

MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
Voice 972.371.5430 • Fax 972-371-5201
ccarleton@matadorresources.com

Chris Carleton
Landman

December 29, 2014

VIA CERTIFIED RETURN RECEIPT MAIL

Anastacia R. Blanco
P.O. Box 701
San Francisco, CA 94080

Re: Matador Production Company – Janie Conner 13-24S-28E RB #124H
Participation Proposal/Offer to Lease
Section 13, Township 24-South, Range 28-East
Eddy County, New Mexico

Anastacia R. Blanco:

MRC Permian Company ("MRC") proposes the drilling of the Matador Production Company's Janie Conner 13-24S-28E RB #124H Well, located in Section 13, Township 24-South, Range 28-East, Eddy County, New Mexico, to the Bone Spring formation.

MRC is requesting that you indicate below your election of whether to participate in the drilling and completion of this proposed well as set out herein, or agree to lease your minerals pursuant to the enclosed lease. Please indicate your election in the space provided below, sign and return one (1) copy of this letter to the undersigned.

In connection with the above, please note the following:

1. The estimated cost of drilling, testing, completing, and equipping the subject well is \$7,153,646 as itemized on the enclosed Authority for Expenditure ("AFE") dated December 22, 2014.
2. The proposed surface location of the subject well is approximately 470' FSL and 205' FEL of Section 14, Township 24-South, Range 28-East, Eddy County, New Mexico. The proposed point of penetration of the subject well is approximately 330' FSL and 330' FWL Section 13, Township 24-South, Range 28-East, Eddy County, New Mexico. The proposed bottomhole location of the subject well is 330' FSL and 240' FEL; see the enclosed plat for more detail.



3. In this well, there is a targeted interval within the Bone Spring formation. We will drill horizontally in the Second Bone Spring (~8,250' TVD) to a Total Measured Depth of approximately 12,950' resulting in a productive lateral of approximately 4,600' that will require 18 frac stages to be completed.
4. Anastacia R. Blanco will own an approximate 0.2604167% working interest in the proposed well, subject to title verification.

If your election is to participate in the drilling and completion of the proposed well, please sign and return a copy of the enclosed AFE within 30 days of receipt of this notice. Please be aware that the enclosed AFE is only an estimate of costs to be incurred and in electing to participate in the proposed well, Anastacia R. Blanco shall be responsible for 0.2604167% of all costs incurred.

Sincerely,

MRC PERMIAN COMPANY



Chris Carleton

Enclosure(s)

Please elect one of the following and return to sender:

 Anastacia R. Blanco hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company Janie Conner 13-24S-28E RB #124H Well, located in Eddy County, New Mexico.

 Anastacia R. Blanco hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE for the Matador Production Company Janie Conner 13-24S-28E RB #124H Well, located in Eddy County, New Mexico.

 Anastacia R. Blanco hereby elects to lease our minerals for \$1,500/acre, 20% royalty, and a 3 year term on the lease form enclosed

Anastacia R. Blanco

By: _____

Title: _____

Date: _____

MRC Permian Company

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

Voice 972.371.5430 • Fax 972-371-5201

ccarleton@matadorresources.com

Chris Carleton
Landman

December 29, 2014

VIA CERTIFIED RETURN RECEIPT MAIL

Jamie P. Ruiz
2217 Alton St.
Selma, CA 93662

Re: Matador Production Company – Janie Conner 13-24S-28E RB #124H
Participation Proposal/Offer to Lease
Section 13, Township 24-South, Range 28-East
Eddy County, New Mexico

Jamie P. Ruiz:

MRC Permian Company ("MRC") proposes the drilling of the Matador Production Company's Janie Conner 13-24S-28E RB #124H Well, located in Section 13, Township 24-South, Range 28-East, Eddy County, New Mexico, to the Bone Spring formation.

MRC is requesting that you indicate below your election of whether to participate in the drilling and completion of this proposed well as set out herein, or agree to lease your minerals pursuant to the enclosed lease. Please indicate your election in the space provided below, sign and return one (1) copy of this letter to the undersigned.

In connection with the above, please note the following:

1. The estimated cost of drilling, testing, completing, and equipping the subject well is \$7,153,646 as itemized on the enclosed Authority for Expenditure ("AFE") dated December 22, 2014.
2. The proposed surface location of the subject well is approximately 470' FSL and 205' FEL of Section 14, Township 24-South, Range 28-East, Eddy County, New Mexico. The proposed point of penetration of the subject well is approximately 330' FSL and 330' FWL Section 13, Township 24-South, Range 28-East, Eddy County, New Mexico. The proposed bottomhole location of the subject well is 330' FSL and 240' FEL; see the enclosed plat for more detail.

3. In this well, there is a targeted interval within the Bone Spring formation. We will drill horizontally in the Second Bone Spring (~8,250' TVD) to a Total Measured Depth of approximately 12,950' resulting in a productive lateral of approximately 4,600' that will require 18 frac stages to be completed.
4. Jamie P. Ruiz will own an approximate 0.0434028% working interest in the proposed well, subject to title verification.

If your election is to participate in the drilling and completion of the proposed well, please sign and return a copy of the enclosed AFE within 30 days of receipt of this notice. Please be aware that the enclosed AFE is only an estimate of costs to be incurred and in electing to participate in the proposed well, Jamie P. Ruiz shall be responsible for 0.0434028% of all costs incurred.

Sincerely,

MRC PERMIAN COMPANY



Chris Carleton

Enclosure(s)

Please elect one of the following and return to sender:

_____ Jamie P. Ruiz hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company Janie Conner 13-24S-28E RB #124H Well, located in Eddy County, New Mexico.

_____ Jamie P. Ruiz hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE for the Matador Production Company Janie Conner 13-24S-28E RB #124H Well, located in Eddy County, New Mexico.

_____ Jamie P. Ruiz hereby elects to lease our minerals for \$1,500/acre, 20% royalty, and a 3 year term on the lease form enclosed

Jamie P. Ruiz

By: _____

Title: _____

Date: _____

MRC Permian Company

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

Voice 972.371.5430 • Fax 972-371-5201

ccarleton@matadorresources.com

Chris Carleton
Landman

December 29, 2014

VIA CERTIFIED RETURN RECEIPT MAIL

Mourne Oil & Gas
1500 Four Mile Lane
Canon City, CO 81212-9130

Re: Matador Production Company – Janie Conner 13-24S-28E RB #124H
Participation Proposal/Offer to Lease
Section 13, Township 24-South, Range 28-East
Eddy County, New Mexico

Mourne Oil & Gas:

MRC Permian Company ("MRC") proposes the drilling of the Matador Production Company's Janie Conner 13-24S-28E RB #124H Well, located in Section 13, Township 24-South, Range 28-East, Eddy County, New Mexico, to the Bone Spring formation.

MRC is requesting that you indicate below your election of whether to participate in the drilling and completion of this proposed well as set out herein, or agree to lease your minerals pursuant to the enclosed lease. Please indicate your election in the space provided below, sign and return one (1) copy of this letter to the undersigned.

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3. In this well, there is a targeted interval within the Bone Spring formation. We will drill horizontally in the Second Bone Spring (~8,250' TVD) to a Total Measured Depth of approximately 12,950' resulting in a productive lateral of approximately 4,600' that will require 18 frac stages to be completed.
4. Mourne Oil & Gas will own an approximate 0.0099183% working interest in the proposed well, subject to title verification.

If your election is to participate in the drilling and completion of the proposed well, please sign and return a copy of the enclosed AFE within 30 days of receipt of this notice. Please be aware that the enclosed AFE is only an estimate of costs to be incurred and in electing to participate in the proposed well, Mourne Oil & Gas shall be responsible for 0.0099183% of all costs incurred.

Sincerely,

MRC PERMIAN COMPANY



Chris Carleton

Enclosure(s)

Please elect one of the following and return to sender:

_____ Mourne Oil & Gas hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company Janie Conner 13-24S-28E RB #124H Well, located in Eddy County, New Mexico.

_____ Mourne Oil & Gas hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE for the Matador Production Company Janie Conner 13-24S-28E RB #124H Well, located in Eddy County, New Mexico.

_____ Mourne Oil & Gas hereby elects to lease our minerals for \$1,500/acre, 20% royalty, and a 3 year term on the lease form enclosed

Mourne Oil & Gas

By: _____

Title: _____

Date: _____

MRC Permian Company

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

Voice 972.371.5430 • Fax 972-371-5201

ccarleton@matadorresources.com

**Chris Carleton
Landman**

December 29, 2014

VIA CERTIFIED RETURN RECEIPT MAIL

John A. Brown
10001 Peace Way, Unit #1319
Las Vegas, Nevada 89147-8097

Re: Matador Production Company – Janie Conner 13-24S-28E RB #124H
Participation Proposal/Offer to Lease
Section 13, Township 24-South, Range 28-East
Eddy County, New Mexico

John A. Brown:

MRC Permian Company ("MRC") proposes the drilling of the Matador Production Company's Janie Conner 13-24S-28E RB #124H Well, located in Section 13, Township 24-South, Range 28-East, Eddy County, New Mexico, to the Bone Spring formation.

MRC is requesting that you indicate below your election of whether to participate in the drilling and completion of this proposed well as set out herein, or agree to lease your minerals pursuant to the enclosed lease. Please indicate your election in the space provided below, sign and return one (1) copy of this letter to the undersigned.

In connection with the above, please note the following:

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3. In this well, there is a targeted interval within the Bone Spring formation. We will drill horizontally in the Second Bone Spring (~8,250' TVD) to a Total Measured Depth of approximately 12,950' resulting in a productive lateral of approximately 4,600' that will require 18 frac stages to be completed.

4. John A. Brown will own an approximate 0.0048828% working interest in the proposed well, subject to title verification.

If your election is to participate in the drilling and completion of the proposed well, please sign and return a copy of the enclosed AFE within 30 days of receipt of this notice. Please be aware that the enclosed AFE is only an estimate of costs to be incurred and in electing to participate in the proposed well, John A. Brown shall be responsible for 0.0048828% of all costs incurred.

Sincerely,

MRC PERMIAN COMPANY



Chris Carleton

Enclosure(s)

Please elect one of the following and return to sender:

____ John A. Brown hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company Janie Conner 13-24S-28E RB #124H Well, located in Eddy County, New Mexico.

____ John A. Brown hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE for the Matador Production Company Janie Conner 13-24S-28E RB #124H Well, located in Eddy County, New Mexico.

____ John A. Brown hereby elects to lease our minerals for \$1,500/acre, 20% royalty, and a 3 year term on the lease form enclosed

John A. Brown

By: _____

Title: _____

Date: _____

MRC Permian Company

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

Voice 972.371.5430 • Fax 972-371-5201

ccarleton@matadorresources.com

Chris Carleton
Landman

December 29, 2014

VIA CERTIFIED RETURN RECEIPT MAIL

Barbara J. Swearingen and Kim A. Swearingen, Trustees of the Barbara J. Swearingen Trust, successor in interest to the Glen A. Swearingen Trust
2535 Stonepoint Lane
Salina, Kansas 67401

Re: Matador Production Company – Janie Conner 13-24S-28E RB #124H
Participation Proposal/Offer to Lease
Section 13, Township 24-South, Range 28-East
Eddy County, New Mexico

Barbara J. Swearingen and Kim A. Swearingen, Trustees of the Barbara J. Swearingen Trust, successor in interest to the Glen A. Swearingen Trust:

MRC Permian Company ("MRC") proposes the drilling of the Matador Production Company's Janie Conner 13-24S-28E RB #124H Well, located in Section 13, Township 24-South, Range 28-East, Eddy County, New Mexico, to the Bone Spring formation.

MRC is requesting that you indicate below your election of whether to participate in the drilling and completion of this proposed well as set out herein, or agree to lease your minerals pursuant to the enclosed lease. Please indicate your election in the space provided below, sign and return one (1) copy of this letter to the undersigned.

In connection with the above, please note the following:


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2. The proposed surface location of the subject well is approximately 470' FSL and 205' FEL of Section 14, Township 24-South, Range 28-East, Eddy County, New Mexico. The proposed point of penetration of the subject well is approximately 330' FSL and 330' FWL Section 13, Township 24-South, Range 28-East, Eddy County, New Mexico. The proposed bottomhole location of the subject well is 330' FSL and 240' FEL; see the enclosed plat for more detail.

3. In this well, there is a targeted interval within the Bone Spring formation. We will drill horizontally in the Second Bone Spring (~8,250' TVD) to a Total Measured Depth of approximately 12,950' resulting in a productive lateral of approximately 4,600' that will require 18 frac stages to be completed.
4. Barbara J. Swearingen and Kim A. Swearingen, Trustees of the Barbara J. Swearingen Trust, successor in interest to the Glen A. Swearingen Trust will own an approximate 0.0162760% working interest in the proposed well, subject to title verification.

If your election is to participate in the drilling and completion of the proposed well, please sign and return a copy of the enclosed AFE within 30 days of receipt of this notice. Please be aware that the enclosed AFE is only an estimate of costs to be incurred and in electing to participate in the proposed well, Barbara J. Swearingen and Kim A. Swearingen, Trustees of the Barbara J. Swearingen Trust, successor in interest to the Glen A. Swearingen Trust shall be responsible for 0.0162760% of all costs incurred.

Sincerely,

MRC PERMIAN COMPANY



Chris Carleton

Enclosure(s)

Please elect one of the following and return to sender:

_____ Barbara J. Swearingen and Kim A. Swearingen, Trustees of the Barbara J. Swearingen Trust, successor in interest to the Glen A. Swearingen Trust hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company Janie Conner 13-24S-28E RB #124H Well, located in Eddy County, New Mexico.

_____ Barbara J. Swearingen and Kim A. Swearingen, Trustees of the Barbara J. Swearingen Trust, successor in interest to the Glen A. Swearingen Trust hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE for the Matador Production Company Janie Conner 13-24S-28E RB #124H Well, located in Eddy County, New Mexico.

_____ Barbara J. Swearingen and Kim A. Swearingen, Trustees of the Barbara J. Swearingen Trust, successor in interest to the Glen A. Swearingen Trust hereby elects to lease our minerals for \$1,500/acre, 20% royalty, and a 3 year term on the lease form enclosed

Barbara J. Swearingen and Kim A. Swearingen, Trustees of the Barbara J. Swearingen Trust, successor in interest to the Glen A. Swearingen Trust

By: _____

Title: _____

Date: _____

MRC Permian Company

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

Voice 972.371.5430 • Fax 972-371-5201

ccarleton@matadorresources.com

**Chris Carleton
Landman**

December 29, 2014

VIA CERTIFIED RETURN RECEIPT MAIL

Dale M. Richardson
5093 East Highway 82
Gainesville, Texas 76240

**Re: Matador Production Company – Janie Conner 13-24S-28E RB #124H
Participation Proposal/Offer to Lease
Section 13, Township 24-South, Range 28-East
Eddy County, New Mexico**

Dale M. Richardson:

MRC Permian Company ("MRC") proposes the drilling of the Matador Production Company's Janie Conner 13-24S-28E RB #124H Well, located in Section 13, Township 24-South, Range 28-East, Eddy County, New Mexico, to the Bone Spring formation.

MRC is requesting that you indicate below your election of whether to participate in the drilling and completion of this proposed well as set out herein, or agree to lease your minerals pursuant to the enclosed lease. Please indicate your election in the space provided below, sign and return one (1) copy of this letter to the undersigned.

In connection with the above, please note the following:

1. The estimated cost of drilling, testing, completing, and equipping the subject well is \$7,153,646 as itemized on the enclosed Authority for Expenditure ("AFE") dated December 22, 2014.
2. The proposed surface location of the subject well is approximately 470' FSL and 205' FEL of Section 14, Township 24-South, Range 28-East, Eddy County, New Mexico. The proposed point of penetration of the subject well is approximately 330' FSL and 330' FWL Section 13, Township 24-South, Range 28-East, Eddy County, New Mexico. The proposed bottomhole location of the subject well is 330' FSL and 240' FEL; see the enclosed plat for more detail.

3. In this well, there is a targeted interval within the Bone Spring formation. We will drill horizontally in the Second Bone Spring (~8,250' TVD) to a Total Measured Depth of approximately 12,950' resulting in a productive lateral of approximately 4,600' that will require 18 frac stages to be completed.
4. Dale M. Richardson will own an approximate 0.0048828% working interest in the proposed well, subject to title verification.

If your election is to participate in the drilling and completion of the proposed well, please sign and return a copy of the enclosed AFE within 30 days of receipt of this notice. Please be aware that the enclosed AFE is only an estimate of costs to be incurred and in electing to participate in the proposed well, Dale M. Richardson shall be responsible for 0.0048828% of all costs incurred.

Sincerely,

MRC PERMIAN COMPANY



Chris Carleton

Enclosure(s)

Please elect one of the following and return to sender:

 Dale M. Richardson hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company Janie Conner 13-24S-28E RB #124H Well, located in Eddy County, New Mexico.

 Dale M. Richardson hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE for the Matador Production Company Janie Conner 13-24S-28E RB #124H Well, located in Eddy County, New Mexico.

 Dale M. Richardson hereby elects to lease our minerals for \$1,500/acre, 20% royalty, and a 3 year term on the lease form enclosed

Dale M. Richardson

By: _____

Title: _____

Date: _____

MRC Permian Company

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

Voice 972.371.5430 • Fax 972-371-5201

ccarleton@matadorresources.com

**Chris Carleton
Landman**

December 29, 2014

VIA CERTIFIED RETURN RECEIPT MAIL

Linda Sue Richardson, individually and as Agent and Attorney-in-Fact for Harry James Richardson and Robert Dean Richardson
13363 East Asbury Drive, #104
Aurora, Colorado 80014

Re: Matador Production Company – Janie Conner 13-24S-28E RB #124H
Participation Proposal/Offer to Lease
Section 13, Township 24-South, Range 28-East
Eddy County, New Mexico

Linda Sue Richardson, individually and as Agent and Attorney-in-Fact for Harry James Richardson and Robert Dean Richardson:

MRC Permian Company ("MRC") proposes the drilling of the Matador Production Company's Janie Conner 13-24S-28E RB #124H Well, located in Section 13, Township 24-South, Range 28-East, Eddy County, New Mexico, to the Bone Spring formation.

MRC is requesting that you indicate below your election of whether to participate in the drilling and completion of this proposed well as set out herein, or agree to lease your minerals pursuant to the enclosed lease. Please indicate your election in the space provided below, sign and return one (1) copy of this letter to the undersigned.

In connection with the above, please note the following:

1. The estimated cost of drilling, testing, completing, and equipping the subject well is \$7,153,646 as itemized on the enclosed Authority for Expenditure ("AFE") dated December 22, 2014.
2. The proposed surface location of the subject well is approximately 470' FSL and 205' FEL of Section 14, Township 24-South, Range 28-East, Eddy County, New Mexico. The proposed point of penetration of the subject well is approximately 330' FSL and 330' FWL Section 13, Township 24-South, Range 28-East, Eddy County, New Mexico. The proposed bottomhole location of the subject well is 330' FSL and 240' FEL; see the enclosed plat for more detail.

3. ~~In this well, there is a targeted interval within the Bone Spring formation. We will drill horizontally in the Second Bone Spring (~8,250' TVD) to a Total Measured Depth of approximately 12,950' resulting in a productive lateral of approximately 4,600' that will require 18 frac stages to be completed.~~
4. Linda Sue Richardson, individually and as Agent and Attorney-in-Fact for Harry James Richardson and Robert Dean Richardson will own an approximate 0.0048828% working interest in the proposed well, subject to title verification.

If your election is to participate in the drilling and completion of the proposed well, please sign and return a copy of the enclosed AFE within 30 days of receipt of this notice. Please be aware that the enclosed AFE is only an estimate of costs to be incurred and in electing to participate in the proposed well, Linda Sue Richardson, individually and as Agent and Attorney-in-Fact for Harry James Richardson and Robert Dean Richardson shall be responsible for 0.0048828% of all costs incurred.

Sincerely,

MRC PERMIAN COMPANY



Chris Carleton

Enclosure(s)

Please elect one of the following and return to sender:

____ Linda Sue Richardson, individually and as Agent and Attorney-in-Fact for Harry James Richardson and Robert Dean Richardson hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company Janie Conner 13-24S-28E RB #124H Well, located in Eddy County, New Mexico.

____ Linda Sue Richardson, individually and as Agent and Attorney-in-Fact for Harry James Richardson and Robert Dean Richardson hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE for the Matador Production Company Janie Conner 13-24S-28E RB #124H Well, located in Eddy County, New Mexico.

____ Linda Sue Richardson, individually and as Agent and Attorney-in-Fact for Harry James Richardson and Robert Dean Richardson hereby elects to lease our minerals for \$1,500/acre, 20% royalty, and a 3 year term on the lease form enclosed

Linda Sue Richardson, individually and as Agent and Attorney-in-Fact for Harry James Richardson and Robert Dean Richardson

By: _____

Title: _____

Date: _____

MRC Permian Company

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

Voice 972.371.5430 • Fax 972-371-5201

ccarleton@matadorresources.com

Chris Carleton
Landman

December 29, 2014

VIA CERTIFIED RETURN RECEIPT MAIL

Evalyn Swearingen
1250 North 50th Road
Jamestown, Kansas 66948

Re: Matador Production Company – Janie Conner 13-24S-28E RB #124H
Participation Proposal/Offer to Lease
Section 13, Township 24-South, Range 28-East
Eddy County, New Mexico

Evalyn Swearingen:

MRC Permian Company ("MRC") proposes the drilling of the Matador Production Company's Janie Conner 13-24S-28E RB #124H Well, located in Section 13, Township 24-South, Range 28-East, Eddy County, New Mexico, to the Bone Spring formation.

MRC is requesting that you indicate below your election of whether to participate in the drilling and completion of this proposed well as set out herein, or agree to lease your minerals pursuant to the enclosed lease. Please indicate your election in the space provided below, sign and return one (1) copy of this letter to the undersigned.

In connection with the above, please note the following:

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3. In this well, there is a targeted interval within the Bone Spring formation. We will drill horizontally in the Second Bone Spring (~8,250' TVD) to a Total Measured Depth of approximately 12,950' resulting in a productive lateral of approximately 4,600' that will require 18 frac stages to be completed.
4. Evalyn Swearingen will own an approximate 0.0162760% working interest in the proposed well, subject to title verification.

If your election is to participate in the drilling and completion of the proposed well, please sign and return a copy of the enclosed AFE within 30 days of receipt of this notice. Please be aware that the enclosed AFE is only an estimate of costs to be incurred and in electing to participate in the proposed well, Evalyn Swearingen shall be responsible for 0.0162760% of all costs incurred.

Sincerely,

MRC PERMIAN COMPANY



Chris Carleton

Enclosure(s)

Please elect one of the following and return to sender:

_____ Evalyn Swearingen hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company Janie Conner 13-24S-28E RB #124H Well, located in Eddy County, New Mexico.

_____ Evalyn Swearingen hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE for the Matador Production Company Janie Conner 13-24S-28E RB #124H Well, located in Eddy County, New Mexico.

_____ Evalyn Swearingen hereby elects to lease our minerals for \$1,500/acre, 20% royalty, and a 3 year term on the lease form enclosed

Evalyn Swearingen

By: _____

Title: _____

Date: _____

MRC Permian Company

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

Voice 972.371.5430 • Fax 972-371-5201

ccarleton@matadorresources.com

**Chris Carleton
Landman**

December 29, 2014

VIA CERTIFIED RETURN RECEIPT MAIL

Julie J Martin and husband, Martin C. Martin
P.O. Box 10911
Southport, North Carolina 28461

Re: Matador Production Company – Janie Conner 13-24S-28E RB #124H
Participation Proposal/Offer to Lease
Section 13, Township 24-South, Range 28-East
Eddy County, New Mexico

Julie J Martin and husband, Martin C. Martin:

MRC Permian Company ("MRC") proposes the drilling of the Matador Production Company's Janie Conner 13-24S-28E RB #124H Well, located in Section 13, Township 24-South, Range 28-East, Eddy County, New Mexico, to the Bone Spring formation.

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2. The proposed surface location of the subject well is approximately 470' FSL and 205' FEL of Section 14, Township 24-South, Range 28-East, Eddy County, New Mexico. The proposed point of penetration of the subject well is approximately 330' FSL and 330' FWL Section 13, Township 24-South, Range 28-East, Eddy County, New Mexico. The proposed bottomhole location of the subject well is 330' FSL and 240' FEL; see the enclosed plat for more detail.

3. In this well, there is a targeted interval within the Bone Spring formation. We will drill horizontally in the Second Bone Spring (~8,250' TVD) to a Total Measured Depth of approximately 12,950' resulting in a productive lateral of approximately 4,600' that will require 18 frac stages to be completed.

4. Julie J Martin and husband, Martin C. Martin will own an approximate 0.0325521% working interest in the proposed well, subject to title verification.

If your election is to participate in the drilling and completion of the proposed well, please sign and return a copy of the enclosed AFE within 30 days of receipt of this notice. Please be aware that the enclosed AFE is only an estimate of costs to be incurred and in electing to participate in the proposed well, Julie J Martin and husband, Martin C. Martin shall be responsible for 0.0325521% of all costs incurred.

Sincerely,

MRC PERMIAN COMPANY



Chris Carleton

Enclosure(s)

Please elect one of the following and return to sender:

_____ Julie J Martin and husband, Martin C. Martin hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company Janie Conner 13-24S-28E RB #124H Well, located in Eddy County, New Mexico.

_____ Julie J Martin and husband, Martin C. Martin hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE for the Matador Production Company Janie Conner 13-24S-28E RB #124H Well, located in Eddy County, New Mexico.

_____ Julie J Martin and husband, Martin C. Martin hereby elects to lease our minerals for \$1,500/acre, 20% royalty, and a 3 year term on the lease form enclosed

Julie J Martin and husband, Martin C. Martin

By: _____

Title: _____

Date: _____

MRC Permian Company

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

Voice 972.371.5430 • Fax 972-371-5201

ccarleton@matadorresources.com

Chris Carleton
Landman

December 29, 2014

VIA CERTIFIED RETURN RECEIPT MAIL

Lois M. Durland and husband, Donald E. Durland
527 East Clackamas Circle
Woodburn, Oregon 97071

Re: Matador Production Company – Janie Conner 13-24S-28E RB #124H
Participation Proposal/Offer to Lease
Section 13, Township 24-South, Range 28-East
Eddy County, New Mexico

Lois M. Durland and husband, Donald E. Durland:

MRC Permian Company ("MRC") proposes the drilling of the Matador Production Company's Janie Conner 13-24S-28E RB #124H Well, located in Section 13, Township 24-South, Range 28-East, Eddy County, New Mexico, to the Bone Spring formation.

MRC is requesting that you indicate below your election of whether to participate in the drilling and completion of this proposed well as set out herein, or agree to lease your minerals pursuant to the enclosed lease. Please indicate your election in the space provided below, sign and return one (1) copy of this letter to the undersigned.

In connection with the above, please note the following:

1. The estimated cost of drilling, testing, completing, and equipping the subject well is \$7,153,646 as itemized on the enclosed Authority for Expenditure ("AFE") dated December 22, 2014.
2. The proposed surface location of the subject well is approximately 470' FSL and 205' FEL of Section 14, Township 24-South, Range 28-East, Eddy County, New Mexico. The proposed point of penetration of the subject well is approximately 330' FSL and 330' FWL Section 13, Township 24-South, Range 28-East, Eddy County, New Mexico. The proposed bottomhole location of the subject well is 330' FSL and 240' FEL; see the enclosed plat for more detail.

3. In this well, there is a targeted interval within the Bone Spring formation. We will drill horizontally in the Second Bone Spring (~8,250' TVD) to a Total Measured-Depth of approximately 12,950' resulting in a productive lateral of approximately 4,600' that will require 18 frac stages to be completed.

4. Lois M. Durland and husband, Donald E. Durland will own an approximate 0.0122070% working interest in the proposed well, subject to title verification.

If your election is to participate in the drilling and completion of the proposed well, please sign and return a copy of the enclosed AFE within 30 days of receipt of this notice. Please be aware that the enclosed AFE is only an estimate of costs to be incurred and in electing to participate in the proposed well, Lois M. Durland and husband, Donald E. Durland shall be responsible for 0.0122070% of all costs incurred.

Sincerely,

MRC PERMIAN COMPANY



Chris Carleton

Enclosure(s)

Please elect one of the following and return to sender:

____ Lois M. Durland and husband, Donald E. Durland hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company Janie Conner 13-24S-28E RB #124H Well, located in Eddy County, New Mexico.

____ Lois M. Durland and husband, Donald E. Durland hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE for the Matador Production Company Janie Conner 13-24S-28E RB #124H Well, located in Eddy County, New Mexico.

____ Lois M. Durland and husband, Donald E. Durland hereby elects to lease our minerals for \$1,500/acre, 20% royalty, and a 3 year term on the lease form enclosed

Lois M. Durland and husband, Donald E. Durland

By: _____

Title: _____

Date: _____

MRC Permian Company

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

Voice 972.371.5430 • Fax 972-371-5201

ccarleton@matadorresources.com

Chris Carleton
Landman

December 29, 2014

VIA CERTIFIED RETURN RECEIPT MAIL

Richard A. Swearingen
3444 Happy Hollow Road
Topeka, Kansas 66617

Re: Matador Production Company – Janie Conner 13-24S-28E RB #124H
Participation Proposal/Offer to Lease
Section 13, Township 24-South, Range 28-East
Eddy County, New Mexico

Richard A. Swearingen:

MRC Permian Company ("MRC") proposes the drilling of the Matador Production Company's Janie Conner 13-24S-28E RB #124H Well, located in Section 13, Township 24-South, Range 28-East, Eddy County, New Mexico, to the Bone Spring formation.

MRC is requesting that you indicate below your election of whether to participate in the drilling and completion of this proposed well as set out herein, or agree to lease your minerals pursuant to the enclosed lease. Please indicate your election in the space provided below, sign and return one (1) copy of this letter to the undersigned.

In connection with the above, please note the following:

1. The estimated cost of drilling, testing, completing, and equipping the subject well is \$7,153,646 as itemized on the enclosed Authority for Expenditure ("AFE") dated December 22, 2014.
2. The proposed surface location of the subject well is approximately 470' FSL and 205' FEL of Section 14, Township 24-South, Range 28-East, Eddy County, New Mexico. The proposed point of penetration of the subject well is approximately 330' FSL and 330' FWL Section 13, Township 24-South, Range 28-East, Eddy County, New Mexico. The proposed bottomhole location of the subject well is 330' FSL and 240' FEL; see the enclosed plat for more detail.

3. In this well, there is a targeted interval within the Bone Spring formation. We will drill horizontally in the Second Bone Spring (~8,250' TVD) to a Total Measured Depth of approximately 12,950' resulting in a productive lateral of approximately 4,600' that will require 18 frac stages to be completed.
4. Richard A. Swearingen will own an approximate 0.0081376% working interest in the proposed well, subject to title verification.

If your election is to participate in the drilling and completion of the proposed well, please sign and return a copy of the enclosed AFE within 30 days of receipt of this notice. Please be aware that the enclosed AFE is only an estimate of costs to be incurred and in electing to participate in the proposed well, Richard A. Swearingen shall be responsible for 0.0081376% of all costs incurred.

Sincerely,

MRC PERMIAN COMPANY



Chris Carleton

Enclosure(s)

Please elect one of the following and return to sender:

_____ Richard A. Swearingen hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company Janie Conner 13-24S-28E RB #124H Well, located in Eddy County, New Mexico.

_____ Richard A. Swearingen hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE for the Matador Production Company Janie Conner 13-24S-28E RB #124H Well, located in Eddy County, New Mexico.

_____ Richard A. Swearingen hereby elects to lease our minerals for \$1,500/acre, 20% royalty, and a 3 year term on the lease form enclosed

Richard A. Swearingen

By: _____

Title: _____

Date: _____

MRC Permian Company

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

Voice 972.371.5430 • Fax 972-371-5201

ccarleton@matadorresources.com

**Chris Carleton
Landman**

December 29, 2014

VIA CERTIFIED RETURN RECEIPT MAIL

Gregory Collier
5731 NW 19th, #4
Oklahoma City, Oklahoma 73127

**Re: Matador Production Company – Janie Conner 13-24S-28E RB #124H
Participation Proposal/Offer to Lease
Section 13, Township 24-South, Range 28-East
Eddy County, New Mexico**

Gregory Collier:

MRC Permian Company ("MRC") proposes the drilling of the Matador Production Company's Janie Conner 13-24S-28E RB #124H Well, located in Section 13, Township 24-South, Range 28-East, Eddy County, New Mexico, to the Bone Spring formation.

MRC is requesting that you indicate below your election of whether to participate in the drilling and completion of this proposed well as set out herein, or agree to lease your minerals pursuant to the enclosed lease. Please indicate your election in the space provided below, sign and return one (1) copy of this letter to the undersigned.

In connection with the above, please note the following:

1. The estimated cost of drilling, testing, completing, and equipping the subject well is \$7,153,646 as itemized on the enclosed Authority for Expenditure ("AFE") dated December 22, 2014.
2. The proposed surface location of the subject well is approximately 470' FSL and 205' FEL of Section 14, Township 24-South, Range 28-East, Eddy County, New Mexico. The proposed point of penetration of the subject well is approximately 330' FSL and 330' FWL Section 13, Township 24-South, Range 28-East, Eddy County, New Mexico. The proposed bottomhole location of the subject well is 330' FSL and 240' FEL; see the enclosed plat for more detail.

3. In this well, there is a targeted interval within the Bone Spring formation. We will drill horizontally in the Second Bone Spring (~8,250' TVD) to a Total Measured Depth of approximately 12,950' resulting in a productive lateral of approximately 4,600' that will require 18 frac stages to be completed.
4. Gregory Collier will own an approximate 0.0097656% working interest in the proposed well, subject to title verification.

If your election is to participate in the drilling and completion of the proposed well, please sign and return a copy of the enclosed AFE within 30 days of receipt of this notice. Please be aware that the enclosed AFE is only an estimate of costs to be incurred and in electing to participate in the proposed well, Gregory Collier shall be responsible for 0.0097656% of all costs incurred.

Sincerely,

MRC PERMIAN COMPANY



Chris Carleton

Enclosure(s)

Please elect one of the following and return to sender:

_____ Gregory Collier hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company Janie Conner 13-24S-28E RB #124H Well, located in Eddy County, New Mexico.

_____ Gregory Collier hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE for the Matador Production Company Janie Conner 13-24S-28E RB #124H Well, located in Eddy County, New Mexico.

_____ Gregory Collier hereby elects to lease our minerals for \$1,500/acre, 20% royalty, and a 3 year term on the lease form enclosed

Gregory Collier

By: _____

Title: _____

Date: _____

MRC Permian Company

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

Voice 972.371.5430 • Fax 972-371-5201

ccarleton@matadorresources.com

Chris Carleton
Landman

December 29, 2014

VIA CERTIFIED RETURN RECEIPT MAIL

James A. Collier III
1113 Shady Oaks Circle
McKinney, Texas 75070

Re: Matador Production Company – Janie Conner 13-24S-28E RB #124H
Participation Proposal/Offer to Lease
Section 13, Township 24-South, Range 28-East
Eddy County, New Mexico

James A. Collier III:

MRC Permian Company ("MRC") proposes the drilling of the Matador Production Company's Janie Conner 13-24S-28E RB #124H Well, located in Section 13, Township 24-South, Range 28-East, Eddy County, New Mexico, to the Bone Spring formation.

MRC is requesting that you indicate below your election of whether to participate in the drilling and completion of this proposed well as set out herein, or agree to lease your minerals pursuant to the enclosed lease. Please indicate your election in the space provided below, sign and return one (1) copy of this letter to the undersigned.

In connection with the above, please note the following:

1. The estimated cost of drilling, testing, completing, and equipping the subject well is \$7,153,646 as itemized on the enclosed Authority for Expenditure ("AFE") dated December 22, 2014.
2. The proposed surface location of the subject well is approximately 470' FSL and 205' FEL of Section 14, Township 24-South, Range 28-East, Eddy County, New Mexico. The proposed point of penetration of the subject well is approximately 330' FSL and 330' FWL Section 13, Township 24-South, Range 28-East, Eddy County, New Mexico. The proposed bottomhole location of the subject well is 330' FSL and 240' FEL; see the enclosed plat for more detail.

3. In this well, there is a targeted interval within the Bone Spring formation. We will drill horizontally in the Second Bone Spring (~8,250' TVD) to a Total Measured Depth of approximately 12,950' resulting in a productive lateral of approximately 4,600' that will require 18 frac stages to be completed.
4. James A. Collier III will own an approximate 0.0097656% working interest in the proposed well, subject to title verification.

If your election is to participate in the drilling and completion of the proposed well, please sign and return a copy of the enclosed AFE within 30 days of receipt of this notice. Please be aware that the enclosed AFE is only an estimate of costs to be incurred and in electing to participate in the proposed well, James A. Collier III shall be responsible for 0.0097656% of all costs incurred.

Sincerely,

MRC PERMIAN COMPANY



Chris Carleton

Enclosure(s)

Please elect one of the following and return to sender:

_____ James A. Collier III hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company Janie Conner 13-24S-28E RB #124H Well, located in Eddy County, New Mexico.

_____ James A. Collier III hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE for the Matador Production Company Janie Conner 13-24S-28E RB #124H Well, located in Eddy County, New Mexico.

_____ James A. Collier III hereby elects to lease our minerals for \$1,500/acre, 20% royalty, and a 3 year term on the lease form enclosed

James A. Collier III

By: _____

Title: _____

Date: _____

MRC Permian Company

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

Voice 972.371.5430 • Fax 972-371-5201

ccarleton@matadorresources.com

Chris Carleton
Landman

December 29, 2014

VIA CERTIFIED RETURN RECEIPT MAIL

Sheryl Collins and husband, Craig Collins
3242 NW 43rd St.
Topeka, KS 66618-2647

Re: Matador Production Company – Janie Conner 13-24S-28E RB #124H
Participation Proposal/Offer to Lease
Section 13, Township 24-South, Range 28-East
Eddy County, New Mexico

Sheryl Collins and husband, Craig Collins:

MRC Permian Company (“MRC”) proposes the drilling of the Matador Production Company’s Janie Conner 13-24S-28E RB #124H Well, located in Section 13, Township 24-South, Range 28-East, Eddy County, New Mexico, to the Bone Spring formation.

MRC is requesting that you indicate below your election of whether to participate in the drilling and completion of this proposed well as set out herein, or agree to lease your minerals pursuant to the enclosed lease. Please indicate your election in the space provided below, sign and return one (1) copy of this letter to the undersigned.

In connection with the above, please note the following:

1. The estimated cost of drilling, testing, completing, and equipping the subject well is \$7,153,646 as itemized on the enclosed Authority for Expenditure (“AFE”) dated December 22, 2014.
2. The proposed surface location of the subject well is approximately 470’ FSL and 205’ FEL of Section 14, Township 24-South, Range 28-East, Eddy County, New Mexico. The proposed point of penetration of the subject well is approximately 330’ FSL and 330’ FWL Section 13, Township 24-South, Range 28-East, Eddy County, New Mexico. The proposed bottomhole location of the subject well is 330’ FSL and 240’ FEL; see the enclosed plat for more detail.

3. In this well, there is a targeted interval within the Bone Spring formation. We will drill horizontally in the Second Bone Spring (~8,250' TVD) to a Total Measured Depth of approximately 12,950' resulting in a productive lateral of approximately 4,600' that will require 18 frac stages to be completed.
4. Sheryl Collins and husband, Craig Collins will own an approximate 0.0162760% working interest in the proposed well, subject to title verification.

If your election is to participate in the drilling and completion of the proposed well, please sign and return a copy of the enclosed AFE within 30 days of receipt of this notice. Please be aware that the enclosed AFE is only an estimate of costs to be incurred and in electing to participate in the proposed well, Sheryl Collins and husband, Craig Collins shall be responsible for 0.0162760% of all costs incurred.

Sincerely,

MRC PERMIAN COMPANY



Chris Carleton

Enclosure(s)

Please elect one of the following and return to sender:

_____ Sheryl Collins and husband, Craig Collins hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company Janie Conner 13-24S-28E RB #124H Well, located in Eddy County, New Mexico.

_____ Sheryl Collins and husband, Craig Collins hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE for the Matador Production Company Janie Conner 13-24S-28E RB #124H Well, located in Eddy County, New Mexico.

_____ Sheryl Collins and husband, Craig Collins hereby elects to lease our minerals for \$1,500/acre, 20% royalty, and a 3 year term on the lease form enclosed

Sheryl Collins and husband, Craig Collins

By: _____

Title: _____

Date: _____

MRC Permian Company

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

Voice 972.371.5430 • Fax 972-371-5201

ccarleton@matadorresources.com

**Chris Carleton
Landman**

December 29, 2014

VIA CERTIFIED RETURN RECEIPT MAIL

The Kenesaw Senior Center
P.O. Box G
Kenesaw, Nebraska 68956

**Re: Matador Production Company – Janie Conner 13-24S-28E RB #124H
Participation Proposal/Offer to Lease
Section 13, Township 24-South, Range 28-East
Eddy County, New Mexico**

The Kenesaw Senior Center:

MRC Permian Company ("MRC") proposes the drilling of the Matador Production Company's Janie Conner 13-24S-28E RB #124H Well, located in Section 13, Township 24-South, Range 28-East, Eddy County, New Mexico, to the Bone Spring formation.

MRC is requesting that you indicate below your election of whether to participate in the drilling and completion of this proposed well as set out herein, or agree to lease your minerals pursuant to the enclosed lease. Please indicate your election in the space provided below, sign and return one (1) copy of this letter to the undersigned.

In connection with the above, please note the following:

1. The estimated cost of drilling, testing, completing, and equipping the subject well is \$7,153,646 as itemized on the enclosed Authority for Expenditure ("AFE") dated December 22, 2014.
2. The proposed surface location of the subject well is approximately 470' FSL and 205' FEL of Section 14, Township 24-South, Range 28-East, Eddy County, New Mexico. The proposed point of penetration of the subject well is approximately 330' FSL and 330' FWL Section 13, Township 24-South, Range 28-East, Eddy County, New Mexico. The proposed bottomhole location of the subject well is 330' FSL and 240' FEL; see the enclosed plat for more detail.

3. In this well, there is a targeted interval within the Bone Spring formation. We will drill horizontally in the Second Bone Spring (~8,250' TVD) to a Total Measured Depth of approximately 12,950' resulting in a productive lateral of approximately 4,600' that will require 18 frac stages to be completed.
4. The Kenesaw Senior Center will own an approximate 0.0006094% working interest in the proposed well, subject to title verification.

If your election is to participate in the drilling and completion of the proposed well, please sign and return a copy of the enclosed AFE within 30 days of receipt of this notice. Please be aware that the enclosed AFE is only an estimate of costs to be incurred and in electing to participate in the proposed well, The Kenesaw Senior Center shall be responsible for 0.0006094% of all costs incurred.

Sincerely,

MRC PERMIAN COMPANY



Chris Carleton

Enclosure(s)

Please elect one of the following and return to sender:

 The Kenesaw Senior Center hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company Janie Conner 13-24S-28E RB #124H Well, located in Eddy County, New Mexico.

 The Kenesaw Senior Center hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE for the Matador Production Company Janie Conner 13-24S-28E RB #124H Well, located in Eddy County, New Mexico.

 The Kenesaw Senior Center hereby elects to lease our minerals for \$1,500/acre, 20% royalty, and a 3 year term on the lease form enclosed

The Kenesaw Senior Center

By: _____

Title: _____

Date: _____

MATADOR PRODUCTION COMPANY
ONE LINCOLN CENTRE • 8400 LEJ FREEWAY • SUITE 1600 • DALLAS, TEXAS 75240
Phone (972) 371-6200 • Fax (972) 371-6201

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	December 22, 2014	AFE NO.:	0
WELL NAME:	Jarvis Connor 13-24-28 RB #124H	FIELD:	0
LOCATION:		MDTVD:	12950/8250'
COUNTY/STATE:	Eddy	LATERAL LENGTH:	4,600
MRC WL:	0.00%	DRILLING DAYS:	18
GEOLOGIC TARGET:	Bone Spring	COMPLETION DAYS:	13
REMARKS:	Drill a horizontal well and complete with 18 stages Bone Spring Gen 1 design.		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
INTANGIBLE COSTS				
01 Land / Legal / Regulatory	\$ 31,700			\$ 31,700
02 Location, Surveys & Damages	70,000	13,000	4,000	87,000
10 Drilling	853,000			853,000
16 Cementing & Float Equip	148,000			148,000
20 Logging / Formation Evaluation		6,500		6,500
21 Mud Logging	14,500			14,500
23 Mud Circulation System	61,050			61,050
24 Mud & Chemicals	60,000	58,500		118,500
25 Mud / Wastewater Disposal	150,000			150,000
26 Freight / Transportation	58,000	18,500		76,500
28 Rig Supervision / Engineering	83,500	78,250	18,000	169,750
31 Drill Bits	81,500			81,500
32 Fuel & Power	147,000			147,000
33 Water	17,500	368,000		385,500
34 Drig & Completion Overhead	10,500	23,000		33,500
36 Plugging & Abandonment				
38 Directional Drilling, Surveys	140,000			140,000
40 Completion Unit, Swab, CTU		160,000	28,000	188,000
44 Perforating, Wireline, Stickline		124,000	20,000	144,000
46 High Pressure Pump Truck		60,000		60,000
48 Stimulation		2,340,000		2,340,000
47 Stimulation Flowback & Disp		63,000		63,000
49 Insurance	23,310			23,310
50 Labor	127,500	22,000	8,000	157,500
51 Rental - Surface Equipment	69,000	281,100	12,000	362,100
52 Rental - Downhole Equipment	18,000	63,000		81,000
53 Rental - Living Quarters	43,670	56,990	10,000	110,660
54 Contingency	88,342	372,184	9,800	470,326
TOTAL INTANGIBLES >	2,668,172	4,694,024	107,600	7,469,796
TANGIBLE COSTS				
41 Surface Casing	\$ 24,875			\$ 24,875
42 Intermediate Casing	78,500			78,500
43 Drilling Liner				
44 Production Casing	320,775			320,775
45 Production Liner				
46 Tubing			45,000	45,000
47 Wellhead	50,000		35,000	85,000
48 Packers, Liner Hangers		51,000	12,000	63,000
49 Tanks				
50 Production Vessels			74,000	74,000
51 Flow Lines				
52 Rod string				
53 Artificial Lift Equipment			30,000	30,000
54 Compressor				
55 Installation Costs			82,000	82,000
56 Surface Pumps			5,000	5,000
58 Non-controllable Surface			68,000	68,000
59 Non-controllable Downhole				
61 Downhole Pumps				
63 Measurement & Meter Installation			12,500	12,500
64 Gas Conditioning / Dehydration				
65 Interconnecting Facility Piping				
66 Gathering / Bulk Lines				
67 Valves, Dumps, Controllers				
68 Tank / Facility Containment				
69 Flare Stack				
70 Electrical / Grounding				
71 Communications / SCADA				
72 Instrumentation / Safety				
TOTAL TANGIBLES >	474,160	61,000	381,500	916,660
TOTAL COSTS >	2,639,322	4,145,024	489,100	7,133,646

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Aaron Byrd	Team Lead - WTX/NH	<u>RL</u>
Completions Engineer:	Chris Calvert		RCL
Production Engineer:	Cassidy McCain		

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, COO/CFO	VP - Res Engineering	VP - Drilling
DEL	BAK	BD
Executive VP, Legal	Exec Dir - Exploration	VP - Production
CA	DPN	WFM
President	VP & General Manager	
MVH	RCL	

NON OPERATING PARTNER APPROVAL:

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

The results of this AFE are intended only as an estimate and are not to be construed as a contract or a commitment of the Company. The Company reserves the right to modify or cancel this AFE at any time without notice. The Company reserves the right to modify or cancel this AFE at any time without notice. The Company reserves the right to modify or cancel this AFE at any time without notice. The Company reserves the right to modify or cancel this AFE at any time without notice. The Company reserves the right to modify or cancel this AFE at any time without notice.