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

March 25, 2015

VIA CERTIFIED RETURN RECEIPT MAIL

Anadarko Petroleum Corporation 1201 Lake Robbins Drive The Woodlands, Texas 77380

Re: Matador Production Company - Paul 25-24S-28E RB #121H Participation Proposal

Section 25, Township 24-South, Range 28-East

Eddy County, New Mexico

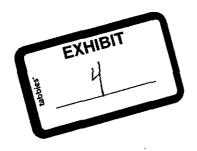
Anadarko Petroleum Corporation:

MRC Permian Company ("MRC") proposes the drilling of the Matador Production Company's Paul 25-24S-28E RB #121H Well, located in Section 25, Township 24-South, Range 28-East, Eddy County, New Mexico, to the Wolfcamp 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. Please indicate your election in the space provided below, sign and return one (1) copy of this letter to the undersigned. Additionally, please sign and return a copy of the enclosed AFE.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping the subject well is \$5,893,684 as itemized on the enclosed Authority for Expenditure ("AFE") dated January 3, 2015.
- 2. The proposed surface location of the subject well is approximately 359' FNL and 247' FWL of Section 25, Township 24-South, Range 28-East, Eddy County, New Mexico. The proposed point of penetration of the subject well is approximately 380' FNL and 330' FWL. The proposed bottomhole location of the subject well is 380' FNL 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 (~8,000' TVD) to a Total Measured Depth of approximately 12,500' resulting in a productive lateral of approximately 4,600' that will require 12 frac stages to be completed.
- Anadarko Petroleum Corporation will own an approximate 25% working interest in the proposed well, subject to title verification.

Finally, if your election is to participate, please accept this letter as an invoice notice and request for payment and to please remit payment for your proportionate share of costs in the amount of \$1,473,421 as detailed in the enclosed AFE to Matador Production Company on or before fifteen days after receipt of this estimate and invoice is received. 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, Anadarko Petroleum Corporation shall be responsible for 25% of all costs incurred.

be incurred and in electing to participate in the proposed well, Anadarko Petroleum Corporation shall be responsible for 25% of all costs incurred.
Sincerely,
MRC PERMIAN COMPANY
Oh CHE
Chris Carleton
Enclosure(s)
Please elect one of the following and return to sender:
Anadarko Petroleum Corporation hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company Paul 25-24S-28E RB #121H Well, located in Eddy County, New Mexico.
Anadarko Petroleum Corporation hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE for the Matador Production Company Paul 25-24S-28E RB #121H Well, located in Eddy County, New Mexico.
Anadarko Petroleum Corporation
Ву:
Title:
Date:

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the malipiece, or on the front if space permits. 	A. Significate K. C. C. Addresse B. Received by (Princet Name) C. Sate of Deriver
1. Article Addressed to:	D. Is delivery address different from item 17 \in Yes If YES, enter delivery address below: \in No
Anadarko Petroleum Corporation	
1201 Lake Robbins Drive	
The Woodlands, Texas 77380	
Attn. Mark Hajdik	3. Service Type Certified Maii Priority Mail Express* Registered Return Receipt for Merchandis Collect on Delivery
2. Article Number	4. Restricted Delivery? (Extra Fee) ☐ Yes
United States Postal Service • Sender: Please print your name, a	First-Class Mail Postage & Fees Paid USPS Permit No. G-10
MRC Permian Company One Lincoln Centre 5400 LBJ Freeway, Suit	Cun C
Dallas, Texas 75240	

U.S. Postal Service
| CERTIFIED MAIL® RECEIP
| Domestic Mail Only
| For delivery information, visit our website at www.usps.com?
| O F C A USE
Postage	3 - 25 - 15	
Certified Fee	Postmark	
Certified Fee	Postmark	
Cendorsament Required	Published	Published
Cendorsament Required	Published	Publish

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

April 20, 2015

VIA CERTIFIED RETURN RECEIPT MAIL

Bank of America, N.A., Conquistador Council Boy Scouts, of America 2100 So. Utica Ave., Suite 150 Tulsa, Oklahoma 74114

Re: Matador Production Company – Paul 25-24S-28E RB #121H
Participation Proposal
Section 25, Township 24-South, Range 28-East
Eddy County, New Mexico

Bank of America, N.A., Conquistador Council Boy Scouts, of America:

MRC Permian Company ("MRC") proposes the drilling of the Matador Production Company's Paul 25-24S-28E RB #121H Well, located in Section 25, 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:

- The estimated cost of drilling, testing, completing, and equipping the subject well is \$5,893,684 as itemized on the enclosed Authority for Expenditure ("AFE") dated January 3, 2015.
- 2. The proposed surface location of the subject well is approximately 359' FNL and 247' FWL of Section 25, Township 24-South, Range 28-East, Eddy County, New Mexico. The proposed point of penetration of the subject well is approximately 380' FNL and 330' FWL. The proposed bottomhole location of the subject well is 380' FNL 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 (~8,000' TVD) to a Total Measured Depth of approximately 12,500' resulting in a productive lateral of approximately 4,600' that will require 12 frac stages to be completed.
- 4. Bank of America, N.A., Conquistador Council Boy Scouts, of America will own an approximate 9.375% 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, Bank of America, N.A., Conquistador Council Boy Scouts, of America shall be responsible for 9.375% of all costs incurred.

America, N.A., Conquistador Council Boy Scouts, of America shall be responsible for 9.375% of all cost incurred.
Sincerely,
MRC PERMIAN COMPANY
Cl C-K
Chris Carleton
Enclosure(s)
Please elect one of the following and return to sender:
Bank of America, N.A., Conquistador Council Boy Scouts, of America hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company Paul 25-24S-28E RB #121H Well, located in Eddy County, New Mexico.
Bank of America, N.A., Conquistador Council Boy Scouts, of America hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE for the Matador Production Company Paul 25-24S-28E RB #121H Well, located in Eddy County, New Mexico.
Bank of America, N.A., Conquistador Council Boy Scouts, of America hereby elects to lease our minerals for \$1,500/acre, 25% royalty, and a 1 year term on the lease form enclosed.
Bank of America, N.A., Conquistador Council Boy Scouts, of America
By:
Title:
Date:

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
Complete items 1, 2, and 3. Also complete	Signature Agent
item 4 if Restricted Delivery is desired. Print your name and address on the reverse	Addressee
so that we can return the card to you. Attach this card to the back of the mailpiece.	B. Received by (Printed Name) C. Date of Delivery
or on the front if space permits.	D. Is delivery address different from item 1? Yes
1. Article Addressed to:	
Bank of America, Congristado Council Boy Sconts of America	
2100 S. Mtica Ave., Saite 156	41
21003. PitiCK/TVC., 14/14/36	1
Tulsa, OK 74114	3. Service Type
	Certified Mail* Priority Mail Express" Registered Recurn Receipt for Merchandise
	☐ insured Mail ☐ Collect on Delivery
	4. Restricted Delivery? (Extra Fee)
2. Article Number (Transfer from service label) 7014 21	20 0004 4004 8920
PS Form 3811, July 2013 Domestic Re	num Receipt
Liberton States Booms Comme	
United States Postal Service	First-Class Mail
,	Postage & Fees Paid USPS
	Permit No. G-10
Sender: Please print your name	ne, address, and ZIP+4° in this box*
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MBC Dame'r Co	
MRC Permian Comp One Lincoln Centre	pany
5400 LBJ Freeway,	Suite 1500
Dallas, Texas 75240	1
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	Paul #1214
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Certified Fee	Postmark
Return Receipt Fee (Endorsement Required)	Here
Restricted Delivery Fee (Endorsement Required)	0 0
i i	Paul # 1214
U TO TO THE TOTAL	
= Sout To BOA. Cox. C	ouncel Basconte & America
Street & Api. No. 710 0	S. Utica Aug Smite 150
City State Ziro Links	DV 74/14
PS Form 3800, July 2014	transitions!

MATADOR PRODUCTION COMPANY

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

	ESTIMATE	OF COSTS AND AUTHO	RIZATION FOR EXPENDI	TURE	
DATE:	January 3, 2015			AFE NO.:	300014-015-001
-	Paul 25-24-28 #121H		``	FIELD:	0
LOCATION:	7 BG 23-24-20 #12-11			_	12500'/8000'
	=1.			MD/TVD:	
	Eddy			LATERAL LENGTH:	4,600
MRC WI:	65.63%			DRILLING DAYS:	21
GEOLOGIC TARGET:	Bone Spring			COMPLETION DAYS:	8
REMARKS:	Drill a horizontal well an	d complete with 12 stag	ges Bone Spring Gen 2 d	lesign.	
		DRILLING	COMPLETION	PRODUCTION	TOTAL
INTANGIBLE CO	OSTS	COSTS	COSTS	COSTS	COSTS
01 Land / Legal / Regulatory		31,700	\$	\$	\$ 31,700
D2 Location, Surveys & Dame	agea	125,000	13,000	4,000	142,000
10 Orilling		783,000			783,900
18 Gementing & Floet Equip		148,000			148,000
29 Logging / Formation Eval	uation		6,500		6,500
21 Mud Logging		14,500			14,500
23 Mud Circulation System		72,075			72,075
24 Mud & Chemicals		60,000	36,000		96,000
25 Mud / Wastewater Dispos	e i	105,000			105,000
26 Freight / Transportation		36,000	13,500		49,500
28 Rig Supervision / Enginee	iring	93,600 81,500	49,250	19,000	160,850
31 Orill Bits		147,000			81,500 147,000
32 Fuel & Power 33 Water		17,500	218,125		235,625
	and	10,500	13,000		23,500
34 Drig & Completion Overhill 36 Plugging & Abandonment		10,300	13,000		23,300
36 Prugging & Assardonment 38 Directional Drilling, Surve		140,000			140,000
40 Completton Unit, Swab, C		40,000	110,000	28,000	138,000
44 Perforating, Wireline, Silc			89,500	20,000	109,500
45 High Pressure Pump Truc			48,000	******	48,000
46 Stimulation		•	1,320,000		1,320,000
47 Stimulation Flowback & D	Disp		45,500		45,500
4# insurance	•	22,500			22,500
50 Labor		127,500	17,000	6,000	150,500
51 Rental - Surface Equipme	mt	77,700	208,175	12.000	297,875
52 Remai - Downhole Equip		15,000	43,000		58,000
53 Rental - Living Quarters		49,625	27,690	10,000	\$7,315
54 Contingency		215,770	225,824	9,800	451,394
• •	TOTAL INTANGIBLES	2,373,470	2,484,064	107,800	4,965,334
		DRILLING	COMPLETION	PRODUCTION	TOTAL
TANGIBLE CO	STS	COSTS	COSTS	COSTS	COSTS
41 Surface Casing		24,875	•	5	24,875
42 Intermediate Casing		78,500			78,500
43 Drilling Liner					
44 Production Casing		348,375			348,375
46 Production Liner					
48 Tubing				40,000	40,00D
47 Wellhead		50,000		60,000	110,000
48 Packers, Liner Hangers			45,100	12,000	57,100
49 Tenks					
\$0 Production Vessels				74,000	74,000
51 Flow Lines		-			-
52 Rod string				<u> </u>	
63 Artificial Lift Equipment				30,000	30,000
64 Compressor					
55 installation Costs				92,000	82,000
66 Surface Pumps		<u> </u>		5,000	5,000
58 Non-controllable Surface				66,000	68,000
59 Non-controllable Downto	ole .				
81 Downhole Pumps 63 Measurement & Meter Ins	rtsfletion.			12.500	12,500
64 Gas Conditioning / Dehyo				12,500	12,500
65 Interconnecting Facility F					
66 Gathering / Bulk Lines					
67 Valves, Dumps, Controlle	ers .				
68 Tank / Facility Containms					
69 Flare Stack					
70 Electrical / Grounding					
71 Communications / SCAD	A				
72 Instrumentation / Safety					
	TOTAL TANGIBLES		45,100	381,500	925,350
	TOTAL COSTS	> 2,875,220	2,629,164	489,300	6,893,684
REPARED BY MATADOR P	RODUCTION COMPAN	Y:		· · · · · · · · · · · · · · · · · · ·	
Drilling Engineer:	Aeron Byrd	Team Lead - WTX	NM —		
Completions Engineer:			DB		
Production Engineer:			50		
	·	·			
ATADOR RESOURCES CO					
Executive VP, COO/CFC	DEL	VP - Res Enginee	ering BikiR	VP - 8	Oritting
Executive VP, Legal		Exec Otr - Explore		VP - Prod	
President		VP & General Man			WFM
	WVH		RCL	·	
ON OPERATING PARTNER	APPROVAL:				
Company Name		-	Working Interest (%):	1	ax iD:
Signed by	:		Date:		-
Title	:		Approvat:	Yes	No (mark one)