CASE NOS. 21109+21111

APPLICATIONS OF MATADOR PRODUCTION COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

EXHIBITS

- A. Landman's Affidavit
- B. Geologist's Affidavit
- C. Affidavit of Notice
- D. Affidavit of Publication
- E. Applications and Proposed Ads
- F. Pooling Checklists

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

APPLICATION OF MATADOR PRODUCTION COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NOS. 21108, 21109, 21110, and 21111

AFFIDAVIT OF JONATHAN STEPKA

Jonathan Stepka, of lawful age and being first duly sworn, declares as follows:

- My name is Jonathan Stepka. I work for MRC Energy Company, an affiliate of Matador Production Company ("Matador"), as a Landman.
- 2. I graduated from the University of Tulsa in May 2019 with a Bachelor of Science in Business Administration degree with an emphasis in Energy Management and Finance. While at the University Of Tulsa, I served as the President of the Tulsa Energy Management Student Association. Since graduating, I have worked for Matador in my current role as a Landman, with an emphasis on our asset areas in Eddy County and Lea County, New Mexico. While still in school, during the summer of 2018, I also completed an internship with Matador in the Land department. As part of working for Matador, I am required to complete at least 40 hours of continuing education each year, which I have done.
- 3. I am familiar with the applications filed by Matador in this case, and I am familiar with the status of the lands in the subject area.
- 4. In these consolidated cases, Matador is seeking an Order pooling all uncommitted interests in the following standard horizontal spacing units underlying Sections 14 and 15, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico:

EXHIBIT A

- In Case No. 21108, a 320-acre, more or less, horizontal spacing unit in the Bone Spring formation comprised of the N/2 S/2 of Sections 14 and 15 to be dedicated to the proposed Ted 1514 Fed Com #123H, which will be horizontally drilled from a surface location in the NW/4 SW/4 of Section 15, Township 20 South, Range 29 East to bottom hole location in the NE/4 SE/4 of Section 14.
- In Case No. 21110, a 320-acre, more or less, horizontal spacing unit in the Bone Spring formation comprised of the S/2 S/2 of Sections 14 and 15 to be dedicated to the proposed Ted 1514 Fed Com #124H, which will be horizontally drilled from a surface location in the NW/4 SW/4 of Section 15, Township 20 South, Range 29 East to bottom hole location in the SE/4 SE/4 of Section 14.
- In Case No. 21109, a 320-acre, more or less, horizontal spacing unit in the Wolfcamp formation comprised of the N/2 S/2 of Sections 14 and 15 to be dedicated to the proposed Ted 1514 Fed Com #203H, which will be horizontally drilled from a surface location in the NW/4 SW/4 of Section 15, Township 20 South, Range 29 East to bottom hole location in the NE/4 SE/4 of Section 14.
- In Case No. 21111, a 320-acre, more or less, horizontal spacing unit in the Wolfcamp formation comprised of the S/2 S/2 of Sections 14 and 15 to be dedicated to the proposed Ted 1514 Fed Com #204H, which will be horizontally drilled from a surface location in the SW/4 SW/4 of Section 15, Township 20 South, Range 29 East to bottom hole location in the SE/4 SE/4 of Section 14.
- 5. **Matador Exhibit A-1** contains a draft Form C-102 for each of the four proposed wells. The land in the proposed spacing unit is comprised of federal lease lands. For **Case Numbers 21108 and 21110**, Matador understands that these wells will be assigned to the Getty;

Bone Spring Pool (Pool Code 27470). For **Case Numbers 21109 and 21111**, Matador understands that these wells will be assigned to the Burton Flat Upper Wolfcamp East (Pool Code 98315).

- 6. The completed intervals for the proposed wells will remain within the standard offset required by the statewide rules set forth in 19.15.16.15 NMAC.
- 7. **Matador Exhibit A-2** identifies the tracts of land comprising the proposed horizontal spacing units. The proposed wellbores are marked in blue inside the proposed horizontal spacing units which are outlined in red.
- 8. **Matador Exhibit A-3** identifies the working interest owners that Matador is seeking to pool along with their respective ownership interest in each of the proposed horizontal spacing units in Bone Spring pool, being **Case Numbers 21108 and 21110**. The list of pooled parties and their respective interest percentages are the same in each of these two cases.
- 9. **Matador Exhibit A-4** identifies the working interest owners that Matador is seeking to pool along with their respective ownership interest in each of the proposed horizontal spacing units in the Wolfcamp pool, being Case Nos. **Case Numbers 21109 and 21111**. The list of pooled parties and their respective interest percentages are the same in each of these two cases.
- 10. In addition, in each case, Matador is also seeking to pool the overriding royalty interest owners, which are the same overriding royalty interest owners in each of the horizontal spacing units, and which are identified on in **Matador Exhibit A-5**.
- 11. There are no depth severances within the working interest in the Bone Spring formation for this acreage.
- 12. There are no depth severances within the working interest in the Wolfcamp formation for this acreage.

- 13. **Matador Exhibit A-6** contains sample well proposal letters and AFE sent to working interest owners for each well. The costs reflected in the AFE are consistent with what other operators have incurred for drilling similar horizontal wells in the area.
- 14. In addition to sending well proposal letters and AFEs, I have called or emailed each of the working interest owners Matador seeks to pool and attempted to reach an agreement with them. In my opinion, I have made a good faith effort to reach an agreement with each of the working interest owners that Matador seeks to pool.
- 15. Matador has made an estimate of overhead and administrative costs for drilling and producing the proposed wells. It is \$7,000/month while drilling, and \$700/month while producing. These costs are consistent with what other operators are charging in this area for these types of wells. Matador respectfully requests that these administrative and overhead costs be incorporated into any orders entered by the Division in these consolidated cases.
- 16. In my opinion, Matador has made good faith efforts to reach an agreement with the working interest owners it is seeking to pool. If Matador reaches an agreement with any of the proposed pooled parties before the Division enters an order, I will let the Division know that Matador is no longer seeking to pool those parties.
- 17. I provided Matador's outside counsel, Jim Bruce, a list of names and addresses for the parties that Matador is seeking to pool. In compiling these notice lists, Matador conducted a diligent search of all public records in the county where the proposed wells are located and of phone directories, including computer searches.
- 18. **Matador Exhibits A-1 through A-6** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

EXHIBIT A-1

District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

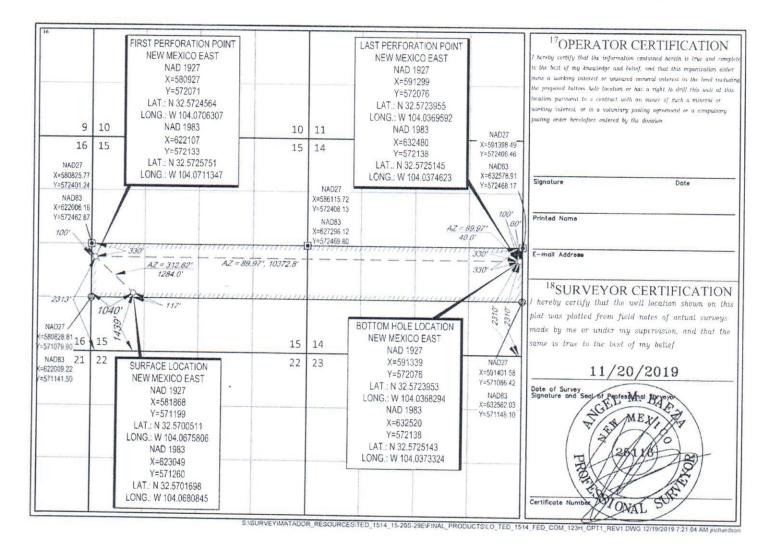
State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

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

1			
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1	_	ANTENDED	KEIOKI

	API Numbe	r		² Pool Code		ACREAGE DEDICATION PLAT 3Pool Name				
⁴ Property (Code		TED 1514 FED COM						Well Number	
² OGRID	No.		М	ATADOF	8 PRODUCT	TON COMPAN	ΙΥ		Elevation 3289'	
					10 Surface Lo	cation				
UL or lot no. L	Section 15	Township 20-S	29-E	Lot Idn	Feet from the 1439'	North/South line SOUTH	Feet from the 1040'	East/West line WEST	EDDY	
			¹¹ Be	ottom Hole	Location If Di	fferent From Sur	face			
UL or lot no.	Section 14	Township 20-S	Range 29-E	Lot ldn	Feet from the 2310'	North/South line SOUTH	Feet from the 60'	East/West line EAST	EDDY	
Dedicated Acres 320	¹³ Joint or J	Infill 14Co	usolidation Code	15Order	No.					

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



District 1
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
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Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
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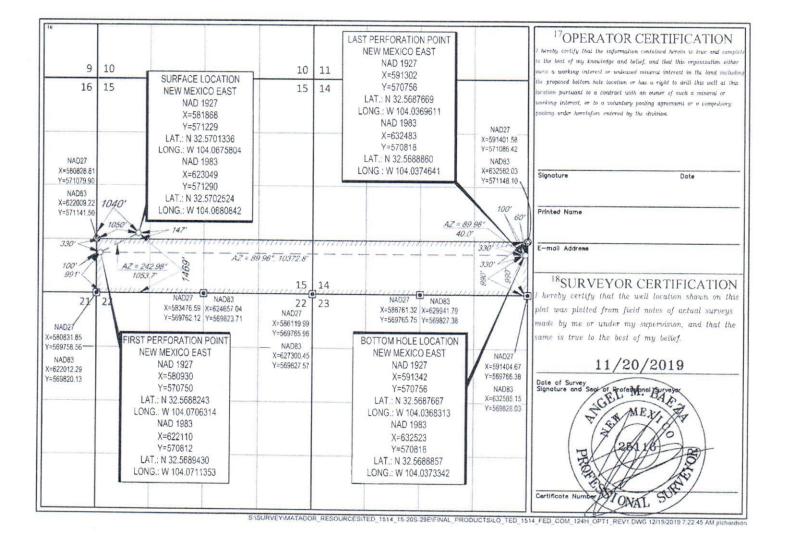
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FORM C-102
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-		
	AMENDED	REPORT
-		

			VELL LO	CATIO	N AND ACRI	EAGE DEDICA	ATION PLAT		
¹ API Number ² Pool							³ Pool Nan		
⁴ Property (Code			⁵ Property Name TED 1514 FED COM					/ell Number 124H
⁷ OGRID	No.		1	MATADO	8Operator Na R PRODUCT	ION COMPAN	ΙΥ		Elevation 3289'
				market a second second second	¹⁰ Surface Lo	cation			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	15	20-S	29-E	-	1469'	SOUTH	1040'	WEST	EDDY
			11	Bottom Ho	le Location If Di	ifferent From Sur	face		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	14 20-S 29-E -				990'	90' SOUTH 60' EAST EDDY			
¹² Dedicated Acres 320	13 Joint or	Infill 14C	onsolidation Cod	le ¹⁵ Orde	r No.				

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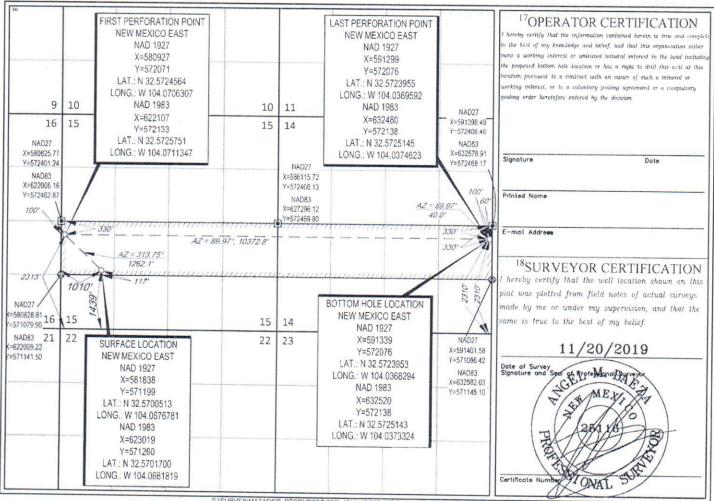
State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

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

AMENDED REPORT

		AND THE RESERVE OF THE PARTY OF	WELL LO	OCATIO	N AND ACR	EAGE DEDICA	ATION PLAT	7	
	API Number	г		² Pool Code			³ Pool Nam		
³ Property ('ode			7	700	⁶ Well Number 203H			
⁷ OGRID 1	ło.			MATADO	*Operator N. R PRODUCT	TION COMPAN	ΙΥ	1	Elevation 3289'
					¹⁰ Surface Lo	cation			***************************************
UL or lot no. L	Section 15	Township 20-S	29-E	Lot Idn	Feet from the 1439'	North/South line SOUTH	Feet from the 1010'	East/West line WEST	EDDY
			11]	Bottom Ho	le Location If D	ifferent From Sur	face		
UL or lot no.	Section 14	Township 20-S	29-E	Lot Idn	Feet from the 2310'	North/South line SOUTH	Feet from the	East/West line	County
² Dedicated Acres 320	¹³ Joint or I	infill is	Consolidation Co	de 15Ord	er No.				

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



SISURVEYMATADOR_RESOURCES/TED_1514_15-20S-26E/FINAL_PRODUCTS/LO_TED_1514_FED_COM_203H_OPT1_REVI.DWG 12/19/2019 7.17-58 AM pichardso

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FORM C-102
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AMENDED	REPORT

	'API Numbe	r		² Pool Code		ACREAGE DEDICATION PLAT *Pool Name			
⁴ Property (ode			SProperty Name TED 1514 FED COM					
[†] OGRID №. MAT.					SOperator Na PRODUCT	me ION COMPAN	Y	91	204H Elevation 3285'
					10 Surface Loc	ation			
UL or lot no.	Section 15	Township 20-S	Range 29-E	Lot Idn	Feet from the 712'	North/South line SOUTH	Feet from the 619'	East/West line WEST	EDDY
			¹¹ B	ottom Hole	Location If Di	ferent From Surfa	ace		
P P	Section 14	Township 20-S	29-E	Let Idn	Feet from the 990'	North/South line SOUTH	Feet from the	East/West line EAST	County
Dedicated Acres 320	13 Joint or 1	nfill 14Co	nsolidation Code	¹⁵ Order N	No.				

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

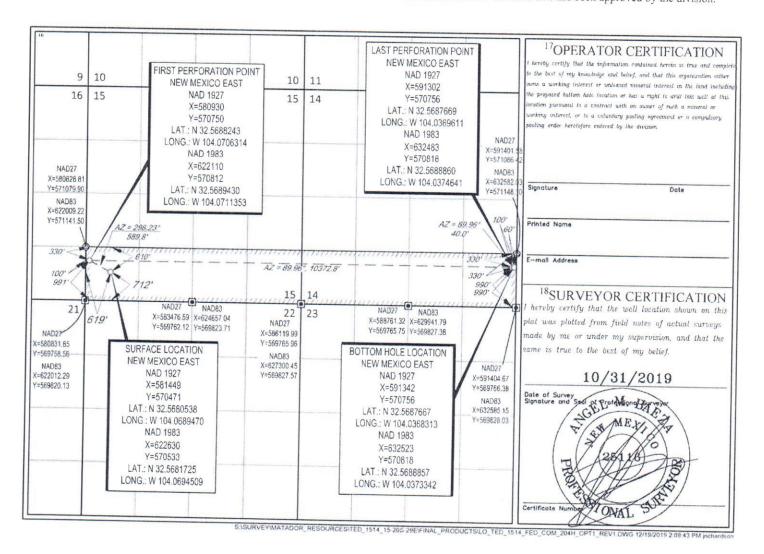
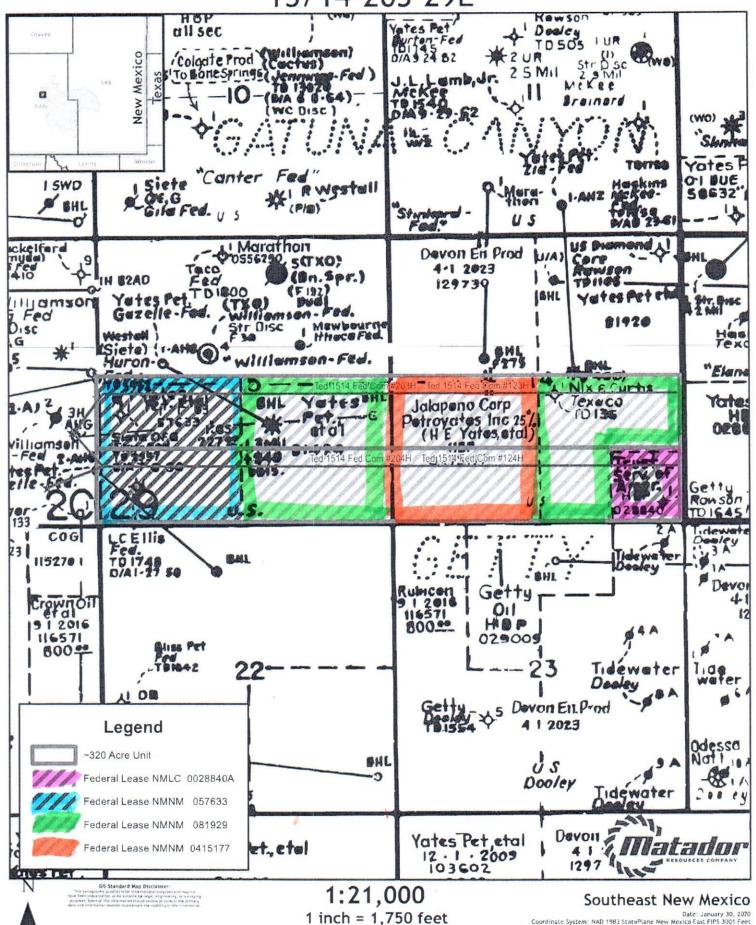


EXHIBIT A-2

15/14-20S-29E



Feet

7,000

1,750

3,500

5,250

Date: January 30, 2020 Coordinate System: NAD 1983 StatePlane New Mexico East FIPS 3001 Feet Projection: Transverse Mercatur; Datum: North American 1983; Units: Foot US

Matador Exhibit A-3

Summary of Interests

MRC Permian Company Working Interest		27.28542725%
Anticipated Voluntary Joinder		9.5216330%
Compulsory Pool Interest Total:		63.19294025%
Interest Owner:	Description.	Interest:
Yates Energy Corporation	Uncommitted Working Interest Owner	4.73019775%
EOG Resources, Inc.	Uncommitted Working Interest Owner	33.46274250%
XTO Holdings, LLC	Uncommitted Working Interest Owner	25.00000000%



Matador Exhibit A-4

Summary of Interests

3975%	13.85054%	2150%					
30.79323975%	13.8	55.35622150%	Interest:	4.73019775%	50.62602375%		
			Int	4.730	50.626		
			Description:	ing Interest Owner	ing Interest Owner		
			Descri	Uncommitted Working Interest Owner	Uncommitted Working Interest Owner		
	der	otal:	9	oration	Inc.		
Sompany st	Anticipated Voluntary Joinder	Compulsory Pool Interest Total:	Interest Owner:	Yates Energy Corporation	EOG Resources, Inc.		
MRC Permian Company Working Interest	icipated Vol	npulsory Pc		Yat			
MR	Anti	Con					



EXHIBIT A-5

OVERRIDING ROYALTY INTEREST OWNERS

Alan Jochimsen
Camille David, Trustee of the Camille David Living Trust
Chalcam Exploration, L.L.C.
David Petroleum Corp.
Guns Up Exploration, LLC
Monty D. McLane
Northern Trust Bank of California, N.A., Trustee of the
Estate of Sarah C. Getty
PetroYates, Inc.
States Royalty Limited Partnership
Thomas R. Nickoloff
William B. Owen
XTO Holdings, LLC

EXHIBIT A-6

Matador Production Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240 Voice 972.371.5421 • Fax 214.866.4946 jonathan.stepka@matadorresources.com

Jonathan Stepka Landman

September 25, 2019

VIA CERTIFIED RETURN RECEIPT MAIL

EOG Resources, Inc P.O. Box 2267 Midland, TX 79702

Re.

Ted 1514 Fed Com #123H, #124H, #203H & #204H (the "Wells") Participation Proposal Section 15 & 14, Township 20 South, Range 29 East Eddy County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of the following Matador Production Company's Ted 1514 Fed Com #123H, Ted 1514 Fed Com #124H, Ted 1514 Fed Com #203H, and Ted 1514 Fed Com #204H wells, located in Sections 15 and 14, Township 20 South, Range 29 East, Eddy 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 two (4) enclosed Authority for Expenditures ("AFE") dated August 19, 2019.
- Ted 1514 Fed Com #123H: to be drilled from a legal location with a proposed surface hole
 location in the SW/4 of Section 15-20S-29E and a proposed bottom hole location in the SE/4 of
 Section 14-20S-29E. The Well will have a targeted interval within the Bone Spring formation and
 will be drilled horizontally in the Bone Spring (~8,075' TVD) to a Measured Depth of
 approximately 18,375'.
- Ted 1514 Fed Com #124H: to be drilled from a legal location with a proposed surface hole location in the SW/4 of Section 15-20S-29E and a proposed bottom hole location in the SE/4 of Section 14-20S-29E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~8,075' TVD) to a Measured Depth of approximately 18,375'.

- Ted 1514 Fed Com #203H: to be drilled from a legal location with a proposed surface hole location in the SW/4 Section 15-20S-29E and a proposed bottom hole location in the SE/4 of Section 14-20S-29E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~9,400' TVD) to a Measured Depth of approximately 19,700'.
- Ted 1514 Fed Com #204H: to be drilled from a legal location with a proposed surface hole location in the SW/4 of Section 15-20S-29E and a proposed bottom hole location in the SE/4 of Section 14-20S-29E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~9,400' TVD) to a Measured Depth of approximately 19,700'.

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 dated August 16, 2019, by and between Matador Production Company, as Operator and MRC Permian Company et al as Non-Operators covering the S/2 of Section 15 and the S/2 of Section 14, Township 20 South, Range 29 East, Eddy County, New Mexico, and has the following general provisions:

- 100/300/300 Non-consenting penalty
- \$8,000/\$800 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 AFE within thirty (30) days of receipt of this notice. Please be aware that the enclosed AFE is 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,

Jonathan Stepka

MRC PERMIAN COMPANY

mathow I estypha

EOG Resources, Inc hereby elects to:

Not to participate in the Ted 1514 Fed Com #123H
Participate for its proportionate share of the costs detailed in the enclosed AFE associated with
Matador Production Company's Ted 1514 Fed Com #123H well.
Not to participate in the Ted 1514 Fed Com #124H
Participate for its proportionate share of the costs detailed in the enclosed AFE associated with
Matador Production Company's Ted 1514 Fed Com #124H well.
Not to participate in the Ted 1514 Fed Com #203H
Participate for its proportionate share of the costs detailed in the enclosed AFE associated with
Matador Production Company's Ted 1514 Fed Com #203H well.
Manado Froduction Company 3 Tea 1011 Tea Com #20011 Work.
Not to participate in the Ted 1514 Fed Com #204H
Participate for its proportionate share of the costs detailed in the enclosed AFE associated with
Matador Production Company's Ted 1514 Fed Com #204H well.
na a n
EOG Resources, Inc
D.,,
Ву:
Title:
Date:
Contact Number:

ONE LINCOLN CENTRE • 5400 LBJ FREEWAY • SUITE 1500 • DALLAS, TEXAS 75240 Phone (972) 371-8200 • Fax (972) 371-5201

		ESTIMATE OF COSTS	AND AUTHORIZATION FOR	EXPENDITURE		
DATE: WELL NAME:	August 19, 2019 Ted 1514 Fed Com #	1224	-		AFE NO.:	
LOCATION:	Sections 15 & 14, T20		-		FIELD:	18375'/8075'
COUNTY/STATE:	Eddy County, New Me		-		LATERAL LENGTH:	9,800
MRC WI:		AND THE RESERVE OF THE PARTY OF	_			0,000
GEOLOGIC TARGET:	2nd Bone Spring					
REMARKS:	Drill, complete and eq	uip a horizontal 2nd Bor	ne Spring well			
INTANGIBLE	COSTS	DRILLING	COMPLETION	PRODUCTION	FACILITY COSTS	COSTS
Land / Legal / Regulatory		\$ 101,500	\$ 1		\$.	\$ 101,500
Location, Surveys & Damag Drilling	304	216,000	13,000	45,000	30,000	304,000
Cementing & Float Equip		932,750	-		*****	932,750 214,000
Logging / Formation Evalua	ition		6,500			6,500
Flowback - Labor Flowback - Surface Rentals				4,500		
Flowback - Rental Living Q				95,000		
Flowback Chemicals						
Mud Logging Mud Circulation System		30,150				30,150
Mud & Chemicals		43,350 240,000	65,000			43,350 305,000
Mud / Wastewater Disposal	l.	150,000				150,000
Freight / Transportation		10.000	39,000	7.44		49,000
Rig Supervision / Engineer	ing	131,100	115,800	7,000	15,000	268,900 86,500
Fuel & Power		118,125	***************************************			116,125
Water		42,500	833,000		-	875,500
Drig & Completion Overhea Plugging & Abandonment	PG .	15,750	25,000	***************************************	*	40,750
Directional Drilling, Survey	5	245,000		***************************************		245,000
Completion Unit, Swab, CT	U		220,000	12,600		232,600
Perforating, Wireline, Slick		-	282,000	4.435		282,000
High Pressure Pump Truck Stimulation		-	92,400 2,652,000	3,000	*	95,400 2,652,000
Stimulation Flowback & Dir	sp.	*	12,400	240,000		252.400
Insurance Labor		32 328 136 000				32,328
Rental - Surface Equipment	ř.	60,735	35,750 293,250			171,750 353,985
Rental - Downhole Equipme		64,400	70,000	******	3,000	137,400
Rental - Living Quarters		41,360	45,385		1,000	87,745
Contingency MaxCom		145,577	214,849	7,000	4,900	372,326
MaxCom	TOTAL INTANGIBLES	> 3,081,313	5,015,334	414,100	53,900	24.186 8.465.146
	TOTAL INTANGIBLES	DRILLING	COMPLETION	PRODUCTION	33,300	TOTAL
TANGIBLE C	OSTS	COSTS	COSTS	COSTS	FACILITY COSTS	COSTS
Surface Casing		\$ 51,442	\$		\$	\$ 51,442
Intermediate Casing Drilling Liner		64,304 89,900				64,304 89,900
Production Casing		401,160				401,160
Production Liner						-
Tubing Wellhead		76,000		52,000 16,000		52,000
Packers, Liner Hangers		9,000	112,800	(5,000)		92,000
Tanks				-	65,000	85,000
Production Vessels				100,000	26.750	126,750
Flow Lines Rod string				75,000	*	75.000
Artificial Lift Equipment				172,200		172,200
Compressor		-	•		15,000	15,000
Installation Costs Surface Pumps		,		35,000	65,000	100,000
Non-controllable Surface					2,500	2,500
Non-controllable Downhole	•					,
Downhole Pumps Measurement & Meter Insta	Matien	•		47.000	******	
Gas Conditioning / Dehydra		-	-	17,000	42,000	59,000
Interconnecting Facility Pip					70,000	70,000
Gathering / Bulk Lines					20,000	20,000
Valves, Dumps, Controllers Tank / Facility Containment			-	*	8,000 7,500	8,000 7,500
Flare Stack					7,500	7,500
Electrical / Grounding Communications / SCADA				40,000	10,000	50,000
Instrumentation / Safety				10,000	27,000	10,000
man amandan i Calary	TOTAL TANGIBLES	> 591,506	112,800	527,200	386,250	37,000 1,718,056
	TOTAL COSTS		5,128,134	941,300	440,150	10,183,202
REPARED BY MATADOR F	PRODUCTION COMPA	NY:		/		
Orilling Engineer	r; Tyler Brooking	Team Le	ad - WTX/NM			
Completions Engineer		A SECTION AND A SECTION ASSESSMENT	(//(10)			
Production Engineer	r: Rakesh Palel		200			
ATADOR RESOURCES CO	MPANY APPROVAL:					
Executive VP, COO/CF0	1	in a	Se Engineering			
Daniel AL COOKEL	DEL	VP - Re	es Engineering BMR	-	VP - Drilli	BEG
Executive VP, Lega	al	C	Chief Geologist		VP - Producti	
need Strong and the St. S. S. S.	CA		NLF		71	TWG
Presider						
	MVH					
ON OPERATING PARTNER	ADDDOVAL.					***
IVALED ARTHUR AND A COLUMN TO						
Company Name	:		Working Interest (%)		Tax	D:
Signed by	G.		Date			
			Date			
Title	3;		Approval	Yes	obests	No (mark one)
and the first of the second se						

The same such and I are announce and and a profit to promote the same of the profit to a p

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

DATE		ESTIMATE OF COST	S AND AUTHORIZATION FOR	REXPENDITURE				
DATE: WELL NAME:	August 19, 2019	#1244	-		AFE NO.:			
LOCATION:	Ted 1514 Fed Com a Sections 15 & 14, T2	Water distance of the last of			FIELD:	1007		
COUNTY/STATE:	Eddy County, New N				MD/TVD:	18375'/8075'		
MRC WI:					LATERAL LENGTH:	9.800		
GEOLOGIC TARGET:	2nd Bone Spring		-					
REMARKS:	Drill, complete and e	e and equip a horizontal 2nd Bone Spring well						
		DRILLING	COMPLETION	PRODUCTION		TOTAL		
PATANGIBLE	COSTS	COSTS	COSTS	COSTS	FACILITY COSTS	COSTS		
Land / Legal / Regulatory Location, Surveys & Dama	ages	\$ 101,500 216,000	13,000	45,000	1	\$ 101,500		
Dritting	a = (3).	932,750	13,000	45,000	30,000	304,000 932,750		
Cementing & Float Equip Logging / Formation Evalu	vation	214,000				214,000		
Flowback - Labor	uation	*	5,500	4,500		6,500		
Flowback - Surface Renta				95,000				
Flowback - Rental Living (Flowback Chemicals	Quarters							
Mud Logging		30,150		<u></u>		30,150		
Mud Circulation System		43,350				43.350		
Mud & Chemicals Mud / Wastewater Dispos	al	240,000 150,000	65,000			305,000		
Freight / Transportation	a)	10,000	39.000			150,000		
Aig Supervision / Engineer	ring	131,100	115,800	7,000	15,000	268,900		
Drill Bits		86,500				86,500		
Fuel & Power Water		118,125 42,500	833,000		-	118,125		
Orig & Completion Overhe	ead	15,750	25,000		-	875,500 40,750		
Plugging & Abandonment		Carrier on the contract of the carrier of the carri				-		
Directional Drilling, Surve		245,000	***			245,000		
Completion Unit, Swab, C Perforating, Wireline, Silc		-	220,000	12,600		232,600 282,000		
High Pressure Pump Truc		-	92,400	3,000		95,400		
Stimulation	Na -		2,652,000			2,652,000		
Stimulation Flowback & D Insurance	lisp	32,328	12,400	240,000		252,400		
Labor		136,000	35,750		-	32,328 171,750		
Rental - Surface Equipme		60,735	293,250		-	353,985		
Rental - Downhole Equipo	nent	84,400	70,000		3,000	137,400		
Rental - Living Quarters Contingency		41,360 145,577	45,385 214,849	7,000	1,000	87,745		
MaxCom		24,188	214,049	7,000	4,900	372,326 24,188		
	TOTAL INTANGIBLES		5,015,334	414,100	53,900	8,465,146		
***************************************		DRILLING	COMPLETION	PRODUCTION		TOTAL		
TANGIBLE	COSTS	COSTS	COSTS	COSTS	FACILITY COSTS	COSTS		
Surface Casing Intermediate Casing		\$ 51,442 64,304	\$		\$	\$ 51,442		
Orilling Liner		\$9,900				64.304 89.900		
Production Casing		401,160				401,160		
Production Liner Tubing		*						
Wellhead		76,000		52,000 16,000		52,000 92,000		
Packers, Liner Hangers		9,000	112,800	10.000		121,800		
Tanks					85,000	85,000		
Production Vessels Flow Lines				100,000	26,750	126,750		
Rod string				75,000		75,000		
Artificial Lift Equipment		-		172,200		172,200		
Compressor		-			15,000	15,000		
Installation Coets Surface Pumps				35,000	55,000	100,000		
Non-controllable Surface					2,500	2,500		
Non-controllable Downho	lo							
Downhole Pumps Measurement & Meter Ins:	tallation	*		48 000				
Gas Conditioning / Dehyd				17,000	42,000	59,000		
Interconnecting Facility P					70,000	78,060		
Gathering / Bulk Lines				-	20,000	20,000		
Valves, Dumps, Controller Tank / Facility Containmen				-	8,000	8.000		
Flare Stack					7,500 7,500	7,500 7,500		
Electrical / Grounding				49,000	10,000	50,000		
Communications / SCADA			-	10,000		10,000		
Instrumentation / Safety	TOTAL TANGIBLES	> 691,808	112,800	10,000	27,000	37,000		
-	TOTAL COSTS			527,200 941,300	386,250	1,718,056		
			5,128,134	941,300	440,150	10,183,202		
EPARED BY MATADOR	PRODUCTION COMPA	WY:	1					
Driffing Engine		Team t	Lead - WTX/NM					
Completions Enginee			Alero					
Production Enginee	er: Rakesh Palei		J					
TADOR RESOURCES C	OMPANY APPROVA			The state of the s				
Executive VP, COO/CF	DEL	VP - F	Res Engineering		VP - Dnil			
Executive VP, Leg			Chief Contanies		70.0	BEG		
PVOCABLAG AL' FOO	CA CA		Chief Geologist NLF	-	VP - Product			
Preside	ni.		NCF			TWG		
	MVH							
N OPERATING PARTNE	R APPROVAL .							
Company Nam	e:		Working interest (%):		Tax	D:		
Signed b	y:		Date					
			Date	-				
Titl			Approval	The state of the s		No (mark one)		
to an the tife we extracte only any thay not be a series, repository to be a personal and the first	overview to excitigation any specific factor when	overant of the present. The may reconstruct upon	etwel years making may be arrayed by it was select	the seal has been considered by some of the	to My to feet out the feet	mole than of a last stops record motion		

ONE LINCOLN CENTRE • 5400 LBJ FREEWAY • SUITE 1500 • DALLAS, TEXAS 75240

Phone (872) 371-5200 • Fax (972) 371-5201

DATE:	August 19, 2019	ESTIMATE OF COSTS	AND AUTHORIZATION FO	REAPENDITURE	AFE NO.:	
WELL NAME:	Ted 1514 Fed Com #2	203H	- 8		FIELD:	
LOCATION:	Sections 15 & 14, T20	S-R29E			MD/TVD:	19700'/9400'
OUNTY/STATE: Eddy County, New Mex		exico	-		LATERAL LENGTH:	9,800
MRC WI:						
GEOLOGIC TARGET:	Upper Wolfcamp		_			
REMARKS:	Unil, complete and eq	uip a horizontal Upper \	Voilcamp well			
		DRILLING	COMPLETION	PRODUCTION		TOTAL
INTANGIBLE Land / Lingal / Regulatory	COSTS	COSTS 101,500	COSTS	COSTS	FACILITY COSTS	COSTS
ocation, Surveys & Dama	ges	296,000	13,000	45,000	30,000	384,000
Drilling		1,098,750				1,098,750
Cementing & Float Equip Logging / Formation Evalu	ation	239,000	5,500			239,000 6,500
lowback - Labor				4,500		0,000
Flowback - Surface Rental: Flowback - Rental Living Q				95,000		
Flowback Chemicals	darters			-		
Mud Logging		34,550	***************************************			34,550
Mud Circulation System Mud & Chemicals		51,450 260,000	65,000		-	51,450 325,000
Mud / Wastewater Disposa	l .	150,000				150,000
Freight / Transportation Rig Supervision / Engineer	ring	158,760	39,000	7000	15.000	49,000
Orill Bits	my	86,500	115,800	7,000	15,000	296,500 86,500
Fuel & Power		129,375	-			129,375
Water Orig & Completion Overhe	ad	42,500 17,250	833,000 25,000			875,500 42,250
Plugging & Abandonment		*	25,000			*
Directional Drilling, Survey		305,000	637-75-	792-222-		305,000
Completion Unit, Swab, C1 Perforating, Wireline, Slick			220,000	12,600		232,600 282,000
High Pressure Pump Truck		-	92,400	3,000		95,400
Stimulation Stimulation Flowback & Di	sn.	-	2,652,000	678.588		2,652,000
Sumulation Flowback & Di	-P	32,328	12,400	240,000		252,400 32,328
Labor		136,000	35,750			171,750
Rental - Surface Equipmen Rental - Downhole Equipm		81,865 76,800	70,000		3,000	375,115 151,800
Rental - Living Quarters	ioni	44,480	45,385		1,600	90,865
Contingency		167,702	214,849	7,000	4,900	394,451
MaxCom	TOTAL INTANGIBLES	28,488 > 3,550,238	£ 045 324	******	62 200	28,488
	TOTAL MINASIBLES	DRILLING	5,015,334 COMPLETION	PRODUCTION	53,900	8,934,071 TOTAL
TANGIBLE C	COSTS	COSTS	COSTS	COSTS	FACILITY COSTS	COSTS
Surface Casing Intermediate Casing		\$ 51,442 64,304	5	\$	\$	\$ 51,442 64,304
Drilling Liner		89,900				89,900
Production Casing		479,688				479,688
Production Liner Lubing				52,000		52,000
Wellhead		106,000		16,000		122 000
Packers, Liner Hangers		18,000	112.800			130,800
Tanks Production Vessels				100,000	85,000 26,750	85,000 126,750
Flow Lines				75,000	20,750	75,000
Rod string Artificial Lift Equipment		-				
Compressor				172,200	15,000	172,200 15,000
Installation Costs		-		35,000	65,000	100,000
Surface Pumpa Non-controllable Surface		-		-	2,500	2,500
Non-controllable Downhol						
	•	/Thomas May Jensey			-	-
						-
Measurement & Meter Inst	allation			17,000	42,060	59,000
Measurement & Meter Inst Gas Conditioning I Dehydr Interconnecting Facility Pi	allation				Marie	59,000
Measurement & Meter Inst Gas Conditioning / Dehydr Interconnecting Facility Pi Gathering / Bulk Lines	allation ration ping				70,000	70,000 20,000
Measurement & Meter Inst Gas Conditioning / Dehydr Interconnecting Escillty Pi Gathering / Bulk Lines Valves, Dumps, Controller	allation ration ping				70,000 20,000 8,000	70,000 20,000 8,000
Measurement & Metar Inst Gas Conditioning / Dehydr Interconnecting Facility Pi Gathering / Bulk Lines Valves, Dumps, Controller Tank / Facility Containmen Flare Stack	allation ration ping				70,000 20,000 8,000 7,500 7,500	70,000 20,000 8,000 7,500 7,500
Measurement & Meter Inst Gas Conditioning / Dehydr Interconnecting Facility Pi Gatharing / Bulk Lines Valves, Dumps, Controller Tank / Facility Containment Flare Stack Electrical / Grounding	allation ration ping s			40,000	70,000 20,000 8,000 7,500	70,000 20,000 8,000 7,500 7,500 50,000
Downhole Pumpa Measurement & Metar Inst Gas Conditioning / Dehydr Interconnecting Facility Pi Gathering / Bulk Lines Valvas, Dumps, Controller Tank / Facility Containmen Filero Stack Electrical / Grounding Communications / SCADA instrumentation / Safety	allation ration ping s			40,000	70,000 20,000 8,000 7,500 7,560 10,000	70,600 20,000 8,000 7,500 7,500 50,000
Measurement & Meter Inst Gas Conditioning / Dehydr Interconnecting Facility Pi Gathering / Bulk Lines Valves, Dumps, Controller Tank / Facility Containmen Flare Stack Electrical / Grounding Communications / SCADA	allation ration ping s	> 809,334	112,800	40,000	70,000 20,000 8,000 7,500 7,500	70,000 20,000 8,000 7,500 7,500 50,000
Measurement & Meter Inst Gas Conditioning / Dehydr Interconnecting Facility Pi Gathering / Bulk Lines Valves, Dumps, Controller Tank / Facility Containmen Flare Stack Electrical / Grounding Communications / SCADA	allation ration ping s	The state of the s	112,800 5,128,134	40,000 10,000 10,000	70,000 20,000 8,000 7,500 7,506 10,000	70,000 20,000 8,000 7,500 7,500 50,000 10,000 37,000
Measurement & Meter Inst Gas Conditioning / Dehydr Interconnecting Facility Pi Gathering / Bulk Lines Valves, Dumps, Controller Tank / Facility Containmen Flare Stack Communications / SCADA instrumentation / Safety	allation ration ping TOTAL TANGIBLES TOTAL COSTS	4,369,572		40,000 10,000 10,000 527,200	70,000 20,000 8,000 7,500 7,500 10,000 27,000 386,250	70,000 20,000 8,000 7,500 7,500 50,000 10,000 37,000 1,835,584
Measurement & Meter Inst Gas Conditioning / Dehydr Interconnecting Facility Pi Gathering / Bulk Lines Valvas, Dumps, Controller Tank / Facility Consainmer Flare Stack Electrical / Grounding Communications / SCADA instrumentation / Safety PARED BY MATADOR	allation ration ping TOTAL TANGIBLES TOTAL COSTS	> 4,369,572 NY:	5,128,134	40,000 10,000 10,000 527,200	70,000 20,000 8,000 7,500 7,500 10,000 27,000 386,250	70,000 20,000 8,000 7,500 7,500 50,000 10,000 37,000 1,835,584
Measurement & Meter Inst Sas Conditioning / Dehydr Interconnecting Facility P) Sathering / Bulk Lines /alves, Dumpe, Controller Tank / Facility Containmen Tank / Facility Containmen Tank / Facility Containmen Tank / Facility Containmen Tank / Facility Tank / Facility Tank / Facility Tank / Facility Tank / Tan	TOTAL TANGIBLES TOTAL COSTS PRODUCTION COMPA	> 4,369,572 NY:		40,000 10,000 10,000 527,200	70,000 20,000 8,000 7,500 7,500 10,000 27,000 386,250	70,000 20,000 8,000 7,500 7,500 50,000 10,000 37,000 1,835,584
Measurement & Metar Inst Gas Conditioning / Dehydr Interconnecting Facility Pi Gathering / Bulk Lines Valvas, Dumps, Controller Tank / Facility Containmen Flare Stack Electrical / Grounding Communications / SCADA Instrumentation / Safety PARED BY MATADOR Orlling Engines Completions Enginee Completions Enginee	TOTAL TANGIBLES TOTAL COSTS PRODUCTION COMPA ST. Tyler Brooking ST. Mark Bell	> 4,369,572 NY:	5,128,134	40,000 10,000 10,000 527,200	70,000 20,000 8,000 7,500 7,500 10,000 27,000 386,250	70,000 20,000 8,000 7,500 7,500 50,000 10,000 37,000 1,835,584
Measurement & Meter Inst Sas Conditioning / Dehydr Interconnecting Facility P) Sathering / Bulk Lines /alves, Dumpe, Controller Tank / Facility Containmen Tank / Facility Containmen Tank / Facility Containmen Tank / Facility Containmen Tank / Facility Tank / Facility Tank / Facility Tank / Facility Tank / Tan	TOTAL TANGIBLES TOTAL COSTS PRODUCTION COMPA ST. Tyler Brooking ST. Mark Bell	> 4,369,572 NY:	5,128,134	40,000 10,000 10,000 527,200	70,000 20,000 8,000 7,500 7,500 10,000 27,000 386,250	70,000 20,000 8,000 7,500 7,500 50,000 10,000 37,000 1,835,584
Measurement & Metar Inst Sass Conditioning / Dehydr Interconnecting Facility P Satharing / Bulk Lines / Salves, Dumps, Controller lare Stack lare Stack lactrical / Grounding Communications / SCADA instrumentation / Safety PARED BY MATADOR Drilling Enginee Completions Enginee Production Enginee	TOTAL TANGIBLES TOTAL COSTS PRODUCTION COMPA Tyler Brooking THE Rakesh Paiol	> 4,369,572 NY:	5,128,134	40,000 10,000 10,000 527,200	70,000 20,000 8,000 7,500 7,500 10,000 27,000 386,250	70,000 20,000 8,000 7,500 7,500 50,000 10,000 37,000 1,835,584
Measurement & Metar Inst Sass Conditioning / Dehydr Interconnecting Facility Pi Satharing / Bulk Lines Valves, Dumps, Controller Fank / Facility Containmen Flare Stack Flacifications / SCADA Instrumentations / SCADA Instrumentation / Safety PARED BY MATADOR Drilling Enginee Completions Enginee Production Enginee Production Enginee Production Enginee	TOTAL TANGIBLES TOTAL COSTS PRODUCTION COMPA Y: Tyler Brooking Y: Mark Bell W: Rakesh Palal	> 4,369,572 NY: Team L	5,128,134 ead - WTX/NM	40,000 10,000 10,000 527,200	70,000 20,000 8,000 7,500 7,500 10,000 27,000 386,250 440,150	70,000 20,000 8,000 7,500 7,500 50,000 10,000 37,000 1,835,584 10,769,855
Messurament & Metar Inst Gas Conditioning / Dehydr Interconnecting Facility Pi Gathering / Bulk Lines Valves, Dumps, Controller Tank / Facility Containmen Flare Stack Electrical / Grounding Communications / SCADA Instrumentation / Safety PARED BY MATADOR Drilling Enginee Completions Enginee Production Enginee Production Enginee CADOR RESOURCES CI Executive VP, COO/CF	TOTAL TANGIBLES TOTAL COSTS PRODUCTION COMPA Tyler Brooking Rakesh Painl OMPANY APPROVAL: O CEL	> 4,359,572 NY: Team L	ead - WTX/NM and tropic of the sead - WTX/NM and tropic of the	40,000 10,000 10,000 527,200 941,300	70,000 20,000 8,000 7,500 7,500 10,000 27,000 386,250	70,000 20,000 8,000 7,500 7,500 50,000 10,000 37,000 1,835,584 10,769,855
Measurement & Meter Inst Gas Conditioning / Dehydr Interconnecting Facility Pi Gathering / Bulk Lines Valves, Dumps, Controller Fank / Facility Containmen Flare Stack Electrical / Grounding Communications / SCADA Instrumentation / Safety PARED BY MATADOR Drilling Enginee Completions Enginee Production Enginee Production Enginee	TOTAL TANGIBLES TOTAL COSTS PRODUCTION COMPA Tyler Brooking Rakesh Painl OMPANY APPROVAL: O CEL	> 4,359,572 NY: Team L	ead - WTX/NM ead - WTX/NM es Engineering EMR	40,000 10,000 10,000 527,200 941,300	70,000 20,000 8,000 7,500 7,500 10,000 27,000 386,250 440,150	70,000 20,000 8,000 7,500 7,500 9,000 10,000 37,000 1,815,584 10,769,855
Measurament & Metar Inst Gas Conditioning / Dehydr Interconnecting Facility Pi Gathering / Bulk Lines Valves, Dumps, Controller Tank / Facility Containmen Flare Stack Electrical / Grounding Communications / SCADA Instrumentation / Safety PARED BY MATADOR Drilling Enginee Completions Enginee Production Enginee Production Enginee (ADOR RESOURCES CI Executive VP, COO/CF Executive VP, Leg	TOTAL TANGIBLES TOTAL COSTS PRODUCTION COMPA Tyler Brooking THAT Bell TOTAL SOLUTION COMPANY APPROVAL: TOTAL COSTS TOTAL COST	> 4,359,572 NY: Team L	ead - WTX/NM and tropic of the sead - WTX/NM and tropic of the	40,000 10,000 10,000 527,200 941,300	70,000 22,000 8,000 7,500 10,000 27,000 386,250 440,150	70,600 20,000 8,000 7,500 7,500 9,500 10,000 37,000 1,815,584 10,769,855
Measurement & Meter Inst Gas Conditioning / Dehydr Interconnecting Facility Pi Gatharing / Bulk Lines Valves, Dumps, Controller Fank / Facility Containmen Flare Stack Electrical / Grounding Communications / SCADA Instrumentation / Safety PARED BY MATADOR Drilling Enginee Completions Enginee Production Enginee Production Enginee ADOR RESOURCES C	TOTAL TANGIBLES TOTAL COSTS PRODUCTION COMPA Tyler Brooking THAT Bell TOTAL SOLUTION COMPANY APPROVAL: TOTAL COSTS TOTAL COST	> 4,359,572 NY: Team L	ead - WTX/NM ead - WTX/NM es Engineering EMR	40,000 10,000 10,000 527,200 941,300	70,000 22,000 8,000 7,500 10,000 27,000 386,250 440,150	70,000 20,000 8,000 7,500 7,500 9,000 10,000 37,000 1,815,584 10,769,855
Measurement & Metar Inst Gas Conditioning / Dehydr Interconnecting Facility Pi Gathering / Bulk Lines Valves, Dumps, Controller Flare Stack Electrical / Grounding Communications / SCADA Instrumentation / Safety PARED BY MATADOR Drilling Enginee Completions Enginee Production Enginee Production Enginee Executive VP, COO/CF Executive VP, Leg Preside	TOTAL TANGIBLES TOTAL COSTS PRODUCTION COMPA TYPE BROOKING TYPE BROOKING THE BROOK	> 4,359,572 NY: Team L	ead - WTX/NM ead - WTX/NM es Engineering EMR	40,000 10,000 10,000 527,200 941,300	70,000 22,000 8,000 7,500 10,000 27,000 386,250 440,150	70,000 20,000 8,000 7,500 7,500 9,000 10,000 37,000 1,815,584 10,769,855
Measurement & Metar Inst Gas Conditioning / Dehydr Interconnecting Facility Pi Gathering / Bulk Lines Valves, Dumps, Controller Tank / Facility Containmen Flare Stack Electrical / Grounding Communications / SCADA Instrumentation / Safety PARED BY MATADOR Drilling Enginee Completions Enginee Production Enginee Executive VP, COO/CF Executive VP, Leg Preside	TOTAL TANGIBLES TOTAL COSTS PRODUCTION COMPA Tyler Brooking Tyle	> 4,359,572 NY: Team L	ead - WTX/NM and trop trop trop trop trop trop trop trop	40,000 10,000 10,000 527,200 941,300	70,000 22,000 8,000 7,500 10,000 27,000 386,250 440,150	70,000 20,000 8,000 7,500 7,500 9,000 10,000 37,000 1,815,584 10,769,855
Measurement & Metar Inst Sass Conditioning / Dehydr Interconnecting Facility Pi Satharing / Bulk Lines / Salves, Dumps, Controller Iaro Stack Iller Containmen Iaro Stack Iller Containmen Iaro Stack Iller Containmen Iaro Stack Panel Grounding Communications / SCADA Instrumentation / Safety PARED BY MATADOR Drilling Enginee Compiletions Enginee Production Enginee Production Enginee ADOR RESOURCES CI Executive VP, COO/CF Executive VP, Leg Preside	TOTAL TANGIBLES TOTAL COSTS PRODUCTION COMPA Tyler Brooking Tyle	> 4,359,572 NY: Team L	ead - WTX/NM ead - WTX/NM es Engineering EMR	40,000 10,000 10,000 527,200 941,300	70,000 22,000 8,000 7,500 10,000 27,000 386,250 440,150	70,000 20,000 8,000 7,500 7,500 9,000 10,000 37,000 1,815,584 10,769,855
Measurement & Metar Inst Gas Conditioning / Dehydr Interconnecting Facility Pi Gathering / Bulk Lines Valves, Dumps, Controller Tank / Facility Containmen Flare Stack Electrical / Grounding Communications / SCADA Instrumentation / Safety PARED BY MATADOR Drilling Enginee Completions Enginee Production Enginee Executive VP, COO/CF Executive VP, Leg Preside	TOTAL TANGIBLES TOTAL COSTS PRODUCTION COMPA Tyler Brooking Tyler Brooking Rakesh Paiol CMPANY APPROVAL: CA THE TYPE TO THE TYPE TO THE TYPE TYPE TYPE TYPE TYPE TYPE TYPE TYP	> 4,359,572 NY: Team L	ead - WTX/NM and trop trop trop trop trop trop trop trop	40,000 10,000 10,000 527,200 941,300	70,000 20,060 8,000 7,500 7,500 10,000 27,000 366,250 440,150 VP - Dnil	70,000 20,000 8,000 7,500 7,500 9,000 10,000 37,000 1,815,584 10,769,855

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ONE LINCOLN CENTRE • 5400 LBJ FREEWAY • SUITE 1500 • DALLAS, TEXAS 75240 Phone (972) 371-5200 • Fax (972) 371-5201 ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE DATE: August 19, 2019 FIELD: WELL NAME: Ted 1514 Fed Com #204H Sections 15 & 14, T20S-R29E MD/TVD: 19700'/9400' LOCATION: LATERAL LENGTH: COUNTY/STATE: Eddy County, New Mexico MRC WIS GEOLOGIC TARGET: Upper Wolfcamp Drill, complete and equip a horizontal Upper Wolfcamp well REMARKS INTANGIBLE COSTS
Land / Legal / Regulatory
Location, Surveys & Damages
Drilling
Comment PRODUCTION COMPLETION DRILLING COSTS 101,500 COSTS COSTS FACILITY COSTS COSTS 13,000 45 000 30,000 295,060 384 000 009.750 239,000 Cementing & Float Equip 239,000 Logging / Formation Evaluation Flowback - Labor 6,500 6,500 Flowback - Surface Rentals 95 000 Flowback - Rental Living Quarters Flowback Chemicals 34,550 34 550 Mud Logging Mud Circulation System 51,450 51,450 Mud & Chemicals Mud / Wastewater Disposal 260.000 65,000 325,000 150,000 39,000 Freight / Transportation Rig Supervision / Engineering 49,000 158,700 7,000 296,500 Drill Bits 86,500 86,500 Fuel & Power 129,375 129.375 Water Drig & Completion Overhead 17,250 25,000 42.250 Plugging & Abandonment 305,000 305,000 Directional Drilling, Surveys Completion Unit, Swab, CTU Perforating, Wireline, Slickline 220,000 12,600 232,600 282,000 3,000 High Pressure Pump Truck Stimulation 92,400 2,652,000 Stimulation Flowback & Disp 240,000 12,400 Insurance 32.329 35,750 171.750 375,115 Labor Rental - Surface Equipment 81.865 3,000 Rental - Downhale Equipment Rental - Living Quarters 44,480 167,702 7,000 4,900 394 451 Contingency 28,488 MaxCom 28,488 53,900 8,934,071 TOTAL INTANGIBLES > 5,015,334 414,100 3,550,238 DRILLING COMPLETION PRODUCTION TOTAL FACILITY COSTS TANGIBLE COSTS COSTS COSTS COSTS COSTS Surface Casing 51 442 84,304 Intermediate Casing Drilling Liner Production Casing 89.900 479,658 Production Liner 52,000 Tubing 108 000 Wellhead 16,000 130,800 85,000 Packars, Liner Hangers 18,000 85,000 Tanks Production Vessele 100,000 26,750 126,750 75,000 Flow Lines 75,000 Rod string Artificial Lift Equipment 72,200 172,200 15,000 Compressor Installation Costs Surface Pumps 35,000 100.000 2,500 2,500 Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installation Gas Conditioning / Dehydration 17,000 42,000 59,000 Interconnecting Facility Piping Gathering / Bulk Lines 70 000 20,000 Valves, Dumps, Controllers Tank / Facility Containment 8,000 8.000 7.500 Flare Stack Electrical / Grounding 40,000 50,000 Communications / SCADA 10,000 27 000 Instrumentation / Safety 10.000 TOTAL TANGIBLES 809,334 112.800 386,250 1,535,584 527,200 TOTAL COSTS > 4,359,572 5,128,134 841,300 440,150 10,769,655 PREPARED BY MATADOR PRODUCTION COMPANY: Drilling Engineer: Tyler Brooking Team Lead - WTX/NM_Z Completions Engineer: Matt Ball Production Engineer: Rakesh Patal MATADOR RESOURCES COMPANY APPROVAL: VP - Drilling Executive VP, COO/CFO VP - Res Engineering ___ VP - Production Executive VP, Legal Chief Geologist NON OPERATING PARTNER APPROVAL: Working Interest (%): Company Name. Signed by: Date:

Approvel ____Yes

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

APPLICATION OF MATADOR PRODUCTION COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NOS. 21108, 21109, 21110, and 21111

AFFIDAVIT OF JAMES ANDREW JUETT

James Andrew Juett, of lawful age and being first duly sworn, declares as follows:

- My name is James Andrew Juett. I work for MRC Energy Company, an affiliate of Matador Production Company ("Matador"), as an Area Geology Manager.
- 2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.
- 3. I am familiar with the applications filed by Matador in these cases, and I have conducted a geologic study of the lands in the subject area.

Case Nos. 21108 and 21110

- 4. The target interval for these two wells, the Ted 1514 Fed. Com. #123H and Ted 1514 Fed. Com. #124H, is the Bone Spring formation.
- 5. **Matador Exhibit B-1** is a locator map. The horizontal spacing units for the proposed wells are identified by the red boxes with green shading.
- 6. **Matador Exhibit B-2** is a subsea structure map that I prepared for the top of the Second Bone Spring formation. The contour interval is 50 feet. The structure map shows the Bone Spring formation gently dipping to the Southeast. The structure appears consistent across the



proposed wellbore paths. I do not observe any faulting, pinchouts, or other geologic impediments to horizontal drilling.

- 7. **Matador Exhibit B-3** shows a line of cross section from A to A' on the same structure map reflected in **Exhibit B-2**.
- 8. **Matador Exhibit B4** is a Stratigraphic cross-section I prepared using the Third Bone Spring Carbonate as the datum. This cross-section displays open-hole logs run over the Second Bone Spring formation from the three representative wells denoted from A to A'. For each well in the cross-section, the following logs are included: gamma ray, resistivity, and porosity. The proposed target interval for both of the proposed wells is labeled and marked with a green wellbore diagram. The logs in the cross-section demonstrate that the target interval, within the Bone Spring formation, is consistent in thickness and character, across the entirety of each of the proposed spacing units.
- 9. Both of the proposed wells will comply with the Division's standard offset requirements.
- 10. Based on my geologic study of the area, I have not identified any geologic impediments to drilling horizontal wells in the area.
- 11. In my opinion, each quarter-quarter section will be productive and contribute moreor-less equally to production from each respective horizontal spacing unit.
- 12. In my opinion, horizontal drilling will be the most efficient method to develop this acreage, to prevent the drilling of unnecessary wells, and to result in the greatest ultimate recovery. Approving Matador's applications will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

Case Nos. 21109 and 21111

- 13. The target interval for these two wells, the Ted 1514 Fed. Com. #203H and Ted 1514 Fed. Com. #204H, is the Wolfcamp formation.
- 14. **Matador Exhibit B-5** is a locator map. The horizontal spacing units for the proposed wells are identified by the red boxes with green shading.
- 15. **Matador Exhibit B-6** is a subsea structure map that I prepared for the top of the Wolfcamp formation. The contour interval is 50 feet. The structure map shows the Wolfcamp formation gently dipping to the Southeast. The structure appears consistent across the proposed wellbore paths. I do not observe any faulting, pinchouts, or other geologic impediments to horizontal drilling.
- 16. **Matador Exhibit B-7** shows a line of cross section from A to A' on the same structure map reflected in **Exhibit B-6**.
- 17. **Matador Exhibit B-8** is a Stratigraphic cross-section I prepared using the top of the Wolfcamp as the datum. This cross-section displays open-hole logs run over the Wolfcamp formation from the three representative wells denoted from A to A'. For each well in the cross-section, the following logs are included: gamma ray, resistivity, and porosity. The proposed target interval for both of the proposed wells is labeled and marked with a green wellbore diagram. The logs in the cross-section demonstrate that the target interval, within the Wolfcamp formation, is consistent in thickness and character, across the entirety of each of the proposed spacing units.
- 18. Both of the proposed wells will comply with the Division's standard offset requirements.
- 19. Based on my geologic study of the area, I have not identified any geologic impediments to drilling horizontal wells in the area.

- 20. In my opinion, each quarter-quarter section will be productive and contribute moreor-less equally to production from each respective horizontal spacing unit.
- 21. In my opinion, horizontal drilling will be the most efficient method to develop this acreage, to prevent the drilling of unnecessary wells, and to result in the greatest ultimate recovery. Approving Matador's applications will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.
- 22. **Matador Exhibits B-1 through B-8** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

James ANDREW JUETT

STATE OF TEXAS

COUNTY OF DOLLAS

February 2020

SUBSCRIBED and SWORN to before me this 25th day of July 2019 by James

Andrew Juett.

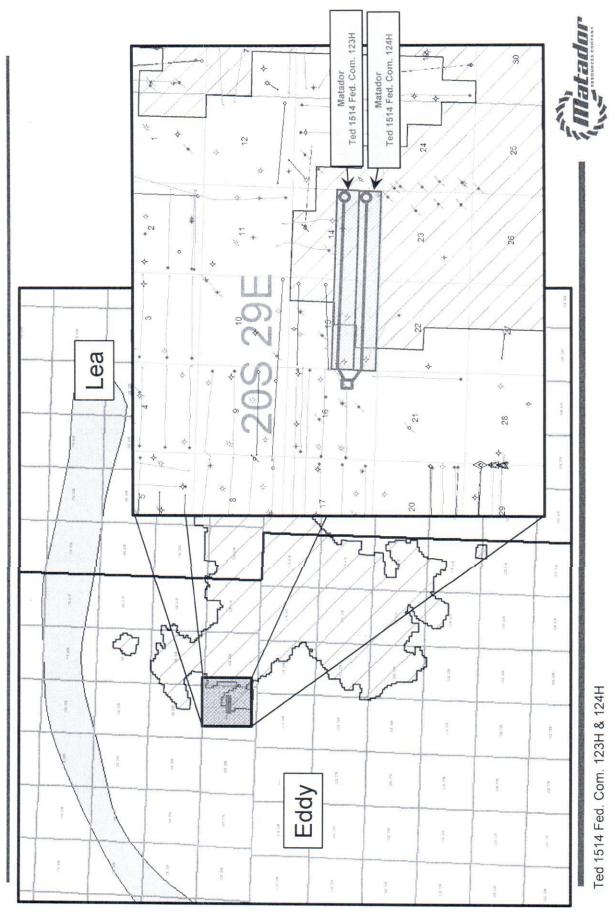
NOTARY PUBLIC

My Commission Expires:

8.24.2021

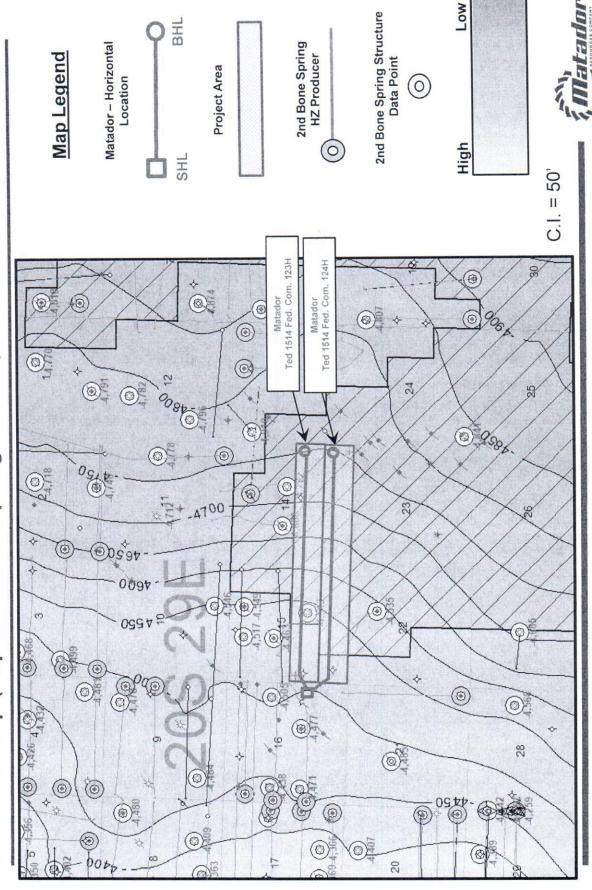
JAIME GRAINGER Notary Public, State of Texas Comm. Expires 08-24-2021 Notary ID 131259323

Getty; Bone Spring (Pool Code: 27470) Locator Map



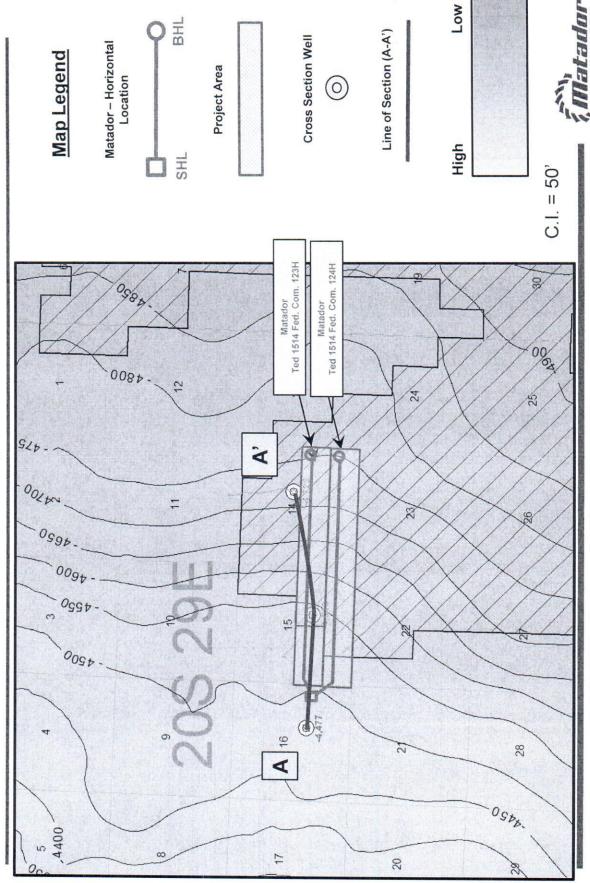
Ted 1514 Fed. Com. 123H & 124H

Getty; Bone Spring (Pool Code: 27470) Structure Map (Top 2nd Bone Spring Subsea)



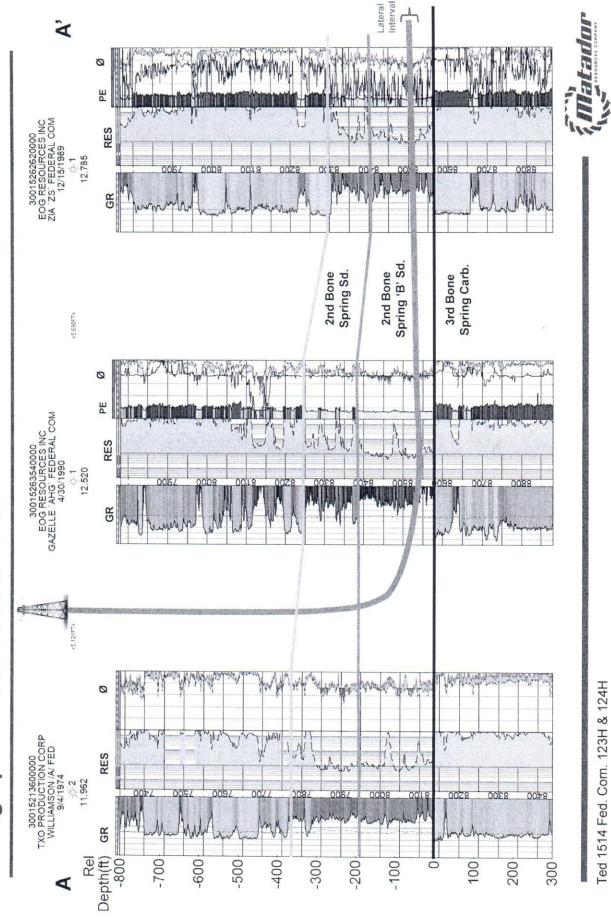
Ted 1514 Fed. Com. 123H & 124H

Structure Map (Top 2nd Bone Spring Subsea) Cross Section Locator Map Getty; Bone Spring (Pool Code: 27470)



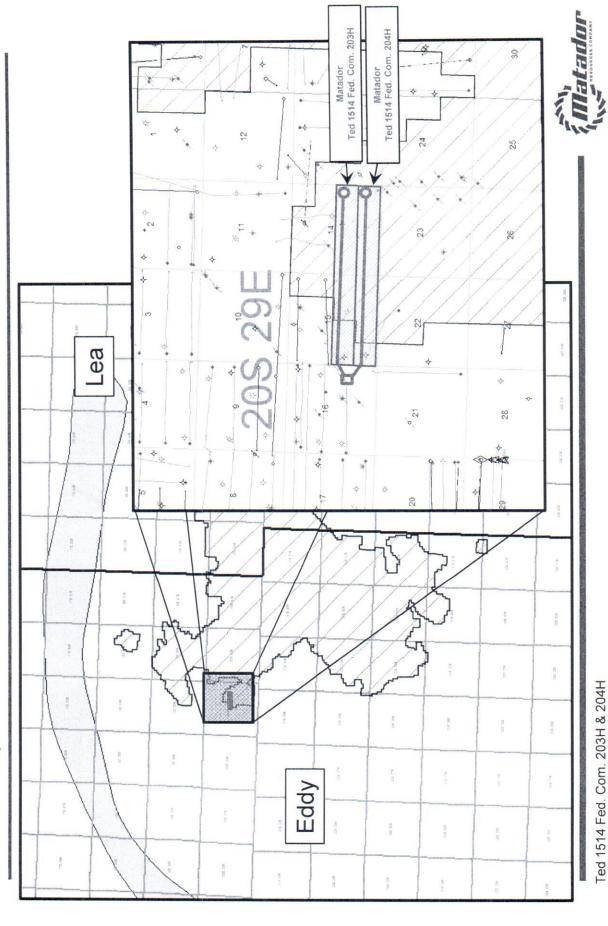
Ted 1514 Fed. Com. 123H & 124H

Getty; Bone Spring (Pool Code: 27470) A Section A Cross Stratigraphic



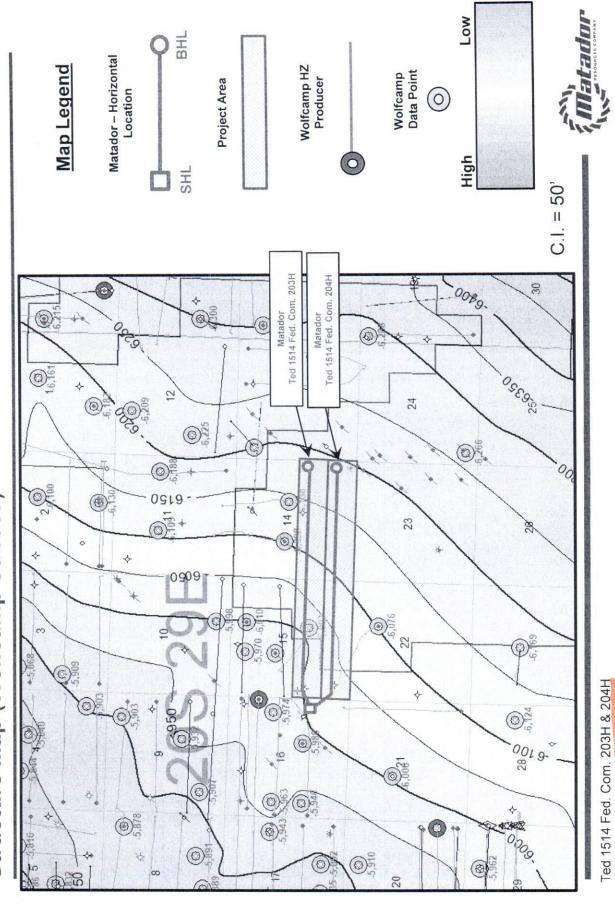
Ted 1514 Fed. Com. 123H & 124H

Burton Flat Upper Wolfcamp East (Pool Code: 98315) Locator Map



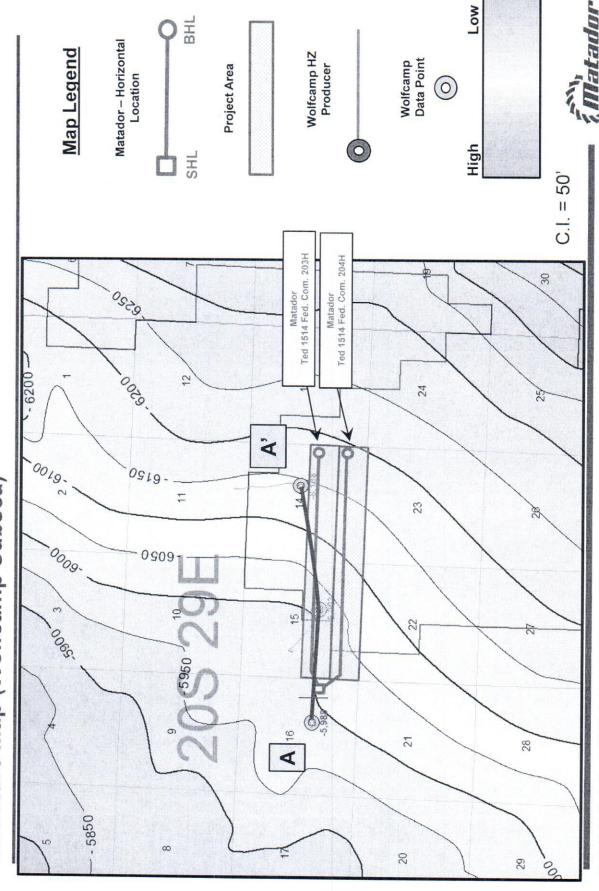
Ted 1514 Fed. Com. 203H & 204H

Burton Flat Upper Wolfcamp East (Pool Code: 98315) Structure Map (Wolfcamp Subsea)



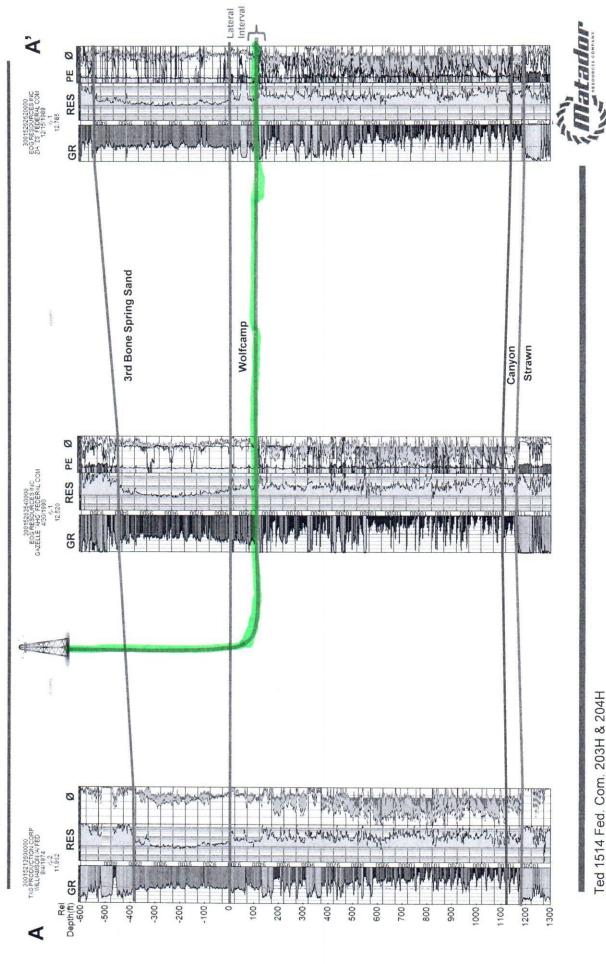
Ted 1514 Fed. Com. 203H & 204H

Burton Flat Upper Wolfcamp East (Pool Code: 98315) Structure Map (Wolfcamp Subsea)



Ted 1514 Fed. Com. 203H & 204H

Burton Flat Upper Wolfcamp East (Pool Code: 98315) Stratigraphic Cross Section A - A'



Ted 1514 Fed. Com. 203H & 204H

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

APPLICATION OF MATADOR PRODSUCTION COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 21109

APPLICATION OF MATADOR PRODSUCTION COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 21111

SELF-AFFIRMED STATEMENT OF NOTICE

COUNTY OF SANTA FE)
) ss
STATE OF NEW MEXICO)

James Bruce deposes and states:

- 1. I am over the age of 18, and have personal knowledge of the matters stated herein.
- 2. I am an attorney for Matador Production Company.
- 3. Matador Production Company has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the applications filed herein.
- 4. Notice of the applications was provided to the interest owners, at their last known addresses, by certified mail. Copies of the notice letters and certified return receipts are attached hereto as Attachment A.
 - 5. Matador Production has complied with the notice provisions of Division Rules.
- 6. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 5 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date:

James Bruce

EXHIBIT C

JAMES BRUCE ATTORNEY AT LAW

POST OFFICE BOX 1056 SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213 SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone) (505) 660-6612 (Cell) (505) 982-2151 (Fax)

jamesbruc@aol.com

February 13, 2020

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed are copies of the following applications for compulsory pooling, filed with the New Mexico Oil Conservation Division by Matador Production Company:

- (a) Case No. 21108, for an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the N/2S/2 of Section 15 and the N/2S/2 of Section 14, Township 20 South, Range 29 East, NMPM. The unit will be dedicated to the Ted 1514 Fed. Com. Well No. 123H;
- (b) Case No. 21109, for an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the N/2S/2 of Section 15 and the N/2S/2 of Section 14, Township 20 South, Range 29 East, NMPM. The unit will be dedicated to the Ted 1514 Fed. Com. Well No. 203H;
- (c) Case No. 21110, for an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the S/2S/2 of Section 15 and the S/2S/2 of Section 14, Township 20 South, Range 29 East, NMPM. The unit will be dedicated to the Ted 1514 Fed. Com. Well No. 124H; and
- (d) Case No. 21111, for an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the S/2S/2 of Section 15 and the S/2S/2 of Section 14, Township 20 South, Range 29 East, NMPM. The unit will be dedicated to the Ted 1514 Fed. Com. Well No. 204H,

all in Township 20 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.

ATTACHMENT A

These matters are scheduled for hearing at 8:15 a.m. on Thursday, March 5, 2020, in Porter Hall at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by these applications, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting these matters at a later date.

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, February 27, 2019. This statement must be filed with the Division's Santa Fe office at the above address, and should include: The names of the party and its attorney; a concise statement of the case; the names of the witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours

James Bruce

Attorney for Matador Production Company

EXHIBIT A

Yates Energy Corporation P.O. Box 2323 Roswell, NM 88202

EOG Resources, Inc. 5509 Champions Drive Midland, Texas 79706

XTO Holdings LLC 22777 Springwoods Village Parkway Spring, Texas 77389

Alan Jochimsen 4209 Cardinal Lane Midland, TX 79707

Camille David, Trustee of the Camille David Living Trust 3660 Sable Ridge Drive Dallas, TX 75287

Chalcam Exploration, L.L.C. 200 West 1st Street, Suite 434 Roswell, NM 88203

David Petroleum Corp. 116 West 1st Street Roswell, NM 88203 Guns Up Exploration, LLC 116 West 1st Street Roswell, NM 88203

Monty D. McLane
P.O. Box 9451
Midland, TX 79708

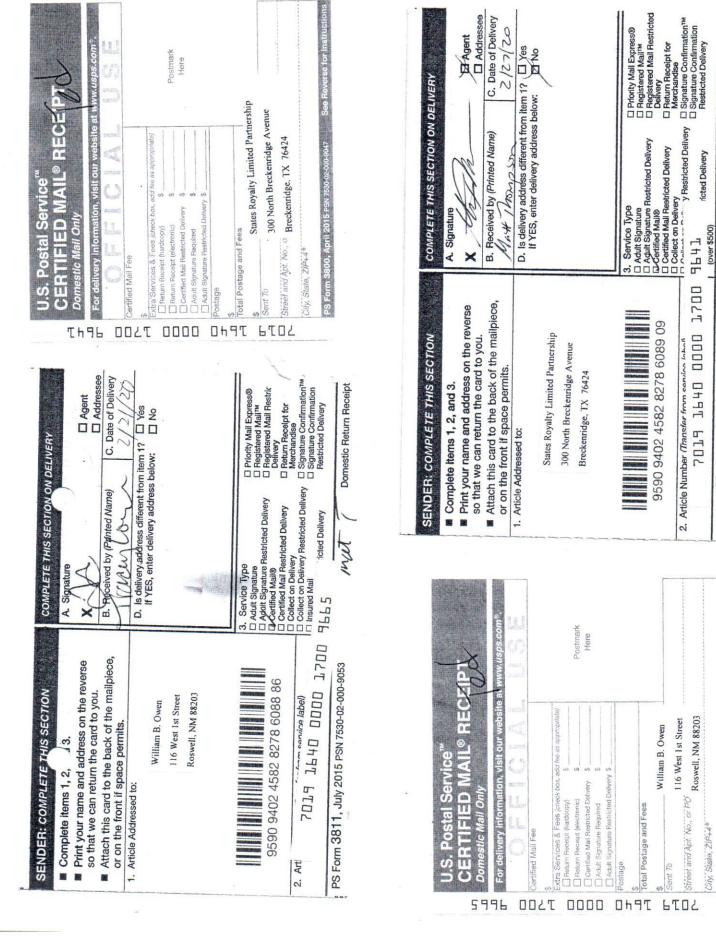
Northern Trust Bank of California, N.A., Trustee of the Estate of Sarah C. Getty P.O. Box 226270 Dallas, TX 75222

Petro Yates, Inc.
P.O. Box 1608
Albuquerque, NM 87103

States Royalty Limited Partnership 300 North Breckenridge Avenue Breckenridge, TX 76424

Thomas R. Nickoloff 116 West 1st Street Roswell, NM 88203

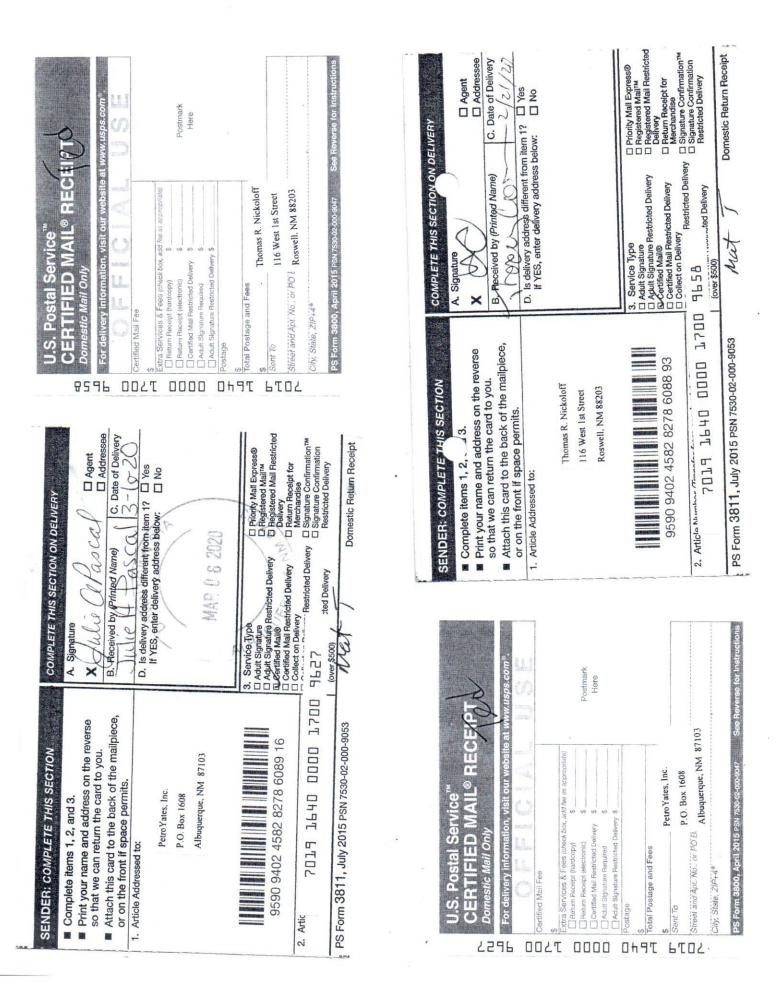
William B. Owen 116 West 1st Street Roswell, NM 88203



Domestic Return Receipt

PS Form 3811, July 2015 PSN 7530-02-000-9053

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions



U.S. Postal Service" CERTIFIED MAIL® RECEIPT Domestic Mail Only For delivery information, visit our website at www.usps.com.	Certified Mail Fee S Fix Services & Fees (check box, add fee us appropriate)		Total Postage and Fees Monty D. McLanc	5., or PO	City, State, 21P+44 PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	
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SENDER: COMPLETE THIS SECTION Complete items 1, 2, and 3. Print your name and address on the reverse	 so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. Article Addressed to: 	Northern Trust Bank of California, N.A., Trustee of the Estate of Sarah C. Getty P.O. Box 226270		9590 9402 4582 8278 6089 23	2. 7019 1640 0000 1700 9634	PS Form 3811, July 2015 PSN 7530-02-000-9053

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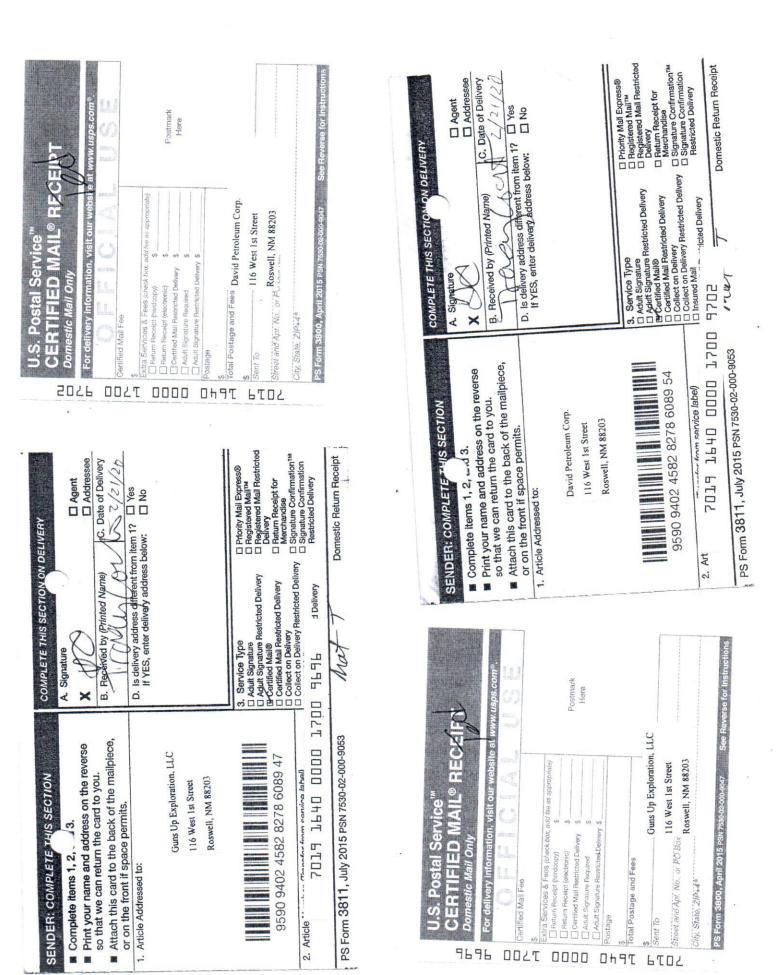
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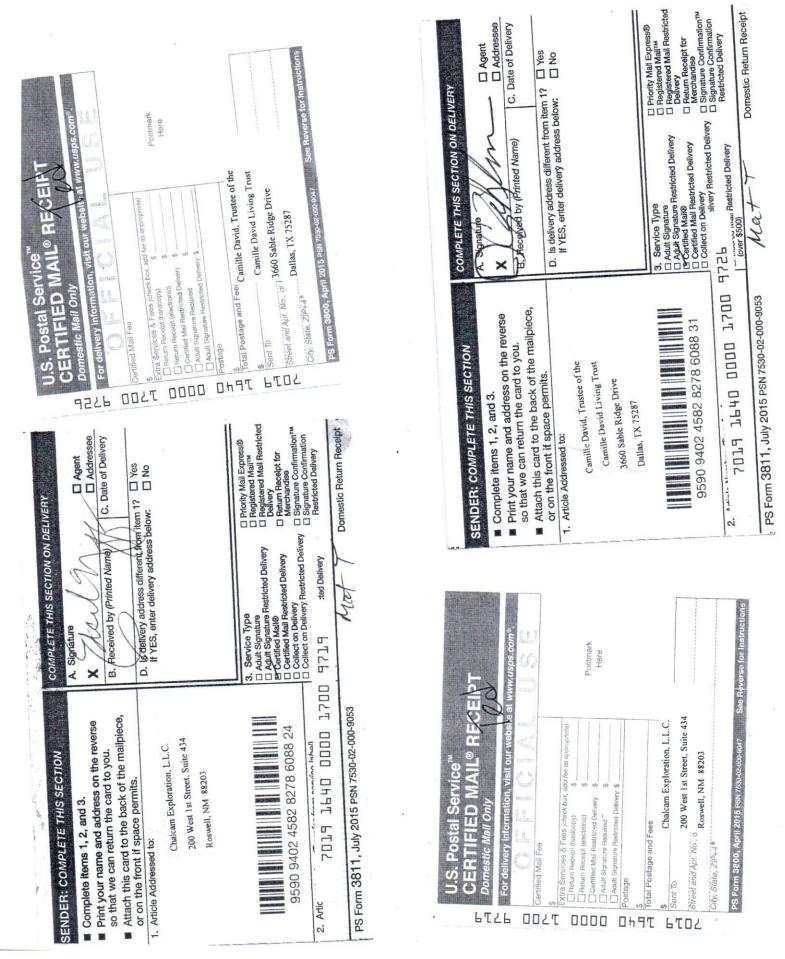
A Agent

COMPLETE THIS SECTION ON DELIVERY

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SENDER: COMPLETE THIS SECTION ON DELIVER Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. Attach this card to the back of the mailpiece, or on the front if space permits. Article Addressed to: Soft Champions Drive Midland, Texas 79706	2. Art 7 []	U.S. Postal Service" CERTIFIED MAIL® RECRIPT Domestic Mail Only For delivery information, visit our website at www.usps.com* Certified Mail Fee State Services & Fees (check box, add fee as appropriate) State Services & Fees (check box, add fee as appropriate) State Services & Fees (check box, add fee as appropriate) State Services & Fees (check box, add fee as appropriate) Here Adult signature Required Adult signature Required Adult signature Required Adult signature Required Adult signature Reduced A		PS Form 3800, April 2015 PSN 7550-02-000-6047 See Reverse for instructions

Carlsbad Current Argus.

Affidavit of Publication Ad # 0004065708 This is not an invoice

JAMES BRUCE ATTORNEY AT LAW POBOX 1056

SANTA FE, NM 87504

I, a legal clerk of the Carlsbad Current Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

February 19, 2020

Legal Clerk

Subscribed and sworn before me this February 19,

State of WI, County of Brown

NOTARY PUBLIC

My commission expires

SHELLY HORA Notary Public State of Wisconsin

Ad # 0004065708
PO #: Matador Production Company
of Affidavits 1

This is not an invoice

NOTICE

To: Yates Energy Corporation, EOG Resources, Inc., XTO Holdings LLC, Alan Jochimsen, Camille David as Trustee of the Camille David Living Trust, Chalcam Exploration, LLC, David Petroleum Corp., Guns Up Exploration, LLC, Monty D. McLane, Northern Trust Bank of California, N.A. as Trustee of the Estate of Sarah C. Getty, PetroYates, Inc., States Royalty Limited Partnership, Thomas R. Nickoloff, and William B. Owen, or your heirs, devisees, successors, or assigns: Matador Production Company has filed the following applications with the New Mexico Oil Conservation Division seeking orders pooling all mineral interests as set forth below:

- (a) Case No. 20108, for an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the N/2S/2 of Section 15 and the N/2S/2 of Section 14, Township 20 South, Range 29 East, NMPM. The unit will be dedicated to the Ted 1514 Fed. Com. Well No. 123H;
- (b) Case No. 20109, for an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the N/25/2 of Section 15 and the N/25/2 of Section 14, Township 20 South, Range 29 East, NMPM. The unit will be dedicated to the Ted 1514 Fed. Com. Well No. 203H;
- (c) Case No. 21110, for an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the S/2S/2 of Section 15 and the S/2S/2 of Section 14, Township 20 South, Range 29 East, NMPM. The unit will be dedicated to the Ted 1514 Fed. Com. Well No. 124H; and
- (d) Case No. 21111, for an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the S/2S/2 of Section 15 and the S/2S/2 of Section 14, Township 20 South, Range 29 East, NMPM. The unit will be dedicated to the Ted 1514 Fed. Com. Well No. 204H,

all in Township 20 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.

Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Matador Production Company as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The applications are scheduled to be heard at 8:15 a.m. on Thursday, March 5, 2020 at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. As an interest owner in the well units you have the right to enter an appearance and participate in the cases. Failure to appear will preclude you from contesting these matters at a later date. The attorney for applicant is James Bruce, P.O. Box 1056, Santa Fe, New Mexico 87504. #4065708, Current Argus, February 19, 2020

EXHIBIT D

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF MATADOR PRODUCTION COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 24/69

APPLICATION

Matador Production Company applies for an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the N/2S/2 of Section 15 and the N/2S/2 of Section 14, Township 20 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

- 1. Applicant is an operator in the N/2S/2 of Section 15 and the N/2S/2 of Section 14, and has the right to drill a well thereon.
- 2. Applicant proposes to drill the Ted 1514 Fed. Com. Well No. 203H to a depth sufficient to test the Wolfcamp formation, and dedicate the N/2S/2 of Section 15 and the N/2S/2 of Section 14 to the well. The well is a horizontal well, with a first take point in the NW/4SW/4 of Section 15 and a final take point in the NE/4SE/4 of Section 14.
- 3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the N/2S/2 of Section 15 and the N/2S/2 of Section 14 for the purposes set forth herein.
- 4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Wolfcamp

EXHIBIT **E**

formation underlying the N/2S/2 of Section 15 and the N/2S/2 of Section 14, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests in the Wolfcamp formation underlying the N/2S/2 of Section 15 and the N/2S/2 of Section 14 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interests in the Wolfcamp formation underlying the N/2S/2 of Section 15 and the N/2S/2 of Section 14;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the cost among the well's 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; and
- E. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

Attorney for Matador Production Company

PROPOSED ADVERTISEMENT

Case No. 2109 :

Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the N/2S/2 of Section 15 and the N/2S/2 of Section 14, Township 20 South, Range 29 East, NMPM. The unit will be dedicated to the Ted 1514 Fed. Com. Well No. 203H, with a first take point in the NW/4SW/4 of Section 15 and a final take point in the NE/4SE/4 of Section 14. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is centered approximately 19 miles east-southeast of Lakewood, New Mexico.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF MATADOR PRODUCTION COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 2//11

APPLICATION

Matador Production Company applies for an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the S/2S/2 of Section 15 and the S/2S/2 of Section 14, Township 20 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

- 1. Applicant is an operator in the S/2S/2 of Section 15 and the S/2S/2 of Section 14, and has the right to drill a well thereon.
- 2. Applicant proposes to drill the Ted 1514 Fed. Com. Well No. 204H to a depth sufficient to test the Wolfcamp formation, and dedicate the S/2S/2 of Section 15 and the S/2S/2 of Section 14 to the well. The well is a horizontal well, with a first take point in the SW/4SW/4 of Section 15 and a final take point in the SE/4SE/4 of Section 14.
- 3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the S/2S/2 of Section 15 and the S/2S/2 of Section 14 for the purposes set forth herein.
- 4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Wolfcamp

formation underlying the S/2S/2 of Section 15 and the S/2S/2 of Section 14, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests in the Wolfcamp formation underlying the S/2S/2 of Section 15 and the S/2S/2 of Section 14 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interests in the Wolfcamp formation underlying the S/2S/2 of Section 15 and the S/2S/2 of Section 14;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the cost among the well's 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; and
- E. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

Attorney for Matador Production Company

PROPOSED ADVERTISEMENT

Case No. 2/1/1

Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the S/2S/2 of Section 15 and the S/2S/2 of Section 14, Township 20 South, Range 29 East, NMPM. The unit will be dedicated to the Ted 1514 Fed. Com. Well No. 204H, with a first take point in the SW/4SW/4 of Section 15 and a final take point in the SE/4SE/4 of Section 14. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is centered approximately 19 miles east-southeast of Lakewood, New Mexico.

COMPULSORY POOLING APPLICATION CHECKLIST

Case:	ATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS
Date	21109
Applicant	April 16, 2020
Designated Operator & OGRID	Matador Production Company
(affiliation if applicable)	Matador Production Company /OCDID No. 222027
Applicant's Counsel:	Matador Production Company/OGRID No. 228937
Case Title:	James Bruce
cuse fille.	Application of Matador Production Company for Compulsory Pooling Eddy County, New Mexico
Entries of Appearance/Intervenors:	EOG Resources, Inc./Holland & Hart LLP
Well Family	Ted 1514 Fed. Com. Well No. 203H
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Entire Wolfcamp formation
Pool Name and Pool Code:	Burton Flat; Upper Wolfcamp, East/Pool Code 98315
Well Location Setback Rules:	Statewide rules and current horizontal well rules
Spacing Unit Size:	Quarter-quarter sections/40 acres
Spacing Unit	quarter sections, to deleg
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	40 acres
Orientation:	West-East
Description: TRS/County	N/2S/2 §15 and N/2S/2 §14-20S-29E, NMPM, Eddy County
Standard Horizontal Well Spacing Unit	Yes
(Y/N), If No, describe	
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	Exhibits A-2, A-4, and A-5
Well(s)	
Name & API (if assigned), surface and pottom hole location, footages, completion target, orientation, completion status (standard or non-tandard)	Ted 1514 Fed. Com. Well No. 203H API No. 30-025-PENDING SHL: 1439 FSL & 1010 FWL §15 BHL: 2310 FSL & 60 FEL §14 FTP: 2310 FSL & 100 FWL §15 LTP: 2310 FSL & 100 FEL §14 Upper Wolfcamp/TVD 9400 feet/MD 19700 feet Completion expected to be standard
	EXHIBIT F-/

Horizontal Well First and Last Take Points	See above
Completion Target (Formation, TVD and MD)	See above
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$7000
Production Supervision/Month \$	\$700
Justification for Supervision Costs	Exhibit A, page 4 and Exhibit E
Requested Risk Charge	Cost + 200%/Exhibit A-6 and E
Notice of Hearing	
Proposed Notice of Hearing	Exhibit E
Proof of Mailed Notice of Hearing (20	
days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10	LAMBTE
days before hearing)	Exhibit D
Ownership Determination	
Land Ownership Schematic of the	
Spacing Unit	Exhibits A-2, A-4, and A-5
Tract List (including lease numbers and	=
owners)	Exhibit A-2
Pooled Parties (including ownership	LAIMIL A Z
type)	Exhibits A-4 and A-5
Unlocatable Parties to be Pooled	Not applicable
Ownership Depth Severance (including	140t applicable
percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit A-6
List of Interest Owners (i.e. Exhibit A of	
JOA)	Exhibits A-4 and A-5
Chronology of Contact with Non-Joined Working Interests	Exhibit A
Overhead Rates In Proposal Letter	\$8000/\$800
Cost Estimate to Drill and Complete	Exhibit A-6
Cost Estimate to Equip Well	Exhibit A-6
Cost Estimate for Production Facilities	Exhibit A-6
Geology	
Summary (including special	
considerations)	Exhibit B
Spacing Unit Schematic	Exhibits A-1 and B-5
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-8
Well Orientation (with rationale)	Laydown/Exhibit B
Target Formation	Wolfcamp
HSU Cross Section	Exhibit B-8
Depth Severance Discussion	Not Applicable
Forms, Figures and Tables	
C-102	Exhibit A-1
Tracts	Exhibit A-2
Summary of Interests, Unit	
Recapitulation (Tracts)	Exhibits A-4 and A-5

General Location Map (including basin)	Exhibit B-5
Well Bore Location Map	Exhibits A-1 and B-5
Structure Contour Map - Subsea Depth	Exhibit B-6
Cross Section Location Map (including wells)	Exhibit B-8
Cross Section (including Landing Zone)	Exhibit B-8
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	James Bruce James Bruce
Signed Name (Attorney or Party Representative):	
Date:	April 14, 2020

COMPULSORY POOLING APPLICATION CHECKLIST

Case:	ATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS 21111
Date	
Applicant	April 16, 2020
Designated Operator & OGRID	Matador Production Company
(affiliation if applicable)	Matadar Production Common / OCRIP No. 220027
	Matador Production Company/OGRID No. 228937
Applicant's Counsel:	James Bruce
Case Title:	Application of Matador Production Company for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	EOG Resources, Inc./Holland & Hart LLP
Well Family	Ted 1514 Fed. Com. Well No. 204H
Formation/Pool	100 2017 Fed. Com. Well 140. 2041
Formation Name(s) or Vertical Extent:	Wolfcamp Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Entire Wolfcamp formation
Pool Name and Pool Code:	
Well Location Setback Rules:	Burton Flat; Upper Wolfcamp, East/Pool Code 98315 Statewide rules and current horizontal well rules
Spacing Unit Size:	Quarter-quarter sections/40 acres
Spacing Unit	Quarter quarter sections/40 acres
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	40 acres
Orientation:	West-East
Description: TRS/County	S/2S/2 §15 and S/2S/2 §14-20S-29E, NMPM, Eddy County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes,	
Applicant's Ownership in Each Tract	Exhibits A-2, A-4, and A-5
Vell(s)	
Name & API (if assigned), surface and pottom hole location, footages, completion target, orientation, completion status (standard or non-tandard)	Ted 1514 Fed. Com. Well No. 204H API No. 30-025-PENDING SHL: 712 FSL & 619 FWL §15 BHL: 990 FSL & 60 FEL §14 FTP: 990 FSL & 100 FWL §15 LTP: 990 FSL & 100 FEL §14 Upper Wolfcamp/TVD 9400 feet/MD 19700 feet Completion expected to be standard
	EXHIBIT F-2

Horizontal Well First and Last Take Points	See above
Completion Target (Formation, TVD and MD)	See above
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$7000
Production Supervision/Month \$	\$700
Justification for Supervision Costs	Exhibit A, page 4 and Exhibit E
Requested Risk Charge	Cost + 200%/Exhibit A-6 and E
Notice of Hearing	COSC - 20070 EXHIBIT A O dilu E
Proposed Notice of Hearing	Exhibit E
Proof of Mailed Notice of Hearing (20	EXIMOTE
days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10	Eximisit
days before hearing)	Exhibit D
Ownership Determination	EXHIBIT D
Land Ownership Schematic of the	
Spacing Unit	Exhibits A 2 A 4 and A E
Tract List (including lease numbers and	Exhibits A-2, A-4, and A-5
owners)	Exhibit A-2
Pooled Parties (including ownership	EXIIIDIL A-2
type)	Fubilities A. A. and A. F.
Unlocatable Parties to be Pooled	Exhibits A-4 and A-5
Ownership Depth Severance (including	Not applicable
percentage above & below)	None
Joinder	· 医多种的 1.12 (1964年) 1863年 - 1864年 - 1
Sample Copy of Proposal Letter	Exhibit A-6
List of Interest Owners (<i>i.e.</i> Exhibit A of JOA)	Exhibits A-4 and A-5
Chronology of Contact with Non-Joined Working Interests	Exhibit A
Overhead Rates In Proposal Letter	\$8000/\$800
Cost Estimate to Drill and Complete	Exhibit A-6
Cost Estimate to Equip Well	Exhibit A-6
Cost Estimate for Production Facilities	Exhibit A-6
Geology	
Summary (including special	
considerations)	Exhibit B
Spacing Unit Schematic	Exhibits A-1 and B-5
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-8
Well Orientation (with rationale)	Laydown/Exhibit B
Target Formation	Wolfcamp
HSU Cross Section	Exhibit B-8
Depth Severance Discussion	Not Applicable
Forms, Figures and Tables	
C-102	Exhibit A-1
Tracts	Exhibit A-2
Summary of Interests, Unit	
Recapitulation (Tracts)	Exhibits A-4 and A-5

General Location Map (including basin)	Exhibit B-5
Well Bore Location Map	Exhibits A-1 and B-5
Structure Contour Map - Subsea Depth	Exhibit B-6
Cross Section Location Map (including wells)	Exhibit B-8
Cross Section (including Landing Zone)	Exhibit B-8
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party	
Representative):	James Bruce
Signed Name (Attorney or Party Representative):	
Date:	April 14, 2020