

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING DECEMBER 3, 2020**

**CASE NOS. 21545-21548**

*NINA CORTELL FED COM 127H WELL  
NINA CORTELL FED COM 128H WELL  
NINA CORTELL FED COM 203H WELL  
NINA CORTELL FED COM 204H WELL*

**LEA COUNTY, NEW MEXICO**



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

**APPLICATIONS OF MATADOR PRODUCTION  
COMPANY FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NOS. 21545 - 21548**

**TABLE OF CONTENTS**

- **Matador Exhibit A:** Compulsory Pooling Application Checklists
- **Matador Exhibit B:** Applications of Matador Production Company for Compulsory Pooling
- **Matador Exhibit C:** Affidavit of Robert Helbing, Landman
  - Matador Exhibit C-1: Draft C-102s
  - Matador Exhibit C-2: Land Tract Maps
  - Matador Exhibit C-3: Working Interest Ownership
  - Matador Exhibit C-4: Overriding Royalty Interest Owners
  - Matador Exhibit C-5: Sample Well Proposal Letter with AFE
  - Matador Exhibit C-6: Chronology of Contacts
- **Matador Exhibit D:** Affidavit of Andrew Parker, Geologist
  - Matador Exhibit D-1: Locator Map
  - Matador Exhibit D-2: Bone Spring subsea structure map
  - Matador Exhibit D-3: Bone Spring stratigraphic cross-section
  - Matador Exhibit D-4: Wolfcamp subsea structure map
  - Matador Exhibit D-5: Wolfcamp stratigraphic cross-section
- **Matador Exhibit E:** Notice Affidavit
- **Matador Exhibit F:** Affidavit of Publication for Each Case

# COMPULSORY POOLING APPLICATION CHECKLIST (pdf)

**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

Case: 21545	APPLICANT'S RESPONSE
Date December 3, 2020	
Applicant	Matador Production Company
Designated Operator & OGRID (affiliation if applicable)	<b>228937</b>
Applicant's Counsel:	Holland & Hart, LLP
Case Title	Application of Matador Production Company for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	None
Well Family	<b>Nina Cortell Fed Com #127H well</b>
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring formation
Pool Names and Pool Codes:	Bilbrey Basin; Bone Spring Pool (Pool Code 5695)
Well Location Setback Rules:	Statewide rules
Spacing Unit Size:	319.92-acres, more or less
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	319.92-acres, more or less
Building Blocks:	Quarter-Quarter sections
Orientation:	South-North
Description: TRS/County	W/2 E/2 of Sections 3 and 10, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No <b>BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico</b>
Proximity Tracts: If yes, description	No <b>Exhibit No. A Submitted by: Matador Production Company</b>
Proximity Defining Well: if yes, description	No <b>Hearing Date: December 3, 2020 Case Nos. 21545-21548</b>
Applicant's Ownership in Each Tract	Exhibit C-3
<b>Well(s)</b>	

Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	<b>Nina Cortell Fed Com #127H well</b> (API No. 30-025-pending): SHL: 244' FSL and 1230' FEL (Unit P) of Section 10, 22S, 32E BHL: 60' FNL and 1980' FEL (Lot 2) of Section 3, 22S, 32E  Completion Target: Bone Spring formation Well Orientation: South to North Completion Location expected to be Standard
Horizontal Well First and Last Take Points	Exhibit C-1
Completion Target (Formation, TVD and MD)	Exhibit C-5, D-3
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit C, C-5
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit C
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit C-2
Tract List (including lease numbers and owners)	Exhibit C-2
Pooled Parties (including ownership type)	Exhibits C-3, C-4
Unlocatable Parties to be Pooled	Exhibit C, E
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit C-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-3, C-4
Chronology of Contact with Non-Joined Working Interests	Exhibit C-6
Overhead Rates In Proposal Letter	Exhibit C-5
Cost Estimate to Drill and Complete	Exhibit C-5
Cost Estimate to Equip Well	Exhibit C-5
Cost Estimate for Production Facilities	Exhibit C-5
<b>Geology</b>	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit D-1

Well Orientation (with rationale)	Exhibit D
Target Formation	Exhibit D
HSU Cross Section	Exhibit D-3
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit C-1
Tracts	Exhibit C-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-3, C-4
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit D-1
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
<b>Additional Information</b>	
Special Provisions/Stipulations	N/A
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name (Attorney or Party Representative):</b>	Kaitlyn A. Luck
<b>Signed Name (Attorney or Party Representative):</b>	

# COMPULSORY POOLING APPLICATION CHECKLIST (pdf)

**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

<b>Case: 21546</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b> December 3, 2020	
Applicant	Matador Production Company
Designated Operator & OGRID (affiliation if applicable)	<b>228937</b>
Applicant's Counsel:	Holland & Hart, LLP
Case Title	Application of Matador Production Company for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	None
Well Family	<b>Nina Cortell Fed Com #128H well</b>
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring formation
Pool Names and Pool Codes:	Bilbrey Basin; Bone Spring Pool (Pool Code 5695)
Well Location Setback Rules:	Statewide rules
Spacing Unit Size:	319.92-acres, more or less
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	319.92-acres, more or less
Building Blocks:	Quarter-Quarter sections
Orientation:	South-North
Description: TRS/County	E/2 E/2 of Sections 3 and 10, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	No
Applicant's Ownership in Each Tract	Exhibit C-3
<b>Well(s)</b>	

Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	<b>Nina Cortell Fed Com #128H well</b> (API No. 30-025-pending): SHL: 274' FSL and 1230' FEL (Unit P) of Section 10, 22S, 32E BHL: 60' FNL and 660' FEL (Lot 1) of Section 3, 22S, 32E  Completion Target: Bone Spring formation Well Orientation: South to North Completion Location expected to be Standard
Horizontal Well First and Last Take Points	Exhibit C-1
Completion Target (Formation, TVD and MD)	Exhibit C-5, D-3
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit C, C-5
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit C
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit C-2
Tract List (including lease numbers and owners)	Exhibit C-2
Pooled Parties (including ownership type)	Exhibits C-3, C-4
Unlocatable Parties to be Pooled	Exhibit C, E
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit C-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-3, C-4
Chronology of Contact with Non-Joined Working Interests	Exhibit C-6
Overhead Rates In Proposal Letter	Exhibit C-5
Cost Estimate to Drill and Complete	Exhibit C-5
Cost Estimate to Equip Well	Exhibit C-5
Cost Estimate for Production Facilities	Exhibit C-5
<b>Geology</b>	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-1

Gunbarrel/Lateral Trajectory Schematic	Exhibit D-1
Well Orientation (with rationale)	Exhibit D
Target Formation	Exhibit D
HSU Cross Section	Exhibit D-3
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit C-1
Tracts	Exhibit C-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-3, C-4
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit D-1
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
<b>Additional Information</b>	
Special Provisions/Stipulations	N/A
<b>Special Provisions/Stipulations</b>	
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Kaitlyn A. Luck
<b>Signed Name</b> (Attorney or Party Representative):	

# COMPULSORY POOLING APPLICATION CHECKLIST (pdf)

**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

Case: 21547	APPLICANT'S RESPONSE
Date December 3, 2020	
Applicant	Matador Production Company
Designated Operator & OGRID (affiliation if applicable)	<b>228937</b>
Applicant's Counsel:	Holland & Hart, LLP
Case Title	Application of Matador Production Company for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	None
Well Family	<b>Nina Cortell Fed Com #203H well</b>
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Wolfcamp formation
Pool Names and Pool Codes:	WC-025 G-09 S233216K; UPR WOLFCAMP Pool (Pool Code 98166)
Well Location Setback Rules:	Statewide rules
Spacing Unit Size:	319.92-acres, more or less
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	319.92-acres, more or less
Building Blocks:	Quarter-Quarter sections
Orientation:	South-North
Description: TRS/County	W/2 E/2 of Sections 3 and 10, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	No
Applicant's Ownership in Each Tract	Exhibit C-3
<b>Well(s)</b>	

Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	<b>Nina Cortell Fed Com #203H well</b> (API No. 30-025-pending): SHL: 244' FSL and 1370' FEL (Unit O) of Section 10, 22S, 32E BHL: 60' FNL and 2310' FEL (Lot 2) of Section 3, 22S, 32E  Completion Target: Wolfcamp formation Well Orientation: South to North Completion Location expected to be Standard
Horizontal Well First and Last Take Points	Exhibit C-1
Completion Target (Formation, TVD and MD)	Exhibit C-5, D-3
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit C, C-5
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit C
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit C-2
Tract List (including lease numbers and owners)	Exhibit C-2
Pooled Parties (including ownership type)	Exhibits C-3, C-4
Unlocatable Parties to be Pooled	Exhibit C, E
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit C-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-3, C-4
Chronology of Contact with Non-Joined Working Interests	Exhibit C-6
Overhead Rates In Proposal Letter	Exhibit C-5
Cost Estimate to Drill and Complete	Exhibit C-5
Cost Estimate to Equip Well	Exhibit C-5
Cost Estimate for Production Facilities	Exhibit C-5
<b>Geology</b>	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit D-1

Well Orientation (with rationale)	Exhibit D
Target Formation	Exhibit D
HSU Cross Section	Exhibit D-5
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit C-1
Tracts	Exhibit C-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-3, C-4
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit D-1
Structure Contour Map - Subsea Depth	Exhibit D-4
Cross Section Location Map (including wells)	Exhibit D-4
Cross Section (including Landing Zone)	Exhibit D-5
<b>Additional Information</b>	
Special Provisions/Stipulations	N/A
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name (Attorney or Party Representative):</b>	Kaitlyn A. Luck
<b>Signed Name (Attorney or Party Representative):</b>	

# COMPULSORY POOLING APPLICATION CHECKLIST (pdf)

**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

<b>Case: 21548</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b> December 3, 2020	
Applicant	Matador Production Company
Designated Operator & OGRID (affiliation if applicable)	<b>228937</b>
Applicant's Counsel:	Holland & Hart, LLP
Case Title	Application of Matador Production Company for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	None
Well Family	<b>Nina Cortell Fed Com #204H well</b>
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Wolfcamp formation
Pool Names and Pool Codes:	WC-025 G-09 S233216K; UPR WOLFCAMP Pool (Pool Code 98166)
Well Location Setback Rules:	Statewide rules
Spacing Unit Size:	319.92-acres, more or less
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	319.92-acres, more or less
Building Blocks:	Quarter-Quarter sections
Orientation:	South-North
Description: TRS/County	E/2 E/2 of Sections 3 and 10, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	No
Applicant's Ownership in Each Tract	Exhibit C-3
<b>Well(s)</b>	

Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	<b>Nina Cortell Fed Com #204H well</b> (API No. 30-025-pending): SHL: 274' FSL and 1370' FEL (Unit O) of Section 10, 22S, 32E BHL: 60' FNL and 990' FEL (Lot 1) of Section 3, 22S, 32E  Completion Target: Wolfcamp formation Well Orientation: South to North Completion Location expected to be Standard
Horizontal Well First and Last Take Points	Exhibit C-1
Completion Target (Formation, TVD and MD)	Exhibit C-5, D-3
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit C, C-5
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit C
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit C-2
Tract List (including lease numbers and owners)	Exhibit C-2
Pooled Parties (including ownership type)	Exhibits C-3, C-4
Unlocatable Parties to be Pooled	Exhibit C, E
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit C-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-3, C-4
Chronology of Contact with Non-Joined Working Interests	Exhibit C-6
Overhead Rates In Proposal Letter	Exhibit C-5
Cost Estimate to Drill and Complete	Exhibit C-5
Cost Estimate to Equip Well	Exhibit C-5
Cost Estimate for Production Facilities	Exhibit C-5
<b>Geology</b>	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit D-1

Well Orientation (with rationale)	Exhibit D
Target Formation	Exhibit D
HSU Cross Section	Exhibit D-5
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit C-1
Tracts	Exhibit C-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-3, C-4
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit D-1
Structure Contour Map - Subsea Depth	Exhibit D-4
Cross Section Location Map (including wells)	Exhibit D-4
Cross Section (including Landing Zone)	Exhibit D-5
<b>Additional Information</b>	
Special Provisions/Stipulations	N/A
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name (Attorney or Party Representative):</b>	Kaitlyn A. Luck
<b>Signed Name (Attorney or Party Representative):</b>	

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

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

**CASE NO. 21545**

**APPLICATION**

Matador Production Company (“Matador” or “Applicant”), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the W/2 E/2 of Sections 3 and 10, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico. In support of its application, Matador states:

1. An affiliate entity of Matador (OGRID No. 228937) is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the proposed initial **Nina Cortell Fed Com #127H well** to be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 3 to a bottom hole location in SW/4 SE/4 (Unit O) of Section 10.
3. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all of the working interest owners in the subject spacing unit.
4. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

**BEFORE THE OIL CONSERVATION DIVISION**

**Santa Fe, New Mexico**

**Exhibit No. B**

**Submitted by: Matador Production Company**

**Hearing Date: December 3, 2020**

**Case Nos. 21545-21548**

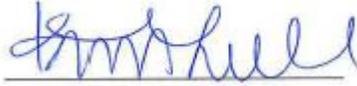
5. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled, and Applicant should be designated the operator of the proposed horizontal well and this horizontal spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on December 3, 2020, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit in the Bone Spring formation and approving the initial well thereon;
- B. Designating Applicant as operator of this spacing unit and the horizontal well to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the well;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP



by: \_\_\_\_\_

Michael H. Feldewert

Adam G. Rankin

Julia Broggi

Kaitlyn A. Luck

Post Office Box 2208

Santa Fe, NM 87504

505-998-4421

505-983-6043 Facsimile

[mfeldewert@hollandhart.com](mailto:mfeldewert@hollandhart.com)

[agrarkin@hollandhart.com](mailto:agrarkin@hollandhart.com)

[jbroggi@hollandhart.com](mailto:jbroggi@hollandhart.com)

[kaluck@hollandhart.com](mailto:kaluck@hollandhart.com)

**ATTORNEYS FOR MATADOR PRODUCTION  
COMPANY**

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

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

CASE NO. 21546

**APPLICATION**

Matador Production Company (“Matador” or “Applicant”), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the E/2 E/2 of Sections 3 and 10, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico. In support of its application, Matador states:

1. An affiliate entity of Matador (OGRID No. 228937) is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the proposed initial **Nina Cortell Fed Com #128H well** to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 3 to a bottom hole location in SE/4 SE/4 (Unit P) of Section 10.
3. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all of the working interest owners in the subject spacing unit.
4. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

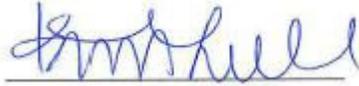
5. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled, and Applicant should be designated the operator of the proposed horizontal well and this horizontal spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on December 3, 2020, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit in the Bone Spring formation and approving the initial well thereon;
- B. Designating Applicant as operator of this spacing unit and the horizontal well to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the well;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP



By: \_\_\_\_\_

Michael H. Feldewert  
Adam G. Rankin  
Julia Broggi  
Kaitlyn A. Luck  
Post Office Box 2208  
Santa Fe, NM 87504  
505-998-4421  
505-983-6043 Facsimile  
mfeldewert@hollandhart.com  
agrarkin@hollandhart.com  
jbroggi@hollandhart.com  
kaluck@hollandhart.com

**ATTORNEYS FOR MATADOR PRODUCTION  
COMPANY**

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

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

CASE NO. 21547

**APPLICATION**

Matador Production Company (“Matador” or “Applicant”), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the W/2 E/2 of Sections 3 and 10, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico. In support of its application, Matador states:

1. An affiliate entity of Matador (OGRID No. 228937) is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the proposed initial **Nina Cortell Fed Com #203H well** to be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 3 to a bottom hole location in SW/4 SE/4 (Unit O) of Section 10.
3. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all of the working interest owners in the subject spacing unit.
4. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

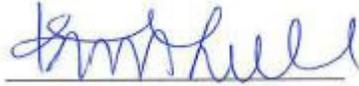
5. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled, and Applicant should be designated the operator of the proposed horizontal well and this horizontal spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on December 3, 2020, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit in the Wolfcamp formation and approving the initial well thereon;
- B. Designating Applicant as operator of this spacing unit and the horizontal well to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the well;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

A handwritten signature in blue ink, appearing to read "Michael H. Feldewert", is written over a horizontal line.

By: \_\_\_\_\_

Michael H. Feldewert  
Adam G. Rankin  
Julia Broggi  
Kaitlyn A. Luck  
Post Office Box 2208  
Santa Fe, NM 87504  
505-998-4421  
505-983-6043 Facsimile  
mfeldewert@hollandhart.com  
agrarkin@hollandhart.com  
jbroggi@hollandhart.com  
kaluck@hollandhart.com

**ATTORNEYS FOR MATADOR PRODUCTION  
COMPANY**

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

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

**CASE NO. 21548**

**APPLICATION**

Matador Production Company (“Matador” or “Applicant”), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the E/2 E/2 of Sections 3 and 10, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico. In support of its application, Matador states:

1. An affiliate entity of Matador (OGRID No. 228937) is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the proposed initial **Nina Cortell Fed Com #204H well** to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 3 to a bottom hole location in SE/4 SE/4 (Unit P) of Section 10.
3. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all of the working interest owners in the subject spacing unit.
4. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

5. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled, and Applicant should be designated the operator of the proposed horizontal well and this horizontal spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on December 3, 2020, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit in the Wolfcamp formation and approving the initial well thereon;
- B. Designating Applicant as operator of this spacing unit and the horizontal well to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the well;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP



By: \_\_\_\_\_

Michael H. Feldewert  
Adam G. Rankin  
Julia Broggi  
Kaitlyn A. Luck  
Post Office Box 2208  
Santa Fe, NM 87504  
505-998-4421  
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mfeldewert@hollandhart.com  
agrarkin@hollandhart.com  
jbroggi@hollandhart.com  
kaluck@hollandhart.com

**ATTORNEYS FOR MATADOR PRODUCTION  
COMPANY**

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

**APPLICATIONS OF MATADOR PRODUCTION  
COMPANY FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NOS. 21545 - 21548**

**AFFIDAVIT OF ROBERT HELBING  
IN SUPPORT OF CASE NOS. 21545, 21546, 21547, AND 21548**

Robert Helbing, of lawful age and being first duly sworn, declares as follows:

1. My name is Robert Helbing and I am employed by MRC Energy Company, an affiliate of Matador Production Company (“Matador”), as a Landman.

2. I have previously testified before the New Mexico Oil Conservation Division and my credentials have been accepted as an expert witness in petroleum land matters.

3. I am familiar with the applications filed by Matador in these consolidated cases and the status of the lands in the subject area.

4. In these consolidated cases, Matador seeks orders pooling four standard 320-acre, more or less, horizontal spacing units underlying Sections 3 and 10, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico, as follows:

- In **Case No. 21545**, Matador seeks to pool the Bone Spring formation (Bilbrey Basin; Bone Spring Pool (Pool Code 5695) in the W/2 E/2 of Sections 3 and 10 to be initially dedicated to the proposed **Nina Cortell Fed Com #127H well** (API No. 30-025-pending) to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 10 to a bottom hole location in Lot 2 (the NW/4 NE/4 equivalent) of Section 3.

**BEFORE THE OIL CONSERVATION DIVISION**

Santa Fe, New Mexico

Exhibit No. C

**Submitted by: Matador Production Company**

Hearing Date: December 3, 2020

Case Nos. 21545-21548

- In **Case No. 21546**, Matador seeks to pool the Bone Spring formation (Bilbrey Basin; Bone Spring Pool (Pool Code 5695) in the E/2 E/2 of Sections 3 and 10 to be initially dedicated to the proposed **Nina Cortell Fed Com #128H well** (API No. 30-025-pending) to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 10 to a bottom hole location in Lot 1 (the NE/4 NE/4 equivalent) of Section 3.
- In **Case No. 21547**, Matador seeks to pool the Wolfcamp formation (WC-025 G-09 S233216K; UPR WOLFCAMP Pool (98166) in the W/2 E/2 of Sections 3 and 10 to be initially dedicated to the proposed **Nina Cortell Fed Com #203H well** (API No. 30-025-pending) to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 10 to a bottom hole location in Lot 2 (the NW/4 NE/4 equivalent) of Section 3.
- In **Case No. 21548**, Matador seeks to pool the Wolfcamp formation (WC-025 G-09 S233216K; UPR WOLFCAMP Pool (98166) in the E/2 E/2 of Sections 3 and 10 to be initially dedicated to the proposed **Nina Cortell Fed Com #204H well** (API No. 30-025-pending) to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 10 to a bottom hole location in Lot 1 (the NE/4 NE/4 equivalent) of Section 3.

5. **Matador Exhibit C-1** contains Form C-102's for the proposed initial wells in each of these standard spacing units reflecting that the completed interval for each well will meet the standard setback requirements for horizontal oil wells.

6. The subject acreage is comprised of federal and fee lands. There are no depth severances within the Bone Spring or Wolfcamp formations underlying this acreage.

7. **Matador Exhibit C-2** identifies the tracts of land comprising each of the proposed horizontal spacing units.

8. **Matador Exhibit C-3** identifies the working interest owners that Matador is seeks to pool in the proposed horizontal spacing units.

9. **Matador Exhibit C-4** identifies the overriding royalty interest owners that Matador seeks to pool in **Case Nos. 21546 and 21548**.

10. Matador has conducted a diligent search of the public records in the county where the proposed wells are located and conducted computer searches to attempt to locate contact information for each of these parties.

11. **Matador Exhibit C-5** contains a sample of each form well proposal letters and AFE sent to the working interest owners. The proposals dated November 14, 2019 were sent to Conoco Phillips; the proposals dated June 18, 2020 were sent to COG Operating and Fortson Oil Company; and the proposals dated October 9, 2020 were sent to Marathon and WPX. The costs reflected in these AFEs are consistent with what other operators have incurred for drilling similar horizontal wells in the area in this formation during the respective time periods.

12. **Matador Exhibit C-6** contains a summary chronology of many of Matador's contacts with the uncommitted working interest owners that Matador was able to locate. In my opinion, Matador has undertaken good faith efforts to reach an agreement with the uncommitted mineral owners.

13. Matador requests that the overhead and administrative costs for drilling and producing the proposed wells be set at \$8,000 per month while drilling and \$800 per month while producing. These costs are consistent with what other operators are charging in this area for similar wells.

14. I have provided the law firm of Holland & Hart LLP with the names and addresses (where available) of the interest owners that Matador seeks to pool and instructed that they be notified of this hearing.

15. **Matador Exhibits C-1 through C-6** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

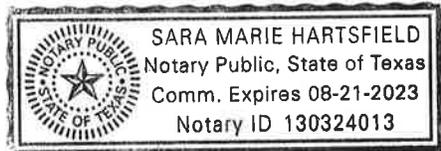
Robert Helbing  
ROBERT HELBING

STATE OF TEXAS            )  
  )  
COUNTY OF DALLAS        )

SUBSCRIBED and SWORN to before me this 30th day of November  
2020 by Robert Helbing.

Sara Marie Hartsfield  
NOTARY PUBLIC

My Commission Expires:  
8-21-2023



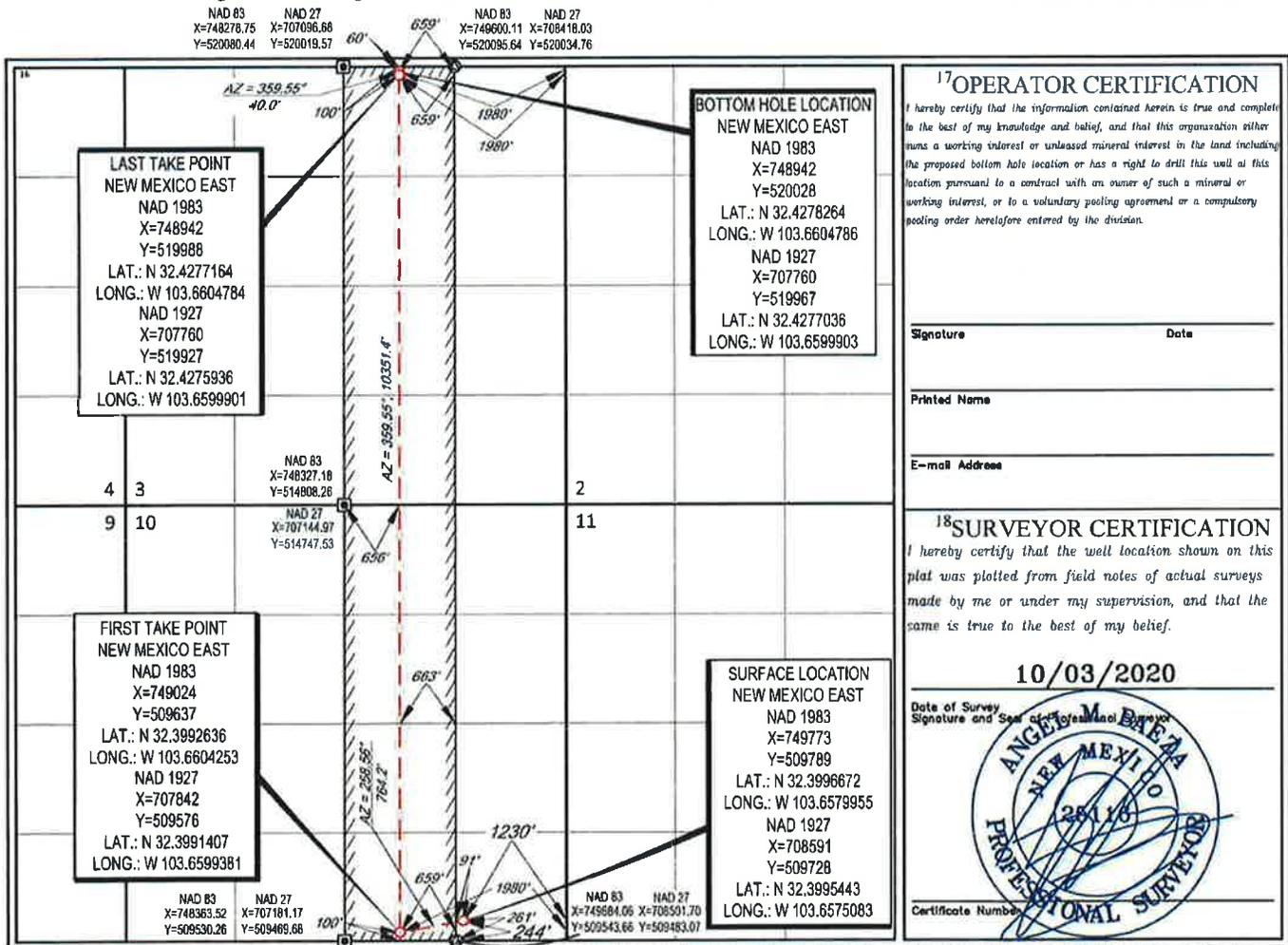
District I  
1625 N French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV 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

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code 5695		<sup>3</sup> Pool Name Bilbrey Basin; Bone Spring					
<sup>4</sup> Property Code		<sup>5</sup> Property Name NINA CORTELL FED COM			<sup>6</sup> Well Number 127H				
<sup>7</sup> OGRID No.		<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY			<sup>9</sup> Elevation 3788'				
<sup>10</sup> Surface Location									
UL or lot no. P	Section 10	Township 22-S	Range 32-E	Lot Idn -	Feet from the 244'	North/South line SOUTH	Feet from the 1230'	East/West line EAST	County LEA
<sup>11</sup> Bottom Hole Location If Different From Surface									
UL or lot no. 2	Section 3	Township 22-S	Range 32-E	Lot Idn -	Feet from the 60'	North/South line NORTH	Feet from the 1980'	East/West line EAST	County LEA
<sup>12</sup> Dedicated Acres 319.92		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.			

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



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  
 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code 5695		<sup>3</sup> Pool Name Bilbrey Basinj Bone Spring	
<sup>4</sup> Property Code		<sup>5</sup> Property Name NINA CORTELL FED COM			<sup>6</sup> Well Number 128H
<sup>7</sup> GRID No.		<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY			<sup>9</sup> Elevation 3788'

<sup>10</sup>Surface Location

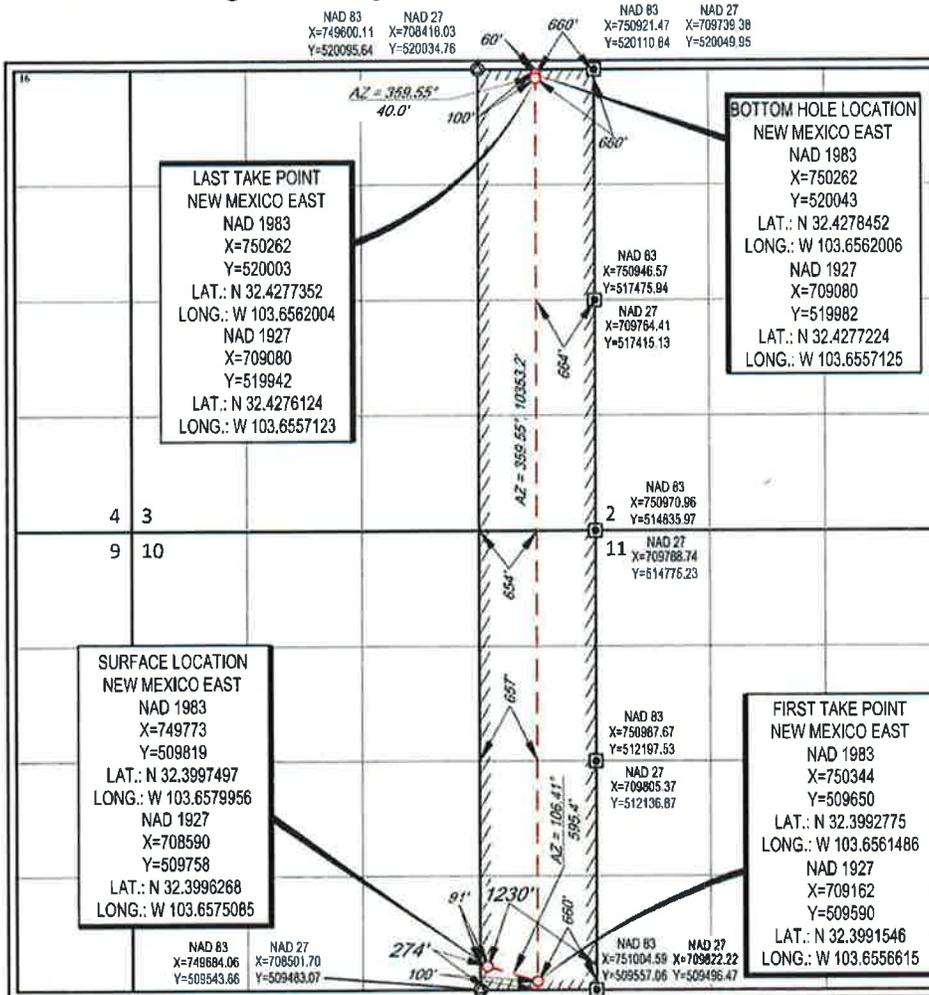
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	10	22-S	32-E	-	274'	SOUTH	1230'	EAST	LEA

<sup>11</sup>Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	3	22-S	32-E	-	60'	NORTH	660'	EAST	LEA

<sup>12</sup> Dedicated Acres 319.92	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
---	-------------------------------	----------------------------------	-------------------------

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



<sup>17</sup>OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_

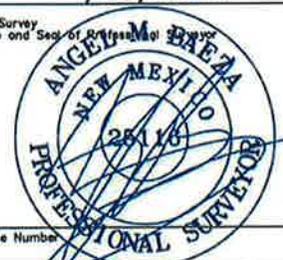
E-mail Address \_\_\_\_\_

<sup>18</sup>SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.

10/03/2020

Date of Survey  
Signature and Seal of Professional Surveyor



Certificate Number \_\_\_\_\_

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  
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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

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name	
		98166		WC-025 G-09 S233216K; UPR WOLFCAMP	
<sup>4</sup> Property Code		<sup>5</sup> Property Name			<sup>6</sup> Well Number
		NINA CORTELL FED COM			203H
<sup>7</sup> GRID No.		<sup>8</sup> Operator Name			<sup>9</sup> Elevation
		MATADOR PRODUCTION COMPANY			3789'

<sup>10</sup>Surface Location

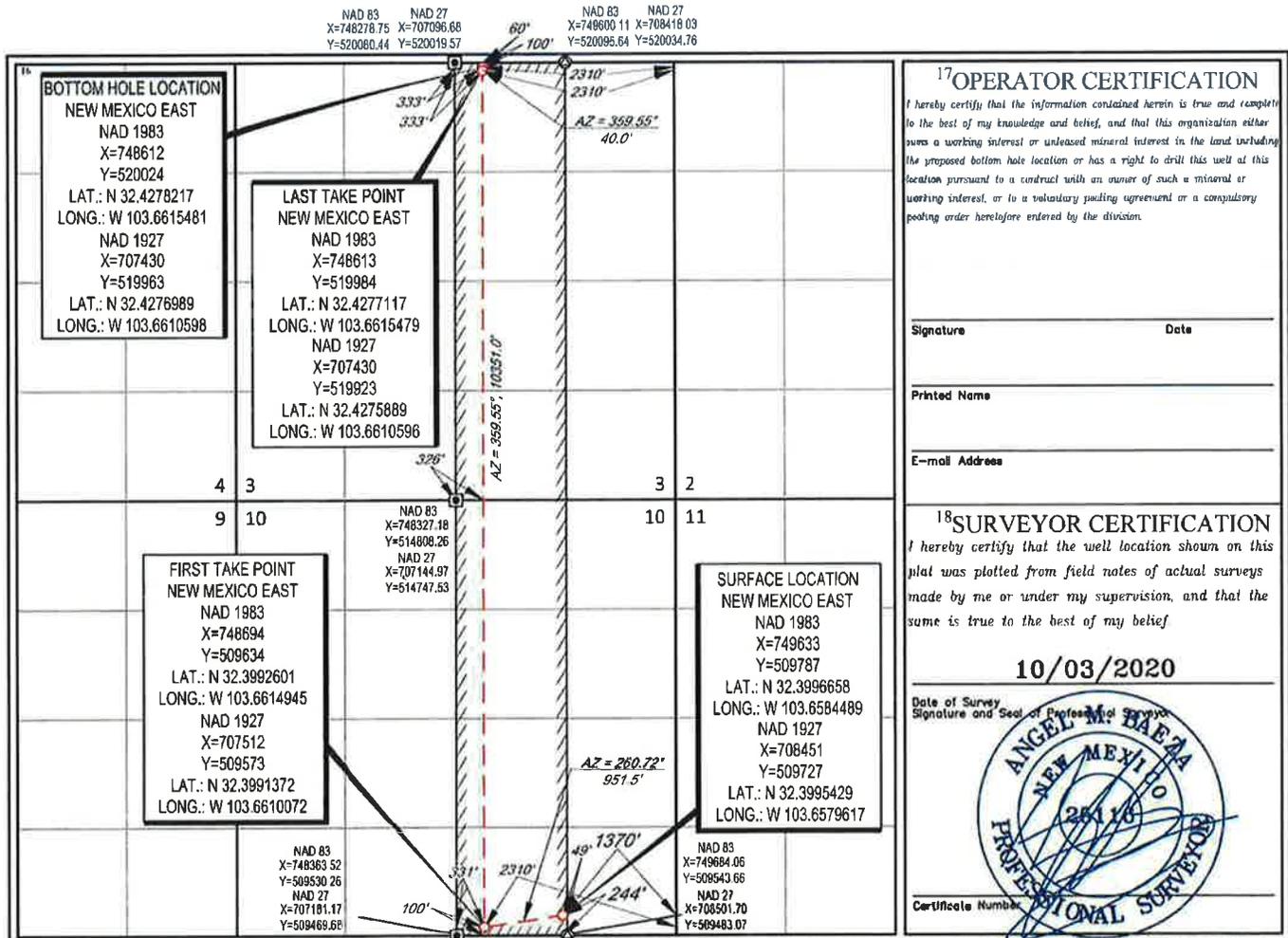
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	10	22-S	32-E	-	244'	SOUTH	1370'	EAST	LEA

<sup>11</sup>Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
2	3	22-S	32-E	-	60'	NORTH	2310'	EAST	LEA

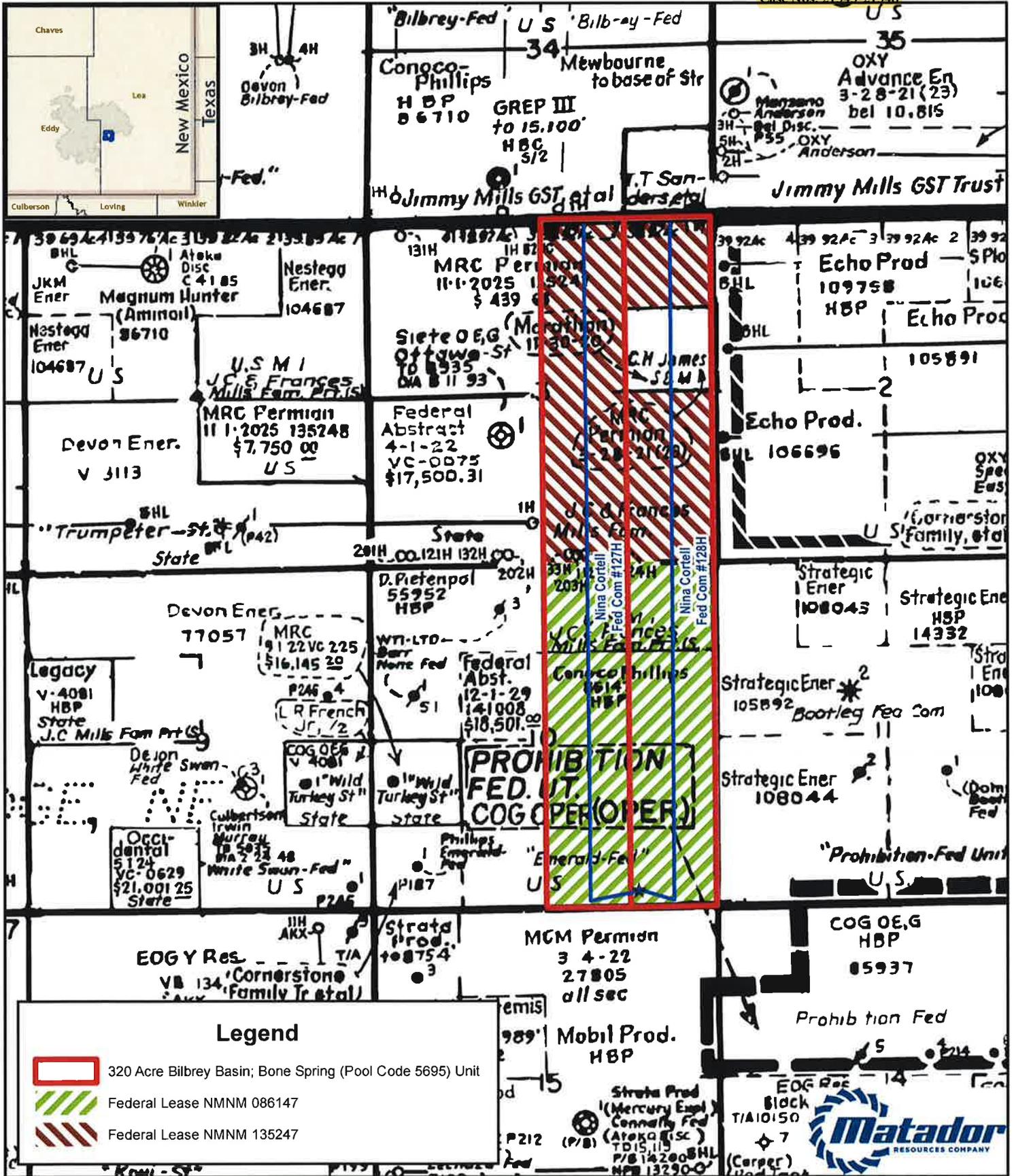
<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
320			

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.





# 10/03-22S-32E

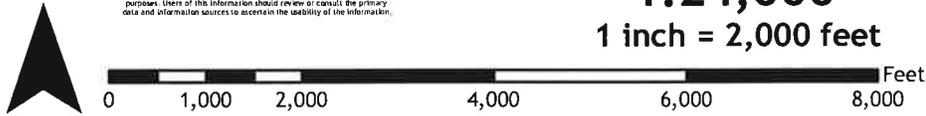


GIS Standard Map Disclaimer:  
This cartographic product is for informational purposes and may not have been prepared for, or be suitable for, legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information.

**1:24,000**  
1 inch = 2,000 feet

**Southeast New Mexico**

Date: November 17, 2020  
Coordinate System: NAD 1983 StatePlane New Mexico East FIPS 3001 Feet  
Projection: Transverse Mercator; Datum: North American 1983; Units: Foot US  
Sources: IHS; ESRI





## Summary of Interests

<b>MRC Permian Company:</b>		<b>50.0000%</b>
<b>Voluntary Joinder:</b>		
<b>Compulsory Pool:</b>		50.0000%
<b>Interest Owner:</b>	<b>Description:</b>	<b>Interest:</b>
ConocoPhillips Company	Working Interest	50.0000%

BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit No. C3  
 Submitted by: Matador Production Company  
 Hearing Date: December 3, 2020  
 Case Nos. 21545-21548



## Summary of Interests

<b>MRC Permian Company:</b>		<b>43.309191%</b>
<b>Voluntary Joinder:</b>		
<b>Compulsory Pool:</b>		<b>56.690809%</b>
<b>Interest Owner:</b>	<b>Description:</b>	<b>Interest:</b>
ConocoPhillips Company	Working Interest	50.012503%
COG Operating, LLC	Working Interest	1.243923%
Marathon Oil Permian, LLC	Working Interest	2.497052%
WPX Energy Permian, LLC	Working Interest	1.693408%
Fortson Oil Company	Working Interest	1.243923%

**EXHIBIT C-4**

**ORRI for Case Nos. 21546 and 21548  
(Nina Cortell Fed Com #128H and #204H)**

1. J. Hiram Moore, LTD
2. MHM Resources, LP
3. Pheasant Energy, LLC
4. Robert G. Hooper
5. Curtis A. Anderson and Edna I. Anderson, as joint tenants with the right of survivorship
6. Daniel E. Gonzales

**BEFORE THE OIL CONSERVATION DIVISION**

**Santa Fe, New Mexico**

**Exhibit No. C4**

**Submitted by: Matador Production Company**

**Hearing Date: December 3, 2020**

**Case Nos. 21545-21548**

# MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240  
Voice 972.629.2163 • Fax 972.371.5201  
[rhelbing@matadorresources.com](mailto:rhelbing@matadorresources.com)

---

**Robert Helbing  
Landman**

November 14, 2019

VIA CERTIFIED RETURN RECEIPT MAIL

ConocoPhillips Company  
16930 Park Row Dr.  
Houston, TX 77084  
Attn: West Permian Land Department

Re: Nina Cortell Fed Com #113H, #114H, #127H, #128H, #133H, #134H, #203H and #204H (the "Wells")  
Participation Proposal  
Sections 3&10, Township 22 South, Range 32 East  
Lea County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of the following Matador Production Company's Nina Cortell Fed Com #113H, #114H, #127H, #128H, #133H, #134H, #203H and #204H (the "Wells"), located in Sections 3 & 10, Township 22 South, Range 32 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 eight (8) enclosed Authority for Expenditures ("AFE"), all dated October 22, 2019.

- **Nina Cortell #113H:** to be drilled from a legal location with a proposed surface hole location in the NW/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SW/4SE/4 of Section 10-22S-32E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,050' TVD) to a Measured Depth of approximately 20,250'.
- **Nina Cortell #114H:** to be drilled from a legal location with a proposed surface hole location in the NE/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SE/4SE/4 of Section 10-22S-32E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,050' TVD) to a Measured Depth of approximately 20,250'.
- **Nina Cortell #127H:** to be drilled from a legal location with a proposed surface hole location in the NW/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SW/4SE/4 of Section 10-22S-32E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bonespring (~10,700' TVD) to a Measured Depth of approximately 20,850'.
- **Nina Cortell #128H:** to be drilled from a legal location with a proposed surface hole location in the NE/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SE/4SE/4 of Section 10-22S-

**BEFORE THE OIL CONSERVATION DIVISION**

Santa Fe, New Mexico

Exhibit No. C5

Submitted by: Matador Production Company

Hearing Date: December 3, 2020

Case Nos. 21545-21548

32E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,700' TVD) to a Measured Depth of approximately 20,850'.

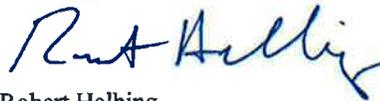
- **Nina Cortell #133H:** to be drilled from a legal location with a proposed surface hole location in the NW/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SW/4SE/4 of Section 10-22S-32E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~11,900' TVD) to a Measured Depth of approximately 22,000'.
- **Nina Cortell #134H:** to be drilled from a legal location with a proposed surface hole location in the NE/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SE/4SE/4 of Section 10-22S-32E. 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 22,000'.
- **Nina Cortell #203H:** to be drilled from a legal location with a proposed surface hole location in the NW/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SW/4SE/4 of Section 10-22S-32E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~12,200' TVD) to a Measured Depth of approximately 22,350'.
- **Nina Cortell #204H:** to be drilled from a legal location with a proposed surface hole location in the NE/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SE/4SE/4 of Section 10-22S-32E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~12,200' TVD) to a Measured Depth of approximately 22,350'.

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.

If your election is to participate in the drilling and completion of the Wells, please sign and return a copy of this letter along with the enclosed AFE(s) within thirty (30) days of receipt of this notice. Please be aware that the enclosed AFE(s) are only an estimate of costs to be incurred and by electing to participate in the Wells, 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,



Robert Helbing

**ConocoPhillips Company hereby elects to:**

\_\_\_\_\_ Not to participate in the **Nina Cortell #113H.**  
\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Nina Cortell #113H** well.  
\_\_\_\_\_ We are interested in selling our interest in this unit, please contact to discuss.

\_\_\_\_\_ Not to participate in the **Nina Cortell #114H.**  
\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Nina Cortell #114H** well.  
\_\_\_\_\_ We are interested in selling our interest in this unit, please contact to discuss.

\_\_\_\_\_ Not to participate in the **Nina Cortell #127H.**  
\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Nina Cortell #127H** well.  
\_\_\_\_\_ We are interested in selling our interest in this unit, please contact to discuss.

\_\_\_\_\_ Not to participate in the **Nina Cortell #128H.**  
\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Nina Cortell #128H** well.  
\_\_\_\_\_ We are interested in selling our interest in this unit, please contact to discuss.

\_\_\_\_\_ Not to participate in the **Nina Cortell #133H.**  
\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Nina Cortell #133H** well.  
\_\_\_\_\_ We are interested in selling our interest in this unit, please contact to discuss.

\_\_\_\_\_ Not to participate in the **Nina Cortell #134H.**  
\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Nina Cortell #134H** well.  
\_\_\_\_\_ We are interested in selling our interest in this unit, please contact to discuss.

\_\_\_\_\_ Not to participate in the **Nina Cortell #203H.**  
\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Nina Cortell #203H** well.  
\_\_\_\_\_ We are interested in selling our interest in this unit, please contact to discuss.

\_\_\_\_\_ Not to participate in the **Nina Cortell #204H.**  
\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Nina Cortell #204H** well.  
\_\_\_\_\_ We are interested in selling our interest in this unit, please contact to discuss.

**ConocoPhillips Company**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Contact Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

# MATADOR PRODUCTION COMPANY

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:	October 22, 2019	AFE NO.:	
WELL NAME:	Nina Cortell Fed Com #128H	FIELD:	
LOCATION:	Sections 3&10-22S-32E	MD/TVD:	20,850'/10,700'
COUNTY/STATE:	Lea, NM	LATERAL LENGTH:	9,700'
MRC Well:			
GEOLOGIC TARGET:	2nd Bone Spring Sand		
REMARKS:	Drill, complete and equip a 2 mile horizontal 2nd Bone Spring Sand well with approximately 55 stages		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
<b>INTANGIBLE COSTS</b>					
Land / Legal / Regulatory	\$ 61,500	\$ -	\$ 50,500	\$ 10,000	\$ 121,500
Location, Surveys & Damages	118,000	13,000	25,000	12,500	168,500
Drilling	865,300	-	-	-	865,300
Cementing & Float Equip	228,000	-	-	-	228,000
Logging / Formation Evaluation	-	6,500	3,000	-	9,500
Flowback - Labor	-	-	81,540	-	81,540
Flowback - Surface Rentals	-	-	69,750	-	69,750
Flowback - Rental Living Quarters	-	-	-	-	-
Mud Logging	37,500	-	-	-	37,500
Mud Circulation System	64,550	-	-	-	64,550
Mud & Chemicals	255,400	80,000	6,000	-	341,400
Mud / Wastewater Disposal	180,000	-	-	1,000	181,000
Freight / Transportation	19,200	42,000	-	-	61,200
Rig Supervision / Engineering	153,800	119,400	16,500	10,800	300,300
Drill Bits	112,650	-	-	-	112,650
Drill Bit Purchase	-	-	-	-	-
Fuel & Power	161,200	-	-	-	161,200
Water	75,000	851,000	2,000	1,000	929,000
Drig & Completion Overhead	14,500	27,000	-	-	41,500
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	302,000	-	-	-	302,000
Completion Unit, Swab, CTU	-	180,000	20,000	-	200,000
Perforating, Wireline, Slickline	-	298,500	-	-	298,500
High Pressure Pump Truck	-	96,800	6,000	-	102,800
Stimulation	-	3,025,000	-	-	3,025,000
Stimulation Flowback & Disp	-	12,400	336,000	-	350,400
Insurance	29,553	-	-	-	29,553
Labor	165,500	38,250	15,000	5,000	223,750
Rental - Surface Equipment	92,650	326,650	10,000	5,000	424,300
Rental - Downhole Equipment	149,900	97,500	3,000	-	250,400
Rental - Living Quarters	58,600	50,080	-	5,000	113,680
Contingency	156,179	223,908	64,579	5,030	449,696
MexCom	33,325	-	-	-	33,325
<b>TOTAL INTANGIBLES &gt;</b>	<b>3,324,107</b>	<b>5,487,988</b>	<b>710,369</b>	<b>55,330</b>	<b>9,577,794</b>
<b>TANGIBLE COSTS</b>					
Surface Casing	\$ 44,950	\$ -	\$ -	\$ -	\$ 44,950
Intermediate Casing	164,550	-	-	-	164,550
Drilling Liner	-	-	-	-	-
Production Casing	510,188	-	-	-	510,188
Production Liner	-	-	-	-	-
Tubing	-	-	65,000	-	65,000
Wellhead	65,000	-	45,000	-	110,000
Packers, Liner Hangers	-	118,200	6,000	-	124,200
Tanks	-	-	-	34,450	34,450
Production Vessels	-	-	-	116,944	116,944
Flow Lines	-	-	-	120,000	120,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	20,000	-	20,000
Compressor	-	-	-	12,500	12,500
Installation Costs	-	-	-	48,000	48,000
Surface Pumps	-	-	5,000	6,875	11,875
Non-controllable Surface	-	-	-	2,000	2,000
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	10,000	24,500	34,500
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	25,000	25,000
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	-	5,625	5,625
Tank / Facility Containment	-	-	-	5,000	5,000
Flare Stack	-	-	-	-	-
Electrical / Grounding	-	-	2,000	8,000	10,000
Communications / SCADA	-	-	4,000	1,250	5,250
Instrumentation / Safety	-	-	-	46,375	46,375
<b>TOTAL TANGIBLES &gt;</b>	<b>784,688</b>	<b>118,200</b>	<b>157,000</b>	<b>456,519</b>	<b>1,516,406</b>
<b>TOTAL COSTS &gt;</b>	<b>4,108,794</b>	<b>5,606,188</b>	<b>867,369</b>	<b>511,849</b>	<b>11,094,200</b>

**PREPARED BY MATADOR PRODUCTION COMPANY:**

Drilling Engineer:	James Long	Team Lead - WTX/NM	<u>WTE</u>
Completions Engineer:	Garrett Hunt		WTE
Production Engineer:	Jan Mosnes		

**MATADOR RESOURCES COMPANY APPROVAL:**

Exec. VP & CFO	Exec. VP - Res Engineering	Exec. VP & COO - Land & Legal
DEL	BMR	CNA
President	Senior VP - Geoscience	Exec. VP & COO - Operations
MVH	NLF	BEG

**NON OPERATING PARTNER APPROVAL:**

Company Name:	Working Interest (%):	Tax ID:
Signed by:	Date:	
Title:	Approval: Yes	No (mark one)

The costs on this AFE are estimates only and may not be considered as binding on any party until the start of the project. Taking historical approvals under the AFE does not obligate a party prior to the well being completed. In executing this AFE, the Participant agrees to provide a separate list of all actual costs incurred, including legal, surface, regulatory, inventory and well costs, under the terms of the applicable joint operating agreement, stipulatory well or other agreement covering this well. Participant shall be covered for all future project liability for Operator's well costs and general liability insurance unless Participant provides Operator's certificate insuring its participation in an amount acceptable to the Operator by the date of start.



# MATADOR PRODUCTION COMPANY

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:	October 22, 2019	AFE NO.:	
WELL NAME:	Nina Cortell Fed Com #127H	FIELD:	
LOCATION:	Sections 3&10-22S-32E	MD/TVD:	20,850'/10,700'
COUNTY/STATE:	Lea, NM	LATERAL LENGTH:	9,700'
MRC WI:			
GEOLOGIC TARGET:	2nd Bone Spring Sand		
REMARKS:	Drill, complete and equip a 2 mile horizontal 2nd Bone Spring Sand well with approximately 55 stages		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
<b>INTANGIBLE COSTS</b>					
Land / Legal / Regulatory	\$ 61,500	\$ -	\$ 50,000	\$ 10,000	\$ 121,500
Location, Surveys & Damages	118,000	13,000	25,000	12,500	168,500
Drilling	865,300	-	-	-	865,300
Cementing & Float Equip	228,000	-	-	-	228,000
Logging / Formation Evaluation	-	6,500	3,000	-	9,500
Flowback - Labor	-	-	81,540	-	81,540
Flowback - Surface Rentals	-	-	69,750	-	69,750
Flowback - Rental Living Quarters	-	-	-	-	-
Mud Logging	37,500	-	-	-	37,500
Mud Circulation System	64,550	-	-	-	64,550
Mud & Chemicals	255,400	80,000	6,000	-	341,400
Mud / Wastewater Disposal	180,000	-	-	1,000	181,000
Freight / Transportation	19,200	42,000	-	-	61,200
Rig Supervision / Engineering	153,600	119,400	16,500	10,800	300,300
Drill Bits	112,650	-	-	-	112,650
Drill Bit Purchase	-	-	-	-	-
Fuel & Power	161,200	-	-	-	161,200
Water	75,000	851,000	2,000	1,000	929,000
Drig & Completion Overhead	14,500	27,000	-	-	41,500
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	302,000	-	-	-	302,000
Completion Unit, Swab, CTU	-	190,000	20,000	-	200,000
Perforating, Wireline, Slickline	-	298,500	-	-	298,500
High Pressure Pump Truck	-	96,800	6,000	-	102,800
Stimulation	-	3,025,000	-	-	3,025,000
Stimulation Flowback & Disp	-	12,400	338,000	-	350,400
Insurance	29,553	-	-	-	29,553
Labor	165,500	38,250	15,000	5,000	223,750
Rental - Surface Equipment	82,650	328,850	10,000	5,000	424,300
Rental - Downhole Equipment	149,900	97,500	3,000	-	250,400
Rental - Living Quarters	58,600	50,080	-	5,000	113,680
Contingency	156,178	223,908	84,579	5,030	449,696
MaxCom	33,325	-	-	-	33,325
<b>TOTAL INTANGIBLES &gt;</b>	<b>3,324,107</b>	<b>5,487,988</b>	<b>710,369</b>	<b>55,330</b>	<b>9,577,794</b>
<b>TANGIBLE COSTS</b>					
Surface Casing	\$ 44,950	\$ -	\$ -	\$ -	\$ 44,950
Intermediate Casing	164,550	-	-	-	164,550
Drilling Liner	-	-	-	-	-
Production Casing	510,188	-	-	-	510,188
Production Liner	-	-	-	-	-
Tubing	-	-	65,000	-	65,000
Wellhead	65,000	-	45,000	-	110,000
Packers, Liner Hangers	-	118,200	6,000	-	124,200
Tanks	-	-	-	34,450	34,450
Production Vessels	-	-	-	116,944	116,944
Flow Lines	-	-	-	120,000	120,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	20,000	-	20,000
Compressor	-	-	-	12,500	12,500
Installation Costs	-	-	-	48,000	48,000
Surface Pumps	-	-	5,000	6,875	11,875
Non-controllable Surface	-	-	-	2,000	2,000
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	10,000	24,500	34,500
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	25,000	25,000
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	-	-	-
Tank / Facility Containment	-	-	-	5,625	5,625
Flare Stack	-	-	-	5,000	5,000
Electrical / Grounding	-	-	2,000	8,000	10,000
Communications / SCADA	-	-	4,000	1,250	5,250
Instrumentation / Safety	-	-	-	46,375	46,375
<b>TOTAL TANGIBLES &gt;</b>	<b>784,688</b>	<b>118,200</b>	<b>157,000</b>	<b>456,519</b>	<b>1,516,406</b>
<b>TOTAL COSTS &gt;</b>	<b>4,108,794</b>	<b>5,606,188</b>	<b>867,369</b>	<b>511,849</b>	<b>11,094,200</b>

**PREPARED BY MATADOR PRODUCTION COMPANY:**

Drilling Engineer:	James Long	Team Lead - WT/NM	<u>WTE</u>
Completions Engineer:	Garrett Hunt		WTE
Production Engineer:	Jan Mosnes		

**MATADOR RESOURCES COMPANY APPROVAL:**

Exec VP & CFO	Exec VP - Res Engineering	Exec VP & COO - Land & Legal
DEL	BMR	CNA
President	Senior VP - Geoscience	Exec VP & COO - Operations
MVH	NLF	BEG

**NON OPERATING PARTNER APPROVAL:**

Company Name: _____	Working Interest (%): _____	Tax ID: _____
Signed by: _____	Date: _____	
Title: _____	Approval: Yes _____ No (mark one)	

The costs on this AFE are estimates only, and may not be identical to actual costs incurred. The Participant agrees to pay the proportionate share of actual costs incurred, including legal, regulatory, permitting, and other costs, unless the terms of the applicable well completion agreement, regulatory order or other agreement require a well Participant to pay a different amount. Participants shall be jointly and severally responsible for the costs of a well unless otherwise specified in this AFE. Participants shall be jointly and severally responsible for the costs of a well unless otherwise specified in this AFE.

# MATADOR PRODUCTION COMPANY

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## ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	October 22, 2019	AFE NO.:	
WELL NAME:	Nina Cortell Fed Com #203H	FIELD:	
LOCATION:	Sections 3&10-22S-32E	MD/TVD:	22,350'/12,200'
COUNTY/STATE:	Lea, NM	LATERAL LENGTH:	9,700'
MRC WI:			
GEOLOGIC TARGET:	Wolfcamp A		
REMARKS:	Drill, complete and equip a 2 mile horizontal Wolfcamp A well with approximately 64 stages		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
<b>INTANGIBLE COSTS</b>					
Land / Legal / Regulatory	\$ 92,500		\$ 50,000	\$ 10,000	\$ 152,500
Location, Surveys & Damages	110,500	13,000	25,000	12,500	161,000
Drilling	997,150				997,150
Cementing & Float Equip	293,000				293,000
Logging / Formation Evaluation		6,500	3,000		9,500
Flowback - Labor			81,540		81,540
Flowback - Surface Rentals			69,750		69,750
Flowback - Rental Living Quarters					
Mud Logging	38,400				38,400
Mud Circulation System	94,240				94,240
Mud & Chemicals	163,200	80,000	6,000		249,200
Mud / Wastewater Disposal	195,000			1,000	196,000
Freight / Transportation	26,400	46,500			72,900
Rig Supervision / Engineering	192,000	130,200	16,500	10,800	349,500
Drill Bits	123,200				123,200
Drill Bit Purchase					
Fuel & Power	190,800				190,800
Water	60,000	1,013,000	2,000	1,000	1,076,000
Drig & Completion Overhead	18,000	30,000			48,000
Plugging & Abandonment					
Directional Drilling, Surveys	322,000				322,000
Completion Unit, Swab, CTU		150,000	20,000		170,000
Perforating, Wireline, Slickline		411,000			411,000
High Pressure Pump Truck		110,000	6,000		116,000
Stimulation		3,072,000			3,072,000
Stimulation Flowback & Disp		12,400	338,000		350,400
Insurance	37,290				37,290
Labor	193,000	38,250	15,000	5,000	251,250
Rental - Surface Equipment	113,400	353,050	10,000	5,000	481,450
Rental - Downhole Equipment	128,800	117,500	3,000		249,300
Rental - Living Quarters	72,200	54,775		5,000	131,975
Contingency	208,237	256,618	64,578	5,030	534,463
MaxCom	38,700				38,700
<b>TOTAL INTANGIBLES &gt;</b>	<b>3,708,017</b>	<b>5,894,793</b>	<b>710,369</b>	<b>55,330</b>	<b>10,368,508</b>
<b>TANGIBLE COSTS</b>					
Surface Casing	\$ 44,950				\$ 44,950
Intermediate Casing	164,550				164,550
Drilling Liner	464,273				464,273
Production Casing	539,638				539,638
Production Liner					
Tubing	100,000		74,750		174,750
Wellhead			45,000		45,000
Packers, Liner Hangers		134,400	6,000		140,400
Tanks				34,450	34,450
Production Vessels				116,944	116,944
Flow Lines				120,000	120,000
Rod string					
Artificial Lift Equipment			20,000		20,000
Compressor				12,500	12,500
Installation Costs				48,000	48,000
Surface Pumps			5,000	6,875	11,875
Non-controllable Surface				2,000	2,000
Non-controllable Downhole					
Downhole Pumps					
Measurement & Meter Installation			10,000	24,500	34,500
Gas Conditioning / Dehydration					
Interconnecting Facility Piping				25,000	25,000
Gathering / Bulk Lines					
Valves, Dumps, Controllers				5,625	5,625
Tank / Facility Containment				5,000	5,000
Flare Stack					
Electrical / Grounding			2,000	8,000	10,000
Communications / SCADA			4,000	1,250	5,250
Instrumentation / Safety				46,375	46,375
<b>TOTAL TANGIBLES &gt;</b>	<b>1,313,411</b>	<b>134,400</b>	<b>166,750</b>	<b>456,519</b>	<b>2,071,079</b>
<b>TOTAL COSTS &gt;</b>	<b>5,021,427</b>	<b>6,029,193</b>	<b>877,119</b>	<b>511,849</b>	<b>12,439,588</b>

**PREPARED BY MATADOR PRODUCTION COMPANY:**

Drilling Engineer:	James Long	Team Lead - WTX/NM	<u>LJTE</u>
Completions Engineer:	Garrett Hunt	WTE	
Production Engineer:	Jan Mosnes		

**MATADOR RESOURCES COMPANY APPROVAL:**

Exec VP & CFO	Exec VP - Res Engineering	Exec VP & COO - Land & Legal
DEL	BMR	CNA
President	Senior VP - Geoscience	Exec VP & COO - Operations
MVH	NLF	BEC

**NON OPERATING PARTNER APPROVAL:**

Company Name:	Working Interest (%):	Tax ID:
Signed by:	Date:	
Title:	Approval: Yes	No (mark one)

The fees on this AFE are minimum only and may be changed as follows: (a) drilling fees on the basis of the actual cost of the project; (b) completion fees on the basis of the actual cost of the project; (c) production fees on the basis of the actual cost of the project; (d) other fees on the basis of the actual cost of the project. The Operator agrees to pay its proportionate share of actual costs incurred, including legal, drilling, regulatory, completion and well costs, under the terms of the applicable joint operating agreement, regulatory order or other agreement governing this well. Participants shall be held jointly and severally for the Operator's obligations under this AFE. The Operator shall be held jointly and severally for its obligations under this AFE. The Operator shall be held jointly and severally for its obligations under this AFE. The Operator shall be held jointly and severally for its obligations under this AFE.

# MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240  
Voice 972.629.2163 • Fax 972.371.5201  
[rhelbing@matadorresources.com](mailto:rhelbing@matadorresources.com)

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**Robert Helbing**  
**Landman**

June 18, 2020

VIA CERTIFIED RETURN RECEIPT MAIL

BC Operating, Inc.  
4000 North Big Spring, Suite 310  
Midland, TX 79705

Re: Nina Cortell Fed Com #113H, #114H, #127H, #128H, #133H, #134H, #203H and #204H (the "Wells")  
Participation Proposal  
Sections 3&10, Township 22 South, Range 32 East  
Lea County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of the following Matador Production Company's Nina Cortell Fed Com #113H, #114H, #127H, #128H, #133H, #134H, #203H and #204H (the "Wells"), located in Sections 3 & 10, Township 22 South, Range 32 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 eight (8) enclosed Authority for Expenditures ("AFE"), all dated October 22, 2019.

- **Nina Cortell #113H:** to be drilled from a legal location with a proposed surface hole location in the NW/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SW/4SE/4 of Section 10-22S-32E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,050' TVD) to a Measured Depth of approximately 20,250'.
- **Nina Cortell #114H:** to be drilled from a legal location with a proposed surface hole location in the NE/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SE/4SE/4 of Section 10-22S-32E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,050' TVD) to a Measured Depth of approximately 20,250'.
- **Nina Cortell #127H:** to be drilled from a legal location with a proposed surface hole location in the NW/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SW/4SE/4 of Section 10-22S-32E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bonespring (~10,700' TVD) to a Measured Depth of approximately 20,850'.

- **Nina Cortell #128H:** to be drilled from a legal location with a proposed surface hole location in the NE/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SE/4SE/4 of Section 10-22S-32E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,700' TVD) to a Measured Depth of approximately 20,850'.
- **Nina Cortell #133H:** to be drilled from a legal location with a proposed surface hole location in the NW/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SW/4SE/4 of Section 10-22S-32E. 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 22,000'.
- **Nina Cortell #134H:** to be drilled from a legal location with a proposed surface hole location in the NE/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SE/4SE/4 of Section 10-22S-32E. 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 22,000'.
- **Nina Cortell #203H:** to be drilled from a legal location with a proposed surface hole location in the NW/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SW/4SE/4 of Section 10-22S-32E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~12,200' TVD) to a Measured Depth of approximately 22,350'.
- **Nina Cortell #204H:** to be drilled from a legal location with a proposed surface hole location in the NE/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SE/4SE/4 of Section 10-22S-32E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~12,200' TVD) to a Measured Depth of approximately 22,350'.

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.

If your election is to participate in the drilling and completion of the Wells, please sign and return a copy of this letter along with the enclosed AFE(s) within thirty (30) days of receipt of this notice. Please be aware that the enclosed AFE(s) are only an estimate of costs to be incurred and by electing to participate in the Wells, 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,



Robert Helbing

**BC Operating, Inc. hereby elects to:**

\_\_\_\_\_ Not to participate in the **Nina Cortell #113H.**  
\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Nina Cortell #113H** well.  
\_\_\_\_\_ We are interested in selling our interest in this unit, please contact to discuss.

\_\_\_\_\_ Not to participate in the **Nina Cortell #114H.**  
\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Nina Cortell #114H** well.  
\_\_\_\_\_ We are interested in selling our interest in this unit, please contact to discuss.

\_\_\_\_\_ Not to participate in the **Nina Cortell #127H.**  
\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Nina Cortell #127H** well.  
\_\_\_\_\_ We are interested in selling our interest in this unit, please contact to discuss.

\_\_\_\_\_ Not to participate in the **Nina Cortell #128H.**  
\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Nina Cortell #128H** well.  
\_\_\_\_\_ We are interested in selling our interest in this unit, please contact to discuss.

\_\_\_\_\_ Not to participate in the **Nina Cortell #133H.**  
\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Nina Cortell #133H** well.  
\_\_\_\_\_ We are interested in selling our interest in this unit, please contact to discuss.

\_\_\_\_\_ Not to participate in the **Nina Cortell #134H.**  
\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Nina Cortell #134H** well.  
\_\_\_\_\_ We are interested in selling our interest in this unit, please contact to discuss.

\_\_\_\_\_ Not to participate in the **Nina Cortell #203H.**  
\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Nina Cortell #203H** well.  
\_\_\_\_\_ We are interested in selling our interest in this unit, please contact to discuss.

\_\_\_\_\_ Not to participate in the **Nina Cortell #204H.**  
\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Nina Cortell #204H** well.  
\_\_\_\_\_ We are interested in selling our interest in this unit, please contact to discuss.

**BC Operating, Inc.**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Contact Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

# MATADOR PRODUCTION COMPANY

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:	October 22, 2019	AFE NO.:	
WELL NAME:	Nina Cortell Fed Com #128H	FIELD:	
LOCATION:	Sections 3&10-22S-32E	MD/TVD:	20,850/10,700'
COUNTY/STATE:	Lea, NM	LATERAL LENGTH:	9,700'
MRC WI:			
GEOLOGIC TARGET:	2nd Bone Spring Sand		
REMARKS:	Drill, complete and equip a 2 mile horizontal 2nd Bone Spring Sand well with approximately 55 stages		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
<b>INTANGIBLE COSTS</b>					
Land / Legal / Regulatory	\$ 61,500	\$ -	\$ 50,000	\$ 10,000	\$ 121,500
Location, Surveys & Damages	118,000	13,000	25,000	12,500	168,500
Drilling	865,300	-	-	-	865,300
Cementing & Float Equip	228,000	-	-	-	228,000
Logging / Formation Evaluation	-	6,500	3,000	-	9,500
Flowback - Labor	-	-	81,540	-	81,540
Flowback - Surface Rentals	-	-	69,750	-	69,750
Flowback - Rental Living Quarters	-	-	-	-	-
Mud Logging	37,500	-	-	-	37,500
Mud Circulation System	64,550	-	-	-	64,550
Mud & Chemicals	255,400	80,000	6,000	-	341,400
Mud / Wastewater Disposal	180,000	-	-	1,000	181,000
Freight / Transportation	19,200	42,000	-	-	61,200
Rig Supervision / Engineering	153,600	119,400	16,500	10,800	300,300
Drill Bits	112,650	-	-	-	112,650
Drill Bit Purchase	-	-	-	-	-
Fuel & Power	161,200	-	-	-	161,200
Water	75,000	851,000	2,000	1,000	929,000
Drig & Completion Overhead	14,500	27,000	-	-	41,500
<b>Plugging &amp; Abandonment</b>					
Directional Drilling, Surveys	302,000	-	-	-	302,000
Completion Unit, Swab, CTU	-	180,000	20,000	-	200,000
Perforating, Wireline, Slickline	-	288,500	-	-	288,500
High Pressure Pump Truck	-	96,800	6,000	-	102,800
Stimulation	-	3,025,000	-	-	3,025,000
Stimulation Flowback & Disp	-	12,400	336,000	-	350,400
Insurance	29,553	-	-	-	29,553
Labor	165,500	36,250	15,000	5,000	223,750
Rental - Surface Equipment	82,650	326,650	10,000	5,000	424,300
Rental - Downhole Equipment	149,900	97,500	3,000	-	250,400
Rental - Living Quarters	58,600	50,080	-	5,000	113,680
Contingency	156,178	223,908	64,579	5,030	449,695
MaxCom	33,325	-	-	-	33,325
<b>TOTAL INTANGIBLES &gt;</b>	<b>3,324,107</b>	<b>5,487,988</b>	<b>710,369</b>	<b>55,330</b>	<b>9,577,794</b>
<b>TANGIBLE COSTS</b>					
Surface Casing	\$ 44,950	\$ -	\$ -	\$ -	\$ 44,950
Intermediate Casing	164,550	-	-	-	164,550
Drilling Liner	-	-	-	-	-
Production Casing	510,188	-	-	-	510,188
Production Liner	-	-	-	-	-
Tubing	-	-	65,000	-	65,000
Wellhead	65,000	-	45,000	-	110,000
Packers, Liner Hangers	-	118,200	6,000	-	124,200
Tanks	-	-	-	34,450	34,450
Production Vessels	-	-	-	116,944	116,944
Flow Lines	-	-	-	120,000	120,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	20,000	-	20,000
Compressor	-	-	-	12,500	12,500
Installation Costs	-	-	-	48,000	48,000
Surface Pumps	-	-	5,000	6,875	11,875
Non-controllable Surface	-	-	-	2,000	2,000
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	10,000	24,500	34,500
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	25,000	25,000
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	-	5,625	5,625
Tank / Facility Containment	-	-	-	5,000	5,000
Flare Stack	-	-	-	-	-
Electrical / Grounding	-	-	2,000	8,000	10,000
Communications / SCADA	-	-	4,000	1,250	5,250
Instrumentation / Safety	-	-	-	46,375	46,375
<b>TOTAL TANGIBLES &gt;</b>	<b>784,688</b>	<b>118,200</b>	<b>157,000</b>	<b>456,519</b>	<b>1,516,406</b>
<b>TOTAL COSTS &gt;</b>	<b>4,108,794</b>	<b>5,606,188</b>	<b>867,369</b>	<b>511,849</b>	<b>11,094,200</b>

**PREPARED BY MATADOR PRODUCTION COMPANY:**

Drilling Engineer:	James Long	Team Lead - WTX/NM	<u>WTE</u>
Completions Engineer:	Garrett Hunt		WTE
Production Engineer:	Jan Mesnes		

**MATADOR RESOURCES COMPANY APPROVAL:**

Exec. VP & CFO	Exec. VP - Res Engineering	Exec. VP & COO - Land & Legal
DEL	BMR	CNA
President	Senior VP - Geoscience	Exec. VP & COO - Operations
MVH	NLF	BEG

**NON OPERATING PARTNER APPROVAL:**

Company Name:	Working Interest (%):	Tax ID:
Signed by:	Date:	
Title:	Approval: Yes	No (mark one)

The costs on this AFE are estimates only and may not be confirmed as savings on any specific item or the total cost of the project. "Adding credits" are approved under the AFE may be delayed up to a year after the well has been drilled up to 8" in diameter. The Permittee agrees to pay the reasonable costs of all additional overhead, including legal, surface, regulatory, insurance and well costs, under the terms of the operator's joint operating agreement, regulatory and other agreement covering this well. Participants shall be covered for and hold harmless for Operator's net assets and general liability, insurance unless otherwise indicated. Operator is not responsible for the costs of any well not drilled or completed by the date of this AFE.

# MATADOR PRODUCTION COMPANY

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:	October 22, 2019	AFE NO.:	
WELL NAME:	Nina Cortell Fed Com #204H	FIELD:	
LOCATION:	Sections 3&10-22S-32E	MD/TVD:	22,350'/12,200'
COUNTY/STATE:	Lea, NM	LATERAL LENGTH:	9,700'
MRC WI:			
GEOLOGIC TARGET:	Wolfcamp A		
REMARKS:	Drill, complete and equip a 2 mile horizontal Wolfcamp A well with approximately 64 stages		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
<b>INTANGIBLE COSTS</b>					
Land / Legal / Regulatory	\$ 92,500	\$ -	\$ 50,000	\$ 10,000	\$ 152,500
Location, Surveys & Damages	110,500	13,000	25,000	12,500	161,000
Drilling	997,150	-	-	-	997,150
Cementing & Float Equip	293,000	-	-	-	293,000
Logging / Formation Evaluation	-	6,500	3,000	-	9,500
Flowback - Labor	-	-	81,540	-	81,540
Flowback - Surface Rentals	-	-	69,750	-	69,750
Flowback - Rental Living Quarters	-	-	-	-	-
Mud Logging	38,400	-	-	-	38,400
Mud Circulation System	94,240	-	-	-	94,240
Mud & Chemicals	163,200	80,000	6,000	-	249,200
Mud / Wastewater Disposal	195,000	-	-	1,000	196,000
Freight / Transportation	26,400	46,500	-	-	72,900
Rig Supervision / Engineering	192,000	130,200	18,500	10,800	349,500
Drill Bits	123,200	-	-	-	123,200
Drill Bit Purchase	-	-	-	-	-
Fuel & Power	190,800	-	-	-	190,800
Water	60,000	1,013,000	2,000	1,000	1,076,000
Drig & Completion Overhead	18,000	30,000	-	-	48,000
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	322,000	-	-	-	322,000
Completion Unit, Swab, CTU	-	150,000	20,000	-	170,000
Perforating, Wireline, Slickline	-	411,000	-	-	411,000
High Pressure Pump Truck	-	110,000	6,000	-	116,000
Stimulation	-	3,072,000	-	-	3,072,000
Stimulation Flowback & Disp	-	12,400	338,000	-	350,400
Insurance	37,290	-	-	-	37,290
Labor	193,000	38,250	15,000	5,000	251,250
Rental - Surface Equipment	113,400	353,050	10,000	5,000	481,450
Rental - Downhole Equipment	128,800	117,500	3,000	-	249,300
Rental - Living Quarters	72,200	54,775	-	5,000	131,975
Contingency	208,237	256,618	64,579	5,030	534,463
MaxCom	38,700	-	-	-	38,700
<b>TOTAL INTANGIBLES &gt;</b>	<b>3,708,017</b>	<b>5,894,793</b>	<b>710,369</b>	<b>55,330</b>	<b>10,358,508</b>
<b>TANGIBLE COSTS</b>					
Surface Casing	\$ 44,950	\$ -	\$ -	\$ -	\$ 44,950
Intermediate Casing	164,550	-	-	-	164,550
Drilling Liner	464,273	-	-	-	464,273
Production Casing	539,638	-	-	-	539,638
Production Liner	-	-	-	-	-
Tubing	100,000	-	74,750	-	174,750
Wellhead	-	-	45,000	-	45,000
Packers, Liner Hangers	-	134,400	6,000	-	140,400
Tanks	-	-	-	34,450	34,450
Production Vessels	-	-	-	116,944	116,944
Flow Lines	-	-	-	120,000	120,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	20,000	-	20,000
Compressor	-	-	-	12,500	12,500
Installation Costs	-	-	-	48,000	48,000
Surface Pumps	-	-	5,000	6,875	11,875
Non-controllable Surface	-	-	-	2,000	2,000
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	10,000	24,500	34,500
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	25,000	25,000
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	-	-	-
Tank / Facility Containment	-	-	-	5,825	5,825
Flare Stack	-	-	-	5,000	5,000
Electrical / Grounding	-	-	2,000	8,000	10,000
Communications / SCADA	-	-	4,000	1,250	5,250
Instrumentation / Safety	-	-	-	46,375	46,375
<b>TOTAL TANGIBLES &gt;</b>	<b>1,313,411</b>	<b>134,400</b>	<b>166,750</b>	<b>456,519</b>	<b>2,071,079</b>
<b>TOTAL COSTS &gt;</b>	<b>5,021,427</b>	<b>6,029,193</b>	<b>877,119</b>	<b>511,849</b>	<b>12,439,588</b>

**PREPARED BY MATADOR PRODUCTION COMPANY:**

Drilling Engineer:	James Long	Team Lead - WTX/NM	<u>WTE</u>
Completions Engineer:	Garrett Hunt		WTE
Production Engineer:	Jan Mosnes		

**MATADOR RESOURCES COMPANY APPROVAL:**

Exec. VP & CFO	Exec. VP - Res Engineering	Exec. VP & COO - Land & Legal
_____	_____	_____
DEL	EMR	CNA
President	Senior VP - Geoscience	Exec. VP & COO - Operations
_____	_____	_____
MVH	NLF	BEG

**NON OPERATING PARTNER APPROVAL:**

Company Name:	Working Interest (%):	Tax ID:
_____	_____	_____
Signed by:	Date:	
_____	_____	
Title:	Approval: Yes _____ No (mark one)	
_____		

The costs on this AFE are estimates only and may not be received by drilling or completion on the total cost of the project. Tubing installation approval under the AFE may be required up to 90 days after the well has been completed. In executing this AFE, the Participant agrees to pay, in payment in advance of actual costs incurred, including legal, title, regulatory, lease and well costs, under the terms of the applicable joint operating agreement, until they are or when agreed hereinafter, the cost. Participants will be required to provide for Operator's well control and general liability, in addition to the applicable Operator's and field contractor's well control and general liability coverage by the date of bid.

# MATADOR PRODUCTION COMPANY

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:	October 22, 2019	AFE NO.:	
WELL NAME:	Nina Cortell Fed Com #127H	FIELD:	
LOCATION:	Sections 3&10-22S-32E	MD/TVD:	20,850'/10,700'
COUNTY/STATE:	Lea, NM	LATERAL LENGTH:	9,700'
MRC WI:			
GEOLOGIC TARGET:	2nd Bone Spring Sand		
REMARKS:	Drill, complete and equip a 2 mile horizontal 2nd Bone Spring Sand well with approximately 55 stages		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
<b>INTANGIBLE COSTS</b>					
Land / Legal / Regulatory	\$ 61,500	\$ -	\$ 50,000	\$ 10,000	\$ 121,500
Location, Surveys & Damages	118,000	13,000	25,000	12,500	168,500
Drilling	865,300	-	-	-	865,300
Cementing & Float Equip	228,000	-	-	-	228,000
Logging / Formation Evaluation	-	6,500	3,000	-	9,500
Flowback - Labor	-	-	81,540	-	81,540
Flowback - Surface Rentals	-	-	69,750	-	69,750
Flowback - Rental Living Quarters	-	-	-	-	-
Mud Logging	37,500	-	-	-	37,500
Mud Circulation System	64,550	-	-	-	64,550
Mud & Chemicals	255,400	80,000	6,000	-	341,400
Mud / Wastewater Disposal	180,000	-	-	1,000	181,000
Freight / Transportation	19,200	42,000	-	-	61,200
Rtg Supervision / Engineering	153,600	119,400	16,500	10,800	300,300
Drill Bits	112,650	-	-	-	112,650
Drill Bit Purchase	-	-	-	-	-
Fuel & Power	161,200	-	-	-	161,200
Water	75,000	851,000	2,000	1,000	929,000
Drig & Completion Overhead	14,500	27,000	-	-	41,500
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	302,000	-	-	-	302,000
Completion Unil, Swab, CTU	-	180,000	20,000	-	200,000
Perforating, Wireline, Silckline	-	298,500	-	-	298,500
High Pressure Pump Truck	-	96,800	6,000	-	102,800
Stimulation	-	3,025,000	-	-	3,025,000
Stimulation Flowback & Disp	-	12,400	338,000	-	350,400
Insurance	29,553	-	-	-	29,553
Labor	165,500	36,250	15,000	5,000	223,750
Rental - Surface Equipment	82,850	326,850	10,000	5,000	424,300
Rental - Downhole Equipment	149,900	97,500	3,000	-	250,400
Rental - Living Quarters	58,600	50,080	-	5,000	113,680
Contingency	156,179	223,908	64,578	5,030	449,696
MaxCom	33,325	-	-	-	33,325
<b>TOTAL INTANGIBLES &gt;</b>	<b>3,324,107</b>	<b>5,487,988</b>	<b>710,369</b>	<b>55,330</b>	<b>9,577,794</b>
<b>TANGIBLE COSTS</b>					
Surface Casing	\$ 44,950	\$ -	\$ -	\$ -	\$ 44,950
Intermediate Casing	164,550	-	-	-	164,550
Drilling Liner	-	-	-	-	-
Production Casing	510,188	-	-	-	510,188
Production Liner	-	-	-	-	-
Tubing	-	-	65,000	-	65,000
Wellhead	65,000	-	45,000	-	110,000
Packers, Liner Hangers	-	118,200	6,000	-	124,200
Tanks	-	-	-	34,450	34,450
Production Vessels	-	-	-	116,944	116,944
Flow Lines	-	-	-	120,000	120,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	20,000	-	20,000
Compressor	-	-	-	12,500	12,500
Installation Costs	-	-	-	48,000	48,000
Surface Pumps	-	-	5,000	6,875	11,875
Non-controllable Surface	-	-	-	2,000	2,000
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	10,000	24,500	34,500
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	25,000	25,000
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	-	5,625	5,625
Tank / Facility Containment	-	-	-	5,000	5,000
Flare Stack	-	-	-	2,000	2,000
Electrical / Grounding	-	-	2,000	8,000	10,000
Communications / SCADA	-	-	4,000	1,250	5,250
Instrumentation / Safety	-	-	-	46,375	46,375
<b>TOTAL TANGIBLES &gt;</b>	<b>784,688</b>	<b>118,200</b>	<b>157,000</b>	<b>456,519</b>	<b>1,516,406</b>
<b>TOTAL COSTS &gt;</b>	<b>4,108,794</b>	<b>5,606,188</b>	<b>867,369</b>	<b>511,849</b>	<b>11,094,200</b>

**PREPARED BY MATADOR PRODUCTION COMPANY:**

Drilling Engineer:	James Long	Team Lead - WTX/NM	<u>WTE</u>
Completions Engineer:	Garrett Hunt		WTE
Production Engineer:	Jan Moynes		

**MATADOR RESOURCES COMPANY APPROVAL:**

Exec VP & CFO	Exec VP - Res Engineering	Exec VP & COO - Land & Legal
DEL	BMR	CNA
President	Senior VP - Geoscience	Exec VP & COO - Operations
MVH	NLF	BEG

**NON OPERATING PARTNER APPROVAL:**

Company Name:	Working Interest (%):	Tax ID:
Signed by:	Date:	
Title:	Approval: Yes	No (mark one)

The costs on this AFE are estimates only and may not be accurate as costs are subject to change. Tubing installation assumed under this AFE may be delayed up to one year after the well has been completed. In executing this AFE, the Participants agree to give to participating third parties (including legal, regulatory, engineering and other costs) under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well. Participants shall be jointly and severally liable for the completion of this well and shall be jointly and severally liable for the completion of this well. Operator is obligated to complete this well in an amount acceptable to the Operator in the well of last.

# MATADOR PRODUCTION COMPANY

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:	October 22, 2019	AFE NO.:	
WELL NAME:	Nina Cortell Fed Com #203H	FIELD:	
LOCATION:	Sections 3&10-22S-32E	MD/TVD:	22,350'/12,200'
COUNTY/STATE:	Lea, NM	LATERAL LENGTH:	9,700'
MRC WI:			
GEOLOGIC TARGET:	Wolfcamp A		
REMARKS:	Drill, complete and equip a 2 mile horizontal Wolfcamp A well with approximately 64 stages		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
<b>INTANGIBLE COSTS</b>					
Land / Legal / Regulatory	\$ 92,500	\$ -	\$ 50,000	\$ 10,000	\$ 152,500
Location, Surveys & Damages	110,500	13,000	25,000	12,500	161,000
Drilling	997,150	-	-	-	997,150
Cementing & Float Equip	293,000	-	-	-	293,000
Logging / Formation Evaluation	-	6,500	3,000	-	9,500
Flowback - Labor	-	-	81,540	-	81,540
Flowback - Surface Rentals	-	-	69,750	-	69,750
Flowback - Rental Living Quarters	-	-	-	-	-
Mud Logging	38,400	-	-	-	38,400
Mud Circulation System	94,240	-	-	-	94,240
Mud & Chemicals	163,200	80,000	6,000	-	249,200
Mud / Wastewater Disposal	195,000	-	-	1,000	196,000
Freight / Transportation	26,400	46,500	-	-	72,900
Rig Supervision / Engineering	162,000	130,200	16,500	10,800	349,500
Drill Bits	123,200	-	-	-	123,200
Drill Bit Purchase	-	-	-	-	-
Fuel & Power	160,800	-	-	-	160,800
Water	60,000	1,013,000	2,000	1,000	1,076,000
Drig & Completion Overhead	18,000	30,000	-	-	48,000
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	322,000	-	-	-	322,000
Completion Unit, Swab, CTU	-	150,000	20,000	-	170,000
Perforating, Wireline, Slickline	-	411,000	-	-	411,000
High Pressure Pump Truck	-	110,000	6,000	-	116,000
Stimulation	-	3,072,000	-	-	3,072,000
Stimulation Flowback & Disp	-	12,400	338,000	-	350,400
Insurance	37,290	-	-	-	37,290
Labor	193,000	38,250	15,000	5,000	251,250
Rental - Surface Equipment	113,400	353,050	10,000	5,000	481,450
Rental - Downhole Equipment	128,800	117,500	3,000	-	249,300
Rental - Living Quarters	72,200	54,775	-	5,000	131,975
Contingency	208,237	256,618	64,579	5,030	534,463
MaxCom	38,700	-	-	-	38,700
<b>TOTAL INTANGIBLES &gt;</b>	<b>3,708,017</b>	<b>5,894,783</b>	<b>710,369</b>	<b>55,330</b>	<b>10,368,508</b>
<b>TANGIBLE COSTS</b>					
Surface Casing	\$ 44,950	\$ -	\$ -	\$ -	\$ 44,950
Intermediate Casing	184,550	-	-	-	184,550
Drilling Liner	464,273	-	-	-	464,273
Production Casing	539,638	-	-	-	539,638
Production Liner	-	-	-	-	-
Tubing	100,000	-	74,750	-	174,750
Wellhead	-	-	45,000	-	45,000
Packers, Liner Hangers	-	134,400	6,000	-	140,400
Tanks	-	-	-	34,450	34,450
Production Vessels	-	-	-	116,944	116,944
Flow Lines	-	-	-	120,000	120,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	20,000	-	20,000
Compressor	-	-	-	12,500	12,500
Installation Costs	-	-	-	48,000	48,000
Surface Pumps	-	-	5,000	6,875	11,875
Non-controllable Surface	-	-	-	2,000	2,000
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	10,000	24,500	34,500
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	25,000	25,000
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	-	-	-
Tank / Facility Containment	-	-	-	5,625	5,625
Flare Stack	-	-	-	5,000	5,000
Electrical / Grounding	-	-	2,000	8,000	10,000
Communications / SCADA	-	-	4,000	1,250	5,250
Instrumentation / Safety	-	-	-	46,375	46,375
<b>TOTAL TANGIBLES &gt;</b>	<b>1,313,411</b>	<b>134,400</b>	<b>166,750</b>	<b>456,619</b>	<b>2,071,079</b>
<b>TOTAL COSTS &gt;</b>	<b>5,021,427</b>	<b>6,029,193</b>	<b>877,119</b>	<b>511,849</b>	<b>12,439,588</b>

**PREPARED BY MATADOR PRODUCTION COMPANY:**

Drilling Engineer:	James Long	Team Lead - WTX/NM	<u>WJE</u>
Completions Engineer:	Garrett Hunt		WTE
Production Engineer:	Jan Mosnes		

**MATADOR RESOURCES COMPANY APPROVAL:**

Exec VP & CFO	Exec VP - Res Engineering	Exec VP & COO - Land & Legal
DEL	BMR	CNA
President	Senior VP - Geoscience	Exec VP & COO - Operations
MVH	NLF	BEG

**NON OPERATING PARTNER APPROVAL:**

Company Name: _____	Working Interest (%): _____	Tax ID: _____
Signed by: _____	Date: _____	
Title: _____	Approval: Yes _____ No (mark one)	

The terms on this AFE are intended to be used as a contract for the well and are subject to the terms of the well completion agreement. The Partner(s) agree to pay its proportionate share of actual costs incurred, including legal, engineering, regulatory, insurance and well costs, under the terms of the applicable joint operating agreement, regulatory order or other agreement existing in the well. Partner(s) shall be liable for the well completion agreement liability insurance unless otherwise provided. Operator is not liable for the well completion agreement liability insurance in an amount acceptable to the Operator by the date of sign-off.

# MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240  
Voice 972.629.2163 • Fax 972.371.5201  
[rhelbing@matadorresources.com](mailto:rhelbing@matadorresources.com)

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**Robert Helbing  
Landman**

October 9, 2020

**VIA CERTIFIED RETURN RECEIPT MAIL**

Marathon Oil Permian LLC  
5555 San Felipe St.  
Houston, TX 77056

Re: Nina Cortell Fed Com #114H, #128H, #134H, and #204H (the "Wells")  
Participation Proposal  
Sections 3&10, Township 22 South, Range 32 East  
Lea County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of the following Matador Production Company's Nina Cortell Fed Com #114H, #128H, #134H, and #204H (the "Wells"), located in Sections 3 & 10, Township 22 South, Range 32 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"), all dated October 9, 2020.

- **Nina Cortell #114H:** to be drilled from a legal location with a proposed surface hole location in the NE/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SE/4SE/4 of Section 10-22S-32E. The Well will have a targeted interval within the First Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,050' TVD) to a Measured Depth of approximately 20,250'.
- **Nina Cortell #128H:** to be drilled from a legal location with a proposed surface hole location in the NE/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SE/4SE/4 of Section 10-22S-32E. The Well will have a targeted interval within the Second Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,850' TVD) to a Measured Depth of approximately 21,114'.
- **Nina Cortell #134H:** to be drilled from a legal location with a proposed surface hole location in the NE/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SE/4SE/4 of Section 10-22S-32E. The Well will have a targeted interval within the Third Bone Spring formation and will be drilled horizontally in the Bone Spring (~11,900' TVD) to a Measured Depth of approximately 22,067'.
- **Nina Cortell #204H:** to be drilled from a legal location with a proposed surface hole location in the NE/4NE/4 of Section 3-22S-32E and a proposed bottom hole location in the SE/4SE/4 of Section 10-22S-32E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~12,200' TVD) to a Measured Depth of approximately 22,350'.

Marathon Oil Permian LLC will own an approximate 0.01248526 working interest in the Well, subject to title verification.

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.

If your election is to participate in the drilling and completion of the Wells, please sign and return a copy of this letter along with the enclosed AFE(s) within thirty (30) days of receipt of this notice. Please be aware that the enclosed AFE(s) are only an estimate of costs to be incurred and by electing to participate in the Wells, 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,

  
Robert Helbing

**Marathon Oil Permian LLC hereby elects to:**

- Not to participate in the **Nina Cortell #114H**.
- Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Nina Cortell #114H** well.
  
- Not to participate in the **Nina Cortell #128H**.
- Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Nina Cortell #128H** well.
  
- Not to participate in the **Nina Cortell #134H**.
- Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Nina Cortell #134H** well.
  
- Not to participate in the **Nina Cortell #204H**.
- Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Nina Cortell #204H** well.

**Marathon Oil Permian LLC**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Contact Number: \_\_\_\_\_

Email Address: \_\_\_\_\_



# MATADOR PRODUCTION COMPANY

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:	October 9, 2020	AFE NO.:	
WELL NAME:	Nina Cortell Fed Com #128H	FIELD:	
LOCATION:	Sections 3&10-22S-32E	MD/TVD:	21,114'/10,850'
COUNTY/STATE:	Lea, NM	LATERAL LENGTH:	9,800
MRC WI:			
GEOLOGIC TARGET:	2nd Bone Spring Sand		
REMARKS:	Drill, complete and equip a 2 mile horizontal 2nd Bone Spring Sand well with approximately 50 stages		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Land / Legal / Regulatory	\$ 61,500	\$ -	\$ 25,000	\$ 10,000	\$ 96,500
Location, Surveys & Damages	116,000	13,000	25,000	16,667	172,667
Drilling	692,850	-	-	-	692,850
Cementing & Float Equip	183,000	-	-	-	183,000
Logging / Formation Evaluation	-	3,500	3,000	-	6,500
Flowback - Labor	-	-	3,840	-	3,840
Flowback - Surface Rentals	-	-	71,750	-	71,750
Flowback - Rental Living Quarters	-	-	-	-	-
Mud Logging	37,500	-	-	-	37,500
Mud Circulation System	45,938	-	-	-	45,938
Mud & Chemicals	255,400	49,000	6,000	-	310,400
Mud / Wastewater Disposal	140,000	-	-	1,000	141,000
Freight / Transportation	12,800	28,700	-	-	39,500
Rig Supervision / Engineering	92,825	102,400	7,200	14,400	216,825
Drill Bits	73,400	-	-	-	73,400
Drill Bit Purchase	-	-	-	-	-
Fuel & Power	99,750	8,500	-	-	108,250
Water	75,000	738,750	2,000	1,000	816,750
Drlg & Completion Overhead	11,750	-	-	-	11,750
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	199,469	-	-	-	199,469
Completion Unit, Swab, CTU	-	130,000	16,000	-	146,000
Perforating, Wireline, Slickline	-	173,000	-	-	173,000
High Pressure Pump Truck	-	67,500	6,000	-	73,500
Stimulation	-	1,959,400	-	-	1,959,400
Stimulation Flowback & Disp	-	15,500	260,000	-	275,500
Insurance	31,671	-	-	-	31,671
Labor	97,500	61,000	15,000	5,000	178,500
Rental - Surface Equipment	44,180	284,105	10,000	5,000	343,285
Rental - Downhole Equipment	72,000	86,000	3,000	-	161,000
Rental - Living Quarters	28,598	43,295	-	5,000	76,893
Contingency	119,899	180,225	45,379	5,807	351,310
MaxCom	25,263	-	-	-	25,263
<b>TOTAL INTANGIBLES &gt;</b>	<b>2,517,882</b>	<b>3,941,875</b>	<b>499,169</b>	<b>63,873</b>	<b>7,022,799</b>

TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	\$ 44,950	\$ -	\$ -	\$ -	\$ 44,950
Intermediate Casing	227,300	-	-	-	227,300
Drilling Liner	-	-	-	-	-
Production Casing	447,837	-	-	-	447,837
Production Liner	-	-	-	-	-
Tubing	-	-	75,000	-	75,000
Wellhead	85,000	-	25,000	-	90,000
Packers, Liner Hangers	-	69,600	5,000	-	74,600
Tanks	-	-	-	29,900	29,900
Production Vessels	-	-	-	122,432	122,432
Flow Lines	-	-	-	120,000	120,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	20,000	-	20,000
Compressor	-	-	-	42,500	42,500
Installation Costs	-	-	-	104,000	104,000
Surface Pumps	-	-	5,000	17,333	22,333
Non-controllable Surface	-	-	-	2,000	2,000
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	10,000	32,667	42,667
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	41,667	41,667
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	-	-	-
Tank / Facility Containment	-	-	-	7,500	7,500
Flare Stack	-	-	-	13,333	13,333
Electrical / Grounding	-	-	2,000	19,000	21,000
Communications / SCADA	-	-	5,000	1,667	6,667
Instrumentation / Safety	-	-	-	49,500	49,500
<b>TOTAL TANGIBLES &gt;</b>	<b>785,067</b>	<b>89,600</b>	<b>147,000</b>	<b>603,498</b>	<b>1,605,165</b>
<b>TOTAL COSTS &gt;</b>	<b>3,302,969</b>	<b>4,011,475</b>	<b>646,169</b>	<b>667,372</b>	<b>8,627,984</b>

**PREPARED BY MATADOR PRODUCTION COMPANY:**

Drilling Engineer:	James Long	Team Lead - WTX/NM	<i>JLP</i> WTE
Completions Engineer:	Garrett Hunt		
Production Engineer:	Jan Mishnes		

**MATADOR RESOURCES COMPANY APPROVAL:**

Exec. VP & CFO	Exec. VP - Res Engineering	Exec. VP & COO - Land & Legal
DEL	BMR	CNA
President	Senior VP - Geoscience	Exec. VP & COO - Operations
MVH	NLF	BEG

**NON OPERATING PARTNER APPROVAL:**

Company Name:	Working Interest (%):	Tax ID:
Signed by:	Date:	
Title:	Approval: Yes	No (mark one)

The costs on this AFE are estimates only and may not be identical to actual costs of the project. Tubing installation estimates on this AFE may be revised up or down after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including legal, technical, regulatory, insurance and other costs, under the terms of the applicable joint operating agreement, regardless of whether the well is completed or not. Participants shall be jointly and severally responsible for the Participant's well head and general liability insurance which provides coverage for the well. The Participant shall be jointly and severally responsible for the Participant's well head and general liability insurance which provides coverage for the well. The Participant shall be jointly and severally responsible for the Participant's well head and general liability insurance which provides coverage for the well.

# MATADOR PRODUCTION COMPANY

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:	October 9, 2020	AFE NO.:	
WELL NAME:	Nina Cortell Fed Com #134H	FIELD:	
LOCATION:	Sections 3&10-22S-32E	MD/TVD:	22,067/11,900'
COUNTY/STATE:	Lea, NM	LATERAL LENGTH:	9,800
MRC WI:			
GEOLOGIC TARGET:	3rd Bone Spring Sand		
REMARKS:	Drill, complete and equip a 2 mile horizontal 3rd Bone Spring Sand well with approximately 50 stages		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Land / Legal / Regulatory	\$ 61,500	\$ -	\$ 25,000	\$ 10,000	\$ 96,500
Location, Surveys & Damages	118,000	13,000	25,000	16,867	172,867
Drilling	756,400	-	-	-	756,400
Cementing & Float Equip	183,000	-	-	-	183,000
Logging / Formation Evaluation	-	3,500	3,000	-	6,500
Flowback - Labor	-	-	3,840	-	3,840
Flowback - Surface Rentals	-	-	71,750	-	71,750
Flowback - Rental Living Quarters	-	-	-	-	-
Mud Logging	-87,500	-	-	-	37,500
Mud Circulation System	49,125	-	-	-	49,125
Mud & Chemicals	255,400	49,000	6,000	-	310,400
Mud / Wastewater Disposal	140,000	-	-	1,000	141,000
Freight / Transportation	12,800	26,700	-	-	39,500
Rig Supervision / Engineering	100,750	102,400	7,200	14,400	224,750
Drill Bits	91,400	-	-	-	91,400
Drill Bit Purchase	-	-	-	-	-
Fuel & Power	108,500	8,500	-	-	117,000
Water	75,000	738,750	2,000	1,000	816,750
Drllg & Completion Overhead	13,000	-	-	-	13,000
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	207,570	-	-	-	207,570
Completion Unit, Swab, CTU	-	130,000	18,000	-	148,000
Perforating, Wireline, Slickline	-	173,000	-	-	173,000
High Pressure Pump Truck	-	67,500	6,000	-	73,500
Stimulation	-	2,009,400	-	-	2,009,400
Stimulation Flowback & Dlsq	-	15,500	260,000	-	275,500
Insurance	33,101	-	-	-	33,101
Labor	97,500	61,000	15,000	5,000	178,500
Rental - Surface Equipment	48,880	284,105	10,000	5,000	347,985
Rental - Downhole Equipment	77,000	86,000	3,000	-	166,000
Rental - Living Quarters	30,025	43,295	-	5,000	78,320
Contingency	126,220	180,225	46,378	5,807	357,631
MaxCom	27,950	-	-	-	27,950
<b>TOTAL INTANGIBLES &gt;</b>	<b>2,650,620</b>	<b>3,991,875</b>	<b>499,169</b>	<b>63,873</b>	<b>7,205,537</b>

TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	\$ 44,950	\$ -	\$ -	\$ -	\$ 44,950
Intermediate Casing	248,306	-	-	-	248,306
Drilling Liner	-	-	-	-	-
Production Casing	467,374	-	-	-	467,374
Production Liner	-	-	-	-	-
Tubing	-	-	82,500	-	82,500
Wellhead	65,000	-	25,000	-	90,000
Packers, Liner Hangers	-	69,600	5,000	-	74,600
Tanks	-	-	-	29,900	29,900
Production Vessels	-	-	-	122,432	122,432
Flow Lines	-	-	-	120,000	120,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	20,000	-	20,000
Compressor	-	-	-	42,500	42,500
Installation Costs	-	-	-	104,000	104,000
Surface Pumps	-	-	5,000	17,333	22,333
Non-controllable Surface	-	-	-	2,000	2,000
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	10,000	32,667	42,667
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	41,667	41,667
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	2,000	-	2,000
Tank / Facility Containment	-	-	-	7,500	7,500
Flare Stack	-	-	-	13,333	13,333
Electrical / Grounding	-	-	2,000	19,000	21,000
Communications / SCADA	-	-	5,000	1,667	6,667
Instrumentation / Safety	-	-	-	49,500	49,500
<b>TOTAL TANGIBLES &gt;</b>	<b>825,629</b>	<b>69,600</b>	<b>156,500</b>	<b>603,498</b>	<b>1,655,227</b>
<b>TOTAL COSTS &gt;</b>	<b>3,476,249</b>	<b>4,061,475</b>	<b>655,669</b>	<b>667,372</b>	<b>8,860,765</b>

**PREPARED BY MATADOR PRODUCTION COMPANY:**

Drilling Engineer:	James Long	Team Lead: WTX/NM	<i>WTE</i> WTE
Completions Engineer:	Garnett Hunt		
Production Engineer:	Jim Mooney		

**MATADOR RESOURCES COMPANY APPROVAL:**

Exec. VP & CFO: <u>DEL</u>	Exec. VP - Res Engineering: <u>BMR</u>	Exec. VP & COO - Land & Legal: <u>CNA</u>
President: <u>MVH</u>	Senior VP - Geoscience: <u>NLF</u>	Exec. VP & COO - Operations: <u>BEG</u>

**NON OPERATING PARTNER APPROVAL:**

Company Name: _____	Working Interest (%): _____	Tax ID: _____
Signed by: _____	Date: _____	
Title: _____	Approval: Yes _____ No (mark one)	

The costs on this AFE are estimates only and may include identified as well as any specific items on the face and all the project. Funding obligations are not to be incurred until the AFE is approved by the AFE owner. The AFE owner is not responsible for the accuracy of the information provided on this AFE. The AFE owner is not responsible for the accuracy of the information provided on this AFE. The AFE owner is not responsible for the accuracy of the information provided on this AFE. The AFE owner is not responsible for the accuracy of the information provided on this AFE.



## EXHIBIT C-6

### Nina Cortell Fed Com Proposals – Communications Summary

- **Proposal #1 – 11/14/2019**
  - Well proposal sent to ConocoPhillips (“COP”) on November 14, 2019
  - 2/13/2020 – COP reached out regarding well proposals and provided contact information for landman that would be handling the project. Began discussing potential voluntary joinder.
  - 3/18/2020 – Further discussions with COP
  - 5/28/2020 – Email to COP
  - 8/20/2020 – Further discussions with COP
  - 10/5/2020 – Email to COP
  - 11/2/2020 – Further discussions with COP
  
- **Proposals #2 – 6/18/2020**
  - Well proposals sent to COG, Fortson, et al 6/18/2020
  - 10/5/2020 – Attempt to call landman with various WI parties to discuss proposals and potential voluntary joinder; left voicemails
  - 10/9/2020 – Contact with Marathon & WPX; proposals initially sent to parties that owned interest prior to Marathon & WPX (BC Operating & Khody Land). MRC will update and re-send to current record title owner for that interest (See Proposals #3)
  - 11/2/2020 – Attempt to contact landman with WI parties & inform that MRC will need to file to get on Dec 3<sup>rd</sup> hearing docket
  
- **Proposals #3 – 10/9/2020**
  - 10/9/2020 – MRC sends updated Nina Cortell #128H, #134H & #204H well proposals and AFEs dated October 9, 2020 to WPX and Marathon.
  - 10/19/2020 – Marathon responds via email & acknowledges receipt of proposals
  - In or around mid-October 2020, discussion with landman for WPX
  - 10/22/2020 – Call landman at Marathon to discuss proposals and potential voluntary joinder; leave voicemail
  - 11/5/2020 – Attempts made by Marathon & MRC landmen to discuss development over phone; exchange voicemails

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No.C6

Submitted by: Matador Production Company

Hearing Date: December 3, 2020

Case Nos. 21545-21548

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

**APPLICATIONS OF MATADOR PRODUCTION  
COMPANY FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NOS. 21545 - 21548**

**AFFIDAVIT OF ANDREW PARKER  
IN SUPPORT OF CASE NOS. 21545, 21546, 21547, AND 21548**

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

1. My name is Andrew Parker and I am employed by MRC Energy Company, an affiliate of Matador Production Company (“Matador”), as a Vice President of Geology.
2. I have previously testified before the New Mexico Oil Conservation Division and my credentials have been accepted as an expert witness in petroleum geology.
3. I am familiar with the applications filed by Matador in these consolidated cases and have conducted a geologic study of the lands in the subject area.
4. **Matador Exhibit D-1** is a project locator map that reflects the location of the proposed horizontal spacing units in **Case Nos. 21545, 21546, 21547, and 21548**.
5. In **Case Nos. 21545** and **21546**, Matador is targeting the Bone Spring formation.
6. **Matador Exhibit D-2** is a subsea structure map that I prepared for the Bone Spring formation. The proposed spacing units are highlighted in yellow in Sections 3 and 10, and the contour interval is 20 feet. The structure map shows the Bone Spring formation gently dipping to the northeast. The structure appears consistent across the proposed spacing unit, and I do not observe any faulting, pinch outs, or other geologic impediments to horizontal drilling.
7. **Matador Exhibit D-2** also shows a line of cross-section from A to A’ using two well logs. I utilized these well logs because they penetrate the targeted interval, are of good quality,

and have been subjected to a petrophysical analysis of the targeted interval. In my opinion, these well logs are representative of the geology in the subject area.

8. **Matador Exhibit D-3** is a stratigraphic cross-section that I prepared using logs from the two representative wells shown on Exhibit D-2. Each well on the cross-section contains gamma ray, resistivity, and porosity logs. The target interval for the proposed wells is highlighted yellow, with the well names noted on right side of the cross section. The cross-section demonstrates that the targeted interval is continuous across the proposed spacing units.

9. Both of the wells will comply with the standard setback requirements for the subject pool.

10. In **Case Nos. 21547** and **21548**, Matador is targeting the Wolfcamp formation.

11. **Matador Exhibit D-4** is a subsea structure map that I prepared for the Wolfcamp formation. The proposed spacing units are highlighted in yellow in Sections 3 and 10, and the contour interval is 20 feet. The structure map shows the Wolfcamp formation gently dipping to the east. The structure appears consistent across the proposed spacing unit and I do not observe any faulting, pinch outs, or other geologic impediments to horizontal drilling.

12. Matador Exhibit D-4 also shows a line of cross-section from A to A' using two well logs. I utilized these well logs because they penetrate the targeted interval, are of good quality, and have been subjected to a petrophysical analysis of the targeted interval. In my opinion, these well logs are representative of the geology in the subject area.

13. **Matador Exhibit D-5** is a stratigraphic cross-section that I prepared using logs from the two representative wells shown on Exhibit D-4. Each well on the cross-section contains gamma ray, resistivity, and porosity logs. The target interval for the proposed wells is highlighted

yellow, with the well names noted on right side of the cross section. The cross-section demonstrates that the targeted interval is continuous across the proposed spacing units.

14. Both of the wells will comply with the standard setback requirements for the subject pool.

15. Based on my geologic study, the Bone Spring and Wolfcamp formations underlying the subject acreage is suitable for development by horizontal wells and the acreage comprising the proposed horizontal spacing units will be productive and contribute proportionately to the production from the wells.

16. In my opinion, the standup orientation of the proposed wells is the preferred orientation for horizontal well development of the targeted intervals in the Bone Spring and Wolfcamp formations in this area. This standup orientation will efficiently and effectively develop the subject acreage.

17. In my opinion, approving Matador's applications is in the best interest of conservation, the prevention of waste, and protection of correlative rights.

18. **Matador Exhibits D-1** through **D-5** were either prepared by me or compiled under my direction and supervision.

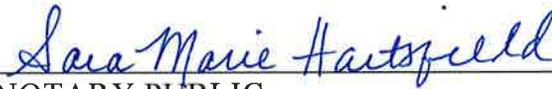
FURTHER AFFIANT SAYETH NOT.

  
\_\_\_\_\_  
ANDREW PARKER

STATE OF TEXAS                    )  
  )  
COUNTY OF DALLAS                )

SUBSCRIBED and SWORN to before me this 30th day of November 2020 by  
Andrew Parker.



  
\_\_\_\_\_  
NOTARY PUBLIC

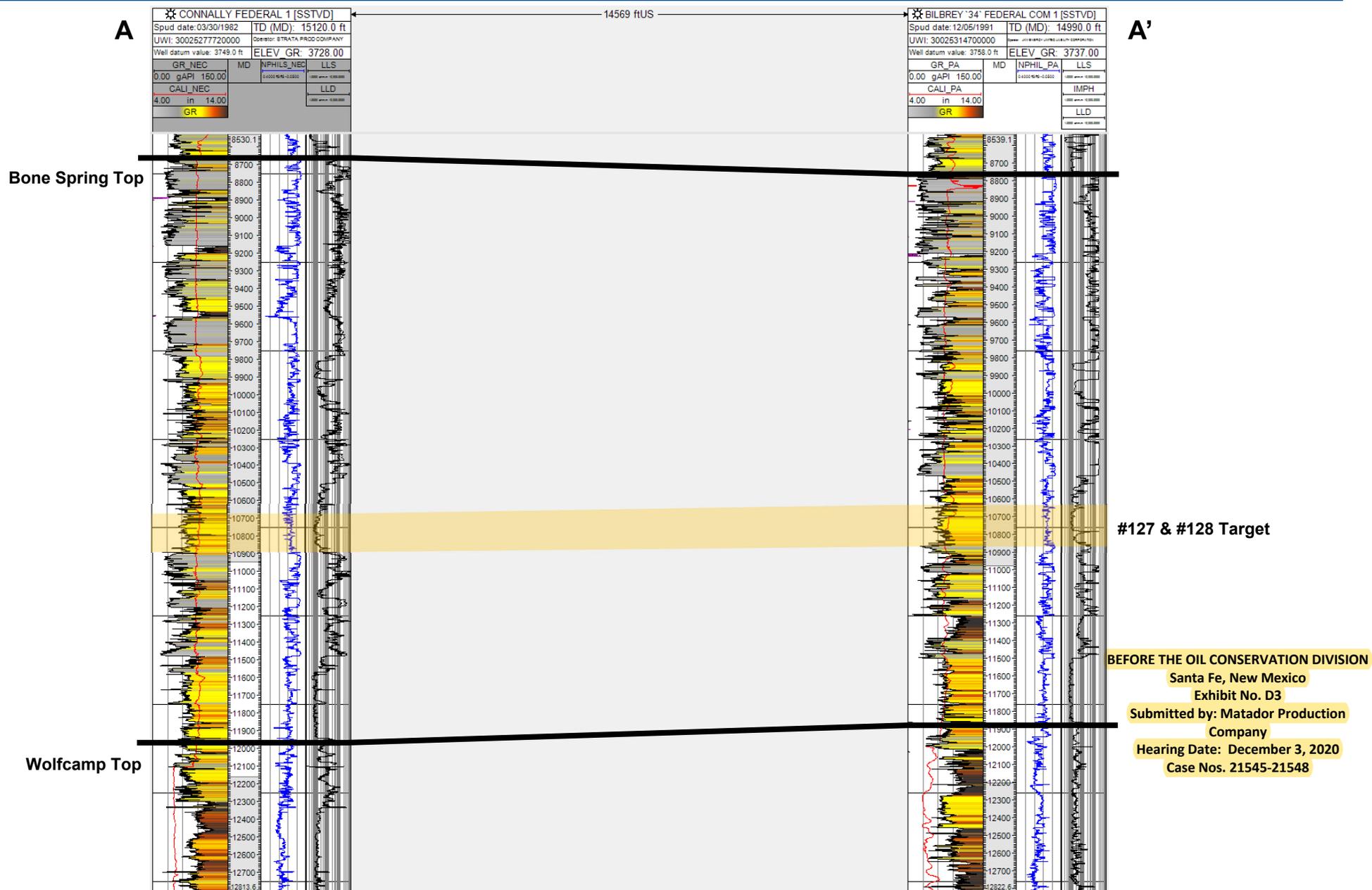
My Commission Expires:

8/21/2023





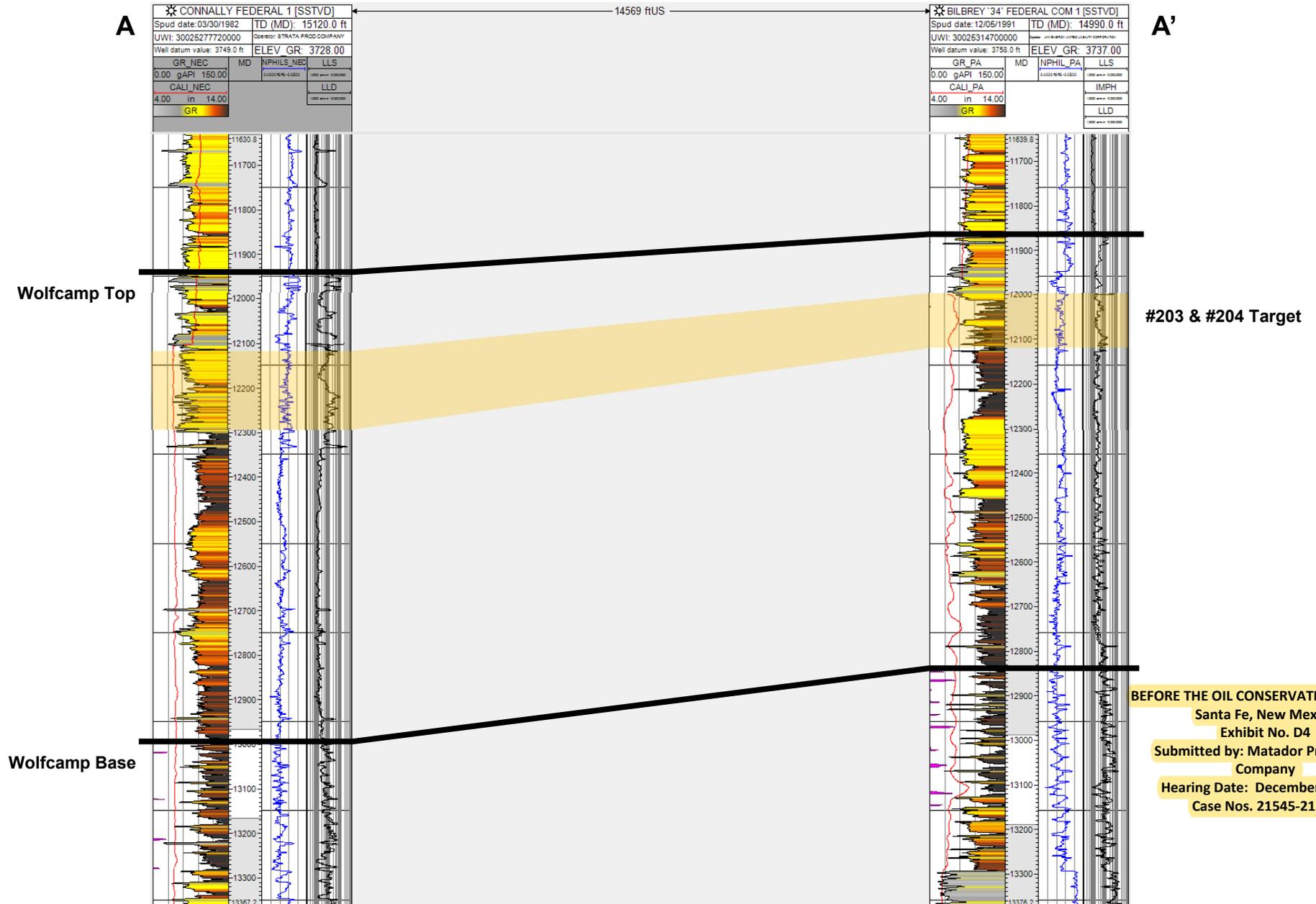
# Bilbrey Basin; Bone Spring (Pool Code 5695) Structural Cross-Section A – A'



BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit No. D3  
 Submitted by: Matador Production Company  
 Hearing Date: December 3, 2020  
 Case Nos. 21545-21548



# WC-025 G-09 S233216K; Upr Wolfcamp Structural Cross-Section A – A'







**Kaitlyn A. Luck**  
Associate  
Phone (505) 988-4421  
[kaluck@hollandhart.com](mailto:kaluck@hollandhart.com)

November 13, 2020

**VIA CERTIFIED MAIL**  
**CERTIFIED RECEIPT REQUESTED**

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS**

**Re: Application of Matador Production Company for compulsory pooling, Lea County, New Mexico.**  
**Nina Cortell Fed Com #127H well**

Ladies & Gentlemen:

This letter is to advise you that Matador Production Company has filed the enclosed application with the New Mexico Oil Conservation Division.

**During the COVID-19 Pubic Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on December 3, 2020 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <http://www.emnrd.state.nm.us/OCD/announcements.html>.**

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all 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 are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Robert Helbing, at (972) 629-2163 or [rhelbing@matadorresources.com](mailto:rhelbing@matadorresources.com).

Sincerely,

A handwritten signature in blue ink, appearing to read "Kaitlyn Luck", written over a horizontal line.

Kaitlyn A. Luck  
**ATTORNEY FOR MATADOR PRODUCTION  
COMPANY**



**Kaitlyn A. Luck**  
Associate  
Phone (505) 988-4421  
[kaluck@hollandhart.com](mailto:kaluck@hollandhart.com)

November 13, 2020

**VIA CERTIFIED MAIL**  
**CERTIFIED RECEIPT REQUESTED**

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS**

**Re: Application of Matador Production Company for compulsory pooling, Lea County, New Mexico.**  
**Nina Cortell Fed Com #128H well**

Ladies & Gentlemen:

This letter is to advise you that Matador Production Company has filed the enclosed application with the New Mexico Oil Conservation Division.

**During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on December 3, 2020 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <http://www.emnrd.state.nm.us/OCD/announcements.html>.**

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Sincerely,

A handwritten signature in blue ink, appearing to read "Kaitlyn Luck", written over a horizontal line.

Kaitlyn A. Luck  
ATTORNEY FOR MATADOR PRODUCTION  
COMPANY

November 13, 2020

**VIA CERTIFIED MAIL**  
**CERTIFIED RECEIPT REQUESTED**

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS**

**Re: Application of Matador Production Company for compulsory pooling, Lea County, New Mexico.**  
**Nina Cortell Fed Com #203H well**

Ladies & Gentlemen:

This letter is to advise you that Matador Production Company has filed the enclosed application with the New Mexico Oil Conservation Division.

**During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on December 3, 2020 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <http://www.emnrd.state.nm.us/OCD/announcements.html>.**

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If you have any questions about this matter, please contact Robert Helbing, at (972) 629-2163 or [rhelbing@matadorresources.com](mailto:rhelbing@matadorresources.com).

Sincerely,



Kaitlyn A. Luck  
ATTORNEY FOR MATADOR PRODUCTION  
COMPANY



**Kaitlyn A. Luck**  
Associate  
Phone (505) 988-4421  
[kaluck@hollandhart.com](mailto:kaluck@hollandhart.com)

November 13, 2020

**VIA CERTIFIED MAIL**  
**CERTIFIED RECEIPT REQUESTED**

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS**

**Re: Application of Matador Production Company for compulsory pooling, Lea County, New Mexico.**  
**Nina Cortell Fed Com #204H well**

Ladies & Gentlemen:

This letter is to advise you that Matador Production Company has filed the enclosed application with the New Mexico Oil Conservation Division.

**During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on December 3, 2020 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <http://www.emnrd.state.nm.us/OCD/announcements.html>.**

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If you have any questions about this matter, please contact Robert Helbing, at (972) 629-2163 or [rhelbing@matadorresources.com](mailto:rhelbing@matadorresources.com).

Sincerely,

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Kaitlyn A. Luck  
ATTORNEY FOR MATADOR PRODUCTION  
COMPANY

MRC - Nina Cortell 127H, 128H, 223H, 204H  
Case Nos. 21545-21548 Postal Delivery Report

TrackingNo	ToName	DeliveryAddress	City	State	Zip	USPS_Status
9414811898765826920369	ConocoPhillips Company	925 N Eldridge Pkwy	Houston	TX	77079-2703	Your item was picked up at a postal facility at 8:03 am on November 17, 2020 in HOUSTON, TX 77079.
9414811898765826920512	Curtis A. Anderson and Edna I. Anderson, as Joint Tenants With The Right Of Survivorship	3807 S County Road 1135	Midland	TX	79706-5441	Your item was delivered to an individual at the address at 1:22 pm on November 16, 2020 in MIDLAND, TX 79706.
9414811898765826920505	Daniel E. Gonzales	PO Box 2475	Santa Fe	NM	87504-2475	This is a reminder to arrange for redelivery of your item or your item will be returned to sender.
9414811898765826920307	COG Operating LLC	550 W Texas Ave Ste 100	Midland	TX	79701-4287	Your item was picked up at a postal facility at 8:36 am on November 17, 2020 in MIDLAND, TX 79701.
9414811898765826920338	Fortson Oil Company	301 Commerce St Ste 3301	Fort Worth	TX	76102-4133	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765826920055	Marathon Oil Permian LLC	5555 San Felipe St	Houston	TX	77056-2701	Your item was delivered to the front desk, reception area, or mail room at 2:32 pm on November 17, 2020 in HOUSTON, TX 77056.
9414811898765826920000	WPX Energy Permian, LLC	3500 One Williams Ctr	Tulsa	OK	74172-0135	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765826920086	J. Hiram Moore, LTD	16400 Dallas Pkwy Ste 400	Dallas	TX	75248-2643	Your item was delivered to the front desk, reception area, or mail room at 11:41 am on November 17, 2020 in DALLAS, TX 75248.
9414811898765826920413	MHM Resources, LP	PO Box 51570	Midland	TX	79710-1570	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765826920406	Pheasant Energy, LLC	PO Box 2487	Fort Worth	TX	76113-2487	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765826920482	Robert G. Hooper	PO Box 733	Roswell	NM	88202-0733	Your item was delivered at 2:08 pm on November 17, 2020 in ROSWELL, NM 88201.
9414811898765826920581	ConocoPhillips Company	925 N Eldridge Pkwy	Houston	TX	77079-2703	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.

# Affidavit of Publication

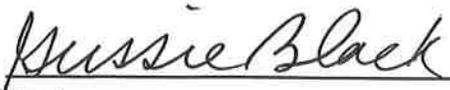
STATE OF NEW MEXICO  
COUNTY OF LEA

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

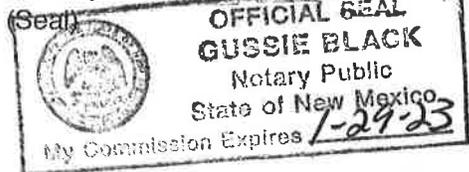
Beginning with the issue dated  
November 17, 2020  
and ending with the issue dated  
November 17, 2020.

  
\_\_\_\_\_  
Publisher

Sworn and subscribed to before me this  
17th day of November 2020.

  
\_\_\_\_\_  
Business Manager

My commission expires  
January 29, 2023



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

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LEGAL NOTICE  
November 17, 2020

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case. During the COVID-19 Public Health Emergency, state buildings are closed to the public and Division hearings will be conducted remotely. The public hearing for the following case will be electronic and conducted remotely. The hearing will be conducted on Thursday, **December 3, 2020, beginning at 8:15 a.m.** To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at <http://www.emnrd.state.nm.us/OCD/hearings.html> or obtained from Marlene Salvidrez, at [Marlene.Salvidrez@state.nm.us](mailto:Marlene.Salvidrez@state.nm.us). Documents filed in the case may be viewed at <http://ocdimage.emnrd.state.nm.us/imaging/CaseFileCriteria.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Marlene Salvidrez at [Marlene.Salvidrez@state.nm.us](mailto:Marlene.Salvidrez@state.nm.us), or the New Mexico Relay Network at 1-800-659-1779, no later than **November 23, 2020**.

Persons may view and participate in the hearings through the following link and as indicated below:  
<https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID=ec97b56813f60ba7489b2ffd641268714>  
Event number: 146 523 3652  
Event password: pMmKMhF654  
Join by video: 1465233652@nmemnrd.webex.com  
Numeric Password: 834052  
You can also dial 173.243.2.68 and enter your meeting number  
Join by audio: 1-844-992-4726 United States Toll Free  
Access code: 146 523 3652.

**STATE OF NEW MEXICO TO:**  
All named parties and persons  
having any right, title, interest  
or claim in the following case  
and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All pooled parties, including: ConocoPhillips Company; COG Operating LLC; Fortson Oil Company; Marathon Oil Permian LLC; WPX Energy Permian, LLC; J. Hiram Moore, LTD; MHM Resources, LP; Pheasant Energy, LLC; Robert G. Hooper, his heirs and devisees; Curtis A. Anderson and Edna I. Anderson, as joint tenants with the right of survivorship, their heirs and devisees; and Daniel E. Gonzales, his heirs and devisees.

Case No. 21546: Application of Matador Production Company for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the E/2 E/2 of Sections 3 and 10, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico. The above-referenced unit will be dedicated to the proposed initial **Nina Cortell Fed Com #128H** well to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 3 to a bottom hole location in SE/4 SE/4 (Unit P) of Section 10. The completed interval of this well will comply with standard setback requirements for oil wells. Also, to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 23 miles east of Loving, New Mexico.  
#35996

67100754

00248538

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

# Affidavit of Publication

STATE OF NEW MEXICO  
COUNTY OF LEA

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

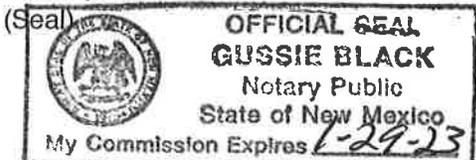
Beginning with the issue dated  
November 19, 2020  
and ending with the issue dated  
November 19, 2020.

  
\_\_\_\_\_  
Publisher

Sworn and subscribed to before me this  
19th day of November 2020.

  
\_\_\_\_\_  
Business Manager

My commission expires  
January 29, 2023



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

LEGAL

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LEGAL NOTICE  
November 19, 2020

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

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Event number: 146 523 3652  
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All named parties and persons  
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#36002

67100754

00248552

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