

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING MAY 06, 2021**

**CASE NOS. 21543 & 21630**

*NORRIS THORNTON COM RB #204H WELL  
COLONEL R. HOWARD FED COM #201H WELL  
COLONEL R. HOWARD FED COM #202H WELL*

**EDDY 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,  
EDDY COUNTY, NEW MEXICO.**

**CASE NOS. 21543, 21630**

**APPLICATIONS OF FLAT CREEK RESOURCES,  
LLC, FOR A HORIZONTAL SPACING UNIT AND  
COMPULSORY POOLING, EDDY COUNTY, NEW  
MEXICO.**

**CASE NOS. 21560, 21747**

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# COMPULSORY POOLING APPLICATION CHECKLIST (pdf)

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 21543	APPLICANT'S RESPONSE
Date May 6, 2021	
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, Eddy County, New Mexico
Entries of Appearance/Intervenors:	Flat Creek Resources, LLC
Well Family	<b>Norris Thornton Com RB #204H</b>
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil and Gas
Pooling this vertical extent:	Wolfcamp formation
Pool Names and Pool Codes:	Purple Sage; Wolfcamp (Gas) (98220)
Well Location Setback Rules:	330 feet to exterior boundary of spacing unit
Spacing Unit Size:	320-acres
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acres
Building Blocks:	Quarter-sections or Half-sections
Orientation:	East-West
Description: TRS/County	S/2 of Section 23, T23S, R27E, NMPM, Eddy County
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 A-2
<b>Well(s)</b>	

Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	<b>Norris Thornton Com RB #204H well</b> (API No. 30-015-44659): SHL: 189' FSL and 393' FEL (Unit P) of Section 23, 23S, 27E BHL: 336' FSL and 241' FWL (Unit M) of Section 23, 23S, 27E  Completion Target: Wolfcamp formation Well Orientation: East to West Completion Location expected to be Standard
Horizontal Well First and Last Take Points	Exhibit A-1
Completion Target (Formation, TVD and MD)	Exhibit A-5
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit B
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit D
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D
Proof of Published Notice of Hearing (10 days before hearing)	N/A
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit A-2
Tract List (including lease numbers and owners)	Exhibit A-2
Pooled Parties (including ownership type)	Exhibits A and D
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-2
Chronology of Contact with Non-Joined Working Interests	Exhibit A-4
Overhead Rates In Proposal Letter	Exhibits A-5 and B
Cost Estimate to Drill and Complete	Exhibit B-4
Cost Estimate to Equip Well	Exhibit B-4
Cost Estimate for Production Facilities	Exhibit B-4
<b>Geology</b>	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibit C-3
Gunbarrel/Lateral Trajectory Schematic	Exhibit C-3
Well Orientation (with rationale)	Exhibit C
Target Formation	Exhibit C

HSU Cross Section	Exhibit C-4
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit A-1
Tracts	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-2
General Location Map (including basin)	Exhibit A-2 and C-1
Well Bore Location Map	Exhibit C-3
Structure Contour Map - Subsea Depth	Exhibit C-2
Cross Section Location Map (including wells)	Exhibit C-3
Cross Section (including Landing Zone)	Exhibit C-4
<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>	Michael H. Feldewert
<b>Signed Name (Attorney or Party Representative):</b>	
<b>Date:</b>	29-Apr-21

# COMPULSORY POOLING APPLICATION CHECKLIST (pdf)

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 21630	APPLICANT'S RESPONSE
Date May 6, 2021	
Applicant	Matador Production Company
Designated Operator & OGRID (affiliation if applicable)	228937
Applicant's Counsel:	Holland & Hart, LLP
Case Title	Application of Matador Production Company for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	Flat Creek Resources, LLC
Well Family	Colonel Howard
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil and Gas
Pooling this vertical extent:	Wolfcamp formation
Pool Names and Pool Codes:	Purple Sage; Wolfcamp (Gas) (98220)
Well Location Setback Rules:	330 feet to exterior boundary of spacing unit
Spacing Unit Size:	320-acres
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acres
Building Blocks:	Quarter-sections or Half-sections
Orientation:	West-East
Description: TRS/County	N/2 of Section 23, T23S, R27E, NMPM, Eddy County
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 A-2
<b>Well(s)</b>	

Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	<p><b>Colonel Howard Fed Com #201H well</b> (API pending):  SHL: 390' FNL and 330' FWL (Unit D) of Section 23, 23S, 27E  BHL: 990' FNL and 240' FEL (Unit A) of Section 23, 23S, 27E</p> <p>Completion Target: Wolfcamp formation  Well Orientation: West to East  Completion Location expected to be Standard</p>
	<p><b>Colonel Howard Fed Com #202H well</b> (API pending):  SHL: 1850' FNL and 250' FEL (Unit E) of Section 23, 23S, 27E  BHL: 2310' FNL and 240' FWL (Unit H) of Section 23, 23S, 27E</p> <p>Completion Target: Wolfcamp formation  Well Orientation: West to East  Completion Location expected to be Standard</p>
Horizontal Well First and Last Take Points	Exhibit A-1
Completion Target (Formation, TVD and MD)	Exhibit A-8
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit B
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit D
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D
Proof of Published Notice of Hearing (10 days before hearing)	N/A
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit A-2
Tract List (including lease numbers and owners)	Exhibit A-2
Pooled Parties (including ownership type)	Exhibits A and D
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-8
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-2
Chronology of Contact with Non-Joined Working Interests	Exhibit A-4
Overhead Rates In Proposal Letter	Exhibits A-8 and B
Cost Estimate to Drill and Complete	Exhibit B-4
Cost Estimate to Equip Well	Exhibit B-4
Cost Estimate for Production Facilities	Exhibit B-4
<b>Geology</b>	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibit C-3

Gunbarrel/Lateral Trajectory Schematic	Exhibit C-3
Well Orientation (with rationale)	Exhibit C
Target Formation	Exhibit C
HSU Cross Section	Exhibit C-4
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit A-1
Tracts	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-2
General Location Map (including basin)	Exhibits A-2 and C-1
Well Bore Location Map	Exhibit C-3
Structure Contour Map - Subsea Depth	Exhibit C-2
Cross Section Location Map (including wells)	Exhibit C-3
Cross Section (including Landing Zone)	Exhibit C-4
<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>	Michael H. Feldewert
<b>Signed Name (Attorney or Party Representative):</b>	
<b>Date:</b>	29-Apr-21

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

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

**CASE NO. 21543**

**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 S/2 of Section 23, Township 23 South, Range 27 East, Eddy 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 spacing unit and has the right to drill thereon.
2. Applicant seeks to dedicate the above-referenced spacing unit to the initial **Norris Thornton Com RB #204H well** (API No. 30-015-44659) to be drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 23 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 23.
3. The completed interval of the well will comply with standard setbacks for wells in the Purple Sage Wolfcamp Pool.
4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all working interest owners in the subject acreage.

5. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

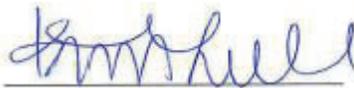
6. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled, and Applicant should be designated the operator of the proposed horizontal well and this horizontal spacing unit.

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:   
\_\_\_\_\_

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**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,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 21630**

**APPLICATION**

Matador Production Company (“Matador” or “Applicant”) (OGRID No. 228937), 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 N/2 of Section 23, Township 23 South, Range 27 East, Eddy County, New Mexico. In support of its application, Matador states:

1. An affiliate entity of Matador is a working interest owner in the proposed spacing unit and has the right to drill thereon.

2. Applicant seeks to dedicate the above-referenced spacing unit to the following proposed initial wells:

(1) the **Colonel R. Howard Fed Com #201H well**, to be drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 23 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 23; and

(2) the **Colonel R. Howard Fed Com #202H well**, to be drilled from a surface location in the SW/4 NW/4 (Unit E) of Section 23 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 23.

3. The completed interval of the wells will comply with standard setbacks for wells in the Purple Sage Wolfcamp Pool.

4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all working interest owners in the subject acreage.

5. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

6. 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 initial wells and the proposed horizontal spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 4, 2021, 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 wells thereon;
- B. Designating Applicant as operator of this spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the wells;
- 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 wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

HOLLAND & HART LLP



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

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**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,  
EDDY COUNTY, NEW MEXICO.**

**CASE NOS. 21543, 21630**

**APPLICATION OF FLAT CREEK RESOURCES,  
LLC, FOR A HORIZONTAL SPACING UNIT AND  
COMPULSORY POOLING, EDDY COUNTY, NEW  
MEXICO.**

**CASE NOS. 21560, 21747**

**SARA HARTSFIELD (Senior Landman)**

Sara Hartsfield, of lawful age and being first duly sworn, declares as follows:

1. My name is Sara Hartsfield and I am employed by MRC Energy Company, an affiliate of Matador Production Company (“Matador”), as a Senior Landman. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. I am familiar with the applications filed by Matador in these consolidated cases and the status of the lands in the subject area.

2. In these consolidated cases, Matador seeks orders pooling two standard 320-acre, more or less, horizontal spacing units in the Wolfcamp formation [Purple Sage; Wolfcamp (Gas) Pool (98220)] underlying Section 23, Township 23 South, Range 27 East, Eddy County, New Mexico as follows:

- a. In **Case No. 21543**, Matador seeks an order pooling the S/2 of Section 23, which is already dedicated to the existing **Norris Thornton Com RB #204H** well (API No. 30-015-44659) drilled from a surface location in the

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A  
Case Nos. 21543 & 21630  
Submitted by: Matador Production Company  
Hearing Date: May 06, 2021**

SE/4 SE/4 (Unit P) of Section 23 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 23.

- b. In **Case No. 21630**, Matador seeks an order pooling the N/2 of Section 23 to be dedicated to the proposed **Colonel R. Howard Fed Com #201H** well, to be drilled from a proposed surface location in the NW/4 NW/4 (Unit D) of Section 23 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 23, and the proposed **Colonel R. Howard Fed Com #202H** well, to be drilled from a proposed surface location in the SW/4 NW/4 (Unit E) of Section 23 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 23.

3. **Matador Exhibit A-1** contains Form C-102's for the wells in each of these standard spacing units. This exhibit includes the Form C-102 for a proposed infill well for the existing S/2 spacing unit, the **Norris Thornton Fed Com #203H**. This infill well will be drilled from a proposed surface location in the NE/4 SE/4 (Unit I) of Section 23 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 23. These forms demonstrate that the completed interval for each well comply with standard setbacks for wells in the Purple Sage Wolfcamp Pool.

4. **Matador Exhibit A-2** contains a general location map that outlines the proposed N/2 spacing unit in green and the existing S/2 spacing unit in red. Section 23 is comprised of fee and federal lands. There are no depth severances within the Wolfcamp formation underlying this acreage. Matador Exhibit A-2 also identifies the working interest ownership in Section 23. Matador owns all the working interest in Section 23 except for federal lease NMNM 139351 identified in blue, which was issued to Flat Creek Resources, LLC on or about November 1, 2019.

Matador owns 75% of the working interest of Section 23, resulting in ownership of 62.5% of the working interest in the proposed N/2 spacing unit and 87.5% of the working interest in the existing S/2 spacing unit.

5. Matador seeks to pool the minority working interest held by Flat Creek Resources, LLC in the proposed N/2 and S/2 spacing units, and an overriding royalty interest that Flat Creek Resources assigned to Flat Creek Royalties, LLC following the issuance of federal lease NMNM 139351.

6. Matador's existing S/2 spacing unit in the Wolfcamp formation was created in February of 2018 when the drilling permit for the Norris Thornton Com RB #204H was issued by the Division. That drilling permit is marked as **Matador Exhibit A-3**. Division records reflect the 204H was drilled in July of 2018 and that first production occurred in September of 2018. Flat Creek did not have any interest in Section 23 at the time that the 204H was drilled and completed, and the wellbore did not penetrate the federal acreage.

7. **Matador Exhibit A-4** contains a succinct and accurate chronology of events relevant to these cases starting with the approval of the existing S/2 spacing unit for the Norris Thornton 204H well through the filing of Flat Creek's competing pooling applications. I also note the following with respect to these events:

- a. On March 12, 2019, Matador sent its first letter seeking to voluntarily commit Flat Creek's newly acquired interest to a Joint Operating Agreement covering all of Section 23. *See Matador Exhibit A-5*. This was submitted shortly after Matador was informed by Flat Creek that it was the successful bidder for federal lease NMNM 139351. Matador has been attempting to obtain a voluntary agreement to

commit Flat Creek's acquired interest to the existing development in Section 23 since March of 2019.

- b. Flat Creek initially stated that it did not wish to execute a Joint Operating Agreement or make an election on the existing 204H well in the S/2 of Section 23 until after the federal lease had been issued.
- c. Following the issuance of the federal lease, Flat Creek assigned an overriding royalty interest to Flat Creek Royalties (with an effective date backdated to August 1, 2019, which was before the effective date of the lease) burdening Flat Creek's 25% working interest and indicated a willingness to engage in trade discussions with Matador. In particular, up until the fall of 2020, Flat Creek expressed an interest in trading out of its Section 23 acreage to Matador.
- d. In or around May of 2020, Flat Creek requested that Matador re-propose the existing Norris Thornton 204H. I first sent a letter referencing a Joint Operating Agreement covering all of Section 23 and then, at the request of Flat Creek, modified the letter to propose an agreement covering only the S/2 of Section 23. **See Matador Exhibit A-6.**
- e. After the May 2020 letter, we had a meeting with Flat Creek in Fort Worth and subsequent discussions about potential trades at various times from May through October of 2020.
- f. After months of trade discussions, Matador filed on November 3, 2020, its application under Case 21543 for a December hearing to pool Flat Creek's subsequently acquired interest into the existing S/2 spacing unit. I let Flat Creek

know that we would continue to work towards a trade if possible, but that we needed to proceed with the existing S/2 spacing unit.

- g. Up until the fall of 2020, I do not recall Flat Creek expressing concerns with Matador's proposed development of the Wolfcamp formation under Section 23, expressing a desire to develop the Wolfcamp formation itself, or suggesting any competing development plans.
- h. Flat Creek responded to Matador's pooling application with the November 2020 letter and prehearing statement comprising **Matador Exhibit A-7**. Flat Creek's November 12, 2020, letter proposed a single well (the Thirteen Seconds 23 Fed-Fee 703H) and apparently sought to dedicate that single well to a 480-acre spacing unit comprised of the N/2 and the N/2 S/2 of Section 23. Flat Creek's prehearing statement objected to Matador proceeding with Case 21543 by referencing the proposed 703H well and competing 480-acre spacing unit.
- i. On November 23, 2020, Matador proposed the Colonel R. Howard Fed Com #201H and the #202H wells in the N/2 of Section 23. *See* **Matador Exhibit A-8**.
- j. On December 4, 2020, Flat Creek filed its pooling application under Case 21560 seeking to form a "standard" 480-acre horizontal spacing unit comprised of the N/2 and the N/2 S/2 of Section 23 and to dedicate this "standard" spacing unit to three wells: The Thirteen Seconds 23 Fed-Fee 701H in the N/2 N/2 of Section 23; the Thirteen Seconds 23 Fed-Fee 702H in the S/2 N/2 of Section 23, and the Thirteen Seconds 23 Fed-Fee 703H in the N/2 S/2 of Section 23. On December 14, 2020,

Flat Creek proposed the Thirteen Seconds 23 Fed-Fee 701H and the Thirteen Seconds 23 Fed-Fee 702H.

- k. Since Flat Creek had now indicated a desire to operate in both the N/2 and the S/2 of Section 23, Matador filed in December of 2020 its pooling application in Case 21630 for the N/2 of Section 23.
  - l. After meeting with Flat Creek in January to discuss alternatives to the competing pooling applications, Matador proposed on February 4, 2021, the Norris Thornton Fed Com #203H as an infill well in the N/2 S/2 of the existing S/2 Wolfcamp spacing unit. *See Matador Exhibit A-9.*
  - m. On February 23, 2021, Flat Creek filed a second competing pooling application for the N/2 acreage under Case 21747. This application states Flat Creek seeks a 320-acre N/2 spacing unit as an apparent alternative to the application filed by Flat Creek in Case 21560 for a 480-acre spacing unit. This alternative application seeks to dedicate the Thirteen Seconds 23 Fed-Fee 701H and 702H wells to the proposed N/2 spacing unit.
8. My understanding is that the initial pooling application Flat Creek filed under Case 21560 has several irregularities and errors.
- a. The proposed 480-acre spacing unit comprised of the N/2 and the N/2 S/2 of Section 23 is not a “standard” spacing unit in the Purple Sage Wolfcamp (Gas) Pool as suggested by the application filed in Case 21560.
  - b. Flat Creek filed its initial pooling application only three weeks after submitting the November 12th well proposal first indicating a desire to operate the Wolfcamp formation under Section 23.

c. The November 12th proposal only discussed drilling the Thirteen Seconds 23 Fed-Fee 703H in the N/2 S/2 of Section 23. At no point prior to filing the pooling application in Case 21560 did Flat Creek discuss or propose the 701H, 702H or any other well in the N/2 of Section 23.

9. Up until the fall of 2020, I do not recall Flat Creek discussing competing development plans or their desire to operate this Section. Up until that point, the discussions were geared towards Flat Creek's interest in trading out of this acreage to Matador. To date, except for its force pooling filings, Flat Creek has not raised concerns with Matador's development plans in Section 23, discussed any concerns with the upper Wolfcamp zone targeted by Matador's existing or proposed wells, or discussed any concerns with Matador's proposed well spacing.

10. In my opinion, Flat Creek did not engage in good faith efforts with Matador to reach agreement for the continued development of the Wolfcamp formation underlying Section 23 after obtaining its federal lease and, as set forth above, did not file a proper pooling application in Case 21560.

11. In my opinion, Matador has undertaken good faith efforts to reach an agreement with Flat Creek for the continued development of the Wolfcamp formation underlying Section 23.

12. I instructed the law firm of Holland & Hart LLP to provide notice of Matador's pooling applications to Flat Creek Resources, LLC and to Flat Creek Royalties, LLC, the interest owners that Matador seeks to pool.

13. **Matador Exhibits A-1 through A-9** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

Sara Hartsfield  
Sara Hartfield

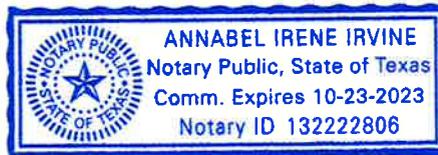
STATE OF TEXAS            )  
  )  
COUNTY OF DALLAS        )

SUBSCRIBED and SWORN to before me this 28 day of April 2021 by Sara Hartsfield.

Annabel Irvine  
NOTARY PUBLIC

My Commission Expires:

4/28/2020



# EXHIBIT A-1

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

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

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

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number		<sup>2</sup> Pool Code	<sup>3</sup> Pool Name
		98220	Purple Sage; Wolfcamp (Gas)
<sup>4</sup> Property Code	<sup>5</sup> Property Name		<sup>6</sup> Well Number
	COLONEL R. HOWARD FED COM		201H
<sup>7</sup> OGRID No.	<sup>8</sup> Operator Name		<sup>9</sup> Elevation
228937	MATADOR PRODUCTION COMPANY		3133'

<sup>10</sup>Surface Location

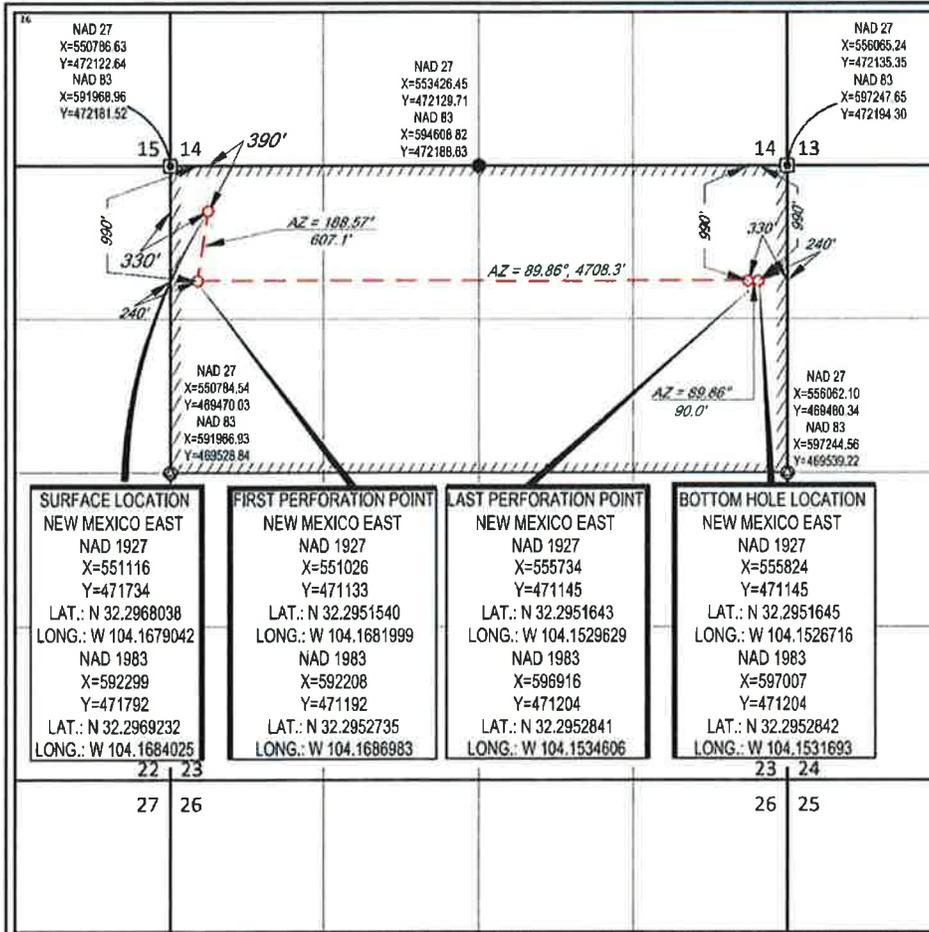
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	23	23-S	27-E	-	390'	NORTH	330'	WEST	EDDY

<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
A	23	23-S	27-E	-	990'	NORTH	240'	EAST	EDDY

<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.



**<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 unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Sara M. Hartsfield* 4/26/21  
 Signature Date

Sara Hartsfield  
 Printed Name

shartsfield@matadorresources.com  
 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.

04/23/2021  
 Date of Survey

*ANGEL M. BAEZA*  
 Signature and Seal of Professional Surveyor

ANGEL M. BAEZA  
 NEW MEXICO  
 PROFESSIONAL SURVEYOR  
 28118

Certificate Number

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WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code 98220		<sup>3</sup> Pool Name Purple Sage; Wolfcamp (Gas)					
<sup>4</sup> Property Code		<sup>5</sup> Property Name COLONEL R. HOWARD FED COM			<sup>6</sup> Well Number 202H				
<sup>7</sup> OGRID No. 228937		<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY			<sup>9</sup> Elevation 3139'				
<sup>10</sup> Surface Location									
UL or lot no. E	Section 23	Township 23-S	Range 27-E	Lot Idn -	Feet from the 1850'	North/South line NORTH	Feet from the 250'	East/West line WEST	County EDDY
<sup>11</sup> Bottom Hole Location If Different From Surface									
UL or lot no. H	Section 23	Township 23-S	Range 27-E	Lot Idn -	Feet from the 2310'	North/South line NORTH	Feet from the 240'	East/West line EAST	County EDDY
<sup>12</sup> Dedicated Acres 320		<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.

				<p><b><sup>17</sup>OPERATOR CERTIFICATION</b></p> <p>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 unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Sara M. Hartsfield</i> 4/26/21 Signature Date</p> <p>Sara M. Hartsfield Printed Name</p> <p>shartsfield@matadorresources.com E-mail Address</p>	
<p><b><sup>18</sup>SURVEYOR CERTIFICATION</b></p> <p>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.</p>				<p>04/23/2021 Date of Survey</p> <p>Signature and Seal of Professional Surveyor </p> <p>Certificate Number</p>	
<p><b>SURFACE LOCATION</b> NEW MEXICO EAST NAD 1927 X=551035 Y=470274 LAT.: N 32.2927910 LONG.: W 104.1681744 NAD 1983 X=592217 Y=470333 LAT.: N 32.2929105 LONG.: W 104.1686726</p>	<p><b>FIRST PERFORATION POINT</b> NEW MEXICO EAST NAD 1927 X=551025 Y=469813 LAT.: N 32.2915255 LONG.: W 104.1682099 NAD 1983 X=592207 Y=469872 LAT.: N 32.2916450 LONG.: W 104.1687081</p>	<p><b>LAST PERFORATION POINT</b> NEW MEXICO EAST NAD 1927 X=555733 Y=469825 LAT.: N 32.2915358 LONG.: W 104.1529751 NAD 1983 X=596915 Y=469884 LAT.: N 32.2916556 LONG.: W 104.1534727</p>	<p><b>BOTTOM HOLE LOCATION</b> NEW MEXICO EAST NAD 1927 X=555823 Y=469825 LAT.: N 32.2915360 LONG.: W 104.1526839 NAD 1983 X=597005 Y=469884 LAT.: N 32.2916557 LONG.: W 104.1531815</p>		

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OIL CONSERVATION DIVISION  
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Santa Fe, NM 87505

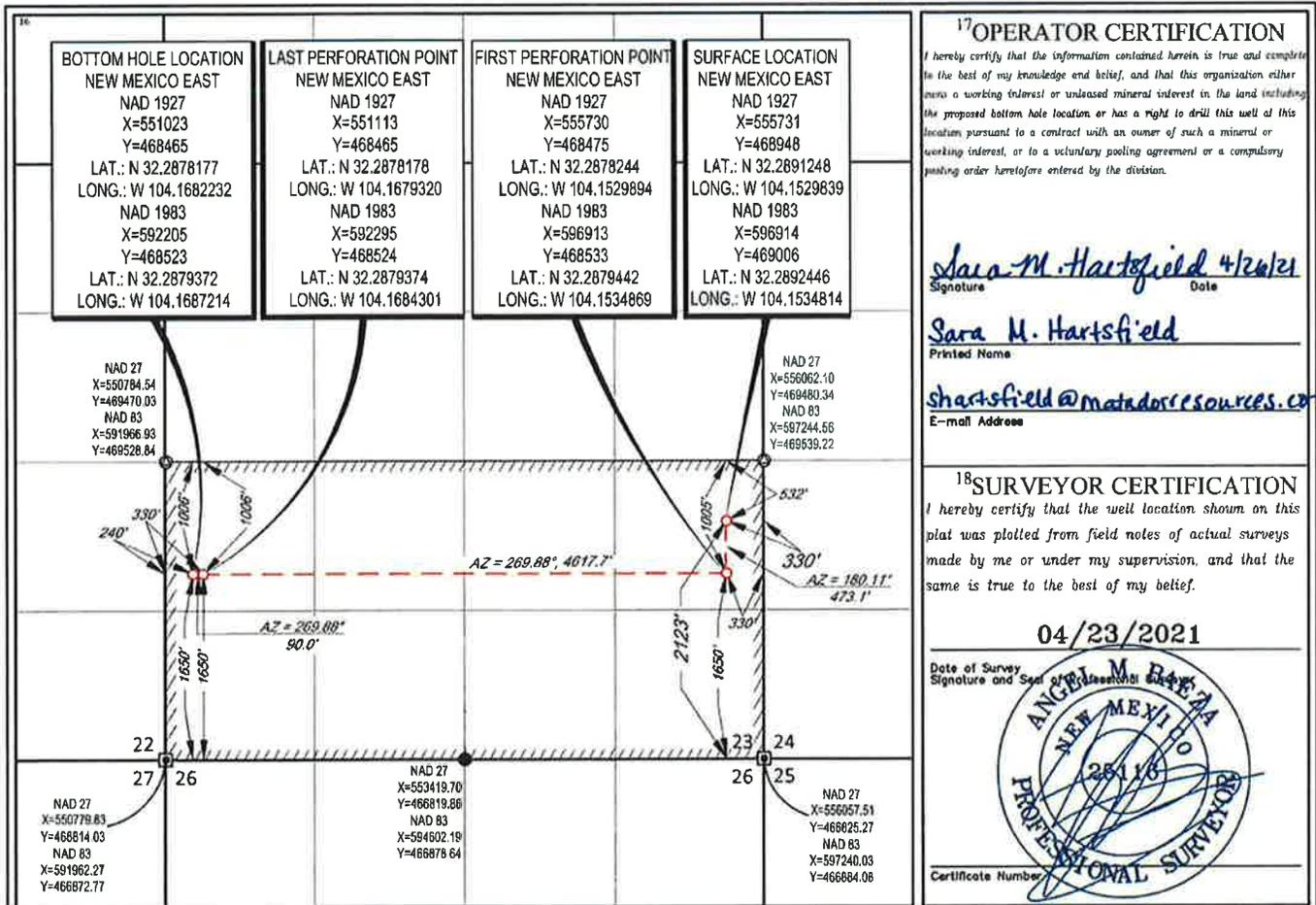
FORM C-102  
Revised August 1, 2011  
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code 98220		<sup>3</sup> Pool Name Purple Sage; Wolfcamp (Gas)					
<sup>4</sup> Property Code		<sup>5</sup> Property Name NORRIS THORNTON FED COM			<sup>6</sup> Well Number 203H				
<sup>7</sup> OGRID No. 228937		<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY			<sup>9</sup> Elevation 3127'				
<sup>10</sup> Surface Location									
UL or lot no. I	Section 23	Township 23-S	Range 27-E	Lot Idn -	Feet from the 2123'	North/South line SOUTH	Feet from the 330'	East/West line EAST	County EDDY
<sup>11</sup> Bottom Hole Location If Different From Surface									
UL or lot no. L	Section 23	Township 23-S	Range 27-E	Lot Idn -	Feet from the 1650'	North/South line SOUTH	Feet from the 240'	East/West line WEST	County EDDY
<sup>12</sup> Dedicated Acres 320		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.			

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FORM C-102  
Revised August 1, 2011  
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-44659		<sup>2</sup> Pool Code 98220		<sup>3</sup> Pool Name PURPLE SAGE; WOLFCAMP(GAS)					
<sup>4</sup> Property Code 320070		<sup>5</sup> Property Name NORRIS THORNTON COM RB			<sup>6</sup> Well Number #204H				
<sup>7</sup> OGRID No. 228937		<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY			<sup>9</sup> Elevation 3135'				
<sup>10</sup> Surface Location									
UL or lot no. P	Section 23	Township 23-S	Range 27-E	Lot Idn -	Feet from the 189'	North/South line SOUTH	Feet from the 393'	East/West line EAST	County EDDY
<sup>11</sup> Bottom Hole Location If Different From Surface									
UL or lot no. M	Section 23	Township 23-S	Range 27-E	Lot Idn -	Feet from the 336'	North/South line SOUTH	Feet from the 241'	East/West line WEST	County EDDY
<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.						

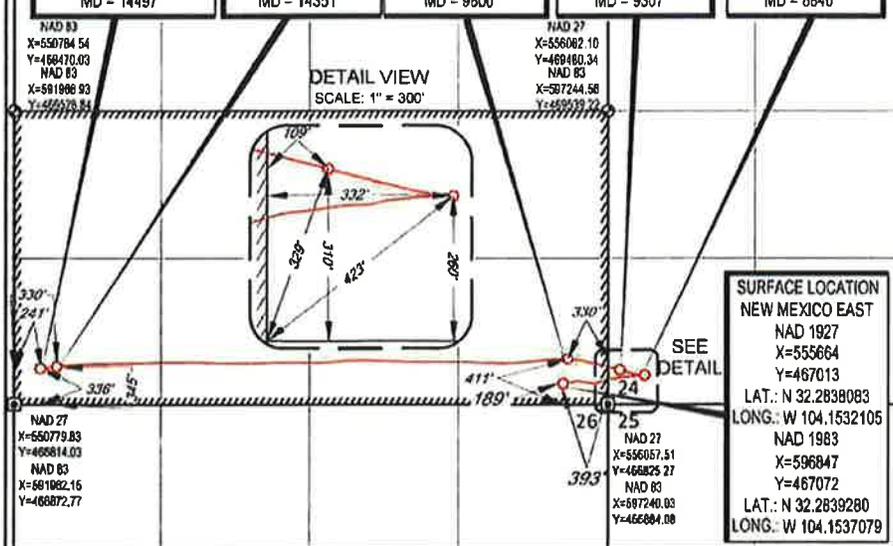
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<b>17 OPERATOR CERTIFICATION</b>				
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 unleased mineral interest in the land underlying 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		
Sara Hartsfield				
Printed Name				
shartsfield@matadorresources.com				
E-mail Address				
<b>18 SURVEYOR CERTIFICATION</b>				
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.				
Date of Survey 11/22/2017		Signature and Seal 		
Signature		Certificate Number		

<b>BOTTOM HOLE LOCATION</b> NEW MEXICO EAST NAD 1927 X=551022 Y=467150 LAT.: N 32.2842045 LONG.: W 104.1682335 NAD 1983 X=592204 Y=467209 LAT.: N 32.2843240 LONG.: W 104.1687315 MD = 14497'	<b>LAST TAKE POINT</b> NEW MEXICO EAST NAD 1927 X=551165 Y=467165 LAT.: N 32.2842460 LONG.: W 104.1677695 NAD 1983 X=592347 Y=467224 LAT.: N 32.2843656 LONG.: W 104.1682675 MD = 14351'	<b>FIRST TAKE POINT</b> NEW MEXICO EAST NAD 1927 X=555704 Y=467236 LAT.: N 32.2844205 LONG.: W 104.1530827 NAD 1983 X=596886 Y=467295 LAT.: N 32.2845403 LONG.: W 104.1535801 MD = 9800'	<b>PENTRATION POINT</b> NEW MEXICO EAST NAD 1927 X=556167 Y=467135 LAT.: N 32.2841403 LONG.: W 104.1515834 NAD 1983 X=597350 Y=467194 LAT.: N 32.2842602 LONG.: W 104.1520808 MD = 9307'	<b>KICK OFF POINT</b> NEW MEXICO EAST NAD 1927 X=556390 Y=467086 LAT.: N 32.2840043 LONG.: W 104.1508825 NAD 1983 X=597573 Y=467145 LAT.: N 32.2841241 LONG.: W 104.1513598 MD = 6840'
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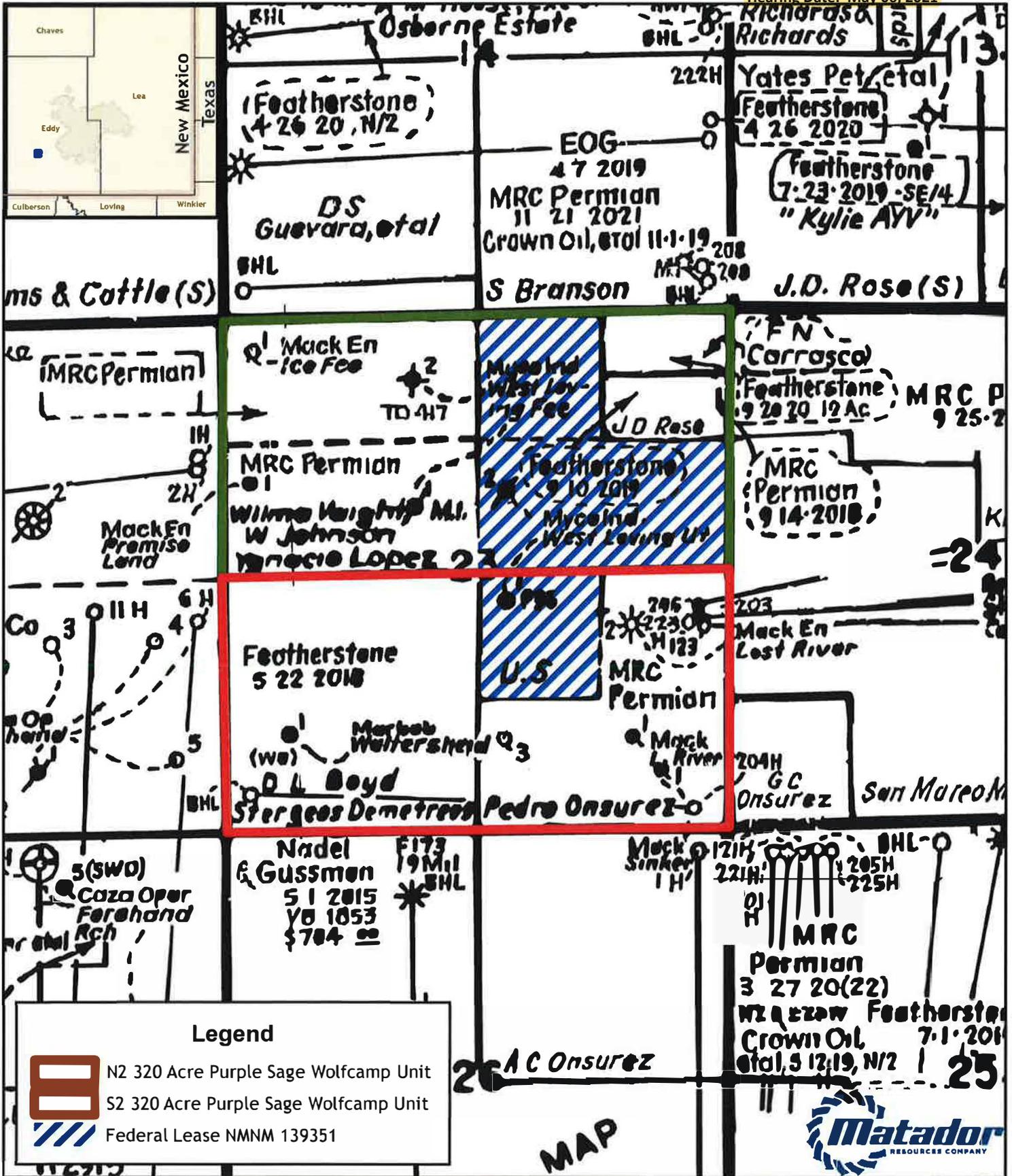
<b>DETAIL VIEW</b> SCALE: 1" = 300'	
	

<b>SURFACE LOCATION</b> NEW MEXICO EAST NAD 1927 X=555664 Y=467013 LAT.: N 32.2838083 LONG.: W 104.1532105 NAD 1983 X=596847 Y=467072 LAT.: N 32.2839280 LONG.: W 104.1537079
--

# EXHIBIT A-2

# 23-23S-27E



## Summary of Interests (Case No. 21630) N/2 of Section 23 (Colonel Howard)

<b>MRC Permian Company:</b>		<b>62.5000%</b>
<b>Compulsory Pool:</b>		<b>37.5000%</b>
<b>Interest Owner:</b>	<b>Description:</b>	<b>Interest:</b>
Flat Creek Resources, LLC	Uncommitted Working Interest Owner	37.5000%



## Summary of Interests (Case No. 21543) S/2 of Section 23 (Norris Thornton)

---

<b>MRC Permian Company:</b>		<b>87.5000%</b>
<b>Compulsory Pool:</b>		<b>12.5000%</b>
<b>Interest Owner:</b>	<b>Description:</b>	<b>Interest:</b>
Flat Creek Resources, LLC	Uncommitted Working Interest Owner	12.5000%



# EXHIBIT A-3

**District I**  
 1625 N. French Dr., Hobbs, NM 88240  
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**District IV**  
 1220 S. St Francis Dr., Santa Fe, NM 87505  
 Phone:(505) 476-3470 Fax:(505) 476-3462

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

Form C-101  
 August 1, 2011  
 Permit 247749

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEEN, PLUGBACK, OR ADD A ZONE**

1. Operator Name and Address MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240		2. OGRID Number 228937
		3. API Number 30-015-44659
4. Property Code 320070	5. Property Name NORRIS THORNTON COM	6. Well No. 204H

7. Surface Location									
UL - Lot P	Section 23	Township 23S	Range 27E	Lot Idn P	Feet From 189	N/S Line S	Feet From 393	E/W Line E	County Eddy

8. Proposed Bottom Hole Location									
UL - Lot M	Section 23	Township 23S	Range 27E	Lot Idn M	Feet From 330	N/S Line S	Feet From 240	E/W Line W	County Eddy

9. Pool Information	
PURPLE SAGE-WOLFCAMP (GAS)	98220

Additional Well Information				
11. Work Type New Well	12. Well Type GAS	13. Cable/Rotary	14. Lease Type Private	15. Ground Level Elevation 3135
16. Multiple N	17. Proposed Depth 15000	18. Formation Wolfcamp	19. Contractor	20. Spud Date 7/5/2018
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program						
Type	Hole Size	Casing Size	Casing Weight/lb	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	550	500	0
Int1	12.25	9.625	40	2500	800	0
Int2	8.75	7.625	29.7	8850	900	1000
Int2	8.75	7	29	9650	900	1000
Prod	6.125	5.5	20	8750	550	8700
Prod	6.125	4.5	13.5	14200	550	8700

Casing/Cement Program: Additional Comments

22. Proposed Blowout Prevention Program			
Type	Working Pressure	Test Pressure	Manufacturer
Annular	5000	3000	Cameron
Double Ram	10000	5000	Cameron
Pipe	10000	5000	Cameron

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> , if applicable.  Signature: _____ Printed Name: Electronically filed by Ava Monroe Title: Engineering Tech Email Address: amonroe@matadorresources.com Date: 1/29/2018	<b>OIL CONSERVATION DIVISION</b>  Approved By: Raymond Podany Title: Geologist Approved Date: 2/2/2018 Expiration Date: 2/2/2020 Conditions of Approval Attached
Phone: 972-371-5218	

BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit No. A3  
 Case Nos. 21543 & 21630  
 Submitted by: Matador Production Company  
 Hearing Date: May 06, 2021

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State of New Mexico  
Energy, Minerals & Natural Resources  
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FORM C-102  
Revised August 1, 2011  
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number	<sup>2</sup> Pool Code 98220	<sup>3</sup> Pool Name PURPLE SAGE;WOLFCAMP (GAS)
<sup>4</sup> Property Code	<sup>5</sup> Property Name NORRIS THORNTON COM	<sup>6</sup> Well Number #204H
<sup>7</sup> GRID No. 228937	<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY	<sup>9</sup> Elevation 3135'

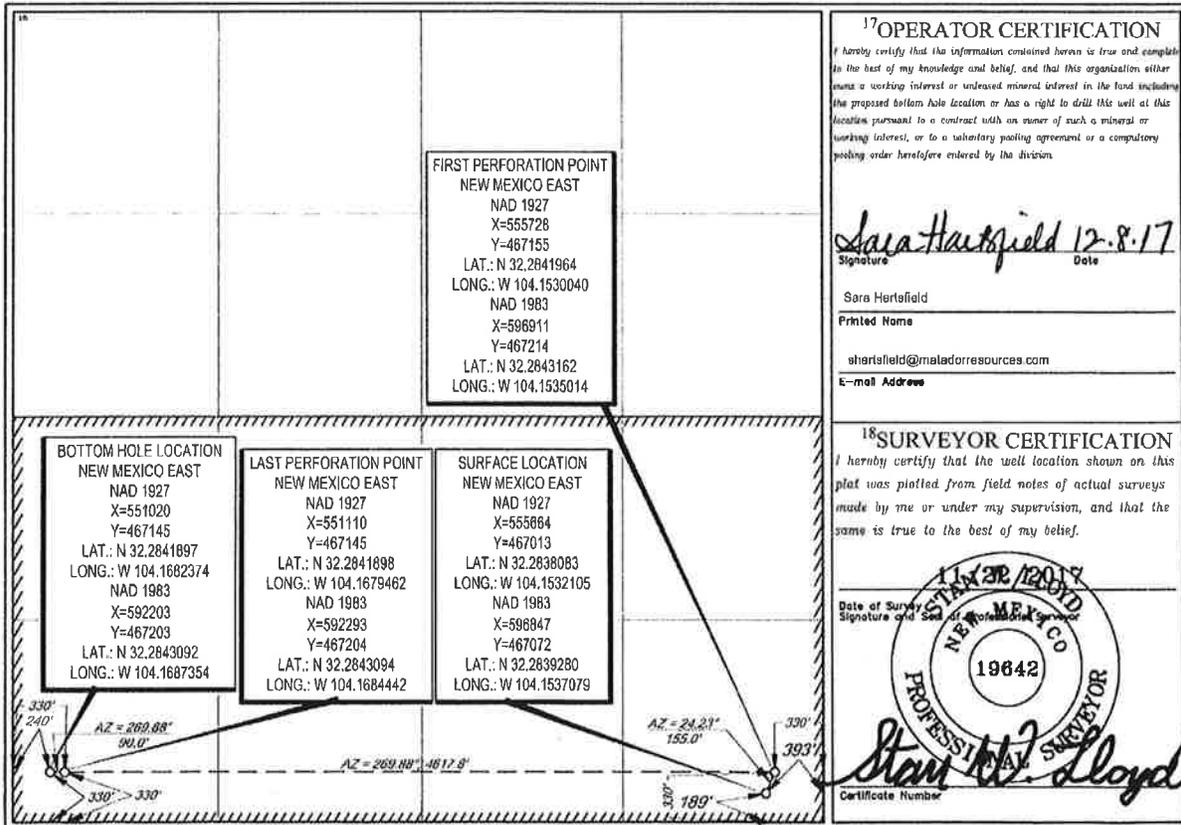
<sup>10</sup>Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	23	23-S	27-E	-	189'	SOUTH	393'	EAST	EDDY

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	23	23-S	27-E	-	330'	SOUTH	240'	WEST	EDDY

<sup>11</sup> Dedicated Acres 321.74	<sup>12</sup> Joint or Infill	<sup>13</sup> Consolidation Code	<sup>14</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.



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

Submit Original  
to Appropriate  
District Office

### GAS CAPTURE PLAN

X Original Operator & OGRID No.: Matador Production Company (228937)  
 Amended Date: 1/12/2018  
Reason for Amendment: \_\_\_\_\_

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomple to new zone, re-frac) activity.

*Note: A C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule 19.15.18.12.A*

#### Well(s)/Production Facility – Name of facility

The well(s) that will be located at the production facility are shown in the table below.

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments
Norris Thornton Com RB #204H	30-015-*****	UL D Sec 23 T-23S R-27E	189' FSL 393' FWL	2,000	21 days	Flare 21 days on FB before turn into TB

#### Gathering System and Pipeline Notification

The well will be connected to a production facility after flowback operations are complete so long as the gas transporter system is in place. The gas produced from the production facility should be connected to Longwood RB Pipeline, LLC's low/high pressure gathering system located in Eddy County, New Mexico. It will require ~500' of pipeline to connect the facility to a low/high pressure gathering system. Matador Production Company periodically provides a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future to Longwood RB Pipeline, LLC. If changes occur that will affect the drilling and completion schedule, Matador Production Company will notify Longwood RB Pipeline, LLC. Additionally, the gas produced from the well will be processed at a processing plant further downstream and, although unanticipated, any issues with downstream facilities could cause flaring at the wellhead. The actual flow of the gas will be based on compression operating parameters and gathering system pressures measured when the well starts producing.

#### Flowback Strategy

After the fracture treatment/completion operations (flowback), the well will be produced to temporary production tanks and the gas will be flared or vented. During flowback, the fluids and sand content will be monitored. If the produced fluids contain minimal sand, then the well will be turned to production facilities. The gas sales should start as soon as the well starts flowing through the production facilities, unless there are operational issues on the midstream system at that time. Based on current information, it is Matador's belief the system will be able to take the gas upon completion of the well.

Safety requirements during cleanout operations may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

#### Alternatives to Reduce Flaring

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- Power Generation – On lease
  - Operating a generator will only utilize a portion of the produced gas and the remainder of gas would still need to be flared.
  - Power Company has to be willing to purchase gas back and if they are willing they require a 5 year commitment to supply the agreed upon amount of power back to them. With gas decline rates and unpredictability of markets

it is impossible to agree to such long term demands. If the demands are not met then operator is burdened with penalty for not delivering.

- Compressed Natural Gas – On lease
  - Compressed Natural Gas is likely to be uneconomic to operate when the gas volume declines.
- NGL Removal – On lease
  - NGL Removal requires a plant and is expensive on such a small scale rendering it uneconomic and still requires residue gas to be flared.

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Form APD Comments

Permit 247749

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

**PERMIT COMMENTS**

Operator Name and Address: MATADOR PRODUCTION COMPANY [228937] One Lincoln Centre Dallas, TX 75240	API Number: 30-015-44659
	Well: NORRIS THORNTON COM #204H

Created By	Comment	Comment Date
------------	---------	--------------

**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) 748-1263 Fax:(575) 748-9720

**District III**

1000 Rio Brazos Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**

1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

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

Form APD Conditions

Permit 247749

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: MATADOR PRODUCTION COMPANY [228937] One Lincoln Centre Dallas, TX 75240	API Number: 30-015-44659
	Well: NORRIS THORNTON COM #204H

OCD Reviewer	Condition
RPodany	Cement is required to circulate on both surface and intermediate1 strings of casing
RPodany	Will require a directional survey with the C-104

# EXHIBIT A-4

### **Timeline for Section 23 Horizontal Wolfcamp Development**

- 02/02/2018: Matador's drilling permit for the Norris Thornton Com #204H is approved (Purple Sage; Wolfcamp (Gas) pool) with a spacing unit of the S/2 of Section 23.
- 07/04/2018: Matador spuds Norris Thornton Com #204H well in the S/2S/2 of Section 23 (does not penetrate Federal tract).
- 09/13/2018: First Production of Norris Thornton Com #204H well.
- 03/06/2019: Matador receives first email correspondence from Flat Creek informing us they were the successful bidder for the Federal lease in Section 23 (eventually assigned NMNM 139351).
- 03/12/2019: Matador proposes the Norris Thornton Com #204H to Flat Creek. Flat Creek stated they do not feel comfortable making an election until the lease has been issued by the BLM. A proposed Operating Agreement and Communitization Agreement were included.
- 06/20/2019: Matador receives email from Flat Creek stating that the BLM was still responding to protest issues and had not issued the lease.
- 09/30/2019: Matador receives email from Flat Creek stating that the BLM would be issuing the lease effective November 1, 2019.
- 11/01/2019: BLM Lease No. NMNM-13951 issued to Flat Creek.
- 01/09/ 2020: Flat Creek assigns Flat Creek Royalties an ORRI in lease (executed and recorded to backdated date of 08/01/2019).
- 02/25/2020: Matador and Flat Creek exchange emails and plan phone call regarding potential trade.
- 05/05/2020: Upon Flat Creek's request, Matador re-proposes the Norris Thornton Com #204H well, with a proposed JOA covering all of Section 23.
- 05/26/2020: Upon Flat Creek's request, Matador modifies the May 5th proposal for the Norris Thornton Com #204H to include a proposed contract area for only the S/2 of Section 23.
- 06/17/2020: Matador attends meeting at Flat Creek's offices in Fort Worth to discuss potential trade.
- 06/18/2020: Flat Creek emails potential trade options to Matador.
- 06/20 – 10/20: Ongoing communications between Matador and Flat Creek at various times.
- 10/02/2020: Email from Flat Creek to Matador to discuss potential trade. Matador followed up with a phone call to discuss Flat Creek's questions regarding potential trade options.

- 11/3/2020: Matador files for force pooling in Case No. 21543 for spacing unit of S/2 of Section 23.
- 11/12/2020: Flat Creek proposes Thirteen Seconds 23 Fed-Fee #703H in N/2 S/2 of Section 23.
- 11/23/2020: Matador proposes the Colonel Howard Fed Com #201H and #202H in the N/2 of Section 23.
- 12/4/2020: Flat Creek files for force pooling in Case No. 21560 for spacing unit of N/2 and N/2S/2 of Section 23.
- 12/14/2020: Flat Creek proposes Thirteen Seconds 23 Fed-Fee #701H and #702H in N/2 of Section 23.
- 12/18/2020: Matador files for force pooling in Case No. 21630 for spacing unit of N/2 of Section 23.
- 01/12/2021: Matador has lunch with Flat Creek to discuss options.
- 02/04/2021: Matador proposes the Norris Thornton Fed Com #203H well as an infill well in the N/2 S/2 of Section 23.
- 02/10/2021: Matador proposes multiple potential trade ideas along with cash offer options to Flat Creek. That afternoon, Flat Creek counters several of the options that Matador proposed.
- 02/20 – 4/20: Ongoing communications between Matador and Flat Creek at various times.
- 02/23/2021: Flat Creek files for force pooling in Case No. 21747 for spacing unit of N/2 of Section 23.
- 04/21/2021: Matador makes an offer to purchase Flat Creek's interest.
- 04/27/2021: Continuing discussions between Matador and Flat Creek regarding potential trade options.

# EXHIBIT A-5

# MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240  
Voice 972.371.5446 • Fax 214.866.4946  
[shartsfield@matadorresources.com](mailto:shartsfield@matadorresources.com)

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**Sara Hartsfield  
Landman**

March 12, 2019

VIA CERTIFIED RETURN RECEIPT MAIL

Flat Creek Resources  
777 Main Street, Suite 3600  
Fort Worth, Texas 76102

Re: Matador Production Company – Norris-Thornton Com #204H (the “Well”)  
Participation Proposal  
Section 23, Township 23 South, Range 27 East  
Eddy County, New Mexico

Dear Sir/Madam:

MRC Permian Company (“MRC”) proposes the drilling of Matador Production Company’s Norris-Thornton Com #204H well, located in Section 23, Township 23 South, Range 27 East, Eddy County, New Mexico to the Wolfcamp formation.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping the Well is \$6,937,379 as found on the enclosed AFE dated August 22, 2017.
- The proposed surface location of the Well is approximately 189’ FSL and 393’ FEL of Section 23, Township 23 South, Range 27 East, Eddy County, New Mexico. The proposed bottom hole location of the subject well is approximately 336’ FSL and 241’ FWL of Section 23, Township 23 South, Range 27 East, Eddy County, New Mexico.
- The Well will have a targeted interval within the Wolfcamp formation. We plan to drill the Well horizontally in the Wolfcamp (~9,200’ TVD) to a Total Measured Depth of approximately 14,050’ resulting in a productive lateral of approximately 4,500’.

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.

Flat Creek Resources will own an approximate 0.25000000 working interest in the Well, subject to title verification.

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A5  
Case Nos. 21543 & 21630  
Submitted by: Matador Production Company  
Hearing Date: May 06, 2021**

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

MRC is proposing to drill the Well under the terms of the modified 1989 AAPL form of Operating Agreement which is enclosed for your review and approval. The enclosed Operating Agreement dated January 1, 2018, by and between Matador Production Company, as operator and MRC Permian Company et al as Non-Operators, covering all of Section 23, Township 23 South, Range 27 East, Eddy County, New Mexico and has the following general provisions:

- 100/300/300 Non-consenting penalty
- \$8,000/\$800 Drilling and Producing rate
- Matador Production Company named as Operator

If your election is to participate in the drilling and completion of the Well, please sign and return a copy of the enclosed AFE within thirty (30) days of receipt of this notice. Additionally, if your election is to participate, please accept this letter as an invoice notice and request for payment. Please remit payment for your proportionate share of costs in the amount of \$ \$1,734,344.75 to Matador Production Company on or before thirty (30) days after receipt of this estimate and invoice. Please be aware that the enclosed AFE is only an estimate of costs to be incurred and by electing to participate in the Well, each working interest owner shall be responsible for their proportionate share of all costs incurred.

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

Sincerely,



Sara Hartsfield

Enclosure(s)

Please elect one of the following and return to sender.

\_\_\_\_\_ Flat Creek Resources hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Norris-Thornton Com #204H well, located in Lea County, New Mexico.

\_\_\_\_\_ Flat Creek Resources hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Norris-Thornton Com #204H well, located in Lea County, New Mexico.

\_\_\_\_\_ Flat Creek Resources is interested in selling its interest in this unit, please contact to discuss.

Flat Creek Resources

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

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

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

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

## MATADOR PRODUCTION COMPANY

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

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

### ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	August 22, 2017	AFE NO.:	
WELL NAME:	Norris-Thornton Com 204H	FIELD:	
LOCATION:	Section 23-23S-27E	MD/TVD:	14050'/9200'
COUNTY/STATE:	Eddy, NM	LATERAL LENGTH:	about 4500'
MRC W#:			
GEOLOGIC TARGET:	Wolfcamp		
REMARKS:	Drill and complete a horizontal upper Wolfcamp Gen 3 design with 22 stages		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Land / Legal / Regulatory	\$ 106,700	\$ -	\$ -	\$ -	\$ 106,700
Location, Surveys & Damages	106,000	13,000	4,000	25,000	148,000
Drilling	571,600	-	-	-	571,600
Cementing & Float Equip	135,000	-	-	-	135,000
Logging / Formation Evaluation	-	6,000	-	-	6,000
Mud Logging	12,000	-	-	-	12,000
Mud Circulation System	35,275	-	-	-	35,275
Mud & Chemicals	81,000	20,000	-	-	101,000
Mud / Wastewater Disposal	130,000	-	-	100,000	230,000
Freight / Transportation	15,000	16,500	-	-	31,500
Rig Supervision / Engineering	79,200	49,300	9,000	27,000	164,500
Drill Bits	50,000	-	-	-	50,000
Fuel & Power	48,600	-	-	-	48,600
Water	40,000	332,440	-	-	372,440
Drig & Completion Overhead	8,500	16,000	-	-	24,500
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	122,000	-	-	-	122,000
Completion Unit, Swab, CTU	-	61,200	25,000	-	86,200
Perforating, Wireline, Slickline	-	87,900	10,000	-	97,900
High Pressure Pump Truck	-	52,500	-	-	52,500
Stimulation	-	2,134,000	-	-	2,134,000
Stimulation Flowback & Disp	-	119,000	-	-	119,000
Insurance	25,560	-	-	-	25,560
Labor	103,000	17,000	6,000	-	126,000
Rental - Surface Equipment	36,000	138,625	12,900	15,000	201,625
Rental - Downhole Equipment	40,000	40,000	10,000	10,000	90,000
Rental - Living Quarters	43,700	27,080	10,000	10,000	90,780
Contingency	89,457	99,655	7,600	-	196,711
<b>TOTAL INTANGIBLES &gt;</b>	<b>1,878,592</b>	<b>3,230,200</b>	<b>83,600</b>	<b>187,000</b>	<b>5,379,391</b>
TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	\$ 23,450	\$ -	\$ -	\$ -	\$ 23,450
Intermediate Casing	71,700	-	-	-	71,700
Drilling Liner	275,525	-	-	-	275,525
Production Casing	222,763	-	-	-	222,763
Production Liner	-	-	-	-	-
Tubing	-	-	45,000	-	45,000
Wellhead	50,000	-	20,000	-	70,000
Packers, Liner Hangers	-	52,800	12,000	-	64,800
Tanks	-	-	-	60,000	60,000
Production Vessels	-	-	65,000	44,500	109,500
Flow Lines	-	-	-	-	-
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	30,000	-	30,000
Compressor	-	-	-	-	-
Installation Costs	-	-	67,000	120,000	187,000
Surface Pumps	-	-	5,000	-	5,000
Non-controllable Surface	-	-	46,000	90,000	136,000
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	12,500	105,000	117,500
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	-	-
Gathering / Bulk Lines	-	-	-	43,250	43,250
Valves, Dumps, Controllers	-	-	-	8,000	8,000
Tank / Facility Containment	-	-	-	20,000	20,000
Flare Stack	-	-	-	10,500	10,500
Electrical / Grounding	-	-	-	24,000	24,000
Communications / SCADA	-	-	-	14,000	14,000
Instrumentation / Safety	-	-	-	20,000	20,000
<b>TOTAL TANGIBLES &gt;</b>	<b>643,438</b>	<b>52,800</b>	<b>302,500</b>	<b>559,250</b>	<b>1,557,988</b>
<b>TOTAL COSTS &gt;</b>	<b>2,522,029</b>	<b>3,283,000</b>	<b>386,100</b>	<b>746,250</b>	<b>6,937,378</b>

**PREPARED BY MATADOR PRODUCTION COMPANY:**

Drilling Engineer: Adam Lange	Team Lead - WTX/NM <u>WTE</u>	
Completions Engineer: Waylon Wolf	WTE	
Production Engineer: John Romano		

**MATADOR RESOURCES COMPANY APPROVAL:**

Executive VP, COO/CFD _____	VP - Res Engineering _____	VP - Drilling _____
Executive VP, Legal _____	Exec Dir - Exploration _____	VP - Production _____
President _____		

**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 be confirmed as charges on any specific item on the well cost report. Tying expenditures approved under the AFE may be limited to be a year after the well has been completed. In executing this AFE, the Participant agrees to pay the proportionate share of actual costs incurred, including legal, title, and other expenses, and to hold the Operator harmless for any and all obligations, including but not limited to, the Operator's well control and general liability insurance, unless the Participant agrees to purchase a separate policy. The Participant shall be bound by any and all obligations of the Operator's well control and general liability insurance unless the Participant agrees to purchase a separate policy. The Participant shall be bound by any and all obligations of the Operator's well control and general liability insurance unless the Participant agrees to purchase a separate policy.

# EXHIBIT A-6

# MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240  
Voice 972.371.5446 • Fax 214.866.4946  
[shartsfield@matadorresources.com](mailto:shartsfield@matadorresources.com)

---

**Sara Hartsfield  
Landman**

May 5, 2020

VIA CERTIFIED RETURN RECEIPT MAIL

Flat Creek Resources  
777 Main Street, Suite 3600  
Fort Worth, Texas 76102

Re: Matador Production Company – Norris-Thornton Com #204H (the “Well”)  
Participation Proposal  
Section 23, Township 23 South, Range 27 East  
Eddy County, New Mexico

Dear Sir/Madam:

MRC Permian Company (“MRC”) proposes the drilling of Matador Production Company’s Norris-Thornton Com #204H well, located in Section 23, Township 23 South, Range 27 East, Eddy County, New Mexico to the Wolfcamp formation.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping the Well is \$6,937,379 as found on the enclosed AFE dated August 22, 2017.
- The proposed surface location of the Well is approximately 189’ FSL and 393’ FEL of Section 23, Township 23 South, Range 27 East, Eddy County, New Mexico. The proposed bottom hole location of the subject well is approximately 336’ FSL and 241’ FWL of Section 23, Township 23 South, Range 27 East, Eddy County, New Mexico.
- The Well will have a targeted interval within the Wolfcamp formation. We plan to drill the Well horizontally in the Wolfcamp (~9,200’ TVD) to a Total Measured Depth of approximately 14,050’ resulting in a productive lateral of approximately 4,500’.

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.

Flat Creek Resources will own an approximate 0.25000000 working interest in the Well, subject to title verification.

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A6  
Case Nos. 21543 & 21630  
Submitted by: Matador Production Company  
Hearing Date: May 06, 2021

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

MRC is proposing to drill the Well under the terms of the modified 1989 AAPL form of Operating Agreement which is enclosed for your review and approval. The enclosed Operating Agreement dated January 1, 2018, by and between Matador Production Company, as operator and MRC Permian Company et al as Non-Operators, covering all of Section 23, Township 23 South, Range 27 East, Eddy County, New Mexico and has the following general provisions:

- 100/300/300 Non-consenting penalty
- \$8,000/\$800 Drilling and Producing rate
- Matador Production Company named as Operator

If your election is to participate in the drilling and completion of the Well, please sign and return a copy of the enclosed AFE within thirty (30) days of receipt of this notice. Additionally, if your election is to participate, please accept this letter as an invoice notice and request for payment. Please remit payment for your proportionate share of costs in the amount of \$ \$1,734,344.75 to Matador Production Company on or before thirty (30) days after receipt of this estimate and invoice. Please be aware that the enclosed AFE is only an estimate of costs to be incurred and by electing to participate in the Well, each working interest owner shall be responsible for their proportionate share of all costs incurred.

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

Sincerely,



Sara Hartsfield

Enclosure(s)

Please elect one of the following and return to sender.

\_\_\_\_\_ Flat Creek Resources hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Norris-Thornton Com #204H well, located in Lea County, New Mexico.

\_\_\_\_\_ Flat Creek Resources hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Norris-Thornton Com #204H well, located in Lea County, New Mexico.

\_\_\_\_\_ Flat Creek Resources is interested in selling its interest in this unit, please contact to discuss.

Flat Creek Resources

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

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

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

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

# MATADOR PRODUCTION COMPANY

ONE LINCOLN CENTRE • 6400 LEJ FREEWAY • SUITE 1600 • DALLAS, TEXAS 75240

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

## ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

<b>DATE:</b>	August 22, 2017	<b>AFE NO.:</b>	
<b>WELL NAME:</b>	Norris-Thornton Com 204H	<b>FIELD:</b>	
<b>LOCATION:</b>	Section 23-23S-27E	<b>MD/TVD:</b>	14050/9200'
<b>COUNTY/STATE:</b>	Eddy, NM	<b>LATERAL LENGTH:</b>	about 4500'
<b>MRC Wt:</b>			
<b>GEOLOGIC TARGET:</b>	Wolfcamp		
<b>REMARKS:</b>	Drill and complete a horizontal upper Wolfcamp Gen 3 design with 22 stages		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Land / Legal / Regulatory	\$ 106,700				\$ 106,700
Location, Surveys & Damages	106,000	13,000	4,000	25,000	148,000
Drilling	671,600				671,600
Cementing & Floet Equip	135,000				135,000
Logging / Formation Evaluation	-	6,000			6,000
Mud Logging	12,000				12,000
Mud Circulation System	35,275				35,275
Mud & Chemicals	81,000	20,000			101,000
Mud / Wastewater Disposal	130,000			100,000	230,000
Freight / Transportation	15,000	16,500			31,500
Rig Supervision / Engineering	79,200	49,300	9,000	27,000	164,500
Drill Bits	50,000				50,000
Fuel & Power	48,600				48,600
Water	40,000	332,440			372,440
Drig & Completion Overhead	8,500	16,000			24,500
Plugging & Abandonment					122,000
Directional Drilling, Surveys	122,000				122,000
Completion Unit, Swab, CTU		61,200	25,000		86,200
Perforating, Wireline, Slickline		87,900	10,000		97,900
High Pressure Pump Truck		52,500			52,500
Stimulation		2,134,000			2,134,000
Stimulation Flowback & Disp		119,000			119,000
Insurance	25,560				25,560
Labor	103,000	17,000	8,000		128,000
Rental - Surface Equipment	36,000	138,625	12,000	15,000	201,625
Rental - Downhole Equipment	40,000	40,000		10,000	90,000
Rental - Living Quarters	43,700	27,080	10,000	10,000	90,780
Contingency	89,457	99,655	7,600		196,711
<b>TOTAL INTANGIBLES &gt;</b>	<b>1,878,592</b>	<b>3,230,200</b>	<b>83,600</b>	<b>187,000</b>	<b>5,379,391</b>

TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	\$ 23,450				\$ 23,450
Intermediate Casing	71,700				71,700
Drilling Liner	275,525				275,525
Production Casing	222,763				222,763
Production Liner					-
Tubing			45,000		45,000
Wellhead	50,000		20,000		70,000
Packers, Liner Hangers		52,800	12,000		64,800
Tanks				60,000	60,000
Production Vessels			65,000	44,500	109,500
Flow Lines					-
Rod string					-
Artificial Lift Equipment			30,000		30,000
Compressor					-
Installation Costs			87,000	120,000	167,000
Surface Pumps			5,000		5,000
Non-controllable Surface			49,000	90,000	136,000
Non-controllable Downhole					-
Downhole Pumps					-
Measurement & Meter Installation			12,500	105,000	117,500
Gas Conditioning / Dehydration					-
Interconnecting Facility Piping					-
Gathering / Bulk Lines				43,250	43,250
Valves, Dumps, Controllers				8,000	8,000
Tank / Facility Containment				20,000	20,000
Flare Stack				10,500	10,500
Electrical / Grounding				24,000	24,000
Communications / SCADA				14,000	14,000
Instrumentation / Safety				20,000	20,000
<b>TOTAL TANGIBLES &gt;</b>	<b>643,438</b>	<b>52,800</b>	<b>302,500</b>	<b>559,250</b>	<b>1,557,988</b>
<b>TOTAL COSTS &gt;</b>	<b>2,522,029</b>	<b>3,283,000</b>	<b>386,100</b>	<b>746,250</b>	<b>8,937,379</b>

**PREPARED BY MATADOR PRODUCTION COMPANY:**

Drilling Engineer: Adam Lange	Team Lead - WTX/NM <u>WTE</u>	
Completions Engineer: Waylon Wolf	WTE	
Production Engineer: John Romano		

**MATADOR RESOURCES COMPANY APPROVAL:**

Executive VP, COO/CFO _____	VP - Res Engineering _____	VP - Drilling _____
Executive VP, Legal _____	Exec Dir - Exploration _____	VP - Production _____
President _____		

**NON OPERATING PARTNER APPROVAL:**

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

This work on this AFE, an estimate only and may not be confirmed as being an any less to, from or the total cost of the project. Tolling inhibition assumed under the AFE may be defined up to 1 year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including legal, consulting, regulatory, engineering and well costs under the terms of the participant and operator agreement, regulatory order or other agreement governing this well. Participants shall be released by and shall responsibility for Operator's well control and general liability insurance which includes production operations. Operator's liability including the well insurance to an amount acceptable to the Operator by the date of well.

## Michael Feldewert

---

**To:** Mike Feldewert  
**Subject:** FW: Sec 23, 23S - 27E (Eddy Co)  
**Attachments:** Proposal - Norris Thornton Com #204 - Flat Creek Resources - 5-5-2020.pdf

**From:** Sara Hartsfield  
**Sent:** Tuesday, May 26, 2020 5:30 PM  
**To:** Mike Gregory <[mike.gregory@flatcreekresources.com](mailto:mike.gregory@flatcreekresources.com)>  
**Subject:** RE: Sec 23, 23S - 27E (Eddy Co)

Hi Mike,

Hope you are well. Attached is the proposal with working interest as requested. We do not generally match working interest units to the CA since different formations have different acres dedicated and we like the JOA to cover all depths whenever possible. Happy to change JOA to cover 320 acres, should Flat Creek choose to participate, but would still like it cover all depths. Would you be able to go ahead and get the CA back to us while you are reviewing the proposal and JOA?

We do own in the tracts you mentioned. The Lea County acreage is in COG's Baseball Cap unit and we have participated in all four wells that have been drilled and are online. I am unsure of future development in that unit.

Thanks,  
Sara

**Sara Hartsfield**  
Landman  
Matador Resources | 5400 LBJ Freeway | Suite 1500 | Dallas, Texas 75240  
Office: (972) 371-5446 | Cell: (432) 553-0144



**From:** Mike Gregory <[mike.gregory@flatcreekresources.com](mailto:mike.gregory@flatcreekresources.com)>  
**Sent:** Tuesday, May 26, 2020 9:22 AM  
**To:** Sara Hartsfield <[SHartsfield@matadorresources.com](mailto:SHartsfield@matadorresources.com)>  
**Subject:** RE: Sec 23, 23S - 27E (Eddy Co)

**\*\*EXTERNAL EMAIL\*\***  
Sara,

Hope you had a good holiday weekend. I'm just following up on my note below to see if you could re-propose the well and to get your thoughts on the tracts I mentioned.

Thanks,  
Mike

**From:** Mike Gregory  
**Sent:** Wednesday, May 13, 2020 3:15 PM  
**To:** Sara Hartsfield <[SHartsfield@matadorresources.com](mailto:SHartsfield@matadorresources.com)>  
**Subject:** RE: Sec 23, 23S - 27E (Eddy Co)

Sara,

Can you resend the proposal with us having a 12.5% WI instead of 25%? I think at a minimum we'd want the OA to cover the S/2 to match the proposed CA.

Also, does Matador own any acreage of material size in the SW4 of Section 20, Block C24 (Loving County), or the N2 of Section 25, 24S - 34E (Lea County)? I'm sure there's other acreage we'd be interested in as well but these are tracts that I found just by glancing at Matador's acreage and offset activity.

Thanks,  
Mike

**From:** Sara Hartsfield <[SHartsfield@matadorresources.com](mailto:SHartsfield@matadorresources.com)>  
**Sent:** Thursday, March 19, 2020 10:37 AM  
**To:** Mike Gregory <[mike.gregory@flatcreekresources.com](mailto:mike.gregory@flatcreekresources.com)>  
**Subject:** RE: Sec 23, 23S - 27E (Eddy Co)

Hi Mike,

Would love to catch up. I will be back in the office on Monday. We are not working from home so I took vacation to hang out with my daughter who is on extended break from school - as is every other kid right now.

Does Monday work for you?

Thanks,  
Sara

**From:** Mike Gregory <[mike.gregory@flatcreekresources.com](mailto:mike.gregory@flatcreekresources.com)>  
**Sent:** Thursday, March 19, 2020 10:30 AM  
**To:** Sara Hartsfield <[SHartsfield@matadorresources.com](mailto:SHartsfield@matadorresources.com)>  
**Subject:** RE: Sec 23, 23S - 27E (Eddy Co)

**\*\*EXTERNAL EMAIL\*\***

Sara,

Hope you're doing well during this crazy time! Do you have time to catch up about this sometime this afternoon?

Thanks,  
Mike

**From:** Sara Hartsfield <[SHartsfield@matadorresources.com](mailto:SHartsfield@matadorresources.com)>  
**Sent:** Tuesday, February 25, 2020 3:32 PM

# MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240  
Voice 972.371.5446 • Fax 214.866.4946  
[shartsfield@matadorresources.com](mailto:shartsfield@matadorresources.com)

---

**Sara Hartsfield  
Landman**

May 5, 2020

VIA CERTIFIED RETURN RECEIPT MAIL

Flat Creek Resources  
777 Main Street, Suite 3600  
Fort Worth, Texas 76102

**Re: Matador Production Company – Norris-Thornton Com #204H (the “Well”)  
Participation Proposal  
Section 23, Township 23 South, Range 27 East  
Eddy County, New Mexico**

Dear Sir/Madam:

MRC Permian Company (“MRC”) proposes the drilling of Matador Production Company’s Norris-Thornton Com #204H well, located in Section 23, Township 23 South, Range 27 East, Eddy County, New Mexico to the Wolfcamp formation.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping the Well is \$6,937,379 as found on the enclosed AFE dated August 22, 2017.
- The proposed surface location of the Well is approximately 189’ FSL and 393’ FEL of Section 23, Township 23 South, Range 27 East, Eddy County, New Mexico. The proposed bottom hole location of the subject well is approximately 336’ FSL and 241’ FWL of Section 23, Township 23 South, Range 27 East, Eddy County, New Mexico.
- The Well will have a targeted interval within the Wolfcamp formation. We plan to drill the Well horizontally in the Wolfcamp (~9,200’ TVD) to a Total Measured Depth of approximately 14,050’ resulting in a productive lateral of approximately 4,500’.

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.

Flat Creek Resources will own an approximate 0.125 working interest in the Well, subject to title verification.

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

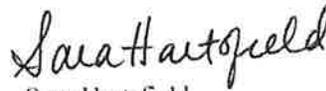
MRC is proposing to drill the Well under the terms of the modified 1989 AAPL form of Operating Agreement. Should you elect to participate, an Operating Agreement covering the S2 of Section 23, Township 23 South, Range 27 East, Eddy County, New Mexico will be sent to you with the following general provisions:

- 100/300/300 Non-consenting penalty
- \$8,000/\$800 Drilling and Producing rate
- Matador Production Company named as Operator

If your election is to participate in the drilling and completion of the Well, please sign and return a copy of the enclosed AFE within thirty (30) days of receipt of this notice. Additionally, if your election is to participate, please accept this letter as an invoice notice and request for payment. Please remit payment for your proportionate share of costs in the amount of \$ \$867,172.37 to Matador Production Company on or before thirty (30) days after receipt of this estimate and invoice. Please be aware that the enclosed AFE is only an estimate of costs to be incurred and by electing to participate in the Well, each working interest owner shall be responsible for their proportionate share of all costs incurred.

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

Sincerely,



Sara Hartsfield

Enclosure(s)

Please elect one of the following and return to sender.

\_\_\_\_\_ Flat Creek Resources hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Norris-Thornton Com #204H well, located in Lea County, New Mexico.

\_\_\_\_\_ Flat Creek Resources hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Norris-Thornton Com #204H well, located in Lea County, New Mexico.

\_\_\_\_\_ Flat Creek Resources is interested in selling its interest in this unit, please contact to discuss.

Flat Creek Resources

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

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

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

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

# EXHIBIT A-7



November 12, 2020

**SENT VIA CERTIFIED MAIL**

MRC Permian Company  
One Lincoln Centre  
5400 LBJ Freeway, Suite 1500  
Dallas, Texas 75240



**RE: Well Proposal: Thirteen Seconds 23 Fed-Fee 703H  
N/2 and N/2 S/2 of Section 23-T23S-R27E  
Eddy County, New Mexico**

**MRC Permian Company,**

Flat Creek Resources, LLC ("Flat Creek"), as Operator, proposes to drill and complete the Thirteen Seconds 23 Fed-Fee 703H (the "Well") as a horizontal well to an approximate TVD of 9,328' and approximate TMD of 14,300' into the Wolfcamp formation at a SHL 2,430' FSL and 550' FWL of Section 23-23S-27E and BHL 2,010' FSL and 100' FEL of Section 23-23S-27E, Eddy County, New Mexico. Enclosed for your review is Flat Creek's AFE indicating total drilling and completed well costs of \$7,540,344.24.

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

Flat Creek will drill the Well under the terms of the modified 1989 AAPL form of Operating Agreement, with Horizontal Modifications, ("JOA"), which will be provided upon request. The JOA will have the following general provisions:

- Flat Creek Resources, LLC named as Operator
- Contract Area of N/2 and N/2 S/2 of Section 23-T23S-R27E, Eddy County, New Mexico
- 100%/300% Non-Consenting Penalty
- \$10,000/\$1,000 Drilling and Production Rates

Please indicate your election to participate in the drilling and completion of the Well in the space provided below, within 30 days of receipt, by signing and returning one (1) copy of this letter and AFE, along with your well data requirements sheet. A Communitization Agreement for said well will be supplied for your review and execution at a later date.

If your election is to participate, a cash call invoice will be sent following receipt of a timely election.

If an agreement cannot be reached within 30 days of receipt of this letter, Flat Creek will apply to the New Mexico Oil Conservation District for compulsory pooling of your interest into a spacing unit for the Well, if uncommitted at such time.

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A7  
Case Nos. 21543 & 21630  
Submitted by: Matador Production Company  
Hearing Date: May 06, 2021

If you have any questions concerning this proposal, please contact me at (817) 310-8569 or adam.smith@flatcreekresources.com.

Sincerely,

Flat Creek Resources, LLC



Adam J. Smith, RPL  
Senior Landman

MRC Permian Company hereby elects:

\_\_\_\_\_ TO PARTICIPATE in the drilling and completion of the referenced well

\_\_\_\_\_ NOT TO PARTICIPATE in the drilling and completion of the referenced well

Agreed to and Accepted this \_\_\_\_\_ day of \_\_\_\_\_ 2020.

MRC Permian Company

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

**FLAT CREEK RESOURCES, INC**  
**AUTHORIZATION FOR EXPENDITURE**  
**DRILL & COMPLETE HORIZONTAL WOLFCAMP**

**AFE#:** D19110

Date: 11/11/2020

County/State: Eddy / NM

Lease: Thirteen Seconds 23 Fed-Fee 703H

Surface Location: 2,430' FSL and 550' FWL of Section 23-23S-27E

Proposed Depth: 14,300' MD

Objective: Drill Horizontal Well, Complete ~1 Mile Lateral, Production Facility

Account Code	Account Name	AFE Amount
<b>Intangible Drilling Costs (310)</b>		
310 / 1	LAND SERVICE & EXP	\$ 60,000.00
310 / 4	PERMITS - SURVEY - REGULATORY	\$ 8,000.00
310 / 5	LOCAT GN - DAMAGES - CLEAN UP	\$ 250,000.00
310 / 6	RIG - MOB/DEMOB	\$ 250,000.00
310 / 7	RIG - DAYWORK	\$ 297,000.00
310 / 8	RIG - FOOTAGE	\$ *
310 / 9	RIG - TURNKEY	\$ *
310 / 10	COILED TBG/SNUBBING/NITROGEN	\$ *
310 / 11	FUEL - POWER - WATER	\$ 53,460.00
310 / 12	COMMUNICATIONS	\$ 7,200.00
310 / 13	TRANSPORTATION	\$ 36,000.00
310 / 14	CONSULTING SERVICE/SUPERVISION	\$ 92,400.00
310 / 15	CONTRACT LABOR & SERVICES	\$ 50,000.00
310 / 16	RENTALS - DOWNHOLE	\$ 50,400.00
310 / 17	RENTALS - SURFACE	\$ 128,160.00
310 / 18	BITS	\$ 60,000.00
310 / 19	CASING CREW & EQUIPMENT	\$ 40,000.00
310 / 20	CEMENT & SERVICES	\$ 112,000.00
310 / 21	DIRECTIONAL TOOLS & SERVICES	\$ 194,400.00
310 / 22	FISHING TOOLS & SERVICE	\$ *
310 / 23	MUD - CHEMICALS - FLUIDS	\$ 180,000.00
310 / 24	MUD LOGGING	\$ 15,120.00
310 / 25	OPENHOLE LOGGING - FT - SWC	\$ 30,000.00
310 / 26	ELEC/WIRELINE & PERF SERVICE	\$ *
310 / 27	DRILL STEM TESTING - CORING	\$ *
310 / 28	TUBULAR TESTING & INSPECTION	\$ 22,500.00
310 / 29	CUTTINGS & FLUID DISPOSAL	\$ 150,000.00
	Subtotal	\$ 2,086,640.00
310 / 30	MISC & CONTINGENCY	\$ 208,664.00
310 / 60	P&A COSTS	\$ *
310 / 70	NON-OP DRILLING - INTANG	\$ *
	Total Intangibles For Operations Involving Drilling Rig	\$ 2,295,304
<b>Tangible Drilling Costs (311)</b>		
311 / 1	DRIVE PIPE - CONDUCTOR	\$ 23,500.00
311 / 2	CASING - SURFACE	\$ 42,500.00
311 / 3	CASING - INTERMEDIATE	\$ 310,000.00
311 / 4	CASING - PRODUCTION	\$ 210,000.00
311 / 5	CASING - LINER/TIEBACK	\$ *
311 / 6	HANGER - CSG ACCESSORY	\$ 20,000.00
311 / 7	WELLHEAD EQPT	\$ 35,000.00
	Subtotal	\$ 641,000.00
311 / 8	MISC & CONTINGENCY	\$ 64,100.00
311 / 70	NON-OP DRILLING - TANG	\$ *
	Total Tangibles For Operations Involving Drilling Rig	\$ 705,100
<b>Total Drilling Cost</b>		<b>\$ 3,000,404</b>

<b>Intangible Completion Costs (320)</b>		
320 / 1	LAND SERVICE & EXP	\$ -
320 / 2	LEGAL FEES & EXP	\$ -
320 / 3	INSURANCE	\$ -
320 / 4	PERMITS - SURVEY - REGULATORY	\$ -
320 / 5	LOCATION - DAMAGES - CLEAN UP	\$ 15,000
320 / 6	RIG - DAYWORK	\$ -
320 / 7	RIG - COMPLETION/WORKOVER	\$ 25,500
320 / 8	COILED TBG/SNUBBING/NITROGEN	\$ 145,000
320 / 9	FUEL - POWER - WATER	\$ 5,000
320 / 10	COMMUNICATIONS	\$ 5,000
320 / 11	TRANSPORTATION	\$ 25,000
320 / 12	CONSULTING SERVICE/SUPERVISION	\$ 69,717
320 / 13	CONTRACT LABOR & SERVICES	\$ 7,500
320 / 14	RENTALS - DOWNHOLE	\$ 25,000
320 / 15	RENTALS - SURFACE	\$ 57,000
320 / 16	BITS	\$ 10,000
320 / 17	CASING CREW & EQUIPMENT	\$ -
320 / 18	CEMENT & SERVICES	\$ -
320 / 19	FISHING TOOLS & SERVICE	\$ -
320 / 20	MUD - CHEMICALS - FLUIDS	\$ 45,000
320 / 21	ELEC/WIRELINE & PERF SERVICE	\$ 183,500
320 / 22	TUBULAR TESTING & INSPECTION	\$ -
320 / 23	GRAVEL PACKING	\$ -
320 / 24	FRAC & STIMULATION	\$ 1,158,500
320 / 25	SWABBING & WELL TESTING	\$ 115,000
320 / 26	CUTTINGS & FLUID DISPOSAL	\$ 227,500
320 / 28	FRAC WATER	\$ 262,500
320 / 29	FRAC POND	\$ -
320 / 30	WATER TRANSFER	\$ 133,000
320 / 60	P&A COSTS	\$ -
	Subtotal	\$ 2,494,717
320 / 70	NON-OP COMP - INTANG	\$ -
320 / 27	MISC & CONTINGENCY	\$ 249,472
	Total Intangibles For Completions Operations	\$ 2,744,189
<b>Tangible Completion Costs (321)</b>		
321 / 1	CASING - LINER/TIEBACK	
321 / 2	HANGER - CSG ACCESSORY	
321 / 3	PRODUCTION TUBING	\$ 46,500.00
321 / 4	TUBINGHEAD & TREE	\$ 35,000.00
321 / 5	PACKERS - SUBSURFACE EQUIP	\$ 7,500.00
321 / 6	RODS - PUMPS - ANCHORS ETC	\$ 2,850.00
321 / 7	ART LIFT - SURFACE EQUIP	
321 / 8	PUMPING UNITS - SURFACE EQUIP	
321 / 9	VALVES - FITTING - MISC EQUIP	\$ 12,500.00
321 / 10	SEPARATOR/HEAT TREATER/DEHY	
321 / 11	GUN BBL/TANKS & RELATED EQUIP	
321 / 12	COMPRESSOR & RELATED EQUIP	
321 / 13	METERS - LACT UNIT	
321 / 14	SWD PUMPS & EQUIPMENT	
321 / 15	PIPELINES - TIE-INS	
321 / 16	PROD FACILITY - FAB & INSTALL	
	Subtotal	\$ 104,350.00
321 / 17	MISC & CONTINGENCY	\$ 10,435.00
321 / 60	P&A COSTS	
321 / 70	NON-OP COMP - TANG	
	Total Tangibles For Completions Operations	\$ 114,785
<b>Total Completion Costs</b>		<b>\$ 2,858,974</b>

<b>Intangible Facility Costs (330)</b>			
330 / 1	LAND SERVICE & EXP	\$	64,000.00
330 / 2	LEGAL FEES & EXP		
330 / 3	CONSULTING SERVICE/SUPERVISION	\$	25,000.00
330 / 4	CONTRACT LABOR & SERVICES	\$	101,250.00
		Subtotal	\$ 190,250.00
330 / 5	MISC & CONTINGENCY	\$	19,025.00
330 / 70	NON-OP FAC - INTANG		
	<b>Total Intangibles for Facility Construction</b>	\$	<b>209,275.00</b>
<b>Tangible Facility Costs (331)</b>			
331 / 1	ART LIFT - SURFACE EQUIP	\$	15,000.00
331 / 2	PUMPING UNITS - SURFACE EQUIP		
331 / 3	VALVES - FITTING - MISC EQUIP	\$	73,500.00
331 / 4	SEPARATOR/HEAT TREATER/DEHY	\$	170,200.00
331 / 5	GUN BBL/TANKS & RELATED EQUIP	\$	96,000.00
331 / 6	COMPRESSOR & RELATED EQUIP	\$	25,000.00
331 / 7	METERS - LACT UNIT	\$	150,000.00
331 / 8	SWD PUMPS & EQUIPMENT	\$	15,000.00
331 / 9	PIPELINES - TIE-INS	\$	687,500.00
331 / 10	PROD FACILITY - FAB & INSTALL	\$	105,701.40
		Subtotal	\$ 1,337,901.40
331 / 11	MISC & CONTINGENCY	\$	133,790.14
331 / 70	NON-OP FAC-TANG		
	<b>Total Tangible for Facility Construction</b>	\$	<b>1,471,691.54</b>
<b>Total Facility Costs</b>		\$	<b>1,680,966.54</b>
<b>Total Estimated Well Cost</b>		\$	<b>7,540,344.24</b>
<b>Final Creek Resources, LLC</b> Approved By: _____ Title: _____ Date: _____ Authorization Requested From: John Operations Manager Warzowiecki			
<small>           ALL COSTS ESTIMATED TO BE PAID BY THE OPERATOR.            THE OPERATOR IS RESPONSIBLE FOR THE COSTS OF THE WELL.            THE OPERATOR IS RESPONSIBLE FOR THE COSTS OF THE WELL.            THE OPERATOR IS RESPONSIBLE FOR THE COSTS OF THE WELL.         </small>			
<b>OWNERSHIP:</b>		<b>COST TO COMPLETE</b>	
<b>DATE:</b>		<b>PARTICIPANTS ESTIMATED COST:</b>	
<b>APPROVED BY:</b>		<b>TITLE:</b>	

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

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

**Case No. 21543**

**FLAT CREEK RESOURCES' PREHEARING STATEMENT**

Flat Creek Resources ("FRC") sent well proposals dated November 12, 2020, for the Thirteen Second 23 Fed-Fee 703H Well for the Wolfcamp formation underlying the N/2 and N/2 S/2 of Section 23-T23S-R27E, Eddy County, New Mexico, and the above-reference application filed by Matador Production Company ("Matador") conflicts with said well proposal. FRC plans to file a pooling application which competes with the above referenced case.

**APPEARANCES**

**APPLICANT**

**ATTORNEY**

Michael H. Felderwert  
Adam G. Rankin  
Julia Broggi  
Kaitlyn A. Luck  
Attorneys for Matador Production Company  
Post Office Box 2208  
Santa Fe, NM 87504  
505-998-4421  
505-983-6043 Facsimile  
mfelderwert@hollandhart.com  
agrarkin@hollandhard.com  
jbroggi@hollandhart.com  
kaluck@hollandhart.com

COMPETING PARTY

Flat Creek Resources

ATTORNEY

Darin C. Savage  
Andrew D. Schill  
William E. Zimsky  
214 McKenzie Street  
Santa Fe, New Mexico 87501  
Telephone: 970.385.4401  
Facsimile: 970.385.4901  
darin@abadieschill.com  
andrew@abadieschill.com  
bill@abadieschill.com

**APPLICANT'S PROPOSED EVIDENCE**

WITNESS	ESTIMATED TIME	EXHIBITS
Landman: TBD	30 min	Approx. 6
Geologist: TBD	30 min	Approx. 5
Engineer: TBD	30 min	Approx. 5

**PROCEDURAL MATTERS**

FRC has entered a protest for Case Nos. 21543 and requests a status conference for December 3, 2020, in order to set dates for the competing matters. FRC does not protest Case Nos. 21542 and 21544, which involve vertical wells in the Morrow formation proposed by Matador for Section 23-T23S-R27E, Eddy County, New Mexico. FRC does not object to Matador proceeding by affidavit in Case Nos. 21542 and 21544 for the Morrow wells. FRC plans to file an updated Prehearing Statement after filing its competing application.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

---

Darin C. Savage

Andrew D. Schill  
William E. Zimsky  
214 McKenzie Street  
Santa Fe, New Mexico 87501  
Telephone: 970.385.4401  
Facsimile: 970.385.4901  
darin@abadieschill.com  
andrew@abadieschill.com  
bill@abadieschill.com

**Attorneys for Flat Creek Resources**

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was filed with the New Mexico Oil Conservation Division and was served on counsel of record via electronic mail on November 25, 2020:

Michael H. Felderwert  
Adam G. Rankin  
Julia Broggi  
Kaitlyn A. Luck  
Attorneys for Matador Production Company  
Post Office Box 2208  
Santa Fe, NM 87504  
505-998-4421  
505-983-6043 Facsimile  
mfelderwert@hollandhart.com  
agrarkin@hollandhard.com  
jbroggi@hollandhart.com  
kaluck@hollandhart.com

/s/ Darin C. Savage

\_\_\_\_\_  
Darin C. Savage

# EXHIBIT A-8

# MRC Permian Company

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

Voice 972.371.5446 • Fax 214.866.4946

[shartsfield@matadorresources.com](mailto:shartsfield@matadorresources.com)

---

**Sara Hartsfield**  
**Senior Landman**

November 23, 2020

VIA CERTIFIED RETURN RECEIPT MAIL

Flat Creek Resources LLC  
777 Main Street, Suite 3600  
Fort Worth, TX 76102-5341

Re: Colonel R. Howard Fed Com #201H & #202H (the "Wells")  
Participation Proposal  
Section 23, Township 23 South, Range 27 East  
Eddy County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Colonel R. Howard Fed Com #201H and Colonel R. Howard Fed Com #202H wells, located in the N2 of Section 23, Township 23 South, Range 27 East, Eddy County, New Mexico, to the Wolfcamp formation.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping of each Well is itemized on the two (2) enclosed Authority for Expenditures ("AFE") both dated November 23, 2020.
- **Colonel R. Howard Fed Com #201H:** to be drilled from a legal location with a proposed surface hole location in the NW/4NW/4 of Section 23-23S-27E and a proposed bottom hole location in the NE/4NE/4 of Section 23-23S-27E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~9,120' TVD) to a Measured Depth of approximately 14,300'.
- **Colonel R. Howard Fed Com #202H:** to be drilled from a legal location with a proposed surface hole location in the SW/4NW/4 of Section 23-23S-27E and a proposed bottom hole location in the SE/4NE/4 of Section 23-23S-27E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~9,120' TVD) to a Measured Depth of approximately 14,300'.

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.

Flat Creek Resources LLC will own an approximate 37.5% working interest in each Well, subject to title verification.

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

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A8  
Case Nos. 21543 & 21630  
Submitted by: Matador Production Company  
Hearing Date: May 06, 2021

MRC is proposing to drill the Wells under the terms of the modified 1989 AAPL form of Operating Agreement dated January 1, 2018, by and between Matador Production Company, as Operator and MRC Permian Company et al as Non-Operators covering all of of Section 23, Township 23 South, Range 27 East, Eddy County, New Mexico, that was previously mailed to you and has the following general provisions:

- 100/300/300 Non-consenting penalty
- \$8,000/\$800 Drilling and Producing rate
- Matador Production Company named as Operator

An additional copy of the Operating Agreement has been included for reference.

If your election is to participate in the drilling and completion of the Wells, please sign and return a copy of the enclosed AFE(s) within thirty (30) days of receipt of this notice. Additionally, if your election is to participate, please accept this letter as an invoice notice and request for payment. Please remit payment for your proportionate share of costs to Matador Production Company on or before thirty (30) days after receipt of this estimate and invoice. 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,

**MRC PERMIAN COMPANY**



Sara Hartsfield

**Flat Creek Resources LLC hereby elects to:**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Colonel R. Howard Com #201H** well, in the estimated amount of **\$2,257,026.00**  
\_\_\_\_\_ Not to participate in the **Colonel R. Howard Com #201H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Colonel R. Howard Com #202H** well, in the estimated amount of **\$2,257,026.00**  
\_\_\_\_\_ Not to participate in the **Colonel R. Howard Com #202H**

**Flat Creek Resources LLC**

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

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

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

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

**MATADOR PRODUCTION COMPANY**

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

**ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE**

DATE:	November 23, 2020	AFF NO.:	
WELL NAME:	Colonel R. Howard Fed Com 201H	FIELD:	
LOCATION:	Section 23-23S-27E	MD/TVD:	14,300'/9,120'
COUNTY/STATE:	Eddy, NM	LATERAL LENGTH:	4,500
MRC WI:			
GEOLOGIC TARGET:	Wolfcamp A-XY		
REMARKS:	Drill, complete and equip an approximately 1 mile horizontal Wolfcamp A-XY target with 20 stages		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
<b>INTANGIBLE COSTS</b>					
Land / Legal / Regulatory	\$ 61,500	\$ -	\$ 15,000	\$ 10,000	\$ 86,500
Location, Surveys & Damages	89,000	13,000	15,000	25,000	142,000
Drilling	509,900	-	-	-	509,900
Cementing & Float Equip	126,000	-	-	-	126,000
Logging / Formation Evaluation	-	5,000	3,000	-	8,000
Flowback - Labor	-	-	46,000	-	46,000
Flowback - Surface Rentals	-	-	83,500	-	83,500
Flowback - Rental Living Quarters	-	-	-	-	-
Mud Logging	18,750	-	-	-	18,750
Mud Circulation System	44,753	-	-	-	44,753
Mud & Chemicals	145,694	27,000	6,000	-	178,694
Mud / Wastewater Disposal	113,000	-	-	-	113,000
Freight / Transportation	17,600	19,500	-	-	37,100
Rig Supervision / Engineering	74,750	83,200	6,400	10,000	174,350
Drill Bits	80,000	-	-	-	80,000
Drill Bit Purchase	-	-	-	-	-
Fuel & Power	74,980	5,200	-	-	80,180
Water	37,000	301,038	2,000	-	340,038
Drig & Completion Overhead	9,000	6,500	-	-	15,500
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	163,843	-	-	-	163,843
Completion Unit, Swab, CTU	-	54,000	16,000	-	70,000
Perforating, Wireline, Slickline	-	92,500	-	-	92,500
High Pressure Pump Truck	-	50,100	6,000	-	56,100
Stimulation	-	915,168	-	-	915,168
Stimulation Flowback & Disp	-	15,500	50,400	-	65,900
Insurance	21,450	-	-	-	21,450
Labor	117,000	54,000	10,000	-	181,000
Rental - Surface Equipment	76,210	213,495	10,000	10,000	312,705
Rental - Downhole Equipment	102,994	34,000	3,000	-	139,994
Rental - Living Quarters	39,669	30,615	-	-	70,284
Contingency	97,272	100,465	27,230	-	224,967
MaxCom	19,350	-	-	-	19,350
<b>TOTAL INTANGIBLES &gt;</b>	<b>2,042,715</b>	<b>2,020,281</b>	<b>299,530</b>	<b>55,000</b>	<b>4,417,526</b>
<b>TANGIBLE COSTS</b>					
Surface Casing	\$ 18,013	\$ -	\$ -	\$ -	\$ 18,013
Intermediate Casing	66,341	-	-	-	66,341
Drilling Liner	220,916	-	-	-	220,916
Production Casing	274,268	-	-	-	274,268
Production Liner	-	-	-	-	-
Tubing	-	-	75,000	-	75,000
Wellhead	70,000	-	32,000	-	102,000
Packers, Liner Hangers	-	47,600	5,000	-	52,600
Tanks	-	-	-	41,000	41,000
Production Vessels	-	-	-	125,000	125,000
Flow Lines	-	-	-	75,000	75,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	30,000	-	30,000
Compressor	-	-	-	30,000	30,000
Installation Costs	-	-	-	112,000	112,000
Surface Pumps	-	-	12,000	30,000	42,000
Non-controllable Surface	-	-	-	-	-
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	10,000	100,000	110,000
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	125,000	125,000
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	2,000	-	2,000
Tank / Facility Containment	-	-	-	5,625	5,625
Flare Stack	-	-	-	13,200	13,200
Electrical / Grounding	-	-	2,000	18,125	20,125
Communications / SCADA	-	-	8,000	10,000	18,000
Instrumentation / Safety	-	-	-	43,125	43,125
<b>TOTAL TANGIBLES &gt;</b>	<b>649,535</b>	<b>47,600</b>	<b>176,000</b>	<b>728,075</b>	<b>1,601,210</b>
<b>TOTAL COSTS &gt;</b>	<b>2,692,250</b>	<b>2,067,881</b>	<b>475,530</b>	<b>783,075</b>	<b>6,018,736</b>

**PREPARED BY MATADOR PRODUCTION COMPANY:**

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

**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 not be accurate in dollars or any specific time or the total cost of the project. This AFE is for informational purposes only and does not constitute an offer of securities. The AFE is subject to the terms and conditions of the applicable joint operating agreement, leasehold agreement, and other agreements. The AFE is subject to the terms and conditions of the applicable joint operating agreement, leasehold agreement, and other agreements. The AFE is subject to the terms and conditions of the applicable joint operating agreement, leasehold agreement, and other agreements. The AFE is subject to the terms and conditions of the applicable joint operating agreement, leasehold agreement, and other agreements.

# 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:	November 23, 2020	AFE NO.:	
WELL NAME:	Colonel R. Howard Fed Com 202H	FIELD:	
LOCATION:	Section 23-23S-27E	MD/TVD:	14,300/9,120'
COUNTY/STATE:	Eddy, NM	LATERAL LENGTH:	4,500
MRC Wt:			
GEOLOGIC TARGET:	Wolfcamp A-XY		
REMARKS:	Drill, complete and equip an approximately 1 mile horizontal Wolfcamp A-XY target with 28 stages		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Land / Legal / Regulatory	\$ 61,500	\$ -	\$ 15,000	\$ 10,000	\$ 86,500
Location, Surveys & Damages	89,000	13,000	15,000	25,000	142,000
Drilling	509,900	-	-	-	509,900
Cementing & Float Equip	126,000	-	-	-	126,000
Logging / Formation Evaluation	-	5,000	3,000	-	8,000
Flowback - Labor	-	-	46,000	-	46,000
Flowback - Surface Rentals	-	-	83,500	-	83,500
Flowback - Rental Living Quarters	-	-	-	-	-
Mud Logging	16,750	-	-	-	16,750
Mud Circulation System	44,753	-	-	-	44,753
Mud & Chemicals	145,694	27,000	6,000	-	178,694
Mud / Wastewater Disposal	113,000	-	-	-	113,000
Freight / Transportation	17,600	19,500	-	-	37,100
Rig Supervision / Engineering	74,750	83,200	6,400	10,000	174,350
Drill Bits	60,000	-	-	-	60,000
Drill Bit Purchase	-	-	-	-	-
Fuel & Power	74,960	5,200	-	-	80,160
Water	37,000	301,038	2,000	-	340,038
Drig & Completion Overhead	9,000	6,500	-	-	15,500
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	163,843	-	-	-	163,843
Completion Unit, Swab, CTU	-	54,000	16,000	-	70,000
Perforating, Wireline, Slickline	-	92,500	-	-	92,500
High Pressure Pump Truck	-	50,100	6,000	-	56,100
Stimulation	-	915,168	-	-	915,168
Stimulation Flowback & Disp	-	15,500	50,400	-	65,900
Insurance	21,450	-	-	-	21,450
Labor	117,000	54,000	10,000	-	161,000
Rental - Surface Equipment	79,210	213,495	10,000	10,000	312,705
Rental - Downhole Equipment	102,994	34,000	3,000	-	139,994
Rental - Living Quarters	39,669	30,615	-	-	70,284
Contingency	87,272	100,465	27,230	-	224,967
MaxCom	19,350	-	-	-	19,350
<b>TOTAL INTANGIBLES &gt;</b>	<b>2,042,715</b>	<b>2,020,281</b>	<b>299,530</b>	<b>55,000</b>	<b>4,417,526</b>

TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	\$ 18,013	\$ -	\$ -	\$ -	\$ 18,013
Intermediate Casing	66,341	-	-	-	66,341
Drilling Liner	220,916	-	-	-	220,916
Production Casing	274,266	-	-	-	274,266
Production Liner	-	-	-	-	-
Tubing	-	-	75,000	-	75,000
Wellhead	70,000	-	32,000	-	102,000
Packers, Liner Hangers	-	47,600	5,000	-	52,600
Tanks	-	-	-	41,000	41,000
Production Vessels	-	-	-	125,000	125,000
Flow Lines	-	-	-	75,000	75,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	30,000	-	30,000
Compressor	-	-	-	30,000	30,000
Installation Costs	-	-	-	112,000	112,000
Surface Pumps	-	-	12,000	30,000	42,000
Non-controllable Surface	-	-	-	-	-
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	10,000	100,000	110,000
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	125,000	125,000
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	2,000	-	2,000
Tank / Facility Containment	-	-	-	5,625	5,625
Flare Stack	-	-	-	13,200	13,200
Electrical / Grounding	-	-	2,000	18,125	20,125
Communications / SCADA	-	-	8,000	10,000	18,000
Instrumentation / Safety	-	-	-	43,125	43,125
<b>TOTAL TANGIBLES &gt;</b>	<b>649,635</b>	<b>47,600</b>	<b>176,000</b>	<b>728,075</b>	<b>1,601,210</b>
<b>TOTAL COSTS &gt;</b>	<b>2,692,250</b>	<b>2,067,881</b>	<b>475,530</b>	<b>783,075</b>	<b>6,018,736</b>

**PREPARED BY MATADOR PRODUCTION COMPANY:**

Drilling Engineer:	Blake Hermes	Team Lead - WTX/NM	
Completions Engineer:	Garrett Hunt		WTE
Production Engineer:	Jan Mosires		

**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 ceilings on any specific item on the final cost of the project. Taking decisions approved under this AFE may be delayed up to one year after the well has been completed to executing this AFE. The Participant agrees to pay the proportionate share of actual costs incurred, including legal, custom, regulatory, flowback and tool costs under the terms of the applicable joint operating agreement, regulatory or other agreement covering this well. Participants shall be bound by and shall be responsible for the terms of well control and general liability insurance unless participants provide a separate certificate evidencing its best insurance in an amount acceptable to the Operator by the date of sign-off.

# EXHIBIT A-9

# MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240  
Voice 972.371.5446 • Fax 214.866.4946  
[shartsfield@matadorresources.com](mailto:shartsfield@matadorresources.com)

---

**Sara Hartsfield**  
**Senior Landman**

February 4, 2021

VIA CERTIFIED RETURN RECEIPT MAIL

Flat Creek Resources LLC  
777 Main Street, Suite 3600  
Fort Worth, TX 76102-5341

Re: Norris Thornton Fed Com #203H (the "Well")  
Participation Proposal  
Section 23, Township 23 South, Range 27 East  
Eddy County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Norris Thornton Fed Com #203H well, located in the S2 of Section 23, Township 23 South, Range 27 East, Eddy County, New Mexico, to the Wolfcamp formation.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping of the Well is itemized on the enclosed Authority for Expenditure ("AFE") both dated February 4, 2021.
- **Norris Thornton Fed Com #203H:** to be drilled from a legal location with a proposed surface hole location in the NE4SE4 of Section 23-23S-27E and a proposed bottom hole location in the NW4SW4 of Section 23-23S-27E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~9,120' TVD) to a Measured Depth of approximately 14,300'.

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.

Flat Creek Resources LLC will own an approximate 12.5% working interest in the Well, subject to title verification.

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

MRC is proposing to drill the Wells under the terms of the modified 1989 AAPL form of Operating Agreement dated January 1, 2018, by and between Matador Production Company, as Operator and MRC Permian Company et al as Non-Operators covering all of of Section 23, Township 23 South, Range 27 East, Eddy County, New Mexico, that was previously mailed to you and has the following general provisions:

- 100/300/300 Non-consenting penalty
- \$8,000/\$800 Drilling and Producing rate
- Matador Production Company named as Operator

**BEFORE THE OIL CONSERVATION DIVISION**  
**Santa Fe, New Mexico**  
**Exhibit No. A9**  
**Case Nos. 21543 & 21630**  
**Submitted by: Matador Production**  
**Company Hearing Date: May 06, 2021**

If your election is to participate in the drilling and completion of the Wells, please sign and return a copy of the enclosed AFE(s) within thirty (30) days of receipt of this notice. Additionally, if your election is to participate, please accept this letter as an invoice notice and request for payment. Please remit payment for your proportionate share of costs to Matador Production Company on or before thirty (30) days after receipt of this estimate and invoice. 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,

MRC PERMIAN COMPANY



Sara Hartsfield

**Flat Creek Resources LLC hereby elects to:**

- \_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Norris Thornton Com #203H** well, in the estimated amount of **\$752,342.00**
- \_\_\_\_\_ Not to participate in the **Norris Thornton Com #203H**

**Flat Creek Resources LLC**

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

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

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

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

# MATADOR PRODUCTION COMPANY

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

## ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	February 4, 2021	AFE NO.:	
WELL NAME:	Norris Thornton Fed Com #203H	FIELD:	
LOCATION:	Section 23-23S-27E	MD/TVD:	14,300/9,120'
COUNTY/STATE:	Eddy, NM	LATERAL LENGTH:	4,500
MRC WI:			
GEOLOGIC TARGET:	Wolfcamp A-XY		
REMARKS:	Drill, complete and equip an approximately 1 mile horizontal Wolfcamp A-XY target with 28 stages		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
<b>INTANGIBLE COSTS</b>					
Land / Legal / Regulatory	\$ 61,500	\$ -	\$ 15,000	\$ 10,000	\$ 86,500
Location, Surveys & Damages	89,000	13,000	15,000	25,000	142,000
Drilling	509,800	-	-	-	509,800
Cementing & Float Equip	120,000	-	-	-	120,000
Logging / Formation Evaluation	-	5,000	3,000	-	8,000
Flowback - Labor	-	-	48,000	-	48,000
Flowback - Surface Rentals	-	-	83,500	-	83,500
Flowback - Rental Living Quarters	-	-	-	-	-
Mud Logging	18,750	-	-	-	18,750
Mud Circulation System	44,753	-	-	-	44,753
Mud & Chemicals	145,694	27,000	6,650	-	178,694
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Drill Bit Purchase	-	-	-	-	-
Fuel & Power	74,980	5,200	-	-	80,180
Water	37,000	301,038	2,000	-	340,038
Drig & Completion Overhead	9,000	6,500	-	-	15,500
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	163,843	-	-	-	163,843
Completion Unit, Swab, CTU	-	54,000	16,000	-	70,000
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Rental - Surface Equipment	79,210	213,495	10,000	10,000	312,705
Rental - Downhole Equipment	102,994	34,000	3,000	-	139,994
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<b>TOTAL INTANGIBLES &gt;</b>	<b>2,042,715</b>	<b>2,020,281</b>	<b>299,530</b>	<b>55,000</b>	<b>4,417,526</b>
<b>TANGIBLE COSTS</b>					
Surface Casing	\$ 18,013	\$ -	\$ -	\$ -	\$ 18,013
Intermediate Casing	46,341	-	-	-	46,341
Drilling Liner	220,916	-	-	-	220,916
Production Casing	274,266	-	-	-	274,266
Production Liner	-	-	-	-	-
Tubing	-	-	75,000	-	75,000
Wellhead	70,000	-	32,000	-	102,000
Packers, Liner Hangers	-	47,600	5,000	-	52,600
Tanks	-	-	-	41,000	41,000
Production Vessels	-	-	-	125,000	125,000
Flow Lines	-	-	-	75,000	75,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	30,000	-	30,000
Compressor	-	-	-	30,000	30,000
Installation Costs	-	-	-	112,000	112,000
Surface Pumps	-	-	12,000	30,000	42,000
Non-controllable Surface	-	-	-	-	-
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	10,000	100,000	110,000
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	125,000	125,000
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	2,000	-	2,000
Tank / Facility Containment	-	-	-	5,625	5,625
Flare Stack	-	-	-	13,200	13,200
Electrical / Grounding	-	-	2,000	18,125	20,125
Communications / SCADA	-	-	6,000	10,000	16,000
Instrumentation / Safety	-	-	-	43,125	43,125
<b>TOTAL TANGIBLES &gt;</b>	<b>649,535</b>	<b>47,600</b>	<b>176,000</b>	<b>728,075</b>	<b>1,601,210</b>
<b>TOTAL COSTS &gt;</b>	<b>2,692,250</b>	<b>2,067,881</b>	<b>475,530</b>	<b>783,075</b>	<b>6,018,736</b>

**PREPARED BY MATADOR PRODUCTION COMPANY:**

Drilling Engineer:	Blake Hermes	Team Lead - WTX/NM	<u>WTE</u>
Completions Engineer:	Garnett Hunt		WTE
Production Engineer:	Jan Messner		

**MATADOR RESOURCES COMPANY APPROVAL:**

Exec. VP & CFO	Exec. VP - Res Engineering	Exec. VP & COO - Land & Legal
DEI	BKR	CNA
President	Senior VP - Geoscience	Exec. VP & COO - Operations
MVA	NLF	BEO

**NON OPERATING PARTNER APPROVAL:**

Company Name:	Working Interest (%):	Tax ID:
Signed by:	Date:	
Title:	Approval: Yes <input type="checkbox"/> No <input type="checkbox"/> (mark one)	

This document is the property of Matador Production Company and is not to be distributed outside of the company. It is prepared by Matador Production Company and is not to be used for any other purpose. All rights reserved. Matador Production Company is not responsible for any errors or omissions in this document. This document is prepared by Matador Production Company and is not to be used for any other purpose. All rights reserved. Matador Production Company is not responsible for any errors or omissions in this document. This document is prepared by Matador Production Company and is not to be used for any other purpose. All rights reserved. Matador Production Company is not responsible for any errors or omissions in this document.

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

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

**CASE NOS. 21543, 21630**

**APPLICATION OF FLAT CREEK RESOURCES,  
LLC, FOR A HORIZONTAL SPACING AND  
COMPULSORY POOLING, EDDY COUNTY, NEW  
MEXICO.**

**CASE NOS. 21560, 21747**

**AFFIDAVIT OF TREY GOODWIN (Area Land Manager)**

Trey Goodwin, of lawful age and being first duly sworn, declares as follows:

1. My name is Trey Goodwin and I am employed by MRC Energy Company, an affiliate of Matador Production Company (“Matador”), as the Area Land Manager for our asset area that is the subject of these force pooling cases. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. I am familiar with the applications filed by Matador in these consolidated cases, the status of the lands in the subject area and Matador’s development and facilities in the subject area.

2. As shown on **Matador Exhibit B-1**, Matador has extensive experience drilling horizontal wells in the Permian Basin of New Mexico. Matador has drilled approximately 282 horizontal wells in the Permian Basin of New Mexico, with 138 of those wells drilled in what we call the Rustler Breaks area, which includes Section 23, Township 23 South, Range 27 East, the subject area for these consolidated cases.

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. B  
Case Nos. 21543 & 21630  
Submitted by: Matador Production Company  
Hearing Date: May 06, 2021**

3. A review of **Matador Exhibit B-2** shows the following with respect to Matador's extensive development of the upper Wolfcamp formation underlying Township 23 South, Range 27 East:

- a. Matador has drilled and is operating at least 27 horizontal wells in the upper Wolfcamp formation in this Township. This includes the Norris Thornton Fed Com 204H well drilled by Matador in July of 2018 in the upper Wolfcamp zone underlying the S/2 S/2 of Section 23.
- b. Matador's proposed three wells for the remaining acreage in Section 23 is a continuation of Matador's orderly development and preferred spacing in the upper Wolfcamp zone in the sections to the north, northeast and east of Section 23.

4. As a result of Matador's drilling experience in the Permian Basin in general, and its specific drilling experience in the Wolfcamp formation in the subject area, Matador has extensive knowledge of this area and this zone. In contrast, a review of the public records indicates Flat Creek Resources has not drilled any horizontal well in the Permian Basin of New Mexico.

5. Matador not only owns 75% of the working interest in Section 23 but already has extensive development operations in this section.

- a. Matador operates the S/2 spacing unit in the Wolfcamp formation currently dedicated to the existing Norris Thornton Fed Com 204H well. As part of the recent discussion with Flat Creek, Matador has proposed the Norris Thornton Fed Com 203H as an infill well for the N/2 S/2 of this existing spacing unit.

- b. Matador operates a N/2 spacing unit and a S/2 spacing unit in the Morrow formation dedicated to existing vertical wells. Matador recently pooled Flat Creek's subsequently acquired interest in these existing Morrow spacing units, without objection by Flat Creek, under Division Orders R-21549 and R-21550 issued in January of 2021.
- c. In January of 2021, Matador also proposed to Flat Creek the formation of horizontal spacing units in the Bone Spring formation covering all of Sections 23 and 24. Since Flat Creek has not agreed to execute a voluntary agreement for the drilling of the proposed Bone Spring wells, Matador is in the process of filing applications to pool Flat Creek's minority interest in these proposed Bone Spring spacing units.

6. As reflected on **Matador Exhibit B-3**, because of Matador's extensive activity in and around Section 23, Matador has the infrastructure already in place to accommodate the proposed Wolfcamp wells in these cases.

- a. The drilling pads needed for the Colonel Howard 201H and 202H wells in the proposed N/2 spacing unit already exist on the west side of Section 23.
- b. The drilling pad necessary for the proposed Norris Thornton 203H infill well in the N/2 of the existing S/2 spacing unit already exists on the east side of Section 23.
- c. Matador has an existing facility pad in the SW/4 SW/4 of Section 24 to accommodate the oil, gas and water streams from Section 23.
- d. Matador's midstream affiliate has pipelines in place with sufficient capacity to transport all three streams—oil, gas and water—from the existing facility pad.

7. As a result of Matador's existing facilities in the subject area, there will be reduced surface disturbance from Matador's proposed wells, reduced truck traffic versus hauling the oil and water via trucks, and no concerns about flaring or takeaway capacity. In contrast, it is Matador's understanding Flat Creek not only lacks drilling experience but does not have the existing well pads, facilities or takeaway capacity to accommodate its proposed wells.

8. **Matador Exhibit B-4** contains updated AFE's that account for Matador's anticipated drilling costs under current market conditions and Matador's existing facilities in the subject area for our Colonel Howard 201H and 202H and infill Norris Thornton 203H wells. The costs reflected on these updated AFE's combine to be \$2,229,700 less than those submitted to Matador by Flat Creek in November and December of 2020 for the three wells combined. Matador Exhibit B-4 also reflects the actual costs drilling, completing, and equipping the existing Norris Thornton RB #204 well.

9. Matador proposed to Flat Creek, and requests in these pooling proceedings, 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, as reflected in Matador's well proposals. These costs are consistent with what Matador and other operators are charging in this area for similar wells. In contrast, Flat Creek proposed overhead rates of \$10,000 per month while drilling and \$1000 per month while producing under its November 2020 wells proposal.

10. In sum, Section 23 is a continuation of Matador's extensive investment in and development of the Wolfcamp formation in the subject area. Matador is currently operating the Wolfcamp formation underlying the S/2 of Section 23 and has the facilities in place to accommodate the additional proposed wells for the N/2 and S/2 of Section 23.

Matador has extensive experience developing the Wolfcamp formation in the subject area and with drilling horizontal wells in New Mexico. Up until the Fall of 2020, Flat Creek never expressed a desire to operate the Wolfcamp formation underlying Section 23 or said anything to me that led me to believe they had any knowledge of optimal development of the Wolfcamp formation in this area. To my knowledge, Flat Creek has no experience in the Wolfcamp formation in this area and no experience drilling horizontal wells in New Mexico. Most importantly, Matador owns 75% of the working interest in Section 23, ultimately meaning it will be responsible for 75% of the costs for development of this section. Matador therefore asks that the Division grant Matador's pooling applications and deny Flat Creek's competing applications so that Matador can control these costs and continue with its orderly and systematic development of the Wolfcamp formation in this area.

11. **Matador Exhibits B-1 through B-4** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.



---

Trey Goodwin

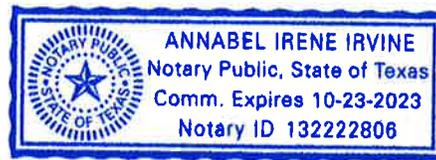
STATE OF TEXAS                    )  
  )  
COUNTY OF DALLAS                )

SUBSCRIBED and SWORN to before me this 29 day of April 2021 by Trey Goodwin.

Annabel Irvine *Annabel Irvine*  
NOTARY PUBLIC

My Commission Expires:

10 | 23 | 2023



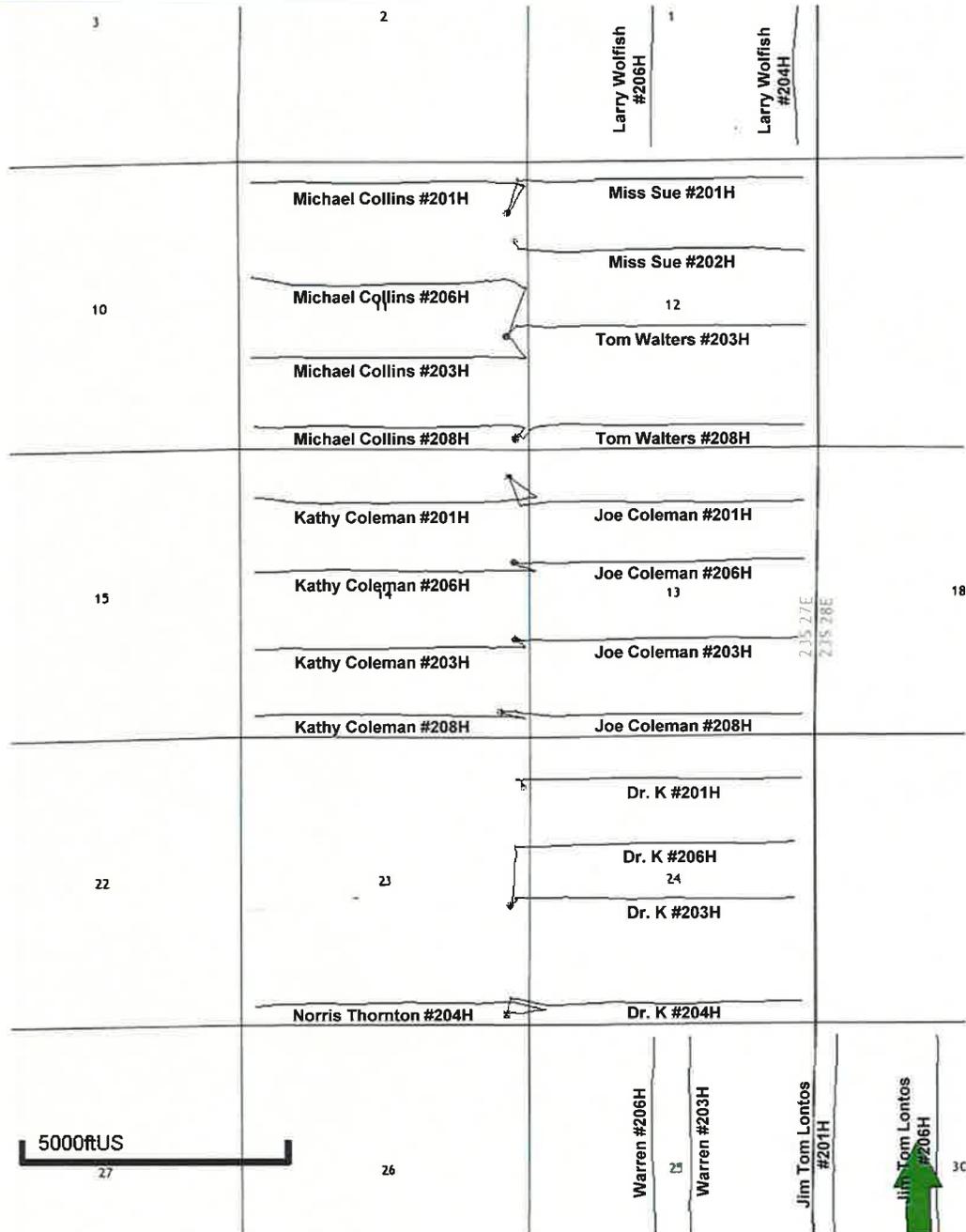
# EXHIBIT B-1

<b>Approximate Number of Horizontal Wells Drilled and Completed by Matador in Permian Basin of New Mexico</b>	
<b><u>Asset Area</u></b>	<b><u>Number of Wells</u></b>
<b>Rustler Breaks</b>	<b>138</b>
<b>Stateline</b>	<b>26</b>
<b>Arrowhead</b>	<b>24</b>
<b>Ranger</b>	<b>34</b>
<b>Antelope Ridge</b>	<b>60</b>
<b>TOTAL</b>	<b>282</b>

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. B1  
Case Nos. 21543 & 21630  
Submitted by: Matador Production Company  
Hearing Date: May 06, 2021

# EXHIBIT B-2

# Purple Sage; Wolfcamp (Gas) (Pool Code 98220) Matador Horizontal Wells in Upper Wolfcamp Target Sand



BEFORE THE OIL CONSERVATION

DIVISION

Santa Fe, New Mexico

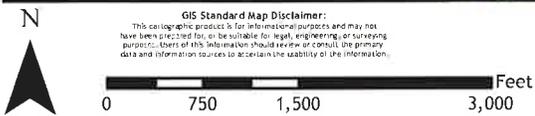
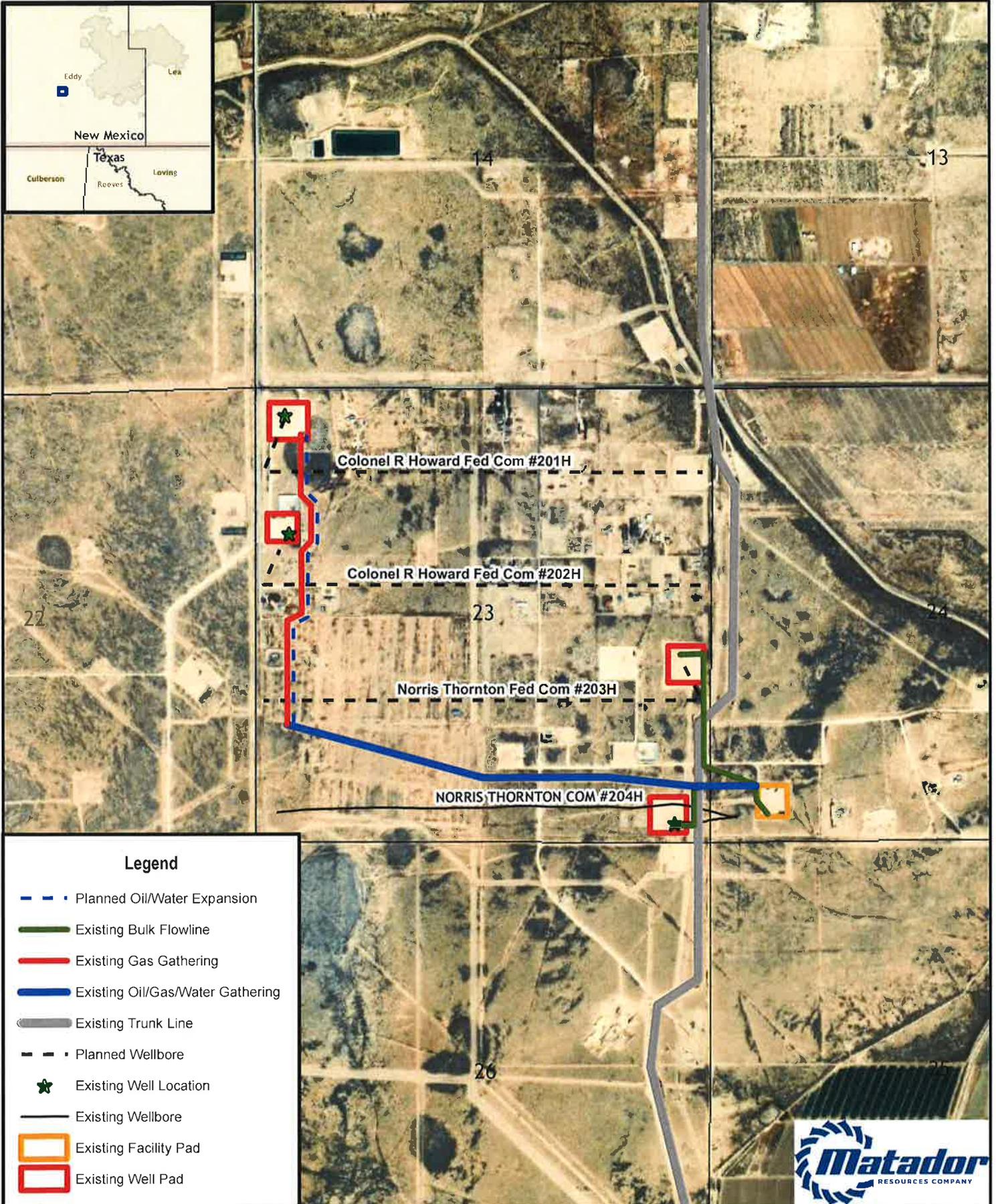
Exhibit No. B2

Case Nos. 21543 & 21630

Submitted by: Matador Production Company  
Hearing Date: May 06, 2021

# EXHIBIT B-3

# 23-23S-27E



**1:18,000**  
 1 inch = 1,500 feet

GIS Standard Map Disclaimer:  
 This cartographic product is for informational purposes and may not  
 have been projected 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.

# **EXHIBIT B-4**

**MATADOR PRODUCTION COMPANY**

ONE LINCOLN CENTRE • 5400 LBJ FREEWAY • SUITE 1800 • DALLAS, TEXAS 75240  
Phone (972) 371-5200 • Fax (972) 371-5201

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	April 27, 2021	AFE NO.:	
WELL NAME:	Colonel R. Howard Fed Com 201H	FIELD:	
LOCATION:	Section 23-23S-27E	MD/TVD:	14,300'/9,120'
COUNTY/STATE:	Eddy, NM	LATERAL LENGTH:	4,500
MRC WI:			
GEOLOGIC TARGET:	Wolfcamp A-XY		
REMARKS:	Drill, complete and equip an approximately 1 mile horizontal Wolfcamp A-XY target with 24 stages		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Land / Legal / Regulatory	\$ 61,500	\$ -	\$ 50,000	\$ 10,000	\$ 121,500
Location, Surveys & Damages	89,000	13,000	25,000	25,000	152,000
Drilling	546,794	-	-	-	546,794
Cementing & Float Equip	131,000	-	-	-	131,000
Logging / Formation Evaluation	-	3,000	3,000	-	6,000
Flowback - Labor	-	-	20,000	-	20,000
Flowback - Surface Rentals	-	-	141,525	-	141,525
Flowback - Rental Living Quarters	-	-	-	-	-
Mud Logging	18,750	-	-	-	18,750
Mud Circulation System	42,211	-	-	-	42,211
Mud & Chemicals	205,694	27,000	3,000	-	235,694
Mud / Wastewater Disposal	113,000	-	-	-	113,000
Freight / Transportation	16,000	26,700	-	-	42,700
Rig Supervision / Engineering	68,250	57,000	11,000	10,000	146,250
Drill Bits	80,000	-	-	-	80,000
Drill Bit Purchase	-	-	-	-	-
Fuel & Power	103,320	4,000	-	-	107,320
Water	37,000	271,425	2,000	-	310,425
Drig & Completion Overhead	8,000	-	-	-	8,000
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	163,548	-	-	-	163,548
Completion Unit, Swab, CTU	-	54,000	16,000	-	70,000
Perforating, Wireline, Slickline	-	81,535	5,000	-	86,535
High Pressure Pump Truck	-	30,000	6,000	-	36,000
Stimulation	-	1,013,981	-	-	1,013,981
Stimulation Flowback & Dip	-	15,500	50,400	-	65,900
Insurance	21,450	-	-	-	21,450
Labor	117,000	51,500	10,000	-	178,500
Rental - Surface Equipment	71,520	176,170	10,000	10,000	267,690
Rental - Downhole Equipment	100,328	34,000	3,000	-	137,328
Rental - Living Quarters	37,280	22,660	-	-	59,970
Contingency	102,442	86,752	35,593	-	224,787
MaxCom	17,200	-	-	-	17,200
<b>TOTAL INTANGIBLES &gt;</b>	<b>2,151,288</b>	<b>1,968,253</b>	<b>391,518</b>	<b>55,000</b>	<b>4,566,059</b>

TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	\$ 21,133	\$ -	\$ -	\$ -	\$ 21,133
Intermediate Casing	246,017	-	-	-	246,017
Drilling Liner	-	-	-	-	-
Production Casing	307,251	-	-	-	307,251
Production Liner	-	-	-	-	-
Tubing	-	-	75,000	-	75,000
Wellhead	65,000	-	32,000	-	97,000
Packers, Liner Hangers	-	42,750	5,000	-	47,750
Tanks	-	-	-	35,000	35,000
Production Vessels	-	-	-	105,000	105,000
Flow Lines	-	-	-	75,000	75,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	30,000	-	30,000
Compressor	-	-	-	25,000	25,000
Installation Costs	-	-	-	100,000	100,000
Surface Pumps	-	-	12,000	25,000	37,000
Non-controllable Surface	-	-	-	-	-
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	10,000	100,000	110,000
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	120,000	120,000
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	2,000	-	-	2,000
Tank / Facility Containment	-	-	-	3,050	3,050
Flare Stack	-	-	-	13,200	13,200
Electrical / Grounding	-	-	2,000	18,125	20,125
Communications / SCADA	-	-	8,000	10,000	18,000
Instrumentation / Safety	-	-	-	40,825	40,825
<b>TOTAL TANGIBLES &gt;</b>	<b>639,401</b>	<b>42,750</b>	<b>176,000</b>	<b>670,000</b>	<b>1,528,151</b>
<b>TOTAL COSTS &gt;</b>	<b>2,790,689</b>	<b>2,011,003</b>	<b>567,518</b>	<b>725,000</b>	<b>6,094,210</b>

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Blake Hermes	Team Lead - WTX/NM	<i>WTE</i>
Completions Engineer:	Garrett Hunt		WTE
Production Engineer:	Jan Mooney		

MATADOR RESOURCES COMPANY APPROVAL:

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

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 finalized as a result of the completion of the project. Taking production approval under the AFE may be delayed up to 90 days after the well has been completed. The Participant agrees 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 covering this well. Participants shall be covered by third party indemnification for Operator's well control and general liability insurance unless participants provide Operator a certificate evidencing its own insurance or an amount acceptable to the Operator by the date of issue.

# 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:	April 27, 2021	AFE NO.:	
WELL NAME:	Colonel R. Howard Fed Com 202H	FIELD:	
LOCATION:	Section 23-23S-27E	MD/TVD:	14,300/9,120'
COUNTY/STATE:	Eddy, NM	LATERAL LENGTH:	4,500
MRC WI:			
GEOLOGIC TARGET:	Wolfcamp A-XY		
REMARKS:	Drill, complete and equip an approximately 1 mile horizontal Wolfcamp A-XY target with 24 stages		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Land / Legal / Regulatory	\$ 61,500	\$ -	\$ 50,000	\$ 10,000	\$ 121,500
Location, Surveys & Damages	89,000	13,000	25,000	25,000	152,000
Drilling	548,794	-	-	-	548,794
Cementing & Float Equip	131,000	-	-	-	131,000
Logging / Formation Evaluation	-	3,000	3,000	-	6,000
Flowback - Labor	-	-	20,000	-	20,000
Flowback - Surface Rentals	-	-	141,525	-	141,525
Flowback - Rental Living Quarters	-	-	-	-	-
Mud Logging	18,750	-	-	-	18,750
Mud Circulation System	42,211	-	-	-	42,211
Mud & Chemicals	205,694	27,000	3,000	-	235,694
Mud / Wastewater Disposal	113,000	-	-	-	113,000
Freight / Transportation	16,000	26,700	-	-	42,700
Rig Supervision / Engineering	68,250	57,000	11,000	10,000	146,250
Drill Bits	80,000	-	-	-	80,000
Drill Bit Purchase	-	-	-	-	-
Fuel & Power	103,320	4,000	-	-	107,320
Water	37,000	271,425	2,000	-	310,425
Drig & Completion Overhead	8,000	-	-	-	8,000
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	163,548	-	-	-	163,548
Completion Unit, Swab, CTU	-	54,000	16,000	-	70,000
Perforating, Wireline, Slickline	-	81,535	5,000	-	86,535
High Pressure Pump Truck	-	30,000	6,000	-	36,000
Stimulation	-	1,013,981	-	-	1,013,981
Stimulation Flowback & Disp	-	15,500	50,400	-	65,900
Insurance	21,450	-	-	-	21,450
Labor	117,000	51,500	10,000	-	178,500
Rental - Surface Equipment	71,520	176,170	10,000	10,000	267,690
Rental - Downhole Equipment	100,328	34,000	3,000	-	137,328
Rental - Living Quarters	37,280	22,690	-	-	59,970
Contingency	102,442	66,762	35,693	-	224,787
MaxCom	17,200	-	-	-	17,200
<b>TOTAL INTANGIBLES &gt;</b>	<b>2,151,288</b>	<b>1,988,253</b>	<b>391,518</b>	<b>55,000</b>	<b>4,566,059</b>

TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	\$ 21,133	\$ -	\$ -	\$ -	\$ 21,133
Intermediate Casing	248,017	-	-	-	248,017
Drilling Liner	-	-	-	-	-
Production Casing	307,251	-	-	-	307,251
Production Liner	-	-	-	-	-
Tubing	-	-	75,000	-	75,000
Wellhead	85,000	-	32,000	-	97,000
Packers, Liner Hangers	-	42,750	5,000	-	47,750
Tanks	-	-	-	35,000	35,000
Production Vessels	-	-	-	105,000	105,000
Flow Lines	-	-	-	75,000	75,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	30,000	-	30,000
Compressor	-	-	-	25,000	25,000
Installation Costs	-	-	-	100,000	100,000
Surface Pumps	-	-	12,000	25,000	37,000
Non-controllable Surface	-	-	-	-	-
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	10,000	100,000	110,000
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	120,000	120,000
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	2,000	-	2,000
Tank / Facility Containment	-	-	-	3,050	3,050
Flare Stack	-	-	-	13,200	13,200
Electrical / Grounding	-	-	2,000	18,125	20,125
Communications / SCADA	-	-	8,000	10,000	18,000
Instrumentation / Safety	-	-	-	40,625	40,625
<b>TOTAL TANGIBLES &gt;</b>	<b>639,401</b>	<b>42,750</b>	<b>176,000</b>	<b>670,000</b>	<b>1,528,151</b>
<b>TOTAL COSTS &gt;</b>	<b>2,790,689</b>	<b>2,011,003</b>	<b>567,518</b>	<b>725,000</b>	<b>6,094,210</b>

**PREPARED BY MATADOR PRODUCTION COMPANY:**

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

**MATADOR RESOURCES COMPANY APPROVAL:**

Exec. VP & CFO <u>OEL</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: <u>Yes</u> <input type="checkbox"/> No <input type="checkbox"/> (mark one)	

The AFE is the AFE is submitted only and must be submitted as being on any owner's part in the total cost of the project. Tubing installation expenses under the AFE may be delayed up to 1 year after the well has been completed. In executing the AFE, the Participant agrees to pay its proportionate share of actual costs incurred including, but not limited to, regulatory, litigation and well costs under the terms of the applicable lease operating agreement, regulatory order or other agreement covering this well. Participants shall be deemed to have approved the AFE and general liability insurance unless participant provides Operator a written evaluation of non-consent in an amount acceptable to the Operator by the date of sign.

# MATADOR PRODUCTION COMPANY

ONE LINCOLN CENTRE • 6400 LBJ FREEWAY • SUITE 1500 • DALLAS, TEXAS 75240  
Phone (972) 371-5200 • Fax (972) 371-5201

## ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	April 27, 2021	AFE NO.:	
WELL NAME:	Norris-Thornton Fed Com 203H	FIELD:	
LOCATION:	Section 23-23S-27E	MD/TVD:	14,300'/9,120'
COUNTY/STATE:	Eddy, NM	LATERAL LENGTH:	4,500
MRC WI:			
GEOLOGIC TARGET:	Wolfcamp A-XY		
REMARKS:	Drill, complete and equip an approximately 1 mile horizontal Wolfcamp A-XY target with 24 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	89,000	13,000	25,000	25,000	152,000
Drilling	546,794	-	-	-	546,794
Cementing & Float Equip	131,000	-	-	-	131,000
Logging / Formation Evaluation	-	3,000	3,000	-	6,000
Flowback - Labor	-	-	20,000	-	20,000
Flowback - Surface Rentals	-	-	141,526	-	141,526
Flowback - Rental Living Quarters	-	-	-	-	-
Mud Logging	18,750	-	-	-	18,750
Mud Circulation System	42,211	-	-	-	42,211
Mud & Chemicals	205,694	27,000	3,000	-	235,694
Mud / Wastewater Disposal	113,000	-	-	-	113,000
Freight / Transportation	18,000	26,700	-	-	42,700
Rig Supervision / Engineering	68,250	57,000	11,000	10,000	146,250
Drill Bits	60,000	-	-	-	60,000
Drill Bit Purchase	-	-	-	-	-
Fuel & Power	103,320	4,000	-	-	107,320
Water	37,000	271,425	2,000	-	310,425
Drig & Completion Overhead	8,000	-	-	-	8,000
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	163,548	-	-	-	163,548
Completion Unit, Swab, CTU	-	54,000	18,000	-	70,000
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High Pressure Pump Truck	-	30,000	6,000	-	36,000
Stimulation	-	1,013,981	-	-	1,013,981
Stimulation Flowback & Disp	-	15,500	50,400	-	65,900
Insurance	21,450	-	-	-	21,450
Labor	117,000	51,500	10,000	-	178,500
Rental - Surface Equipment	71,520	176,170	10,000	10,000	267,690
Rental - Downhole Equipment	100,328	34,000	3,000	-	137,328
Rental - Living Quarters	37,280	22,690	-	-	59,970
Contingency	102,442	86,752	35,583	-	224,767
MaxCom	17,200	-	-	-	17,200
<b>TOTAL INTANGIBLES &gt;</b>	<b>2,151,288</b>	<b>1,988,253</b>	<b>391,518</b>	<b>55,000</b>	<b>4,586,059</b>
<b>TANGIBLE COSTS</b>					
Surface Casing	\$ 21,133	\$ -	\$ -	\$ -	\$ 21,133
Intermediate Casing	246,017	-	-	-	246,017
Drilling Liner	-	-	-	-	-
Production Casing	307,251	-	-	-	307,251
Production Liner	-	-	-	-	-
Tubing	-	-	75,000	-	75,000
Wellhead	65,000	-	32,000	-	97,000
Packers, Liner Hangers	-	42,750	5,000	-	47,750
Tanks	-	-	-	35,000	35,000
Production Vessels	-	-	-	105,000	105,000
Flow Lines	-	-	-	75,000	75,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	30,000	-	30,000
Compressor	-	-	-	25,000	25,000
Installation Costs	-	-	-	100,000	100,000
Surface Pumps	-	-	12,000	25,000	37,000
Non-controllable Surface	-	-	-	-	-
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	10,000	100,000	110,000
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	120,000	120,000
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	2,000	-	2,000
Tank / Facility Containment	-	-	-	3,050	3,050
Flare Stack	-	-	-	13,200	13,200
Electrical / Grounding	-	-	2,000	18,125	20,125
Communications / SCADA	-	-	8,000	10,000	18,000
Instrumentation / Safety	-	-	-	40,625	40,625
<b>TOTAL TANGIBLES &gt;</b>	<b>639,401</b>	<b>42,750</b>	<b>176,000</b>	<b>670,000</b>	<b>1,528,151</b>
<b>TOTAL COSTS &gt;</b>	<b>2,790,689</b>	<b>2,011,003</b>	<b>567,518</b>	<b>725,000</b>	<b>6,094,210</b>

**PREPARED BY MATADOR PRODUCTION COMPANY:**

Drilling Engineer:	Blake Hermes	Team Lead - WTX/NM	<i>WTE</i> WTE
Completions Engineer:	Garrett Hunt		
Production Engineer:	Jan Mosnes		

**MATADOR RESOURCES COMPANY APPROVAL:**

Exec. VP & CFO	DEL	Exec. VP & COO - Land & Legal	CNA
President	MVH	Senior VP - Geoscience	NLF
		Exec. VP & COO - Operations	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 controlled as set forth on any specific term in the total cost of the project. Funding obligations approved under this AFE may be delayed up to a year after the well has been completed. In assuming this AFE, the Participant agrees to pay its proportionate share of all costs incurred, including legal, regulatory, engineering and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement concerning this well. Participants shall be removed by and hold jointly and severally liable for Operator's well control and general liability insurance unless participant provides Operator a certificate endorsing its own insurance in an amount acceptable to the Operator by the date of issue.

<b>Actual Costs for Drilling, Completing and Equipping Norris Thornton RB #204</b>			
Completion	\$ 3,460,238.10	\$ 34,563.53	\$ 3,494,801.63
Drilling	\$ 1,814,506.68	\$ 756,875.73	\$ 2,571,382.41
Facility	\$ 35,318.97	\$ 467,912.11	\$ 503,231.08
Production	\$ 150,809.84	\$ 160,029.09	\$ 310,838.93
		<b>TOTAL</b>	<b>\$ 6,880,254.05</b>

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

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

**CASE NOS. 21543, 21630**

**APPLICATION OF FLAT CREEK RESOURCES,  
LLC, FOR A HORIZONTAL SPACING AND  
COMPULSORY POOLING, EDDY COUNTY, NEW  
MEXICO.**

**CASE NOS. 21560, 21747**

**AFFIDAVIT OF ANDREW PARKER**

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 C-1** is a project locator map that reflects the location of the proposed horizontal spacing units in **Case Nos. 21543 and 21630** in Eddy County and in relation to the Capitan Aquifer.

5. In **Case Nos. 21543 and 21630**, Matador is targeting the Wolfcamp formation.

6. **Matador Exhibit C-2** is a subsea structure map that I prepared for the top of the Wolfcamp formation. The proposed spacing units are highlighted in yellow in Section 23. The proposed spacing unit for the Colonel R. Howard Fed Com #201H & 202H wells in **Case No.**

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. C

Case Nos. 21543 & 21630

Submitted by: Matador Production Company

Hearing Date: May 06, 2021

**21630** is in the N/2 of Section 23 and the proposed spacing unit for the Norris Thornton Fed Com #203H & #204H wells in **Case No. 21543** is in the S/2 of Section 23. The approximate locations for each proposed well are indicated by the blue lines. The contour intervals are 50 feet. The structure map shows the Wolfcamp formation gently dipping to the east. The structure appears consistent across both proposed spacing units, and I do not observe any faulting, pinch outs, or other geologic impediments to horizontal drilling in this area.

7. **Matador Exhibit C-3** shows a line of cross sections from A to A' using three well logs. I utilized these well logs because they penetrate the targeted interval, are of good quality, and are representative of the geology in the subject area.

8. **Matador Exhibit C-4** is a stratigraphic cross-section that I prepared using logs from the three representative wells shown on Exhibit C-3. Each well on the cross-section contains gamma ray, resistivity, and porosity logs. The target interval for the proposed wells is highlighted, with the well names noted on the left side of the cross section. The cross-section demonstrates that the targeted interval is continuous across the proposed spacing units.

9. Based on my geologic study, the Wolfcamp formation 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.

10. In my opinion, there is no preferred orientation for horizontal well development in the Wolfcamp formation in this area. The laydown orientation of the proposed wells will efficiently and effectively develop the subject acreage.

11. Matador's proposed development of Section 23 in these consolidated cases is part of Matador's effort to efficiently and effectively develop the Wolfcamp formation in Township 23

South, Range 27 East using what we have determined over time to be the optimal well spacing for the upper Wolfcamp formation in this area. **Matador Exhibit C-5** is an overview of Matador's horizontal well development of the upper Wolfcamp formation in the Township. It shows that Matador's development has generally followed its preferred 1,320-foot well spacing pattern, including the acreage immediately offsetting the proposed development to the north in the S/2 S/2 of Section 14 (Kathy Coleman #208H well) and to the south in the S/2 S/2 of Section 23 (Norris Thornton #204H well).

12. **Matador Exhibit C-6** depicts the competing well development plans and proposed well spacing at issue in these cases with a focus on Section 23 and Matador's existing producing wells in the Wolfcamp formation immediately to the north and in the S/2 of Section 23. On the left side of the exhibit is a well log from the Walterscheid 23 1 Well containing gamma ray, resistivity, and porosity logs. The top and bottom of the Wolfcamp formation is indicated by solid black lines across the top and bottom of log. Matador's proposed target interval is highlighted in yellow at approximately 9,150 feet total vertical depth (TVD). In the center of the exhibit, the locations of the north and the south lines of Section 23 are depicted by vertical black dashed lines. The depths and locations of Matador's proposed wells in Section 23 are depicted by green circles with the well names and footages noted above. In addition, Matador's existing offsetting drilled and producing wells to the north in the S/2 S/2 of Section 14 (Kathy Coleman #208H well) and to the south in the S/2 S/2 of Section 23 (Norris Thornton #204H well) are depicted by solid black circles with names and footages noted above. As discussed with respect to **Matador Exhibit C-5**, the proposed spacing between Matador's proposed wells and its existing producing wells follows Matador's preferred and established 1,320-foot well spacing pattern to fully and efficiently develop the upper Wolfcamp formation in this area.

13. In contrast, the locations and spacing of Flat Creek's proposed wells would not result in the full or efficient drainage of the Wolfcamp formation in Section 23. The depths and locations of Flat Creek's proposed wells are depicted in **Matador Exhibit C-6** with red circles with the well names and footages for each proposed well noted above. Flat Creek proposes to drill its 13 Seconds #701H well approximately 400 feet closer to the north line than Matador's proposed Colonel R. Howard Fed Com #201H well, which would result in a setback of about 920 feet from Matador's existing Kathy Coleman #208H well immediately to the north and less than the optimal 1,320-foot spacing. Similarly, Flat Creek proposes to locate its 13 Seconds #703H well about 360 feet further north than Matador's proposed Norris Thornton Fed Com #203H well, resulting in a gap of about 1,680 feet from Matador's existing Norris Thornton Fed Com #204H well and inefficient spacing and drainage within the S/2 of Section 23.

14. Over time, Matador has determined through its experience drilling and completing wells in this area that 1,320-foot well spacing is optimal to fully and efficiently drain the upper Wolfcamp with horizontal well development. Flat Creek's proposed locations, however, fail to maintain the ideal 1,320-foot well spacing between Matador's existing Kathy Coleman #208H to the north and the Norris Thornton Fed Com #204H Well to the south, creating inconsistent spacing across the subject acreage. That will result in inefficient drainage of the Wolfcamp and waste compared to Matador's proposed well development plan and may require the drilling of an additional infill well to fully drain the S/2 of Section 23 that would be unnecessary under Matador's plan.

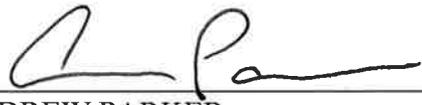
15. Even though Flat Creek proposes to drill its wells slightly deeper than Matador to a total vertical depth of approximately 9,317 to 9,328 feet, or about 170 feet below Matador's target zone, no geologic barrier exists to prevent Flat Creek's proposed wells from draining the

shallower Wolfcamp zones being produced by Matador's existing offsetting production. That means Flat Creek's proposed well locations are likely to adversely impact Matador's existing offsetting production where Flat Creek's wells are located closer than the ideal 1,320-foot spacing, while at the same time inefficiently developing and draining the S/2 of Section 23 due to sub-optimal spacing across the entire section, as described above. If Flat Creek drills an infill well to develop the spacing gap in the S/2 of Section 23, it also could adversely impact Matador's existing offsetting production from the Norris Thornton Fed Com #204H Well if the infill well is located closer than 1,320-foot spacing.

16. In my opinion, approving Matador's applications is in the best interest of conservation, the prevention of waste, and protection of correlative rights. Matador's well development plan will fully and efficiently develop and drain the Wolfcamp formation across Section 23, whereas Flat Creek's proposal will not and may require the drilling of an additional unnecessary infill well to fully drain the S/2 of Section 23.

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

FURTHER AFFIANT SAYETH NOT.

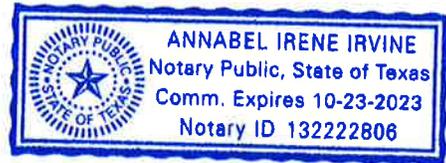
  
\_\_\_\_\_  
ANDREW PARKER

STATE OF TEXAS            )  
  )  
COUNTY OF DALLAS        )

SUBSCRIBED and SWORN to before me this 28 day of April 2021  
by Andrew Parker.

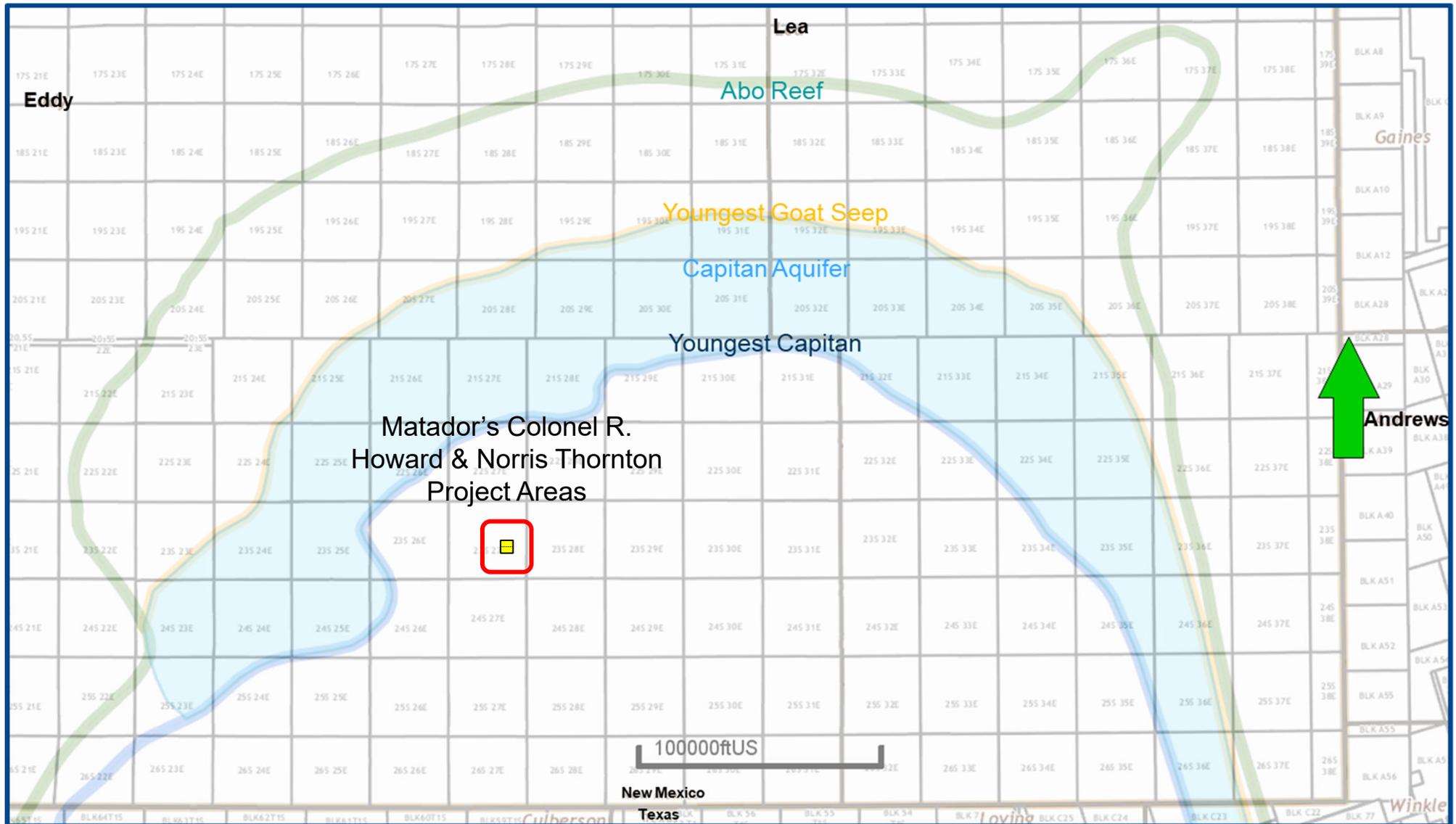
  
\_\_\_\_\_  
Annabel Irvine  
NOTARY PUBLIC

My Commission Expires:  
10/23/2023



# Locator Map

Exhibit C-1



BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. C1

Case Nos. 21543 & 21630

Submitted by: Matador Production Company

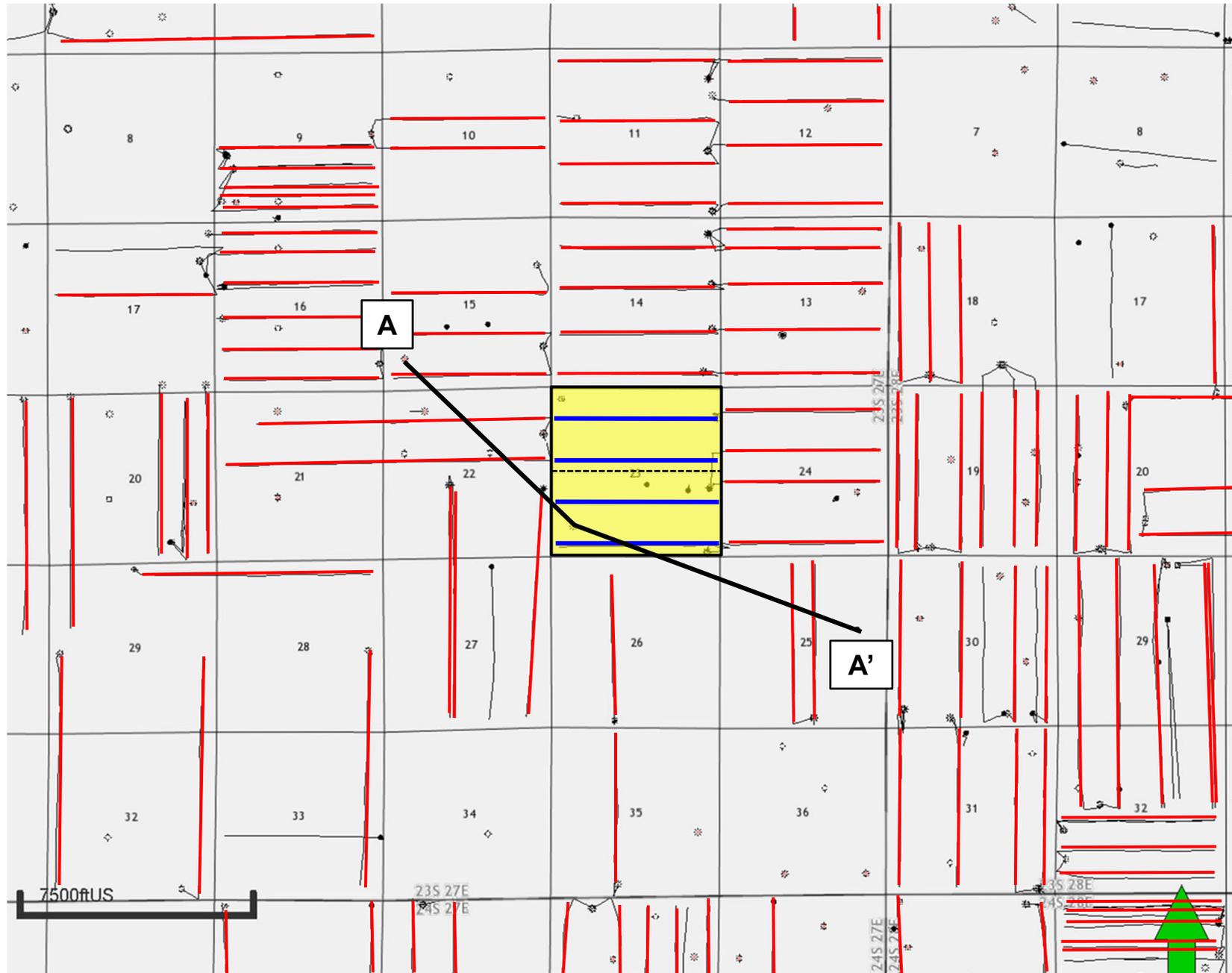
Hearing Date: May 06, 2021



C-1



# Purple Sage; Wolfcamp (Gas) (Pool Code 98220) A – A' Reference Line



## Map Legend

Matador's Colonel Howard & Norris Thornton Wells



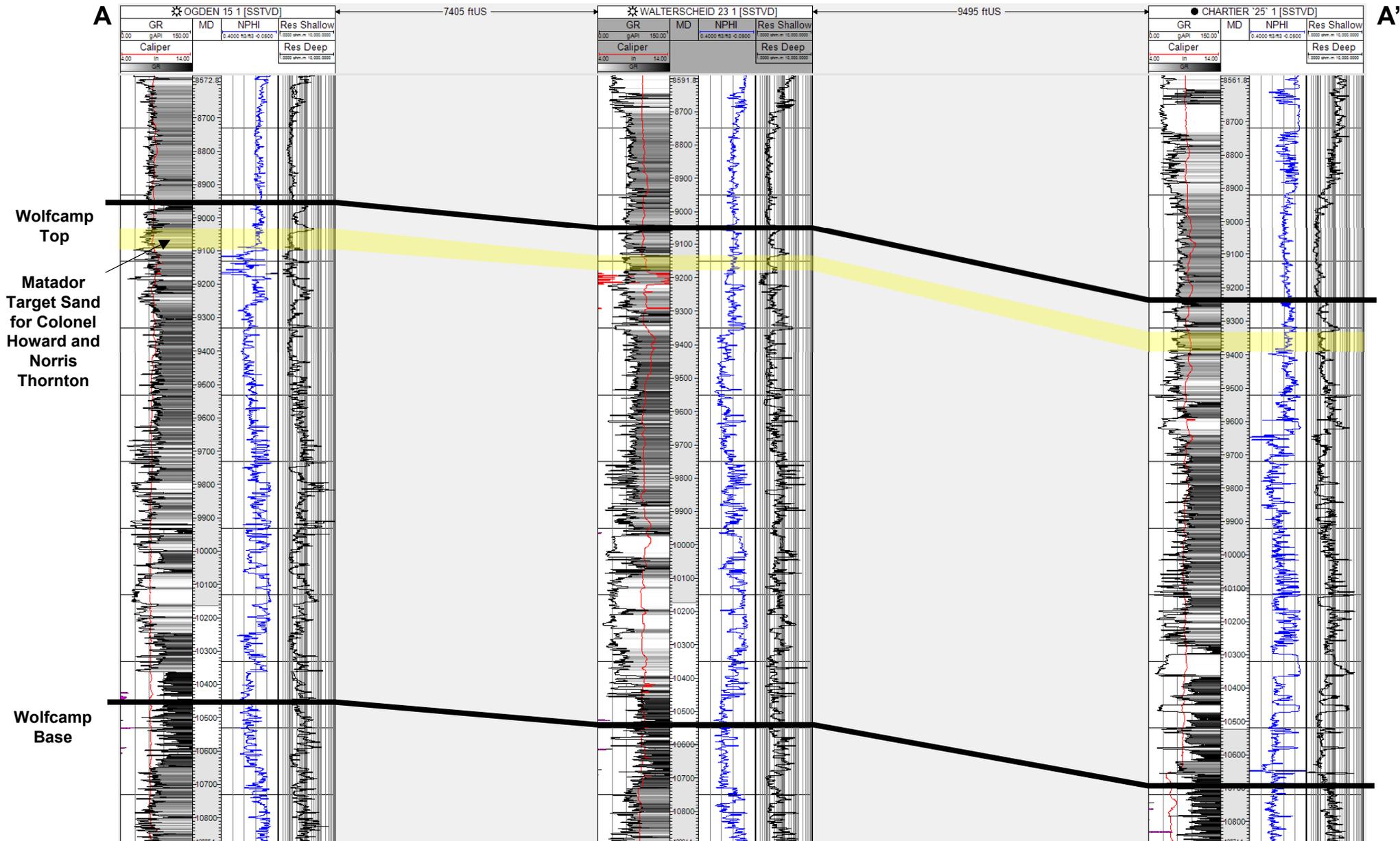
Horizontal Wolfcamp Wells



Spacing Units

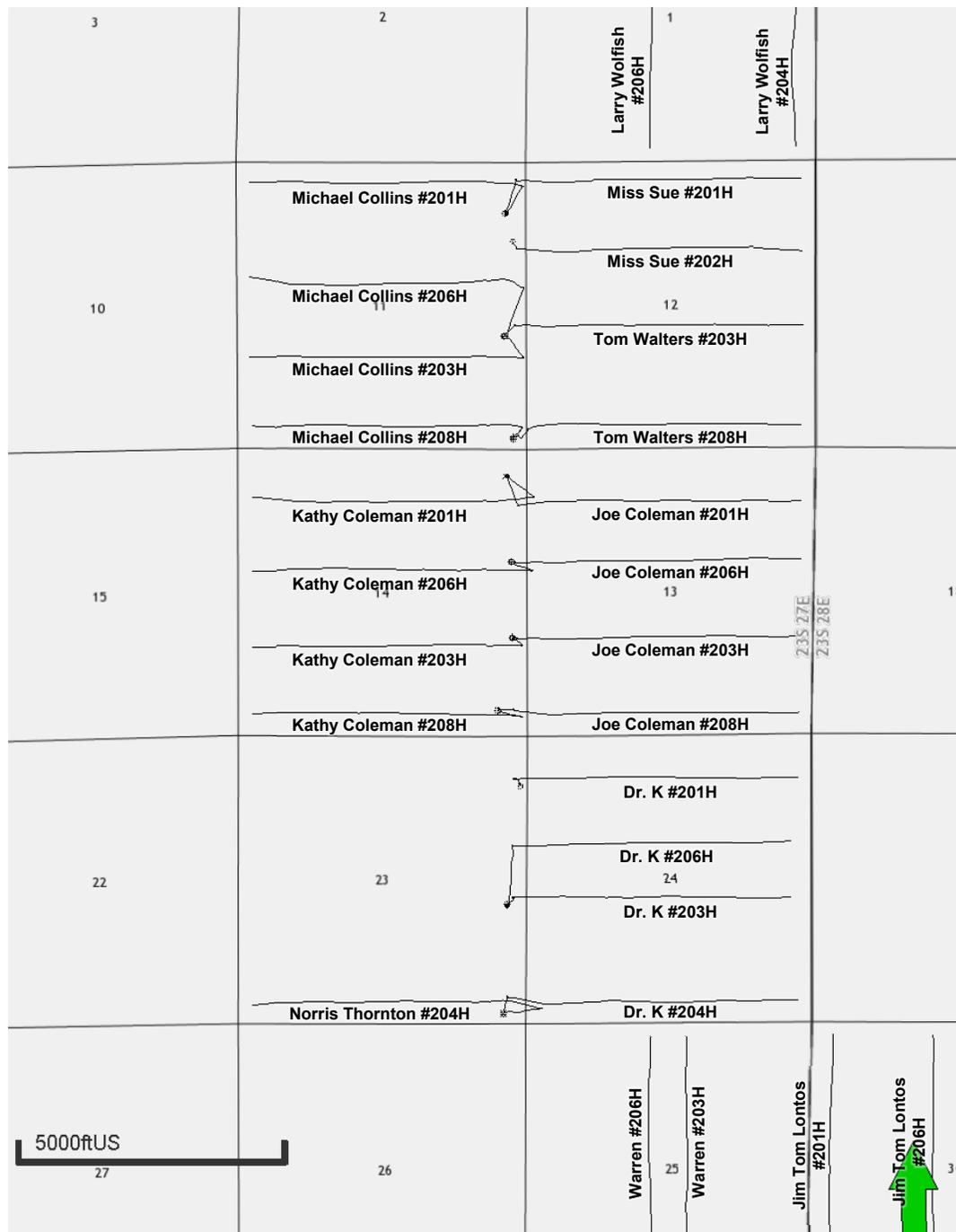


# Purple Sage; Wolfcamp (Gas) (Pool Code 98220) Structural Cross-Section A – A'



# Purple Sage; Wolfcamp (Gas) (Pool Code 98220) Matador Horizontal Wells in Upper Wolfcamp Target Sand

Exhibit C-5

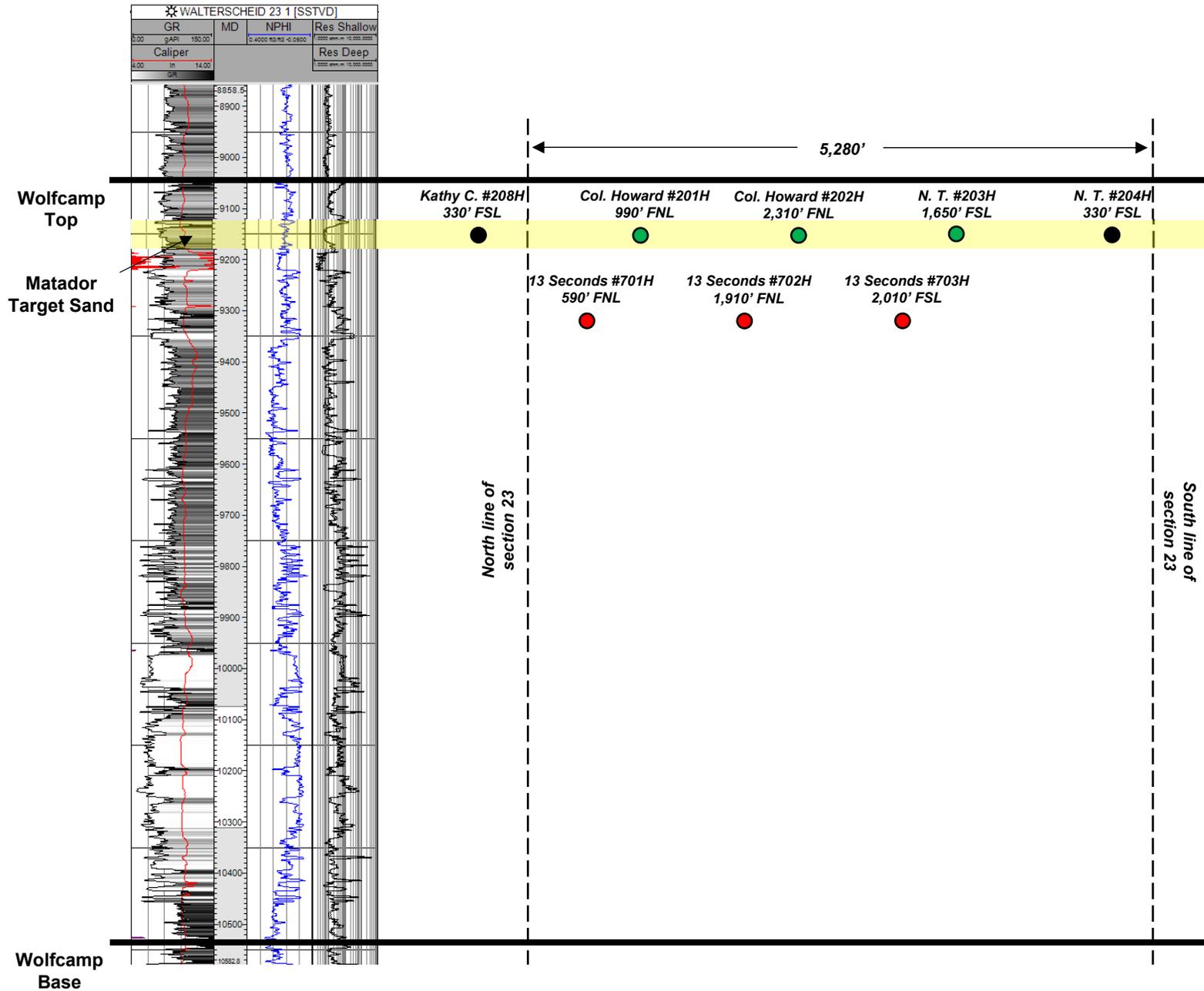


BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C5  
Case Nos. 21543 & 21630  
Submitted by: Matador Production Company  
Hearing Date: May 06, 2021

# Purple Sage; Wolfcamp (Gas) (Pool Code 98220) Competing Development Plans

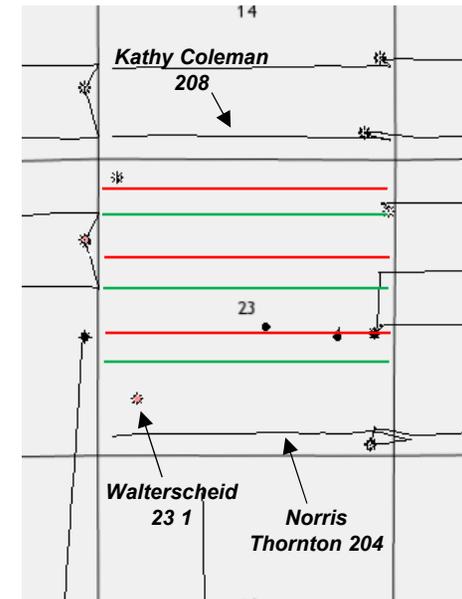
BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit No. C6  
 Case Nos. 21543 & 21630  
 Submitted by: Matador Production Company  
 Hearing Date: May 06, 2021

**Exhibit C-6**



## Legend

- Planned Matador wells
- Drilled Matador wells
- Planned Flat Creek wells





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,  
Eddy County, New Mexico.  
Norris Thornton Com RB #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., until it is concluded. 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 Sara Hartsfield, at (972) 371-5446 or [shartsfield@matadorresources.com](mailto:shartsfield@matadorresources.com).

Sincerely,



Kaitlyn A. Luck  
ATTORNEY FOR MATADOR PRODUCTION  
COMPANY

February 12, 2021

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

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

**Re: Application of Matador Production Company for compulsory pooling,  
Eddy County, New Mexico.  
Colonel R. Howard Fed Com #201H, #202H wells**

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 March 4, 2021 beginning at 8:15 a.m., until it is concluded. 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 Sara Hartsfield, at (972) 371-5446 or [shartsfield@matadorresources.com](mailto:shartsfield@matadorresources.com).

Sincerely,



Kaitlyn A. Luck  
ATTORNEY FOR MATADOR PRODUCTION  
COMPANY

MRC - Norris-Thornton 204H  
Case Nos. 21543 (Postal Delivery Report)

TrackingNo	ToName	DeliveryAddress	City	State	Zip	USPS_Status
9414811898765826920130	Flat Creek Royalties, LLC	777 Main St Ste 3600	Fort Worth	TX	76102-5341	Your item was delivered to an individual at the address at 4:58 pm on November 17, 2020 in FORT WORTH, TX 76102.
9414811898765826920314	Flat Creek Resources, LLC	777 Main St Ste 3600	Fort Worth	TX	76102-5341	Your item was delivered to an individual at the address at 4:58 pm on November 17, 2020 in FORT WORTH, TX 76102.

Matador - Colonel Howard 201H-202H

Case No. 21630 Postal Delivery Report

TrackingNo	ToName	DeliveryAddress	City	State	Zip	USPS_Status
9414811898765894808644	Flat Creek Royalties, LLC	777 Main St Ste 3600	Fort Worth	TX	76102-5341	Your item was delivered to an individual at the address at 4:07 pm on February 18, 2021 in FORT WORTH, TX 76102.
9414811898765894808637	Flat Creek Resources, LLC	777 Main St Ste 3600	Fort Worth	TX	76102-5341	Your item was delivered to an individual at the address at 4:07 pm on February 18, 2021 in FORT WORTH, TX 76102.