



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Pecos District

Carlsbad Field Office

620 E. Greene

Carlsbad, New Mexico 88220-6292

www.blm.gov/nm



IN REPLY REFER TO:

NM137304

3105.2 (P0220)

Reference:

07/26/2017

Communitization Agreement

Warren Federal Com 206H

Section 25: W2

T. 23 S., R. 27 E.

Eddy County, NM

Matador Production Co.

5400 LBJ Freeway, Suite 1500

Dallas, TX 75240

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM137304 involving 240 acres of Fee land and 80 acres of Federal land in lease NMNM117115, Eddy County, New Mexico, which comprise a 320 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Wolfcamp formation beneath the W2 of Sec. 25, T. 23 S., R. 27 E., NMPM, Eddy County, NM, and is effective 03/01/2017. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is accurate.

Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

If you have any questions regarding this approval, please contact Chris Walls at (575) 234-2234 or Deborah Ham at (575) 234-5965.

Please furnish all interested principals with appropriate evidence of this approval.

Sincerely,

A handwritten signature in blue ink that reads "Cody R. Layton". The signature is written in a cursive style with a large initial "C".

Cody R. Layton
Assistant Field Manager,
Lands and Minerals

1 Enclosure:
1 - Communitization Agreement

cc:
ONRR, Denver
NM Taxation & Revenue Dept. (Revenue Processing Div.)
NMOCD
NM (9200)
NM (P0220-CFO, File Room)
NM State Land Comm.

Determination - Approval - Certification

Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

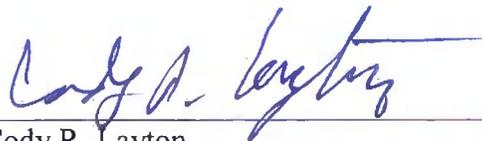
- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.

- B. Approve the attached Communitization Agreement covering the W2 of sec. 25, T. 23 S., R. 27 E., NMPM, as to all producible hydrocarbons from the Wolfcamp formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) are not met.

Approval also requires operator to submit copies of sundries or any other documentation regarding activity with this well to the Bureau of Land Management (BLM), Carlsbad Field Office pursuant to Item 9 of the approved Communitization Agreement.

- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved: 07/26/2017



Cody R. Layton
Assistant Field Manager,
Lands and Minerals

Effective: 03/01/2017

Contract No.: Com. Agr. NM137304



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In Reply Refer to
NM137304
3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NM137304

Date of Completion:	05/06/2017
Date of First Production:	05/06/2017
Field:	Purple Sage
Operator, Well Name & No, API Number:	Matador Production Co.; Warren Fed Com 206H; 30-015-43828
Surface Location:	sec. 25, SWSE, T.23 S., R.27 E.
Production Penetration:	sec. 25, SESW, T. 23 S., R. 27 E.
Bottom Location:	sec. 25, NWNE, T.23 S., R.27 E.
Total Depth:	14,136 MD; TVD
Surface Elevation:	3,115' GL
Producing Formation:	Wolfcamp (9,623 – 13,978)
Well Capable of Production in Paying Quantities:	Yes
Initial Daily Production:	Oil 700 BBL; Gas 1337 MCF; Water 3825 BBL
Current Status:	Producing Gas Well

Remarks: CA NM137304, effective 03/01/2017, communitizes production of all gas and fluid hydrocarbons in the Wolfcamp formation beneath sec. 25, W2, T. 23 S., R. 27 E., NMPM, and comprises 240 acres of Fee land and 80 acres of Federal land in lease NMNM117115 for a 320 acre well spacing unit held by production. Lease NMNM117115 is held by allocated production in this CA. **Per production penetration, surface location of well not within com agreement boundary.**

If you have any questions regarding this memorandum, please call Deborah Ham at (575) 234-5965.

/S/ Deborah Ham
07/26/2017

cc:
ONRR-MS 63230B
First Production File
LLNM (P0220, File Room)