

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

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

**CASE NOS. 21108 & 21110**

**XTO's EXHIBIT 1**

XTO Holdings, LLC ("XTO") and applicant, Matador Production Company, have agreed that any orders issued in these cases include the following payment provision:

Notwithstanding paragraphs 22 and 23, above, by stipulation of the parties, Applicant grants XTO Holdings, LLC the ability to sequentially elect to pay its share of costs for each proposed well. Applicant agrees to submit an AFE to XTO Holdings, LLC no sooner than 60 days before the commencement of the drilling of each well, and XTO Holdings, LLC shall have 30 days upon receipt of said AFE to elect to participate and make payment to Applicant of the estimated cost for each well.

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. 1  
Case Nos. 21108 & 21110  
Submitted by: XTO Holdings, LLC  
Hearing Date: May 20 2021**