2,000 \$6,500 \$100,000 2,000 \$7,500 72,500 \$2,600 25,600 76,000 2,938,779 12,683,417 |
| Flow Lines Rod string Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installatif Gas Conditioning / Dehydration Inferconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment Flare Stack Electrical / Grounding Communications / SCADA Instrumentation / Safety EPPARED BY MATADOR PRO Drilling Engineer: Compiletions Engineer: Production Engineer: Production Engineer: Production Engineer: STADOR RESOURCES COMP Executive VP, COO/CFO Executive VP, Legal President | TOTAL TANGIBLES: TOTAL COSTS: DUCTION COMPAI Penry Hawks Trace Sahe Jan Mounes ANY APPROVAL: DEL. CA. MVH | 1,499,375 5,546,857 NY: Team Lead - WTX | 5,004.956 INM | 10,000 11,000 11,000 2,000 5,000 300,500 965,681 | 120,000 26,750 2,000 77,500 100,000 | \$2,500 \$2,000 \$8,750 2,000 \$6,500 \$100,000 2,000 \$7,500 72,500 \$2,600 25,600 76,000 2,938,779 12,683,417 |
| Flow Lines Rod string Rod | TOTAL TANGIBLES: TOTAL COSTS: DUCTION COMPAI Penry Hawks Trace Sahe Jan Mounes ANY APPROVAL: DEL. CA. MVH | 1,499,375 5,546,857 NY: Team Lead - WTX | S,004.956 INM CSC CSC ELF Working Interest (%): | 10,000 11,000 11,000 2,000 5,000 300,500 965,681 | 120,000 26,750 2,000 77,500 100,000 | \$2,500 \$25,000 38,750 2,000 88,500 100,000 2,000 37,550 72,550 102,550 25,000 76,000 2,938,779 12,683,417 |
| Flow Lines Rod string Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installati Gas Conditioning / Dehydration Inferconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment Flare Stack Electrical / Grounding Communications / SCADA Instrumentation / Safety EPARED BY MATADOR PRO Drilling Engineer: Completions Engineer: Production Engineer: Production Engineer: ATADOR RESOURCES COMP Executive VP, COO/CFO Executive VP, Legal President DN OPERATING PARTNER AF | TOTAL TANGIBLES: TOTAL COSTS: DUCTION COMPAI Penry Hawks Trace Sahe Jan Mounes ANY APPROVAL: DEL. CA. MVH | 1,499,375 5,546,857 NY: Team Lead - WTX | 5,004.950 INM | 10,000 11,000 11,000 2,000 5,000 300,500 965,681 | 120,000 26,750 2,000 77,500 100,000 | \$2,500 \$25,000 38,750 2,000 88,500 100,000 2,000 37,550 72,550 102,550 25,000 76,000 2,938,779 12,683,417 |
| Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Dawnhole Downhole Pumps Measurement & Meter Installating Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment Flare Stack Electrical / Grounding Communications / SCADA Instrumentation / Safety EPARED BY MATADOR PRO Drilling Engineer: Completions Engineer: Production Engineer: Production Engineer: Production Engineer: Production Engineer: Production President Executive VP, COO/CFO Executive VP, Legal President NO OPERATING PARTNER AF Company Name: Signed by: Signed by: | TOTAL TANGIBLES: TOTAL COSTS: DUCTION COMPAI Penry Hawks Trace Sahe Jan Mounes ANY APPROVAL: DEL. CA. MVH | 1,499,375 5,546,857 NY: Team Lead - WTX | S,004.950 INM CSC ELF Working Interest (%): Date: | 10,000 11,000 11,000 2,000 5,000 300,500 965,581 | 120,000 26,750 2,000 77,500 100,000 | \$2,500 \$29,000 39,750 2,000 100,090 2,000 37,500 102,500 102,500 78,000 2,938,779 12,683,417 |
| Flow Lines Rod string Rod | TOTAL TANGIBLES: TOTAL COSTS: DUCTION COMPAN Perry Hawks Trace Saha Jan Mosans ANY APPROVAL: CA MANH PROVAL: | 1,499,375 5,546,857 NY: Team Lead - WTX | S,004.950 INM CSC SIDE ELF Working Interest (%): Date: Approva: | 10,000 | 120,000 26,750 2,000 77,500 100,000 | \$2,500 \$2,000 \$8,750 2,000 \$6,500 \$6,500 \$7,500 \$7,500 \$7,500 \$2,000 \$2, |

AFE - Version 3

Carl Mottek BSP

Uncommitted Working Interest Owner

1. Chevron USA, Inc.

In addition to sending well proposals, Matador has had several discussions with **Chevron USA**, **Inc.** regarding their interest and we are continuing to discuss voluntary joinder.

| Carl Mottek Commitment Summary - BSP | | | | | | | |
|--------------------------------------|----------------|------------------|-----------------|--|--|--|--|
| Owner Name | Ownership Type | Ownership Status | Commitment Type | | | | |
| Chevron USA, Inc. | WI | Uncommitted | NΊΑ | | | | |
| Allar Development LLC | ORRI | Uncommitted | N/A | | | | |
| Chevron Midcontinet LP | ORRI | Uncommitted | N/A | | | | |
| Cornerstone Family Trust | ORRI | Uncommitted | N/A | | | | |
| CrownRock Minerals, L.P. | ORRI | Uncommitted | N/A | | | | |
| MJJ RI LLC | ORRI | Uncommitted | N/A | | | | |
| Nestegg Energy Corporation | ORRI | Uncommitted | N/A | | | | |

| RI= Royalty Interest | |
|--------------------------|--|
| ORRI= Overriding Royalty | |
| Interest | |
| WI= Working Interest | |